# INVESTOR UPDATE

# Matrix Composites & Engineering Ltd

Aaron Begley CEO
Michael Kenyon CFO
February 2011

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*"A Sea of Buoyancy" - in a dockside assembly yard in Asia*

# Highlights

- 1H FY11 audited half yearly accounts:
  - YTD Group Sales $92.4M
  - YTD Group NPBT $27.4M, YTD Group NPAT $19.3M includes:
    - $1.3M gain on revaluation of 2015 currency option
    - $0.6M impairment of the balance of development costs and associated goodwill of the Raptor CBS tool
- Change of auditor to Deloitte who has extensive international and oil & gas experience.
- Order book of approximately $180M at the end of January 2011.
- $40M in new orders booked since November from local and international clients.
- Open quotation book in excess of $400M, reflecting strong increase in demand.

*Matrix Deepwater Buoyancy offshore West Africa*

# Key Financial Highlights

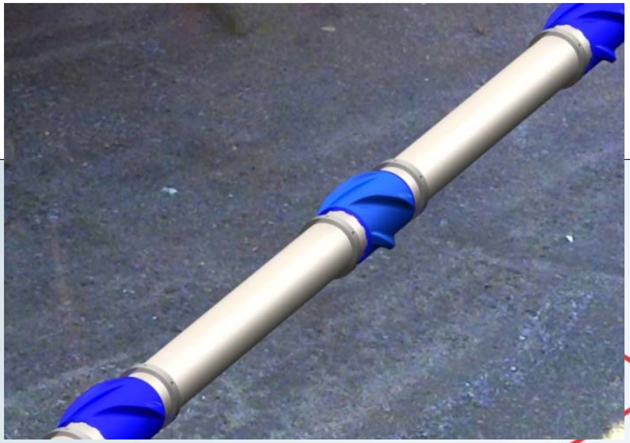
***Significant growth across key financial metrics***

| | H1 FY11 | H1 FY10 | Change $ | Change % |
|---|---|---|---|---|
| Revenue | $92.4m | $43.5m | + $48.9m | 112% |
| EBITDA | $29.3m | $12.1m | + $17.2m | 142% |
| EBIT | $27.8m | $10.4m | + $17.4m | 167% |
| NPAT | $19.3m | $7.4m | + $11.9m | 161% |
| EPS (basic, weighted) cents | 26.9c | 14.2c | + 12.7c | 89% |
| Interim dividend | 3 cents/share | 2 cents/share | + 1 cents/share | 50% |

# Highlights

- Expansion of Sales & Marketing Team to increase coverage in Asia and Oceania.
- Specialist engineers recruited for SURF* product development.
- Major orders obtained from several new key international clients
- Diversification of business lines into SURF applications, ROV, Marine Operations and down hole products is continuing, increasing exposure to these growth markets.
- Successful launch of drilling and completions centraliser product line.


*This ROV Utilises Matrix's Ultralight Carbon Fibre Syntactic Foam Buoyancy. ***



*The "Matrix" all composite body completions centraliser*

** SURF = Subsea Umbilical Risers & Flowlines*
***Photo Courtesy of Total Marine Technology*

# Henderson

*“Looking North West” – The Henderson Plant, the world’s largest & most sophisticated  composite Syntactic Foam Plant*

