

Fluorotechnics Limited

2009 Annual General Meeting

17 November 2009

Slide 0

Good morning shareholders my name is Rick Taylor and I am Chairman of Fluorotechnics and I note the time is 9:30 and accordingly it is time to commence the AGM.

The Secretary informs me that a quorum is present and, therefore, I declare the Annual General Meeting open.

As this is our first AGM as a publicly listed company, I would like to introduce you to your board of directors who have travelled from various parts of the world to be with you today.

In addition, our company secretary Ian Gilmour and our auditor Aidan Smith from HLB Mann Judd are also with us today.

Slide 1 **The Board**

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I have asked the directors to give you a brief description of their background.

In relation to myself, I was until last year a partner of the international accounting firm Deloitte where for the last decade I spent the majority of my time helping clients with their growth plans. This involved advising in relation to their merger and acquisition strategies as well as assisting with their capital raisings - including through IPO's on the ASX. In addition, in the latter years, I lead the private equity business at Deloitte and was a member of their Tax Executive.

On my right is James Walker who is our CEO and he will present to you later this morning on the company's operations.

On my left is David Weber, who is chairman of the Remuneration Committee based in San Francisco.

Next is John Fletcher who is chairman of our Audit and Risk Committee.

Next is Emeritus Professor Peter Bergquist.

Lars Eric Utterman who has recently joined the board.

We recently conducted a review of the operation of the board and I can assure you that the board is working well together and each of us brings a unique perspective to the issues at hand at Fluorotechnics.

Finally, I note that all of the non-executive directors on the board have a meaningful number of shares in the company and hence have a real personal reason to see the company thrive.

Slide 2 Proceedings

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The order of business today will involve

- Firstly my address
- Followed by our CEO's address
- We will then consider the Financial Reports
- Then, we will move to consider the resolutions to be put to the shareholders and which were set out in your notice of this meeting.

Each shareholder who registered today would have received a blue voting card. On a show of hands I will ask you to raise the blue voting card to assist the counting of votes. That card will also be used for the holding of a poll, if one eventuates.

I remind any visitors with a green card, you are not able to vote nor speak at the meeting.

Slide 3 Chairman's address - cover page

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The first matter that needs to be addressed is the fact that we did not meet the revenue estimate for the financial year 2009 that we made at the time of the IPO.

Your directors and the senior management of the company are very aware of this shortfall in performance and are dedicated to driving Fluorotechnics forward to meet its potential.

We note that our below expectation results can in part be attributed to the difficult trading conditions brought about by the GFC and wild swings in the foreign exchange rates. However, the largest contributing factors were in our court and were:

- The long time it took us to establish our manufacturing operations such that we could supply high quality gels to the market, and
- There were only very limited supplies available of our new flagship product - the High Performance Electrophoresis FlatTop Tower System.

While the above delays were regrettable, we believe they were justified as it is a big mistake to try and sell substandard products in our market.

Scientists want quality tools that produce sensitive, reproducible results and which are easy to use.

Accordingly, we considered it appropriate to take the additional time to make sure we delivered leading products to our customers.

Despite the shortfalls for 2009, we can assure you that management and the directors are positive about the future of the company.

Much of the remainder of my address details how we have set up the company for future success.

Slide 4 Gelcompany Branding

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Shareholders, you will notice on the slide two brands - being Fluorotechnics and Gelcompany. This is because Fluorotechnics has rebranded itself and is now known as “gelcompany” in the market place. It was necessary for us to standardise our name under one banner, being gelcompany, as we have brought together this year three companies and three brands being Fluorotechnics, ETC and the Gel Company.

So our products and brochures are now all branded as gelcompany, and the main website for the business is now located at www.gelcompany.com. I recommend that you visit this site to have a browse around to see our range of products.

Given this is our first public meeting, it is worthwhile briefly recapping the nature of our business and the markets in which we operate.

In this regard, we are suppliers of life science tools for use in research, drug discovery, diagnostics and industrial applications.

So as you can envisage, many of our customers are at the forefront of medical research. For instance, some are looking for or have identified bio-markers for various diseases such as Alzheimer’s, Parkinson’s and breast cancer.

We started the 2009 year with some great products, however it is fair to say that we found that we needed a bigger, break through approach to fire up the imaginations of our target customers in order to really accelerate the sales process. In this regard, until late September this year we have been very busy working on developing and launching our new High Performance Electrophoresis (HPE) system.

This system really brings together our major product offerings and has been described by an opinion leading customer as “a major leap forward in proteomics research”. These are strong words for a conservative scientist!

This High Performance Electrophoresis system is now ready and has been launched with a great reception from the market. I will later discuss sales, but I can tell you that the directors and the management team are very excited by our prospects and I can assure you that as of today, finding sales prospects for our HPE system is not our problem.

So why do life scientist want our new High Performance Electrophoresis system?

