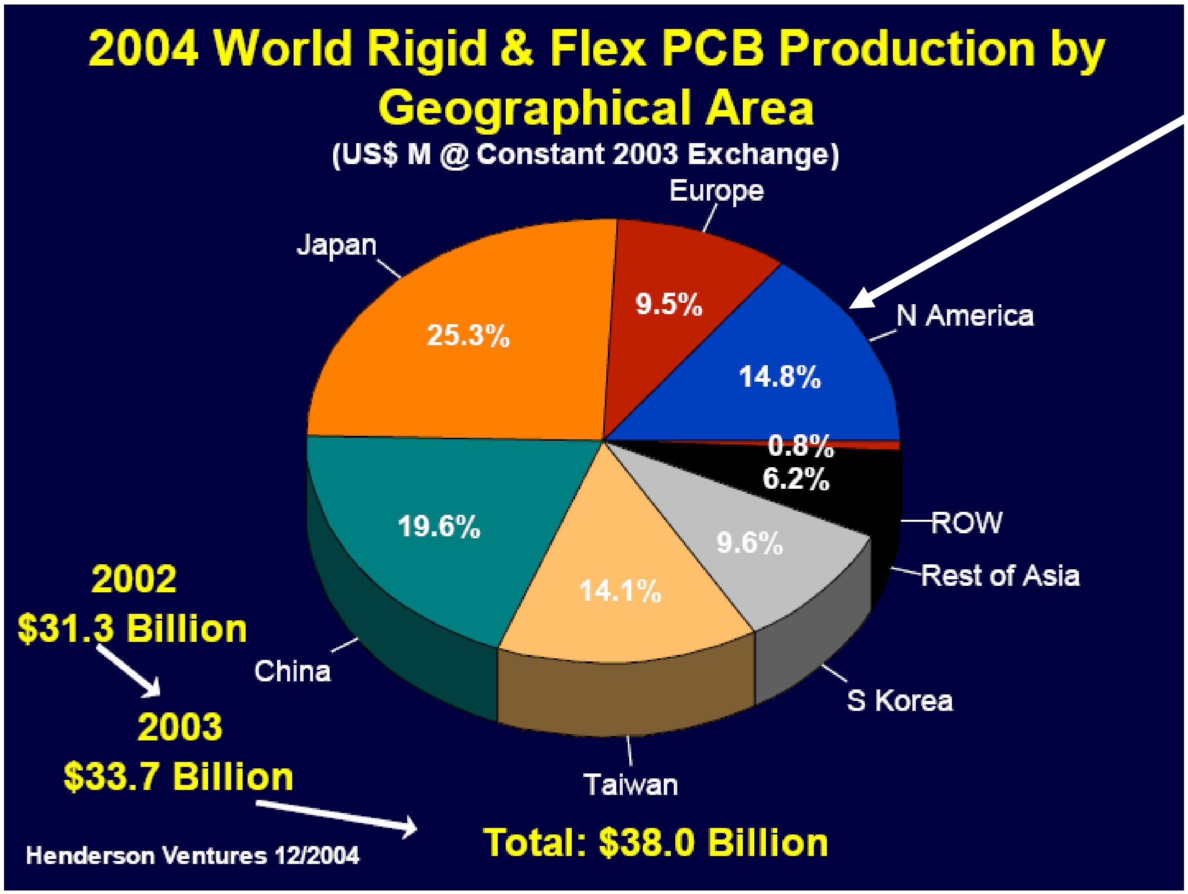
MATRIX USA INC

Matrix
Market Update

July 21, 2005

NA Global Contribution Shrinks



Was 27% in 2000!

