

9 May 2012

Market Update

1. 2011-2012 Financial Expectations

Laserbond has reviewed its financial outlook for the current financial year. At this stage it is likely the reported EBIT for the current year will be in the vicinity of \$1.5 to \$1.7 million. As outlined in the 2011 Annual Report and subsequent announcements, to allow for continued growth, the Company has invested in a number of growth initiatives, and has also incurred some one-off costs. Excluding additional costs, underlying EBIT is expected to be modestly above last year's result.

It should be noted that revenue continues to grow as previously communicated and underlying gross profit margins remain in line with historical performance.

2. Contract with Alcoa World Alumina

LaserBond Ltd has been awarded a supply contract with Alcoa World Alumina, based in the USA, for the global supply of a range of machined and coated parts. These parts will be supplied to Alumina refineries in Australia, USA, Spain and South America. The contract is initially for a period of one year, with the provision for automatic renewal for up to a period of three years. Revenue from this contract will start immediately.

Alcoa World Alumina approached LaserBond directly to participate in this tender based on the results achieved with our surface engineering technologies with Alcoa in Australia.

3. NSW Property Move

As previously indicated, the growth of the NSW business requires movement & consolidation of the facilities on one site. The company has entered an agreement to lease new, larger, purpose-built premises nearby and will be released from existing property leases as soon as the move is complete.

Construction of the facility is currently on track with the move expected to commence during July 2012.

4. Capital Raising

LaserBond has placed its shares in trading halt pending an announcement regarding a placement to professional and sophisticated investors. Investorfirst Securities has been mandated as Lead Manager of this placement. A Share Purchase Plan with a record date of 8th May 2012 will also be offered to existing shareholders.

The funds raised will be invested in further growth initiatives including acquisitions to increase the Company's reach into Western Australian and South Australian markets.

The trading halt will be lifted upon the announcement of final details of the capital raising.



Matthew Twist
Company Secretary