Before answering this question, let’s consider the problems of the current technology. In this regard:

- Not all proteins found
- Hard to use
- Lacks reproducibility
- Slow
- Fragile
- Health hazard for pregnant women

Whereas, our High Performance Electrophoresis system solves these problems as it is:

- More proteins - 20%
- Easy to use
- Reproducible
- Fast
- Robust
- Safe

James will discuss the HPE system in greater detail later this morning.

Slide 5 Addressable Market Size for our Products

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The total addressable market size of life science tools for our products currently on sale and in the development pipeline is US\$2.2bn.

It is our goal to become a meaningful and then a major player in the supply of life science tools to this market. We believe we are taking the steps necessary to achieve our goal.

Slide 6 Global Presence

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We have offices in Sydney Australia, Tübingen Germany and San Francisco in the USA.

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We also have 8 direct sales staff promoting our products in our major markets of Asia Pacific, Europe and in the USA.

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And to complement our sales people, we also have distributors in various other parts of the world.

Slide 7 International Management Team

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As previously indicated this team is acutely aware that it did not deliver on its sale estimates for the 2009 financial year. They are however, incredibly motivated and dedicated to making your company a success.

Slide 8 Foundations laid in 2009

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During the year we have done an enormous amount of work to lay the foundations for what we believe will be a very successful Fluorotechnics in the future.

I thought it appropriate to provide a summary of the major events that have occurred during the year which include:

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- The acquisition and integration of the Gel Company business that is located in San Francisco. It is a great staging point from which to work the huge market existing in the USA.

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- In Germany we have worked very hard on the scale up of our gel manufacturing capacity and also to ensure the gels being manufactured met our quality control standards. This took longer than we expected - but we are now satisfied with the quality of our key gel products.

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- As part of the scale up process we needed to move to bigger premises and as a result of the GFC, we were able to do a good bargain when leasing space in part of this building. You can see that this building is located in the beautiful and historical university town of Tübingen in Germany. This is strategic, as Germany is proving to be the country where we expect to have the biggest and fastest sales growth.

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As discussed earlier, we have been busy developing our flagship High Performance Electrophoresis system. This system involves a suite of products, the central component being our HPE FlatTop Tower - which is illustrated on the slide.

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- We wanted the High Performance Electrophoresis system to receive a good reception in the market place on its launch in late September 2009. Our strategy in this regard, was to ensure selected opinion leading scientists adopted and started recommending the new HPE FlatTop Tower System at a time that coincided with the launch. This strategy is working, we are now getting high praise from opinion leading scientists. This means when we approach a customer, we can point to very positive statements made by their peers and this makes the job of convincing them of the benefits of the system that much easier.

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- Our sales strategy primarily relies on our direct sales force. In this regard, in 2009 we have hired experienced direct sales people in Germany, Benelux, USA, UK and Australasia and we are in the process of hiring a couple more salespeople.

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- We also promoted James Walker to be our CEO in March 2009 and he is proving to be a capable leader.

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- Finally, we raised a total of \$10m of new capital at the IPO and via rights issues in the middle of the GFC.

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Slide 15 Financial Results for 2009

I would like to now turn to our financial result.

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From the table you can see that our total sales for 2009 were \$3.2 million.

Of note, is our core proteomics business that had 175% growth from \$493,000 to \$1,354,000 over the 2009 year.

While there was good growth in percentage terms, the sales result was well below our expectations for the reasons previously discussed. This was primarily due to: -

- A slower than expected scale up of the manufacture of quality gels in Germany, and
- Not being able to launch the HPE FlatTop Tower System until late September 2009.

Also of note are the sales from our genomics business acquired immediately after the IPO, which totalled \$1,858,000.

The net result after tax was a loss of \$5.6m, which was impacted by a \$1.5m write down of the goodwill referable to the business acquired in the USA.

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Slide 16 Looking Forward to the 2010 Year

I will now turn to looking forward to the 2010 year.

In short, I am pleased to advise we are expecting a substantial ramp up of sales this 2010 financial year. This is because of the initial great reception in the market place for our new High Performance Electrophoresis FlatTop Tower.

In addition, our HPE FlatTop Towers can only be run using our gel products. So just like the photocopiers you have at home and/or at the office, our customers will need to continually order gels. They will also favour the use of our fluorescent dyes and other consumable products that we manufacture.

That is, having an installed base of High Performance Electrophoresis equipment will create an annuity stream for us as customers will have ongoing consumable product needs.

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I have spoken to you already how we have a suite of consumable products that we will sell with our HPE system. In addition to this, we see opportunities to launch new complementary consumable products to be used with the installed base of HPE equipment.

Examples of new HPE consumable products likely to be launched in the 2010 year are;

- Peptide gels, and
- Blue Native gels.