NA PWB Manufacturer Consolidation

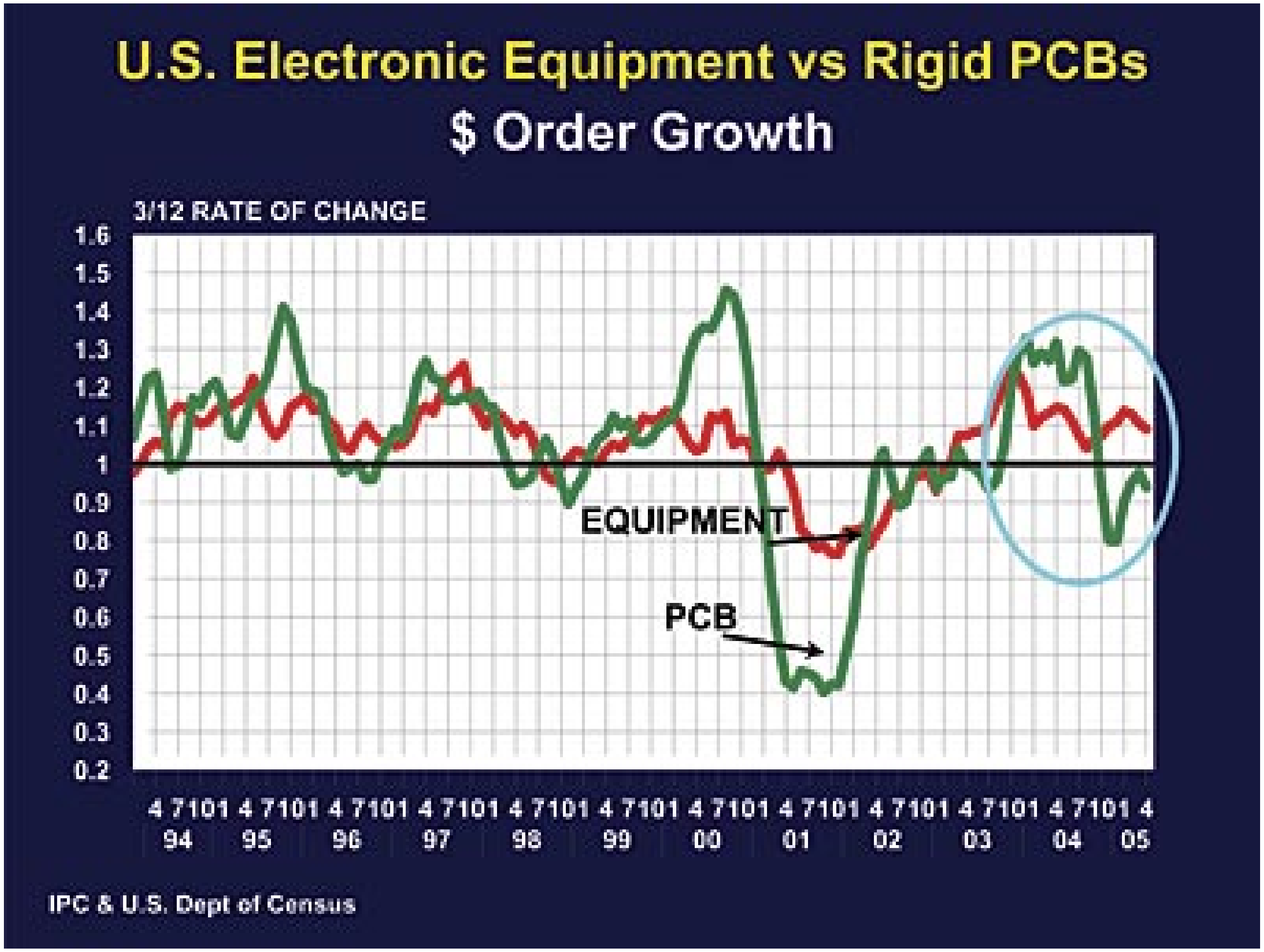
Top 10 PCB Companies
2000 vs 2003

	2000		US$M		2003		US$M
1	Sanmina-SCI	US	1,500	1	Nippon Mektron	JP	1,117
2	Viasystems	US	1,250	2	CMK	JP	1,049
3	CMK	JP	1,112	3	Ibiden	JP	1,027
4	Ibiden	JP	1,083	4	Hitachi Group	JP	685
5	Hitachi Group	JP	973	5	Shinko Denki	JP	636
6	Nippon Mektron	JP	905	6	Unimicron	TW	609
7	Compeq	TW	802	7	Samsung E-M	KR	545
8	Tyco	US	780	8	Compeq	TW	462
9	Fujitsu	JP	624	9	Nanya PCB	TW	453
10	Multek	US	600	10	Daeduck Group	KR	422
	Top 10 Total		9,629				7,005

Dr Hayao Nakahara, N.T. Information Ltd, 12/04

!

