



2011 Full Year Results

• • • from the world's leading Deepwater Buoyancy manufacturer



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Company Overview & Structure



VISION - Matrix Composites & Engineering Ltd

"Matrix aims to provide engineered products and services that raise the benchmark for technical performance, reliability and safety of oil and gas drilling and production equipment."

- World leader in syntactic foam technologies
- Henderson plant (Perth) is the world's largest and most advanced of it's kind
- Supplies specialised products and services to the Global Deepwater Drilling, Subsea, LNG & Well Construction market.



Company Overview & Structure



VISION – Matrix Offshore Services & Engineering

“Matrix Offshore Services & Engineering is committed to providing specialised offshore and iron ore handling equipment services with the highest level of confidence and the lowest degree of risk to our customers ”

- Established Western Australian Oil and Gas Service Supplier
- Manufacturer of Onshore and Offshore Well Construction Equipment
- Services the Iron Ore sector (heavy materials handling equipment)
- Growing Offshore and Mechanical Site Services Supplier

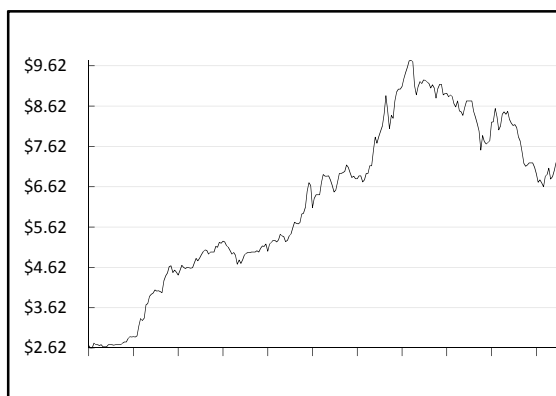


Corporate Overview



Share Price Performance

1st July 2010 - 30th June 2011



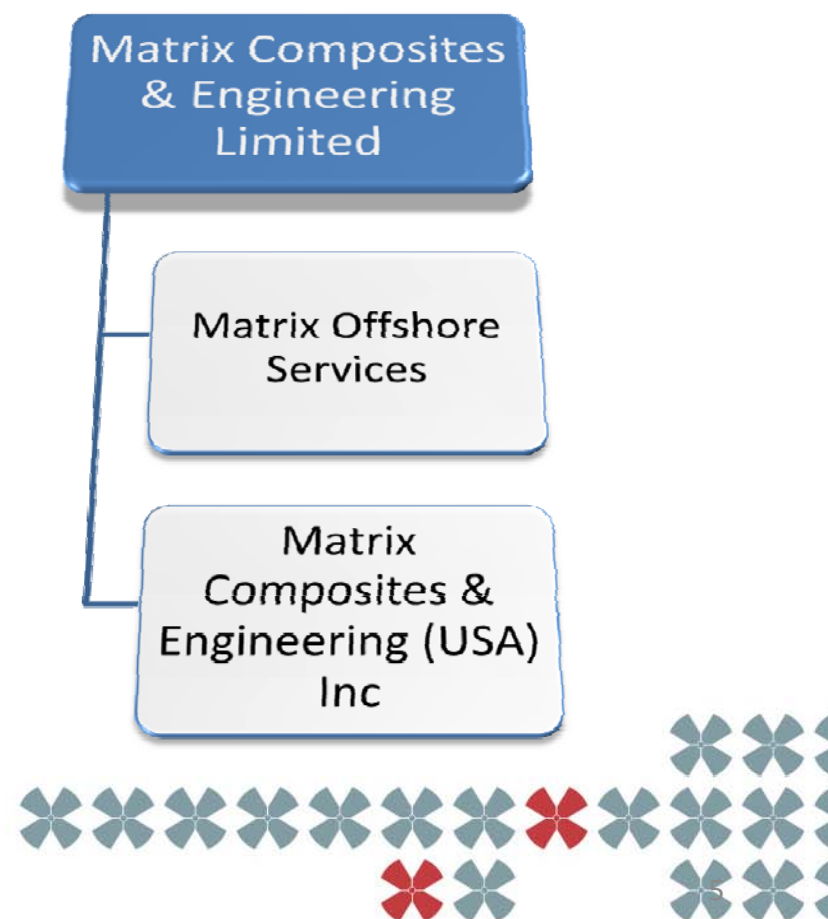
Capital Structure & Cash

At 30th June 2011

Shares on Issue	77.1m
Market Cap	\$556.5m
Cash on Hand	\$26.7m
Debt	\$35.2m

Group Structure

At 30th June 2011



Group Highlights



Financial

- Sales revenue up 82% to \$187.3m
- EBITDA up 87% to \$52.6m
- NPAT up 85% to \$33.6m
- EPS growth of 56% YOY
- Capital raising in April - \$33.8m



Operations

- \$500m in quotes outstanding
- Henderson facility opened in June 2011; total investment \$68m
- Record output in 2011
- Dynamic experienced management team
- WA Exporter of the year and Large Advanced Manufacturer National Award winner.



