



ASX Release

Foundations for growth established in first year of listing

28 August 2009: Fluorotechnics Limited (ASX:FLS) today announced that in its first year of listing revenues increased from \$0.7 million to \$3.2 million with a net loss of \$5.6 million.

Fluorotechnics focused on establishing foundations for future growth. Highlights included:

- Acquisition and integration of the Gel Company in the USA in October 2008
- Scaling up of gel manufacturing in new premises in Germany
- Development of an innovative new product in High Performance Electrophoresis (HPE) Tower Gel System and its upcoming global launch in Canada in late September 2009
- Early adoption of Fluorotechnics new HPE Tower Gel System by several selected high profile industry opinion leaders in Europe and Asia
- Appointment of James Walker as Chief Executive in March 2009

Mr James Walker, CEO of Fluorotechnics said, "We've largely achieved our strategy over the year to mobilise a world class sales team with the required infrastructure in Europe and the US."

Revenue to June 2009 was below expectations mainly due to: -

- Delays caused by quality control issues in Germany with certain gels
- Limited number of the new HPE Towers available before September 2009
- The global financial crisis curtailing expenditures from some customers
- Adverse foreign currency movements

The following table shows Fluorotechnics' revenue and results by reporting segments:

	Segment Revenues		Segment Results	
	2009	2008	2009	2008
	\$	\$	\$	\$
Europe	1,269,128	339,741	(1,514,581)	(142,379)
USA	1,811,437	-	(181,587)	-
Asia Pacific	166,389	358,576	(267,508)	(1,183,065)
Corporate / head office	-	-	(2,123,621)	(1,071,849)
Operating results	<u>3,246,954</u>	<u>698,317</u>	<u>(4,087,297)</u>	<u>(2,397,293)</u>
Impairment adjustment			(1,513,424)	-
Net profit after tax			<u>(5,600,721)</u>	<u>(2,397,293)</u>

The lower than expected sales combined with reduced gross margins were the prime contributors to the net operating loss of \$4.1 million.

Both factors are largely attributable to the delay in scaling up and producing high quality large format electrophoresis gels. The recent move to the new production facility in Germany will resolve these issues.

In addition, our Chief Technology Officer (CTO) Duncan Veal has relocated to head up the product development team which has been centralised at the production facility in Germany.

An impairment loss has been included in the 2009 result due to the excess of the cost over the current value of the goodwill related to the acquisition of the Gel Company in the USA.

While an impairment has arisen during the year to the carrying value of the USA goodwill acquired, the Directors remain satisfied that the acquisition of this business has provided the necessary base in the USA. Further, we remain confident that this business unit will return to growth in both revenue and profit in 2010.

In February Fluorotechnics adopted a new global brand and trading name for all its products. **gelcompany** now includes the products from San Francisco-based The Gel Company, German-based Elektrophorese-Technik GmbH (ETC) and Australian-based Fluorotechnics (www.gelcompany.com). Fluorotechnics acquired The Gel Company in 2008 and ETC in 2007. The three are highly complementary in product development, manufacturing and sales and customers.

Using one umbrella brand across the three companies and over 600 products has helped build brand goodwill, rationalise operations and cut costs. **gelcompany** has become the global trading and brand name, while the parent company and ASX listing remains Fluorotechnics Limited.

The global launch of the innovative new HPE Tower Gel System will occur at an international proteomics conference in Canada in late September 2009.

Mr Walker said, "The new High Performance Electrophoresis (HPE) Tower Gel System has created strong customer interest and important opinion leading scientists have already purchased the products. We anticipate they will act as reference sites for new customers."

Forward orders on this new system are encouraging and accordingly the Board has maintained its sales guidance for the year to June 2010 of \$10-12 million.

Since the year end Fluorotechnics has announced a 1 for 7 rights issue to raise a maximum of \$1.035 million to provide adequate funding until the business achieves positive cash flows around December 2009.

Enquiries:

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About Fluorotechnics: Fluorotechnics sells and develops innovative consumables and equipment that enable scientists to better measure biological processes using fluorescence.

The company has established itself as the global leader in the supply of products which are environmentally friendly, safe to use and offer a unique solution and superior performance compared to existing products. These products are used globally by our customers in research, quality control and diagnostics. See our website to view our products. www.gelcompany.com

Appendix 4E
Preliminary Final Report
Twelve months ending 30 June 2009

Fluorotechnics Limited
ABN 27 099 098 192

Date: 28 August 2009

Results for announcement to the market

Financial Results	June 2009 \$	June 2008 \$	Change \$
Revenue from Ordinary Activities	3,246,954	698,317	+2,548,637
% Change			+365%
(Loss) from ordinary activities after tax attributable to members	(5,600,721)	(2,397,293)	(3,203,428)
% Change			(133%)
Net profit (loss) for the year attributable to members	(5,600,721)	(2,397,293)	(3,203,428)
% Change			(133%)

Dividends	Amount per Ordinary Security	Franked amount per Security
2008 interim dividend	Nil	Nil
2009 interim dividend	Nil	Nil

Record date for determining entitlements to the 2008 interim dividend	Nil
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Net Tangible Asset Backing	June 2009	June 2008
Net tangible asset backing per ordinary security	\$0.049	\$(0.009)

Audit

The information contained in the Appendix 4E is based on accounts which are in the process of being audited. The remainder of the information is required to be disclosed to comply with Listing Rule 4.3A is contained in the attached financial statements.