Slight Recovery in 2005



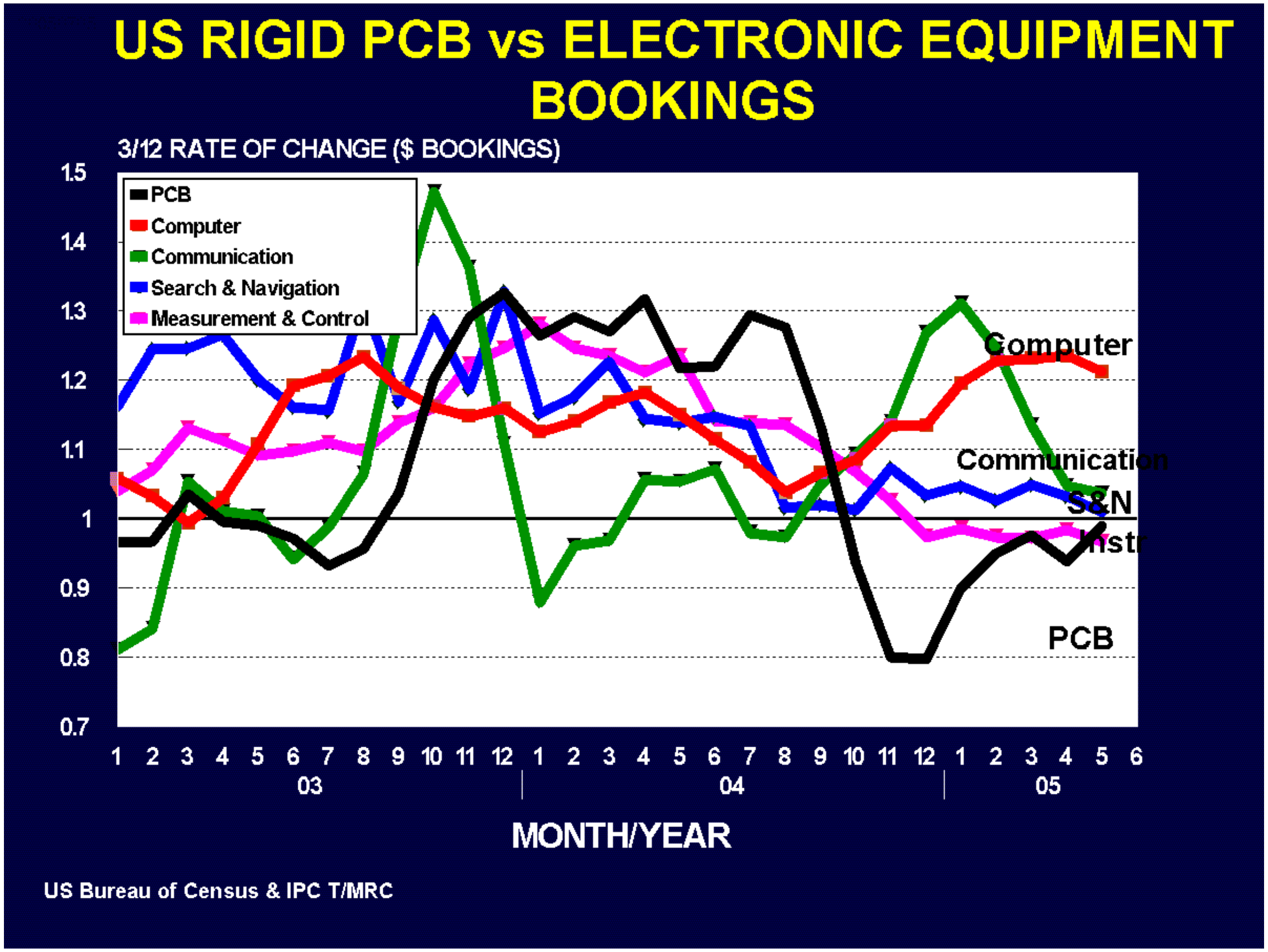
PCB's 2005 Flat!

PRESENT GROWTH RATES (%)
U.S. ECONOMY & ELECTRONICS INDUSTRY

	LATEST MONTH	ANNUAL GROWTH RATE	3-MONTH GROWTH RATE
RIGID PCB ORDER $	5/05	98.3	99.9
RIGID PCB SHIPMENT $	5/05	102.6	90.1
FLEX CIRCUIT ORDER $	5/05	130.1	60.8
FLEX CIRCUIT SHIPMENT $	5/05	143.2	115.1
SEMICONDUCTOR SHIPMENT $	5/05	114.3	101.8
ELECTRONIC EQUIPMENT ORDER $			
COMPUTER & RELATED	5/05	115.4	121.3
COMMUNICATIONS	5/05	109.5	103.7
MEDICAL, MEASUREMENT & CONTROL	5/05	102.2	96.7
SEARCH & NAVIGATION	5/05	103.1	101.0
TOTAL ELECTRONIC EQUIPMENT	5/05	108.5	106.9
INDUSTRIAL PRODUCTION	5/05	104.0	103.2

NOTE: 3 month growth rates compare most recent 3 months to same 3 months one year earlier

Bookings Flat



US Slowdown in 2006?