Strategic

- Focus on continuous improvement in core products and processes
- Regional expansion underway – USA office open
- Several new well construction products introduced
- New SURF products due for launch by 1H FY012
- Product Life Cycle Service





2011 Financial Results



Financial



Exceptional YOY financial performance

		FY11*	FY10	Change
Revenue	\$m	187.3	102.6	+82%
EBITDA	\$m	52.6	28.1m	+87%
NPAT	\$m	33.6	18.2	+85%
NPAT Margin	%	17.9	17.7	+1%
EPS (basic)	cps	46.0	29.4	+56%
Return on Equity	%	26.5	30.3	-12%
Operating cash flow	\$m	1.5	26.4	-24.9m
Final dividend	cps	5.0	2.0	+3.0 cps

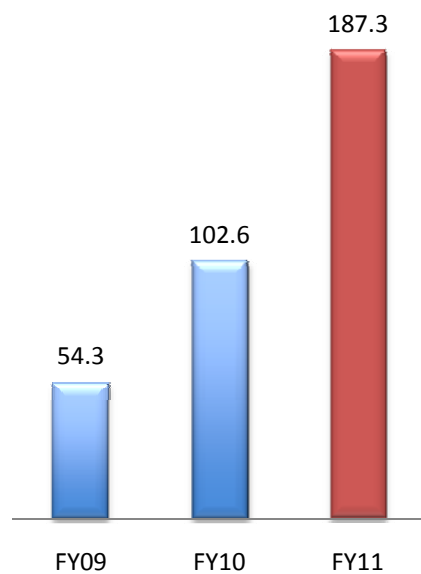
** In the process of being audited, no change or qualifications expected*



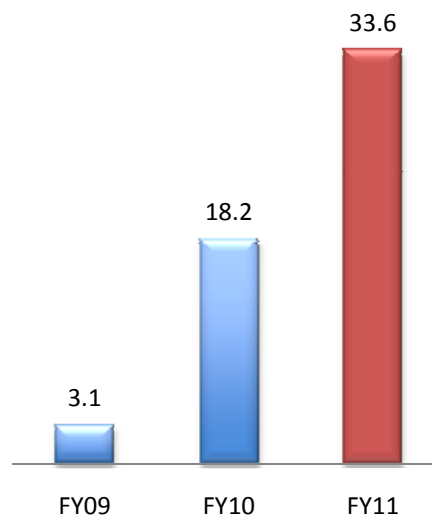
Financial



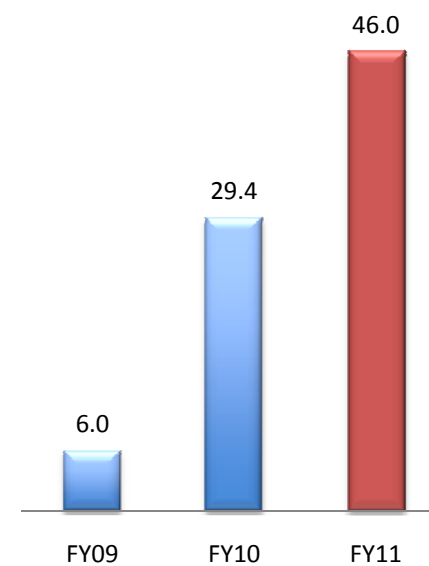
Revenue \$m



NPAT \$m



**EPS cents
per share**





2011 Operating Highlights



Henderson



- **Henderson was officially opened** on 8th June 2011 by CEO, Aaron Begley, and Hon. Simon O'Brien, Minister for Finance, Commerce and Small Business.
- **The facility represents the latest advances** in Composite Syntactic Foam Manufacturing and is currently the largest buoyancy manufacturing facility in the world. The Henderson plant is operational and is producing products for the company's global client base.
- **Stage 2** construction of a corporate office complex has commenced and is due for completion in early 2012. The remaining vacant land will be leveled and concreted to provide additional site storage capacity for both internal and third party requirements.



- **Improved processing technologies** will drive down material costs through lower wastage levels and more efficient use of materials.
- **Lower re-work costs and improved product quality** has already been evidenced through automation and process interlocks which remove the human element from independent errors and wastage.
- **Technical and safety concerns have been addressed with the new plant design.**
The full automation of the system is being progressively commissioned and is expected to be completed in early Q2 FY2012.
- **Improvement** of processes and materials will continue throughout the life of the plant.



