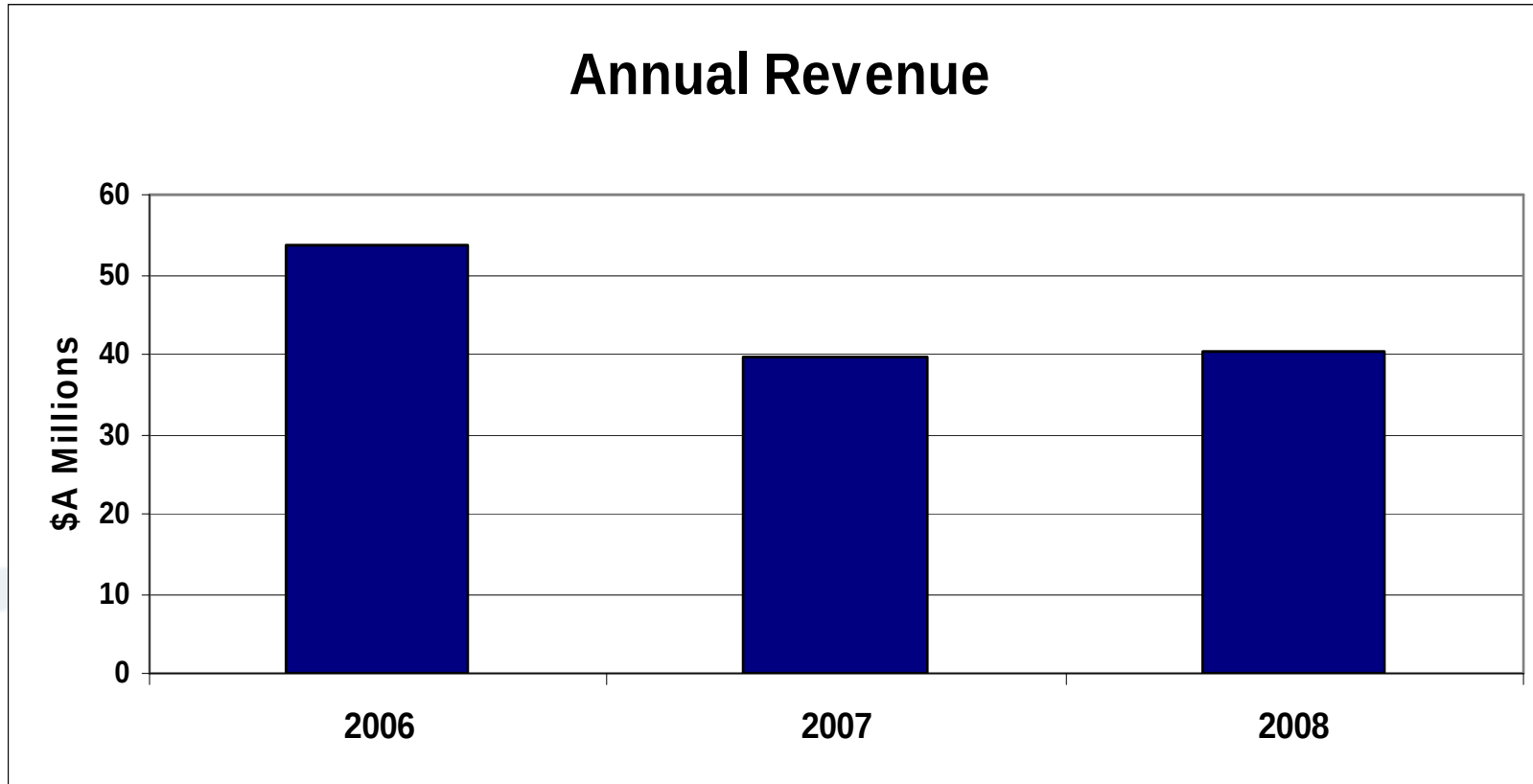


Annual General Meeting

29 May 2009

