

14 March 2016

Matrix sells surplus property, further strengthens balance sheet

Matrix Composites & Engineering Ltd (MCE) advises that it has reached agreement to divest surplus property at Malaga for \$3.25 million. The transaction is expected to complete in mid-April 2016.

MCE intends to allocate the majority of proceeds to further reduce term debt, in line with the Company's strategy to de-leverage the business.

The property is the site of MCE's former Malaga engineering workshop. The majority of services performed at Malaga were consolidated at MCE's Henderson complex in FY14 in response to a reduction in demand for engineering and fabrication services, with a managed shutdown of the workshop completed in 1H FY16.

MCE will record a non-cash impairment of approximately \$0.6 million on the sale in its FY16 financial statements.

Matrix Chief Executive Officer Aaron Begley said: "The sale of this surplus asset provides Matrix with additional funds to further strengthen the Company's balance sheet.

"Our ability to consistently pay down debt over the past few years means Matrix is now close to a net cash position, ensuring we are well positioned to respond to the low oil price environment."

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About Matrix Composites & Engineering (MCE)

Matrix Composites & Engineering ('Matrix') manufactures and supplies engineered products and services to the global energy sector. Matrix has an established reputation for developing and utilising advanced composite and polymer materials technologies and innovative manufacturing processes. This means its products are stronger, lighter and longer lasting, and can be manufactured and delivered within shorter timeframes.