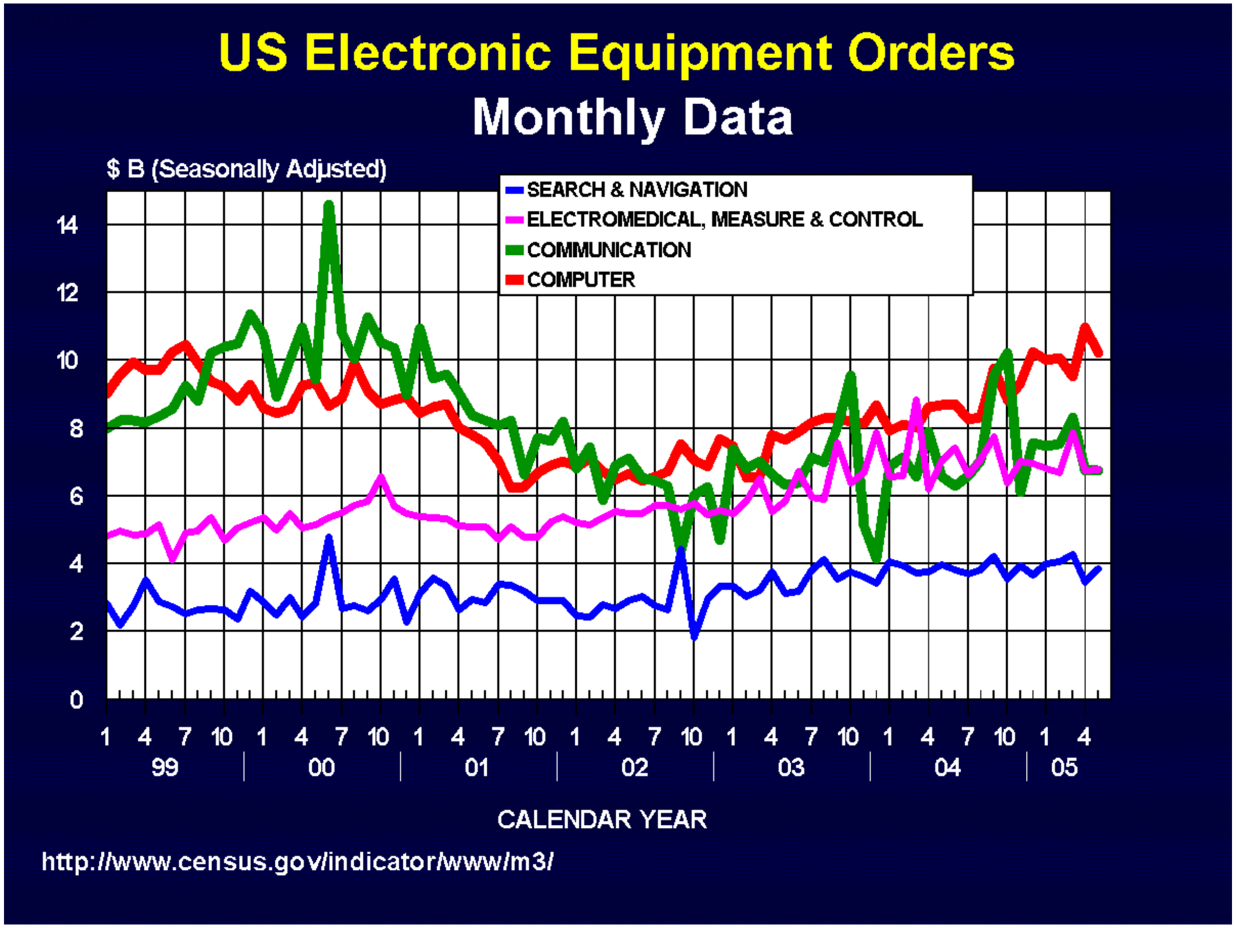
Electronic Equipment Production Growth

Current $ Growth Rates Converted @ Constant Exchange Rates

	2003	2004	2005	2006	2007
World	6.8	10.2	6.9	5.1	8.2
USA	4.3	10.4	6.3	3.6	6.2
W Europe	-1.5	3.1	2.4	2.8	5.5
Japan	6.9	2.3	1.5	0.5	4.2
Four Tigers	5.1	14.1	7.7	5.2	7.6
China	32.6	26.7	17.5	14.1	17.2