Global Expansion



- **Matrix Composites & Engineering (U.S), Inc.** has been established and is located in Houston Texas. Matrix USA will expand its capabilities over the remainder of 2011 in Houston to include service, warehousing and manufacturing support.
- **Additional service facilities** are planned for Brazil and Singapore and will be rolled out over the coming 18 months.





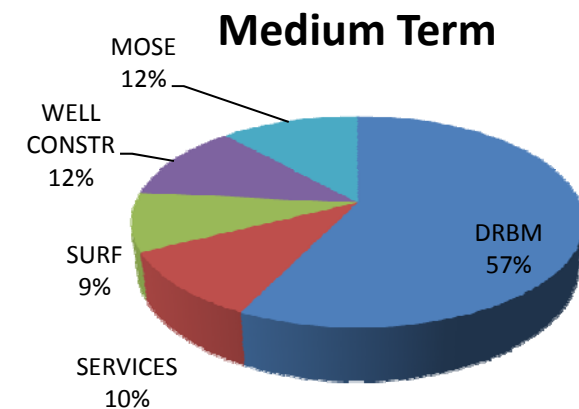
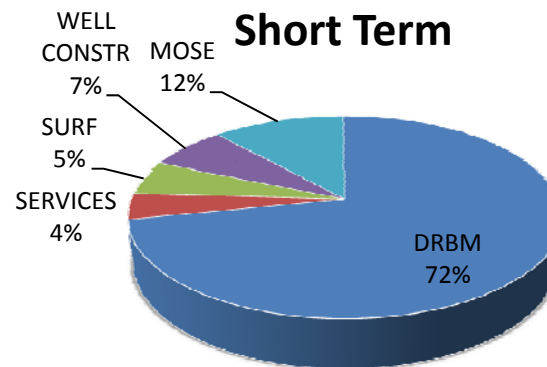
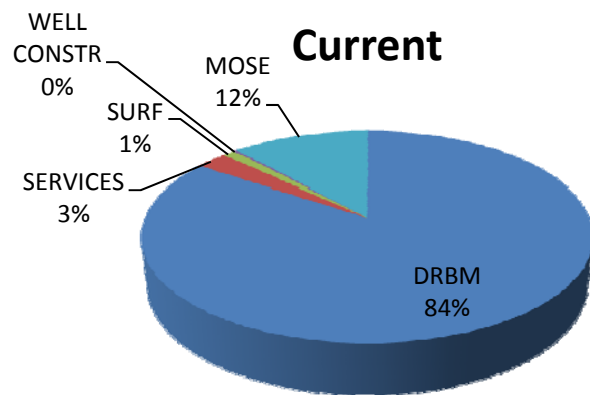
2011 Product Development



Product Development



- **Diversification of revenue base** is a key strategic objective and recognises growing opportunities in the SURF, Well Construction and Offshore Service Markets.



KEY	
DRBM	Drilling Riser Buoyancy Modules
SURF	Subsea Riser, umbilicals & flowlines
SERVICES	Offshore Services
WELL CONSTR	Well Construction
MOSE	Matrix Offshore Services



Product Development



Well Construction Products

- The development of consumable, high performance well construction equipment is a key strategic objective for Matrix and to this end, has launched a range of composite drilling and completion products including composite centralisers.
- Matrix has secured several supply agreements with US and Asian based equipment suppliers and operators for well construction equipment including composite centralisers.
- Demand for the product is being driven regionally by the number of lateral well installations, and internationally by the rapidly growing shale gas market in the USA.

Production Buoyancy

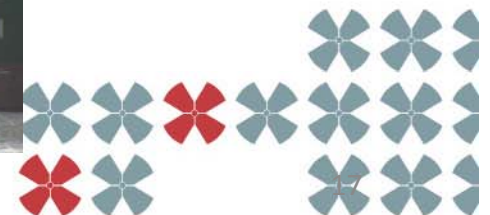
- Matrix has developed a revolutionary patented clamping system for flexible riser and umbilical applications.
- Currently due for Launch in Q2 FY12, this system opens up the growing flexible riser and umbilical market which is being driven by deepwater developments.



Service Development



- In Q1 FY12 Matrix expects to grow the Buoyancy Lifecycle Management business, including audit, repair and replacement of riser buoyancy.
- Significant repair contracts have been awarded in Asia and will be completed in FY12 .
- The site service capabilities of the Offshore Services Division will be utilised to provide global offshore and onsite repair services from mobile repair facilities.