Both new gels will solve problems for life scientists and will work exclusively on our new Tower System. Briefly, the gels will be novel in that they will allow scientists to better analyse peptides and small proteins and at the other end of the scale, scientists will be able better analyse large protein complexes.

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Have we got our strategy right? We believe we do! And opinion leading scientist support this view given their comments like:

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“Gelcompany’s HPE system is the best system available anywhere” and

“Combine the (great) results with the fact it is easier, faster and cleaner we have a major leap forward in proteomics research.”

“The results are convincing. I need to buy one.”

Slide 17 Sales Progress in the 2010 year

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Sales success for the 2010 year will be very much about; executing well on our sales plan for the High Performance Electrophoresis system, ensuring there is a good cross sell of consumable products for use on this system and the continued performance of our genomics operations.

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From the start of our sales campaign in late September we have been flat out generating interest, providing sales quotes and making converted sales of HPE FlatTop Towers.

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We launched the HPE system at the biggest proteomics conference, which was the Human Proteomics (HUPO) Conference held Toronto in late September 2009.

The conference was a great success and our display booth was the busiest by far. The end result was over 30 leading scientists wanting us to contact or visit them to discuss sales quotes or how they could further evaluate the HPE system.

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In 6 weeks of sales efforts we have secured 10 processed sales and verbal commitments to purchase the HPE systems. We have also approximately 40 live quotes outstanding.

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Our sales team is very excited and working at a hectic pace visiting many customers in sales seminar tours that have been planned for Europe, the USA and Australasia.

A selection of the places visited include:

- UCLA University - California
- Max Plank Institute - Munich
- Karolinska Institute - Stockholm
- Medical Proteome Centre, Bochum University - Germany

These visits are universally generating either immediate sales or future qualified sales leads.

Further, the sales team is getting very positive feedback from the scientists that we on the right course with the High Performance Electrophoresis products.

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Finally, our genomics business is performing in line with expectations.

Slide 18 Sales Guidance for 2010

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We are experiencing a time of rapid sales growth. However, the total level to be achieved in this 2010 financial year will be adversely impacted by the extra months it has taken to ensure the quality of our new High Performance Electrophoresis systems.

Hence, we advise today that our revenue estimate for sales in 2010 will be in the range of \$7-10M.

Our projections for cash are that we will have sufficient reserves to make it through to becoming breakeven.

Finally, I would like to thank all our shareholders for their support. Similarly, I would like to thank the Fluorotechnics team for all their hard work in 2009.

I will now hand over to James Walker for him to give his CEO address.

Slide 19 CEO ADDRESS

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Good morning, I will now expand on our Chairman's address and update you on our recent activities.

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Slide 20 Vision - Innovative Tools for Life Scientists

Through our activities in 2009 we now have over 1,000 customers with many of the key opinion leading laboratories already buying from us.

We have been and remain focussed on filling out our product portfolio so Gelcompany is

recognised as the supplier of choice to the life science consumable industry.

For a company of our size it is not possible to provide all consumable products in all areas of research so currently we are focused on proteomics (the study of proteins). Proteomics is applicable to all areas of human health with our customers working on solving conditions such as heart disease, cancer and Parkinson's disease to name just a few.

Through acquisitions and our own product development endeavours we have established a near-complete proteomics consumables solution - providing products in most areas of the proteomics workflow.

We are focused on proteomics as it is a large and fast growing market and through our IP protected technology and core skills within the team we have a natural advantage in this area. That is, we sell the most sensitive fluorescent stain in the market, our gels allow our customers to find proteins that are not seen with existing technologies as well as a sales force that is well respected and has extensive experience in this industry.

We have deliberately targeted some of the key, opinion leading scientists in this industry to evaluate our products and have had success in generating their support and ongoing business.

High Performance Electrophoresis - the new horizon to protein separation and identification

In late September 2009, at an international meeting in Canada we launched our new approach to protein separation and identification. We called this High Performance Electrophoresis (HPE) FlatTop Tower System.

HPE combines our existing horizontal gel technology with our new hardware that allows high throughput proteomics to be achieved. HPE has already been proven to have significant advantages over existing systems, as shown by the University of Greifswald study, where HPE allowed Greifswald to find up to 20% more proteins.

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Slide 21 Universal Proteomics Workflow - Our Products

For many of you who are not aware of what our typical customer will do in the lab and how our products help them with their research this slide provides good summary.

The researcher will usually work through the following processes:

1. Preparing their sample of interest (it could be human serum, cancer cells or other proteins). Our product, LavaPep enables the researcher to determine how much protein is available in the sample.
2. Separating the proteins out from other proteins so as to focus on the proteins of interest. Our gels and HPE system enables the proteins to be separated. We also sell glass cassettes that allow our gels to work on existing competitor systems.
3. Detecting the proteins - once the proteins are separated an agent is required to highlight the proteins to the researcher so further analysis can be performed on those proteins. We are well covered in this area with LavaPurple and LavaBlue.
4. Extraction - Once proteins of interest have been visualised the researcher will need to find out what the proteins are. To do this, the proteins must be removed from the gel and be prepared for mass spectrometry (MS). Our products include a spot picker to move the protein from the gel and LavaDigest to measure the rate of breaking up the protein so it can be analysed on the MS machine.