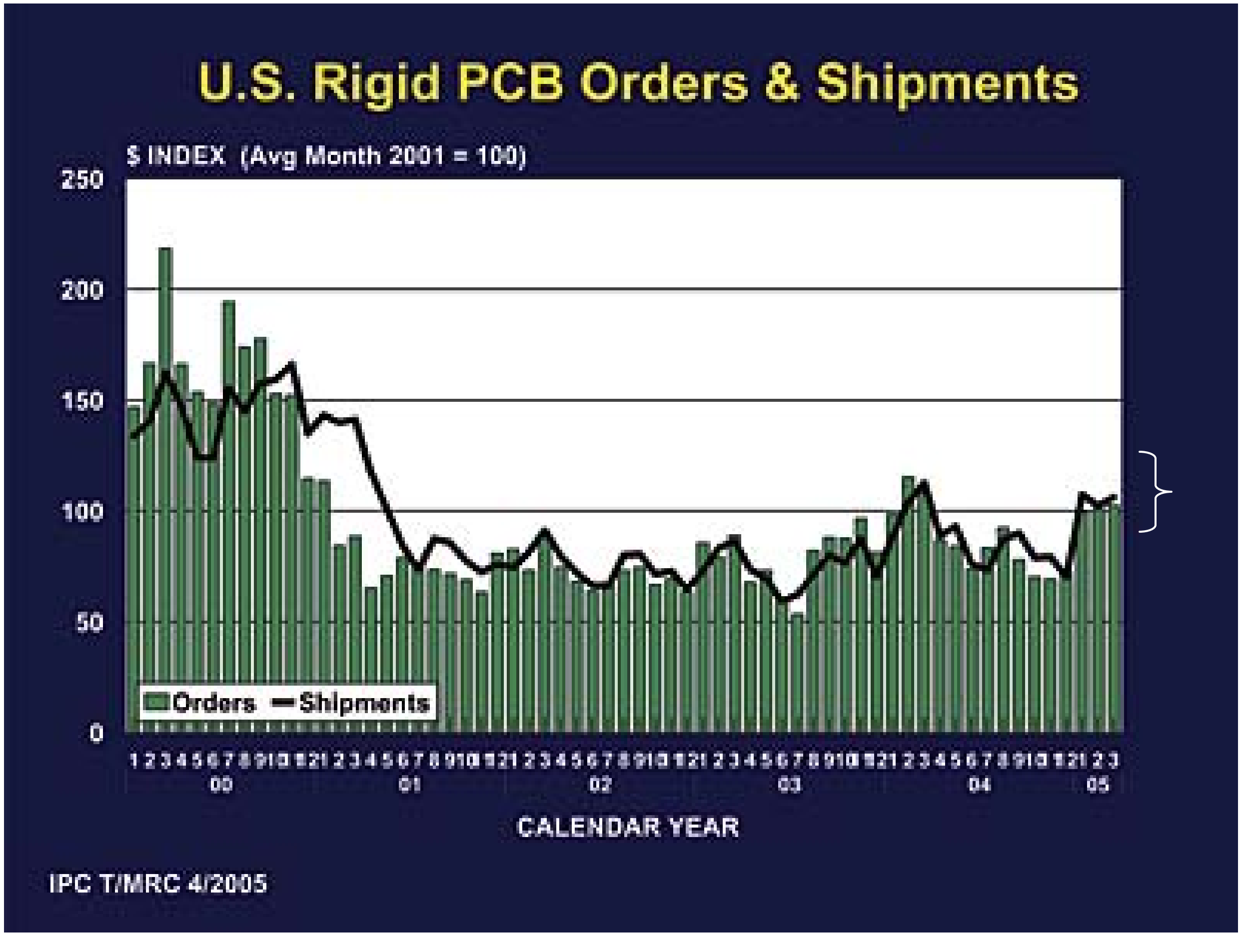
Henderson Ventures 4/2005
www.hendersonventures.com

Computers Remain Strong….However.



