

CDEX is a technology development company that manufactures and globally distributes advanced chemical detection products. Based on its patented **Enhanced Photoemission Spectroscopy technology**, the company provides unique solutions to the challenges of identifying substances in difficult-to-monitor and critical environments. Patented and patent-pending CDEX technology has beneficial application in markets needing medical validation, hazardous chemicals and illicit drug detection, and brand protection through analysis of counterfeit substances.

Currently, CDEX is organized to serve two strategic markets - Medication Safety and Security. The **ValiMed™** system product line is providing life-saving validation of high-risk medications and return narcotics in healthcare facilities and pharmacies. **The ID2™** product line is a revolutionary new tool in the global battle against the growing public safety threat of illegal drugs, starting with the **ID2 Meth Scanner™** combating methamphetamine abuse and its toxic impact on the general public.

Both of these product lines affirm the superiority of our technology and also demonstrate the accuracy, reliability, speed and ease of use. CDEX expects to advance its proprietary technology to serve additional markets and applications.

### **We are an investment with a promising future:**

- 2008 was our transformational year from R&D to commercial operations.
- Our business plan has expanded its focus into manufacturing and sales while continuing our innovation and product creation efforts.
- We had record year over year revenues in FY2007 and FY2008 with gross margins well above 50%. We project that FY2009 will also continue this trend.
- We expect positive cash flows from operations in 2009.
- Our intellectual property and products are unique in the marketplace
- We expect significant additional innovation, new product introductions and existing product enhancements in the years ahead.

Visit our website for complete information about our company and our commitment to create innovations for a safer world:

[www.cdexinc.com](http://www.cdexinc.com)

### **Recent Results**

- ⇒ We are a company on the move! In recent months, among our public announcement were:
- ⇒ Record revenues in FY 2008 with gross margins of 74%
- ⇒ Introduction by our Security Division's second product line, the ID2 Narcolyzer™ - a table top device capable of rapid detection of meth and later heroin and cocaine.
- ⇒ Expansion of sales and marketing network, domestically and abroad, signing of \$B Distribution Partners
- ⇒ TUV Certification for our ValiMed medical product line (TUV Rhineland of North America tested it for European standards for product safety and regulatory compliance)
- ⇒ Expansion of our medical signature library used in our ValiMed systems, increasing its value and productivity in the healthcare setting
- ⇒ Product shipments domestic and international

Collectively, these accomplishments in 2008 reflect the building momentum across all of our enterprise. We are focusing our efforts on manufacturing, marketing and distribution to meet the expected acceleration of demand for our products.

### **Strategic Advantage**

We possess intellectual property and proprietary processes whose commercial applications are in their infancy. In the future, we expect to:

- Exploit our competitive advantage with multiple products in the multiple markets
- Differentiate and distinguish our products in the market due to their reliable, accurate, ease-of-use, quick, flexible and low-cost nature
- Enhance our products and technologies with periodic updates and refinements to improve their uses
- Create new applications using our existing technology, and
- Perfect emerging technology for even more applications

Because of our technology, systems, products and employees, we at CDEX believe we are on the verge of significant commercial expansion and corporate success. To learn more about our Company and your opportunity to become an investor, please contact us:

#### **CDEX**

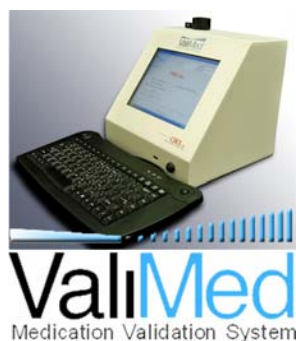
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Malcolm Philips, Chairman and CEO  
Tim Shriver, COO

## Our current product lines

CDEX technology is presently commercialized in two distinct product lines. ValiMed™ products address critical needs of medication validation in hospitals and pharmacies. ID2 products are designed to provide chemical detection for law enforcement and other markets. Our patented processes offer revolutionary features resulting in superior products with speed, ease of use, reliability, and accuracy and affordability.

Under the ValiMed™ brand, we offer products and services that authenticate medicines quickly, easily, and economically, thereby preventing costly mistakes from harming patients. After extensive testing and approvals, we now have distributors offering ValiMed products in North America, UK, France, Italy, Spain, Portugal, Kuwait, Qatar, Bahrain, and the United Emirates. Distributors in other countries are also anticipated.



Our scientists and staff have created a Medication Signature Library, currently consisting of more than 180 medication signatures used in patient treatments. We expect this list to continue to grow over time, increasing the importance and contribution of ValiMed to the healthcare industry. In addition, we expect to increase the versatility of the ValiMed products as we advance our patented and patent pending technology.

We introduced the ID2 Meth Scanner in 2008. This lightweight, hand held, battery-powered device quickly detects even trace amounts of methamphetamine easily and quickly – and without destroying or tampering with evidence.

Clearly, law enforcement is currently a primary market, but the need for quick and easy illegal drug detection extends to a number of areas to protect society, such as schools, military bases, customs, border patrols, and residential and commercial

property inspection services. In alarming proportions, society's exposure to the toxic effect of illicit drugs is being felt, and the ID2 Meth Scanner is there to help protect the public. In February 2009, we signed Decatur Electronics ([www.decaturradar.com](http://www.decaturradar.com)) as our exclusive distributor for the law enforcement market in North American and began shipping Meth Scanners to their clients in April 2009.

Recently, we introduced the Narcolyzer™ – a tabletop device that identifies methamphetamines and later cocaine and heroin. It is built using the ValiMed platform.



These detection device systems are affordable and reliable tools for the market place in our quest to make the world a safer place.

## Our next stage of performance

We have advanced from a scientific R&D Company to full-scale manufacturing, commercial and marketing operations.

As we ramp up and expand our capabilities, we expect to:

- Increase the economies of scale of our business operation
- Maintain our impressive product sales margins
- Improve our overhead costs (selling, general and administrative) on a per unit basis or as a percentage of revenue
- Continue investing in R&D and patent applications based on discovery and opportunity
- Continue advancing our vision and global outreach to make our world safer

## Company Facts

(as of January 20, 2009)

Stock symbol	CEXI
Stock trading revenue	OTCBB
Shares authorized	~100 million
Shares outstanding	~62 million
Average daily volume	~40,000
Inside ownership	<25%
Current full-time employees/	
Consultants	~20
Year incorporated	2001
Public stock listing	2004
Fiscal year end	October 31
State of incorporation	Nevada
Accounting firm	S.E. Clark & Co., PC Tucson, AZ

For more information, visit our website:

[www.cdexinc.com](http://www.cdexinc.com)

## Caution regarding forward-looking statements

This document includes "forward-looking statements" as defined by the Securities and Exchange Commission. These statements concern our plans, expectations and objectives for future operations.

All statements, other than statements of historical facts, included in the presentation that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. They are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business.

However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties which could cause actual results to differ materially from those contained in the forward-looking statements.

Please refer to cautionary language provided in our SEC Form 10-K and Form 10-Q filings and other public disclosures.