



Electro Optic Systems Holdings Limited

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31 May 2006

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sirs,

Revisions to Revenue and Profit Forecasts

Electro Optic Systems Holdings Limited wishes to advise the market of a downgrade to its revenue and earnings forecasts for the year ended 31 December 2006.

A\$m	Previous 2006 Forecast	Revised 2006 Forecast
Revenue		
Military	67.7	58.7
Space	27.3	15.3
Total revenue	95.0	74.0
Net loss after tax	(0.8)	(5.2)

The increased loss of \$4.4m relates to telescope and enclosure contracts and two major defaults by optical polishers, site installation issues at two sites and program delays.

Yours faithfully,

Ben Greene
Chief Executive Officer