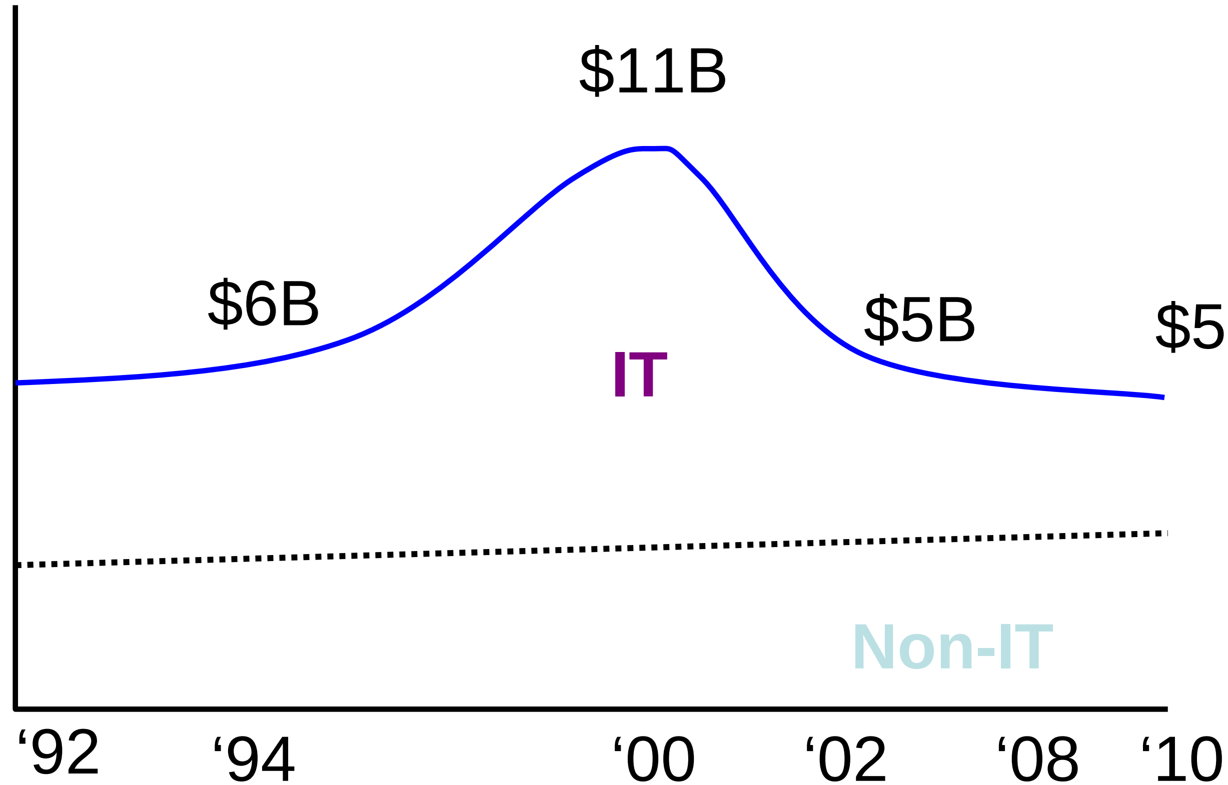
Trends and Observations

North American PWB Market – Flat but Stable

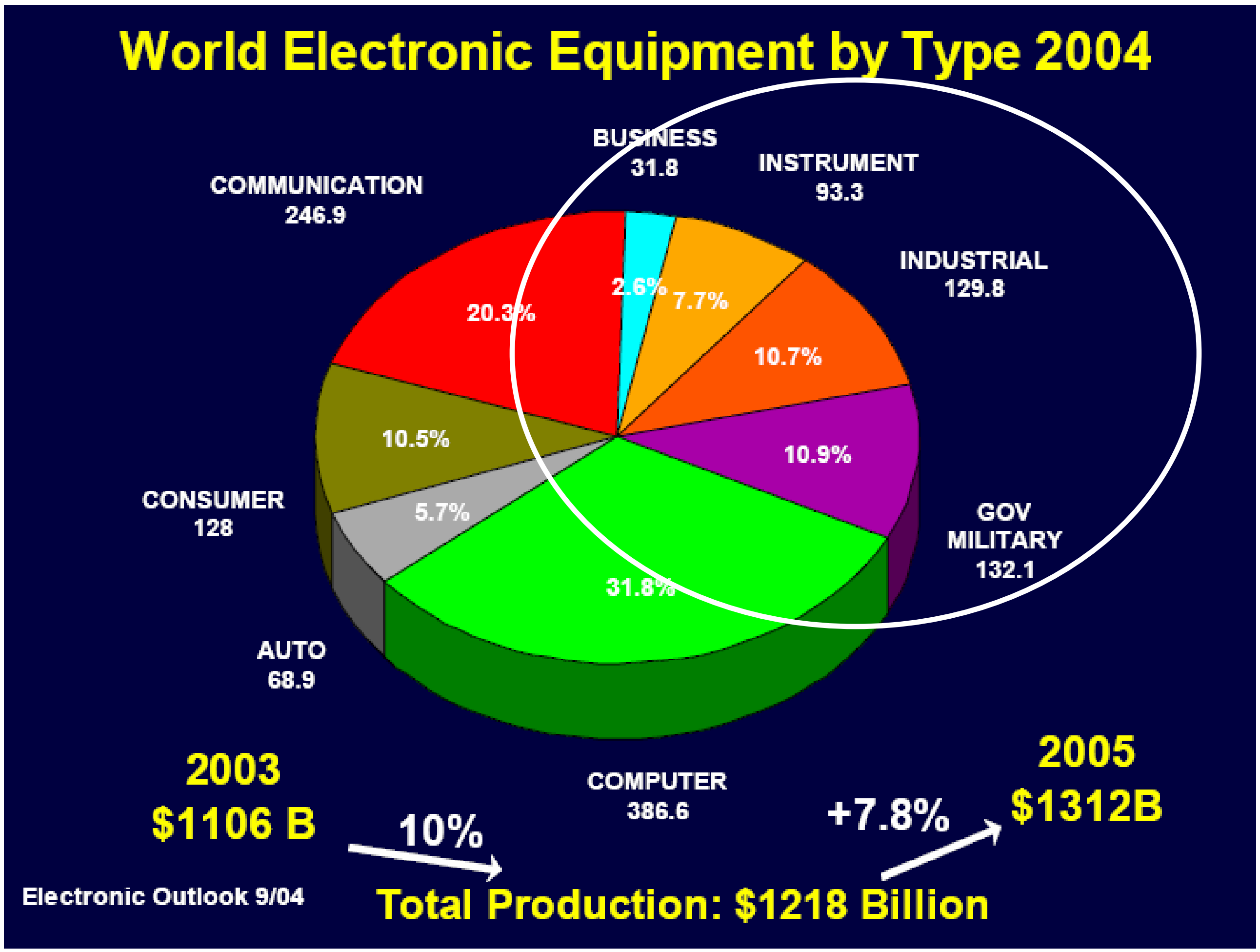


$5B Avg.

