



ASX Circular

Date: 23 May 2012

Key topics

1. Matrix Composites & Engineering Limited
2. Accelerated non renounceable entitlement offer
3. ASX Code MCE

Reading List

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 Compliance Managers
 DTR Operators
 Institutions
 ASX Settlement Participants
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No responsibility is accepted for any inaccuracies contained in the matter published.

MATRIX COMPOSITES & ENGINEERING LIMITED – ACCELERATED NON RENOUNCEABLE ENTITLEMENT OFFER

Participating Organisations are advised that on 23 May 2012, Matrix Composites & Engineering Limited (the "Company") announced that it will undertake a 1 for 15 accelerated non-renounceable pro rata entitlement offer of ordinary shares at an issue price of \$2.10 per share (the "Offer Price") to raise up to approximately \$10,800,000 (the "Entitlement Offer"). The Company will also undertake a placement to institutional and sophisticated investors to raise up to \$25,900,000.

The Entitlement Offer has two components:

- an institutional entitlement offer, where offers have been made to qualifying institutional shareholders for them to apply for their pro-rata entitlement to raise approximately \$6,700,000 (the "Institutional Entitlement Offer")
- a retail entitlement offer, where an offer will be made to qualifying retail shareholders for them to apply for their pro-rata entitlement to raise approximately \$4,100,000 ("Retail Entitlement Offer").

The Entitlement offer is fully underwritten by Argonaut Capital Limited.

The Record Date for the Entitlement Offer is Monday, 28 May 2012.

The Retail Entitlement Offer is expected to close on Friday, 15 June 2012.

New ordinary shares issued under the Entitlement Offer will rank equally with existing ordinary shares on issue.

The anticipated timetable in relation to the Entitlement Offer is set out below.

Date	Event
23 May 2012	Entitlement Offer announced Institutional Entitlement Offer and Placement open Institutional bookbuild opens Institutional Entitlement Offer closes.
Before market open on 24 May 2012	Results of Institutional Entitlement Offer and Placement announced Suspension of trading in Company's securities lifted
28 May 2012	Record date
29 May 2012	Settlement of Institutional Entitlement Offer and Placement
29 May 2012	Allotment of shares and despatch of holding statements under the Institutional Entitlement Offer and Placement
30 May 2012	Issue under Institutional Entitlement Offer and Placement Normal trading of new Shares issued under the Institutional Entitlement Offer and Placement expected to commence on ASX
31 May 2012	Retail Entitlement Offer opens Despatch of retail offer booklet and entitlement and acceptance form
15 June 2012	Retail Entitlement Offer closes
20 June 2012	Announce results of Retail Entitlement Offer
22 June 2012	Settlement of the Retail Entitlement Offer
25 June 2012	Allotment of shares under the Retail Entitlement Offer
26 June 2012	Normal trading of new Shares issued under the Retail Entitlement Offer expected to commence on ASX
28 June 2012	Desptach of holding statements for Retail Entitlement Offer

Settlement issues

Despite the fact that securities are trading "ex entitlement" on ASX Trade, CHESS will not recognise for settlement purposes the "ex entitlement" or the "cum entitlement" tag on CHESS messages and CHESS will not maintain cum balances during the deemed "CHESS ex-period", i.e. the period commencing on the deemed CHESS Ex-Date up to and including the record date.

However, a record date cum balance will be available the business day following the record date, which will be equal to the registered holding balance at CHESS end of day on the record date. As a result any transfer that occurs prior to record date will be effectively transferred on a “cum” basis.

Therefore, Participants must ensure that any transfer, including the priming of Broker Entrepot Accounts, is conducted in accordance with the basis of quote. For example, a transfer in relation to a transaction conducted on an ex-basis should ordinarily only occur post record date.

CHESS will perform automatic diary adjustments to “cum entitlement” settlement obligations outstanding as at the record date.

Trading issues

ASX will not price a “cum” market with respect to trading in the Company’s securities. Persons who acquire the Company’s securities after the commencement of the trading halt on Tuesday 15 May 2012 are not entitled to participate in the Entitlement Offer.

Further information

For further details, please refer to the Company’s recent announcements.