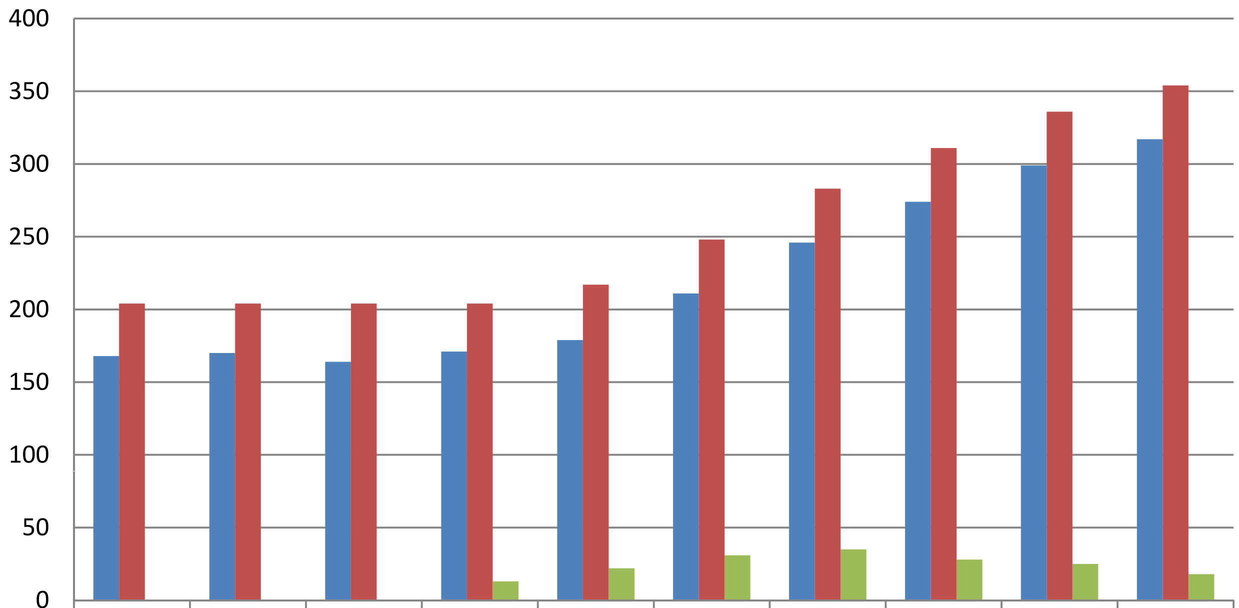
# Henderson

- Component production has commenced (macro production).
- Additional processes will be brought on line as commissioning continues.
- Malaga Plant output has been increased to satisfy project delivery requirements and cater for new orders.
- Final build cost estimated at $64M (plant fit out and building).
- Approx $7M to spend after 31 Dec; $6M is available from existing bank facilities.
- All Major Equipment lines installed.
- New Ultra Deepwater Hydrostatic Simulation Chamber undergoing commissioning

*Paul Riordan GM of Matrix Offshore Services & Engineering Division Standing next to Matrix's new 5000msw rated deepwater Chamber – weighing in at 63,000kg. The Chamber was designed and manufactured by Paul's team.*

# Outlook – Marine Riser Products

- New Gulf of Mexico regulations and a rising oil price is driving a new construction cycle for Drillship and Semi-submersibles.




| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011e | 2012e | 2013e | 2014e |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of Rigs Working | 168 | 170 | 164 | 171 | 179 | 211 | 246 | 274 | 299 | 317 |
| Existing Fleet | 204 | 204 | 204 | 204 | 217 | 248 | 283 | 311 | 336 | 354 |
| Number of Newbuilds | 0 | 0 | 0 | 13 | 22 | 31 | 35 | 28 | 25 | 18 |

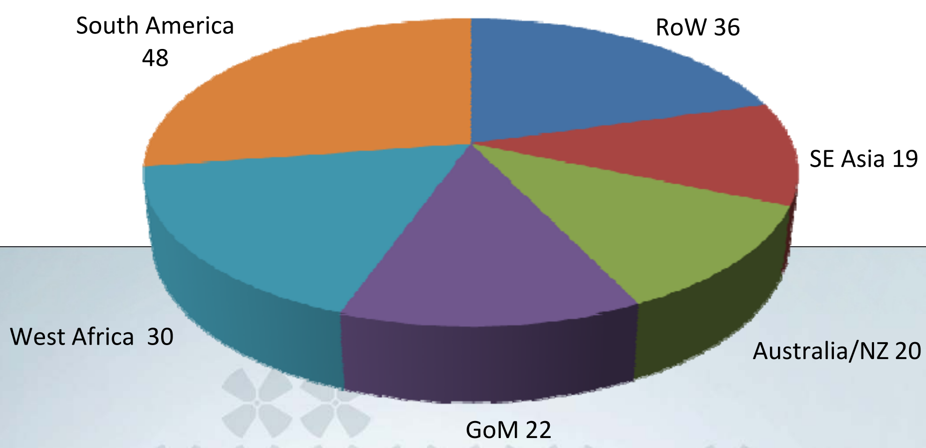
*Source : MC&E Marketing Dept Rig Fleet Research Study January 2011*

# Offshore Construction Project Pipeline

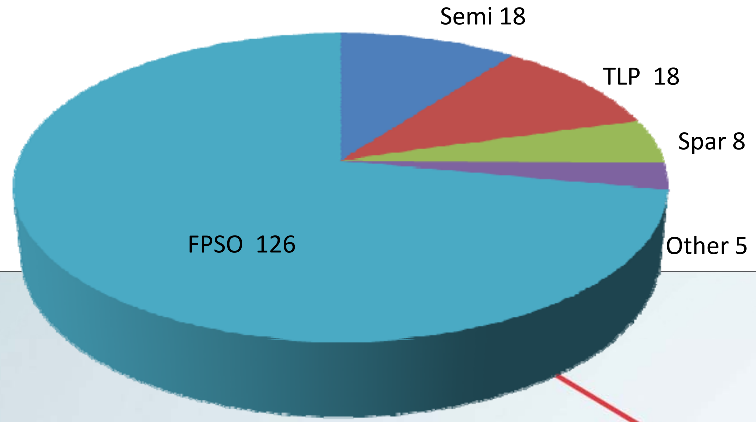
- A growing and large project pipeline for floating production systems, will drive increased demand for SURF products.

**Upcoming demand for floating production systems based on oil company plans**

By Region.....




By Type.....




*Source : MC&E Marketing Dept Rig Fleet Research Study January 2011, Excludes FSO's*

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