2011 Outlook and Strategic Focus

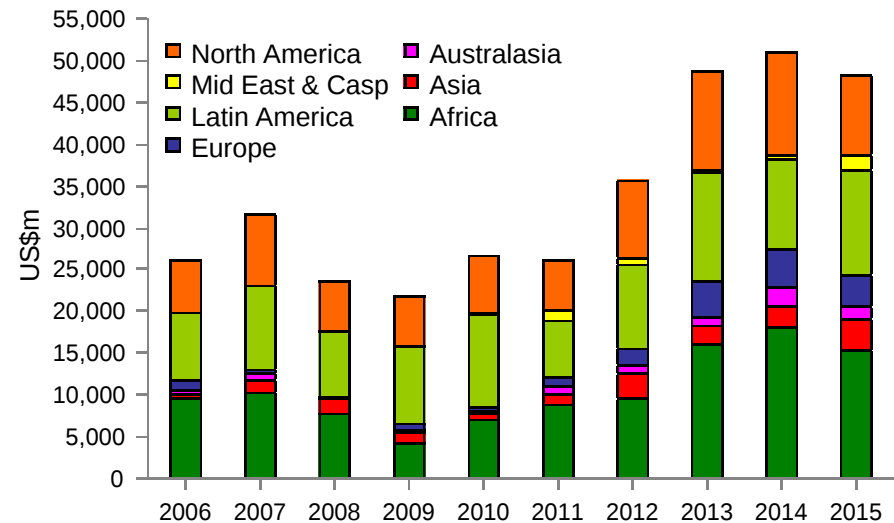


Market Conditions



- **Strong open quotation book** - AUD 500 million
- **Anticipated revenue growth of 20%** from FY011 to FY012
- **Some margin pressure** exists due to competitive influences and AUD strength
- **Macro conditions are forecast to exhibit strong growth** in key market sectors:

- Rig building
- Rig operations
- Subsea completions
- Deepwater developments and intervention
- Lateral Wells
- Shale Gas and CBM wells



Deepwater Capex (US\$m) By Region 2006-2015

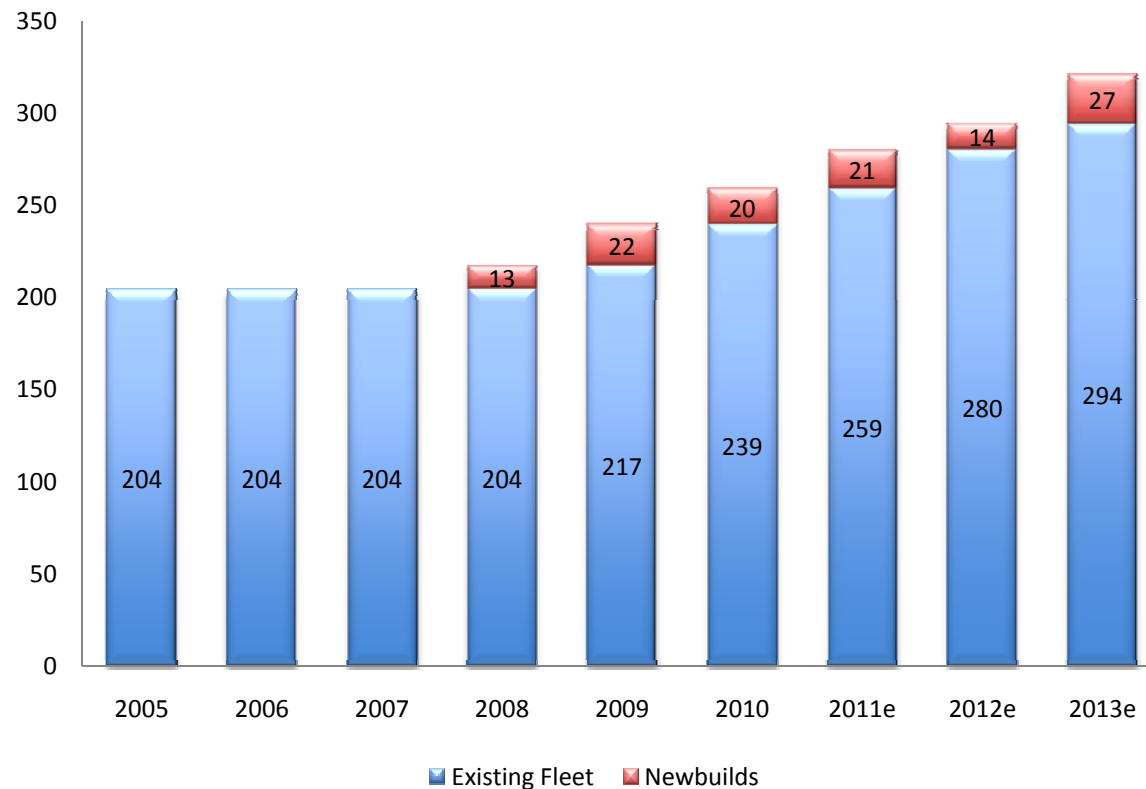
•Source: Infield Systems Limited, Deep & Ultra-deepwater Market Report