5. MS and protein matching - we do not provide products in this area as it is dominated by very expensive hardware, which typically is priced in the \$500,000+ range.

All together we sell more than 10 product groups and over 450 individual products into this workflow.

There are some gaps in our proteomics workflow product portfolio but our product development team are working on this and I am confident we will be announcing some new products in this area shortly.

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Slide 22 High Organic Growth Potential - Proteomics

As stated in my earlier slides our immediate business focus is on selling to proteomics customers as we believe we have the best products in this area as well as a great sales team to achieve our plans.

Our approach is based on providing workflow solutions and together with products that generate superior results in the customer's labs we aim to become the market leader in this field.

We have intentionally expanded beyond one product, one technology and are focused on helping the customer with all aspects of their consumable needs. Our products have strong points of differentiation to others used in proteomics laboratories. The technical advantages of our 2D gels include 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.

We are approaching this market under the banner of HPE, High Performance Electrophoresis - a new horizon in gel electrophoresis.

We have developed superior products that initially focused on the vertical gel market but as we finalised a key product development project we realised our horizontal technology would provide the best results for our customers and therefore accelerate our customer conversions.

With our industry respected sales team we have been able to install our HPE system into key opinion leading laboratories, such as Lund University in Sweden, Greifswald University in Germany and UCLA in the USA. Endorsements from these laboratories will go a long way to convert other customers.

However, converting opinion leading customers is just the start. We have a list of 145 qualified and quantified customers who are well known to us and are our immediate targets for the HPE system. This is from a database of over 2,000 proteomics researchers.

As part of the HPE push we launched our system at the Human Proteome Organisation (HUPO) annual international conference in Canada in late September 2009 and initial customer feedback was very supportive. We received commitments for three units and wrote over thirty quotations during the event.

Subsequent to HUPO we have been actively demonstrating the system in the USA and Europe and will visit over 20 cities in 12 weeks. Initial demonstration results have been pleasing with orders taken in our first demonstrations in Europe and the USA.

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Slide 23 Proteomic Opinion Leaders

Our superior technology and associated products have allowed us to deliberately target opinion leading customers and to date we have been very successful in gaining their support.

Here are some of the key customers we have already converted. In addition to these customers we have in very recent times received commitments to purchase the HPE system from organisations such as Hoffman LaRoche in Switzerland, LEMAR Institute in France, the National Centre for Biotechnology in Madrid and the Institute for Human Genetics in Germany.

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Slide 24 Commercial advantages of HPE approach

Because our HPE system provides customers with superior results, is easier to use and more reliable we believe this will also lead to good growths in sales in the 2010 financial year.

It will do this in a number of ways. Firstly, the sale of the HPE FlatTop Tower is an upfront outlay of approximately A\$25,000 per unit.

Secondly, the adoption of the HPE system means that as the only supplier of horizontal gels we have secured the ongoing consumable purchases to be made by the customers. This will also allow our sales team to bundle other products in our proteomics suite to assist the customer with their research.

Our development team is developing new products, such as peptide separation and identification as well as the analysis of complex protein structures. We are confident that we will be launching these new products in the first half of calendar 2010.

As indicated, the market acceptance of HPE as the new approach to protein separation is well on its way. This is supported by the customer's reaction at HUPO, initial feedback from our demonstration tours and the commitments to purchase.

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Slide 25 Summary

2009 has been the year when the foundations for success have been laid.

With the integration of the three companies bringing together a suite of complimentary products we are well placed to provide customers a complete solution to their proteomics workflow requirements.

With the launch of our High Performance Electrophoresis FlatTop Tower and related consumables in late September 2009 we have progressed to become an innovative market leading company that is focused on increasing the effectiveness of proteomics in changing the worlds of healthcare and research.

As we all know, having a good product is not enough for success and that is why we have put together a well respected and results driven sales team, have gained the support of opinion leaders and are focused on continuing to provide innovative products to the market.

It is through this approach that we will grow to be a successful company and deliver profits to our investors.

Conclusion

In conclusion, I would like to thank our employees, the rest of my management team, the Fluorotechnics board and most importantly, our customers as without their support we would not get far.

I would also like to thank you, our shareholders, for your continued support. We have had a slow start to our life as a listed company but we are focused on the keys of success, being producing excellent products, establishing our manufacturing infrastructure and building an experienced, focused and hard working team to ensure we unlock considerable value for the shareholders.

Thank you.

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