



EOS SELECTS HUNTSVILLE, ALABAMA, FOR USA EXPANSION

Canberra 15 March 2018

Electro Optic Systems, (ASX: EOS) has secured a new facility in Huntsville, Alabama, for US expansion of its space, missile defence and weapon system businesses.

The new facility is required as a result of strong demand for EOS Defence Sector's next-generation defence products. Current orders will require the full capacity of the recently-opened development and production facility in Hume, ACT, by mid-2019. Additional production capacity must be added to allow more orders to be accepted.

EOS Space Sector also requires US facilities for production, sales and support from 2019 for new space situation awareness [SSA] and missile defence products.

After a comprehensive site selection process, EOS has chosen to locate its new facility in Huntsville, Alabama. The company has executed agreements with local authorities to secure incentives reducing the cost of establishment, and also executed a lease for an 80,000 square foot state-of-the-art aerospace facility.

Announcing the selection of Huntsville as the next EOS expansion site, EOS Defense Systems [USA] President, Phil Coker said:

“EOS has long ties to the Huntsville defense community. In 1989 the first EOS weapon control system was tested by the US Army at Huntsville's famous Redstone Arsenal, where many subsequent live-firing tests have been performed. The new EOS facility is adjacent to Redstone Arsenal.”

“EOS has historically produced substantial numbers of remote weapon systems in Huntsville through contactors. EOS will resume this activity on a larger scale in its own facility.”



The new EOS facility in Huntsville, Alabama.

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Speaking from Canberra, EOS Group CEO Dr Ben Greene said:

“The new Huntsville facility will serve as a base for intensified engagement with US defence programs, which are expanding with new funding under recent budget appropriations. Huntsville is home to the missile Defence Agency [MDA] and other civil and defence space agencies well known to EOS.”

“The Alabama facility will add capacity while reducing risk to EOS production of remote weapon systems. It is ideally located with excellent access to the EOS US supply chain and weapon test facilities. The new EOS plant in Hume, ACT, is on schedule to achieve a monthly production capacity of \$20 million in early 2019, but this capacity is fully committed to current contracts. Huntsville will come on line from 2019 to meet added demand and balance load.”

“Beyond initial establishment costs of \$3 million required across 2018 and 2019, costs for the establishment and operation of the new facility will be met from the production contracts to be serviced from the facility. Production establishment is expected to be expedited by access to proven processes and documentation from current operations,” Dr Greene added.

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ABOUT ELECTRO OPTIC SYSTEMS (ASX:EOS; OTC:EOPSY)

EOS operates in two sectors: Defence Systems and Space Systems.

- EOS Defence specialises in technology for weapon systems optimisation and integration, as well as ISR (Intelligence, Surveillance and Reconnaissance) for land warfare. Its key products are next-generation vehicle turrets and remote weapons systems.
- EOS Space sector specialises in applying EOS-developed optical sensors to detect, track, classify and characterise objects in space. This information has both military and commercial applications, including managing space assets to avoid collisions with space debris, missile defence and space control.