

11th May 2011

Market Update

With the end of the financial year fast approaching, LaserBond Ltd feels it important to update shareholders on expected consolidated financial results in advance of our yearly financial reports. A summary of these expected consolidated results are as follows:

	Jul to Dec 2010 Actual	Jan to Jun 2011 Forecast	6 Months Growth	2009-2010 Actual	2010-2011 Forecast	12 Months Growth
Revenue	5,964,586	6,750,000	13.2%	10,421,235	12,715,000	22.0%
Profits Before Income Tax	611,779	900,000	47.1%	610,244	1,510,000	147.5%

Ingleburn Operations

Our results for Ingleburn, NSW continue to be outstanding, with revenue showing an expected 37.9% revenue growth for the 2011 Fiscal year compared to 2010. Profits before Income Tax remains strong with expected full year results for 2011 resulting in a 55.8% growth compared to 2010.

Our manufacturing, thermal spray and laser processing divisions are all contributing to the substantial increased revenue. The demand for manufactured products that have specifically developed and applied wear surfaces continues to grow with further application opportunities with both existing and new customers ensuring our expected growth for future fiscal years.

In our December 2010 half year financial report we discussed the need for further investments for our Ingleburn division to cope with future growth. The most significant investment discussed was the plan to move to larger premises so as to provide more floor space for the required additional equipment. Ideal premises have been found, with 2.5 times the existing operational floor space, situated in a prominent position in the Ingleburn industrial estate. We are currently finalising lease documents with the intention to be fully operational in the new premises by 30 June 2011.

Gladstone Operations

In our December 2010 half year financial report we advised Gladstone had ended the period strong with work in progress at the time providing evidence that this division would return to consistent profits during the January to June 2011 period. The months of March to June are showing consistent revenue results, and small profits as expected.

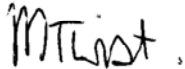
Expected revenue growth for the 2011 Fiscal year is low in comparison to 2010, however expected profit results for the year are showing a significant improvement. The company's strategy to meet consistent revenue targets on a monthly basis and improve operational results during January to June 2011 is expected to have been achieved.

In our December 2010 half year financial report we discussed the need for an investment in human resources to bring the operational staff and capacity back up to pre-downturn levels. With recent hiring of new shop floor staff and improved training of existing staff and apprentices we are confident the company has sufficient resources (human, plant & equipment and premises) to meet the next expected revenue growth throughout the months of July to December 2011.

Consolidated

Consolidated results for 2011 are expecting to result in a 22.0% growth in revenue and a 147.5% growth in Profits before Income Tax.

The group is now positioned perfectly for our 2012 growth and profit targets, and sustainable results for the future.

A handwritten signature in black ink that reads "MTWist". The letters are cursive and somewhat stylized.

Matthew Twist
Company Secretary