Market Conditions



- The deepwater rig new build cycle indicates strong demand over the next 3-4 years
- Total Rig Fleet will grow by approximately 50% from 2007 to 2013
- New Builds are typically 10,000' capacity increasing overall average riser length



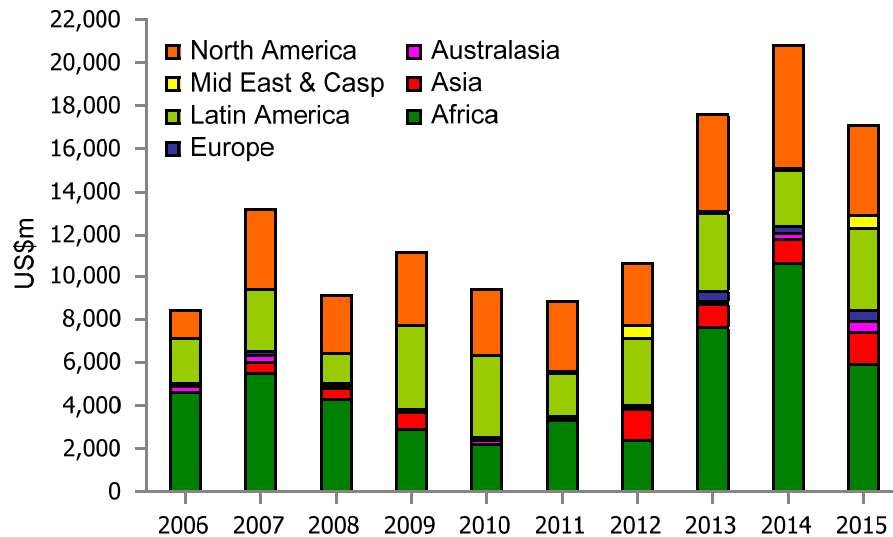
- Source : ODS Petrodata, Morgan Stanley Research estimates
- Forecasts for committed rigs are based on yard by yard deliveries
- Forecasts do not include uncommitted options



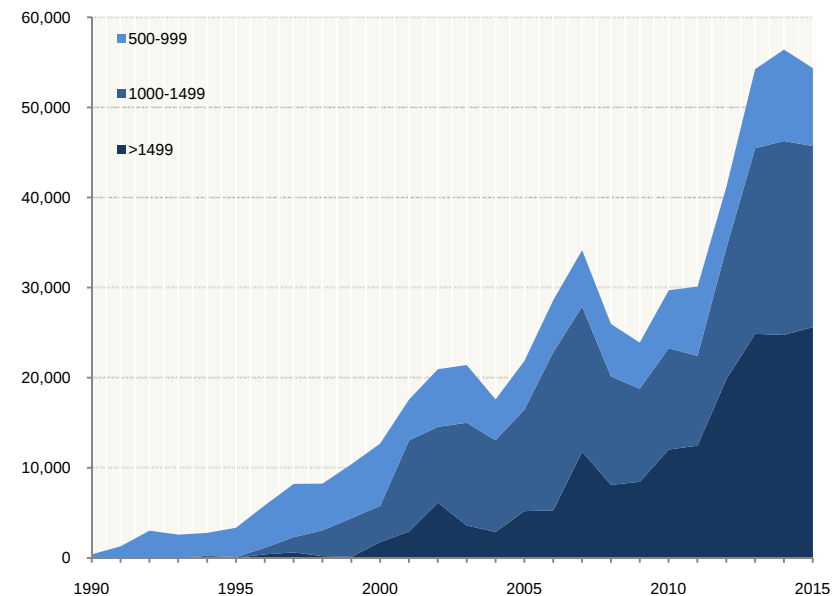
Market Conditions



- **Long term growth** in the deepwater and ultra deepwater platform and subsea market will continue to underpin demand for SURF products such as production buoyancy and flexible riser ancillaries.



Global Subsea Capex (US\$m) by Region 2006-2015



Deepwater Capex by Water Depth Group

•Source: Infield Systems Limited, Deep & Ultra-deepwater Market Report



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