



## INVESTOR UPDATE

22<sup>nd</sup> December 2009

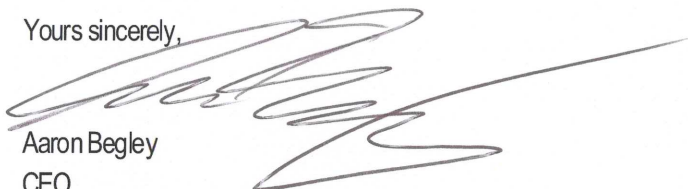
The Matrix Group is pleased to inform its shareholders and the market as to the progress on a number of key matters.

The recently issued Prospectus contained a NPAT forecast for the full 2009/2010 financial year of \$7.6 million. Financial results for the year to date have exceeded internal forecasts. These results are due primarily to better than expected gross margin performance within the advanced materials division and improved profit results within the heavy engineering division, an impressive achievement for this division and a sign that market conditions in this sector are continuing to improve. The Group has achieved an unaudited consolidated Net Profit after Tax (NPAT) of \$5.6 million for the 5 months ended November 30<sup>th</sup> 2009. Consolidated sales revenues were \$35.7 million for the same period.

Debt finance to assist in funding of the Henderson Development has been arranged. Matrix has agreed on the terms of credit approved Facilities totaling \$28.75 million to be provided by National Australia Bank Limited. The provision of these Facilities is subject to certain standard conditions precedent and the formal execution of documentation. The Facilities comprise a two year Bank Bill Acceptance/Discount Facility and a revolving Asset Finance Facility (which is subject to annual review). These Facilities, along with the equity raised by Matrix via the Initial Public Offering in November 2009, will fund the development of Henderson Stage 1 buildings.

The original Stage 1 building scope has been extended to include additional laydown area that was originally planned to be part of Stage 2, this has been done in response to several expressions of interest from clients including drilling contractors to store and service equipment at this site late next year. In addition, the company has expanded bulk materials storage areas and has improved the building specification for the assembly, sphere production and finishing plants in anticipation of better than projected payback periods for automated lines which require higher structural specifications.

Yours sincerely,



Aaron Begley  
CEO

Matrix Composites & Engineering Limited.



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