



24 October 2012

Market Update

The consolidated un-audited management accounts of LaserBond Ltd. for the first quarter (July to September 2012) have shown a decline in sales invoices of 8% over the previous corresponding quarter last year. With the increased fixed costs associated with investments discussed in detail in the 2012 Annual Report (refer to pages 14 to 17 in particular) this has resulted in a first quarter consolidated loss. Note that the disruption caused by the recent relocation of the NSW division has also had an effect on these results.

Part of LaserBond's strategy to ensure revenue continues to grow in order to both cover the increased fixed costs and bring profits in line with historical results, was to restructure the sales team (as detailed in the 2012 Annual Report page 16). This restructure essentially doubled the consolidated sales team allowing LaserBond the ability to present the value of our technologies and techniques to more clients and industry sectors.

Activity from the sales team has resulted in a significant increase in quoting, to both existing and prospective clients. The increase, comparing July to September 2012 to the previous corresponding quarter last year shows a 33% increase in the number of quotes and an 83% increase in the value of quotes.

We are also continuing to see positive feedback from prospective clients in relation to the results of trials, proving the value of our advanced surface engineering capabilities.

With continuing increases in sales activity and positive results from trials increasing the demand in our services, LaserBond are confident that future revenue targets (and the resulting profit results) are achievable and sustainable.

Matthew Twist
Company Secretary