North American PWB Market
Stable and Growth in Non-IT



Increasing NA Market Specialization



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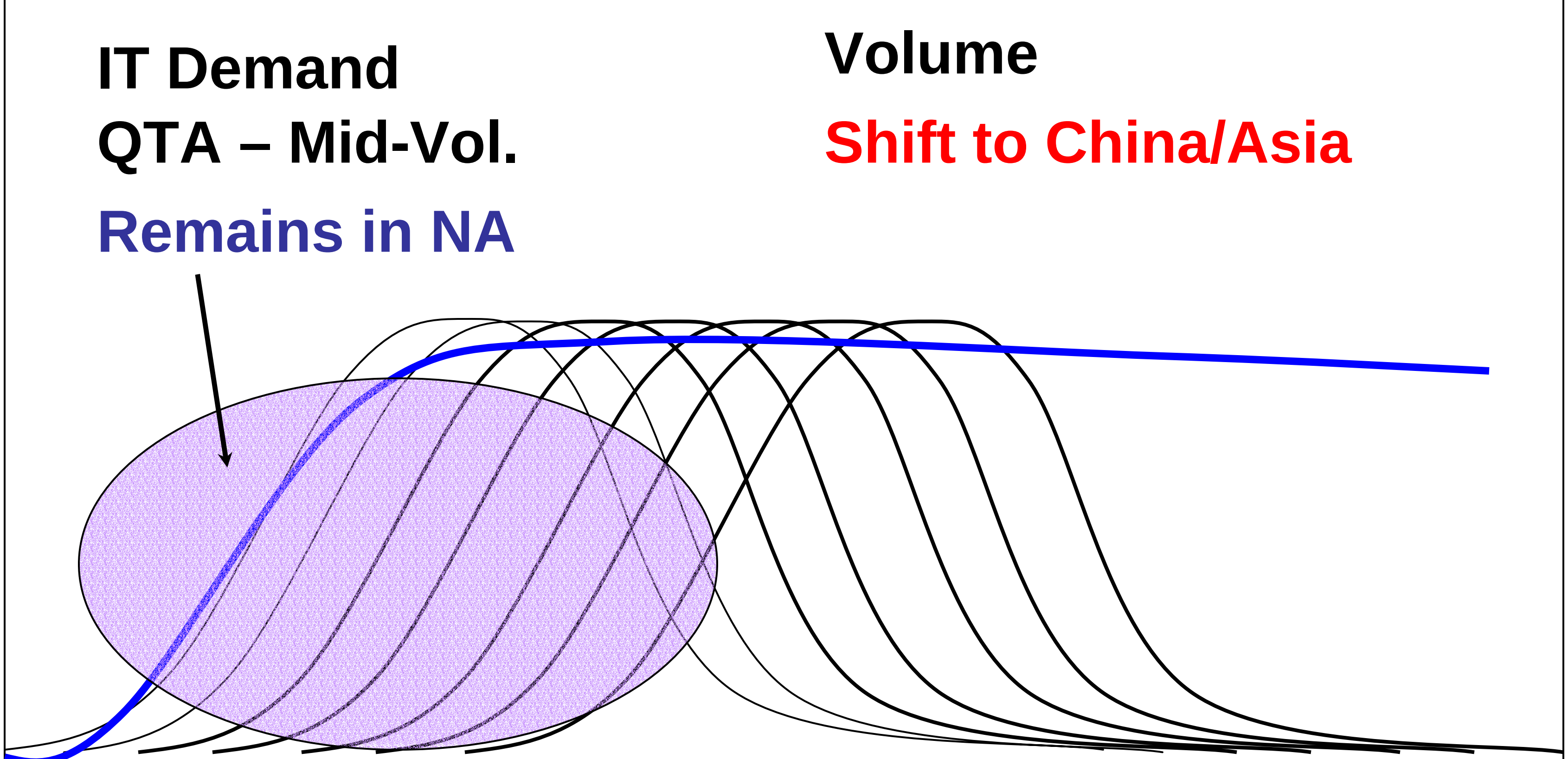
Much Transfers…..
Much Stays Behind