Review of Operations

In the first year as a listed company revenues increased from \$0.7 million last year to \$3.2 million. This outcome was below expectations and resulted in a full year loss of \$5.6 million (2008 \$2.4 million loss).

The below expectation revenue for 2009 was caused partly by delays in marketing some gel products to prove-up quality control processes and also by unfavourable foreign exchange rate movements. As a consequence, there has been a reduction of working capital and the directors decided to undertake 1:7 rights issue to maintain financial flexibility for the company. This is expected to be completed in September 2009.

Pleasingly, we are experiencing a strong level of interest for our newly developed High Performance Electrophoresis (HPE) Tower Gel System for which to date we have only been able to supply limited numbers to the market.

We have been devoting considerable effort addressing both scaling up of the production capacity for the HPE Tower Gel System and in ensuring selected scientific opinion leaders in Europe and Asia are the early adopters of this new technology.

Production scale up for the HPE Tower Gel System is on schedule to allow us to satisfy demand for the system following its official global launch at a major proteomics conference in late September 2009.

We are now making good progress in the generation of forward orders for this new system, thus giving us confidence in the level of sales to be generated in the year ending 30 June 2010. Accordingly, the Board maintains its sales guidance for the year to June 2010 of \$10-\$12 million.

A summary of the consolidated results by geographical regions is set out below:

	Segment Revenues		Segment Results	
	2009	2008	2009	2008
	\$	\$	\$	\$
Europe	1,269,128	339,741	(1,514,581)	(142,379)
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Net profit after tax			<u>(5,600,721)</u>	<u>(2,397,293)</u>

The lower than expected sales combined with reduced gross margins resulted in an operating loss of \$4.1 million.

Both factors are largely attributable to the delay in scaling up and producing high quality large format electrophoresis gels. The recent move to the new production facility in Germany will resolve these issues.

In addition, our Chief Technology Officer (CTO) Duncan Veal has relocated to head up the product development team which has been centralised at the production facility in Germany.

An impairment loss has been included in the 2009 result due to the excess of the cost over the current value of the goodwill related to the acquisition of the Gel Company in the USA.

While an impairment has arisen during the year to the carrying value of the USA goodwill acquired, the Directors remain satisfied that the acquisition of this business has provided us with the necessary base in the USA. Further, we remain confident that this business unit will return to have growth in both its revenues and profits in 2010.

However, we have not changed our strategy to establish a world class sales team with the required infrastructure to close the significant opportunities available to us. This team was, in the main, put in place during the 2009 financial year and with the lower sales did impact this year's result. We are now well placed to convert our identified market segments for the 2010 year.

Products

Fluorotechnics is recognised as a global leader in manufacturing, distribution and sales of fluorescence and other protein detection technologies.

Fluorotechnics' products have strong points of difference to others used in proteomics laboratories. The technical advantages of our 2D gels offer high resolution and increased protein detection sensitivity. The gels are plastic backed, making them much more convenient to use than the cumbersome plate glass alternative.

Applications for our products include proteomics, cell culture, DNA sequencing, liquid handling, microarray and PCR, which is used to amplify DNA. Customers are mainly global pharmaceutical, research organisations and biotechnology companies. With the high value-added and advanced technical characteristics of the products, Fluorotechnics provides complete solutions rather than just an order-delivery operation. The product suite is regarded as the best available in the world and major users are increasingly recognising the premium supplier position of Fluorotechnics, especially in proteomics.

gelcompany

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Using one umbrella brand across three companies and over 600 products has helped build brand goodwill, rationalise operations and cut costs.

gelcompany becomes the global trading and brand name while the parent company and ASX listing remains Fluorotechnics Limited.

New products

Strong interest has been generated in our newly developed High Performance Electrophoresis (HPE) Tower Gel system, which will be officially launched at a major international proteomics conference in Canada in late September this year. This new gel system has already been adopted by selected key opinion leading research organisations in Europe and Asia.

New customers

A number of important new customers have been secured including, the proteomics unit at Greifswald University in Germany who are a leading service provider to some of Europe's largest pharmaceutical companies. It has converted to the newly available range of pre-cast non fluorescent gels for 2D electrophoresis.

Strengthening intellectual property

Fluorotechnics secured one of its most important intellectual property assets during the year after being granted the US patent for its fluorescence technology. Fluorotechnics owns the intellectual property to a new family of fluorescent molecules – the epicocconone family of fluorophores that are used for detection and measurement in research, diagnostics and quality control.

This method of enhancing fluorescence technology is already patented or pending by Fluorotechnics in several other jurisdictions including the USA, Europe, China and Australia.