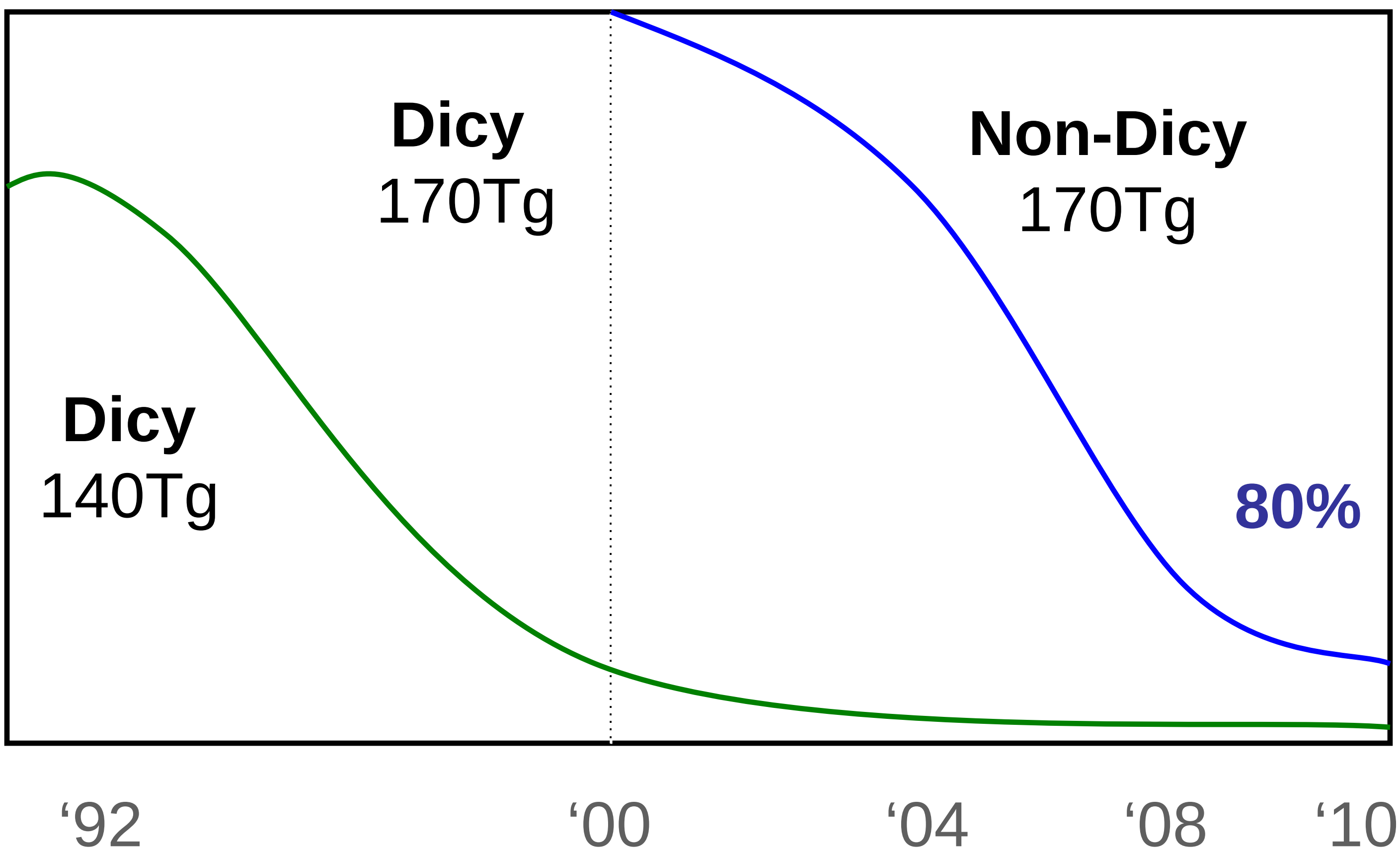
Segment	PWB	QTA/Mid-Vol	High Volume
IT	High Layer	●	Shift to China
	Low-Mid	Shift to China	Shift to China
Non-IT		●	●

New OEM Program Development Cycle



In N.A., 50% of OEM New Programs go to Local N.A. Suppliers.

Pb-Free Legislation Pushes Use of Phenolic Materials



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OEM Trend

There is a trend to **“near-shoring”** where manufacturers in the US and W Europe are putting their investments closer to domestic operations, as part of an effort to simplify supply structures that reflects a **disappointment with the profitability of Chinese ventures**.

PWB Materials Supply Base Adopts to Changes

- Increase in Asian Suppliers.
- Decline in Domestic Sales and Service Support.
- Growth in Distribution Participation.
- Adaptation of Asian Business Model.