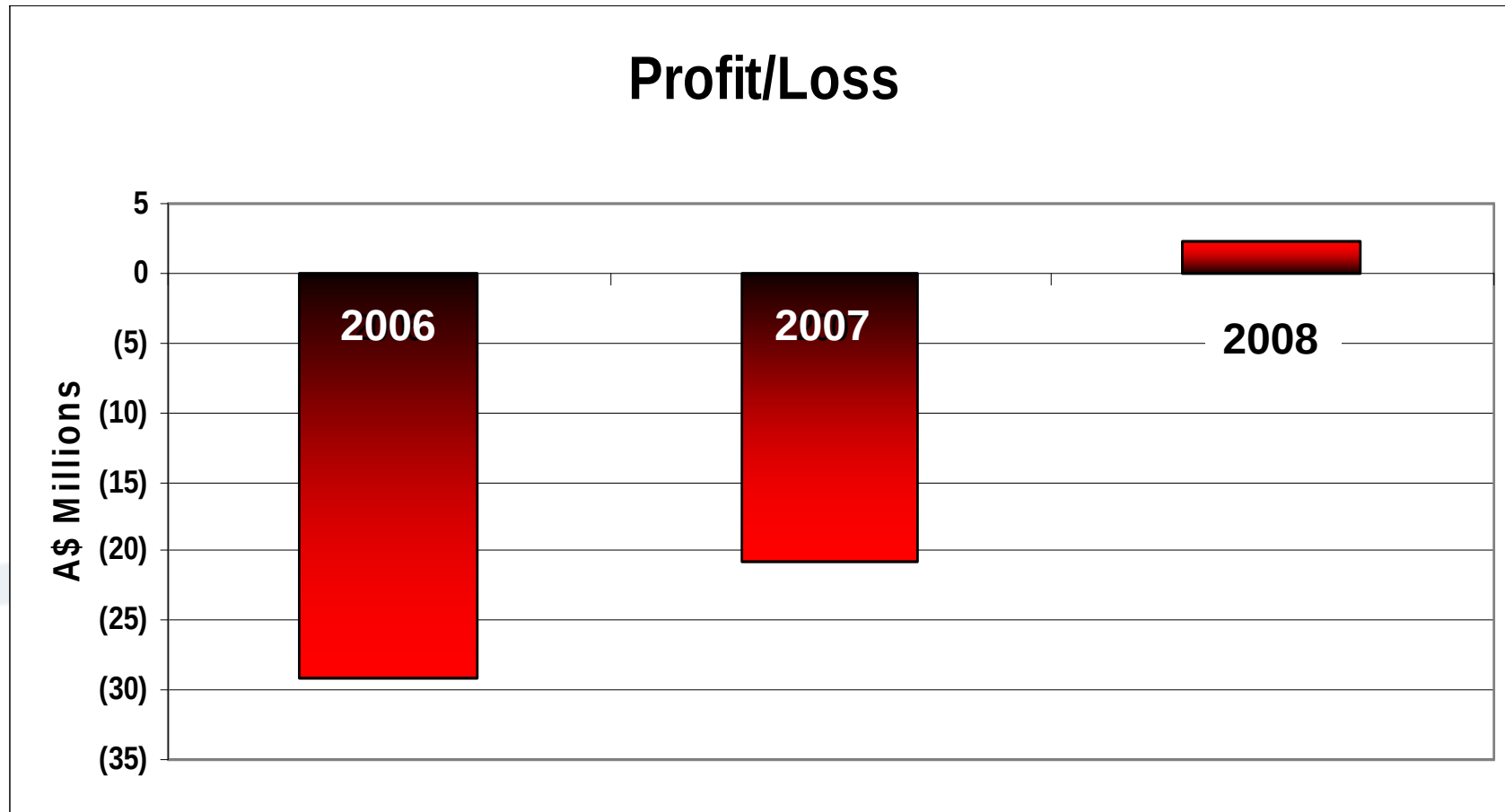


Review of 2008 Performance



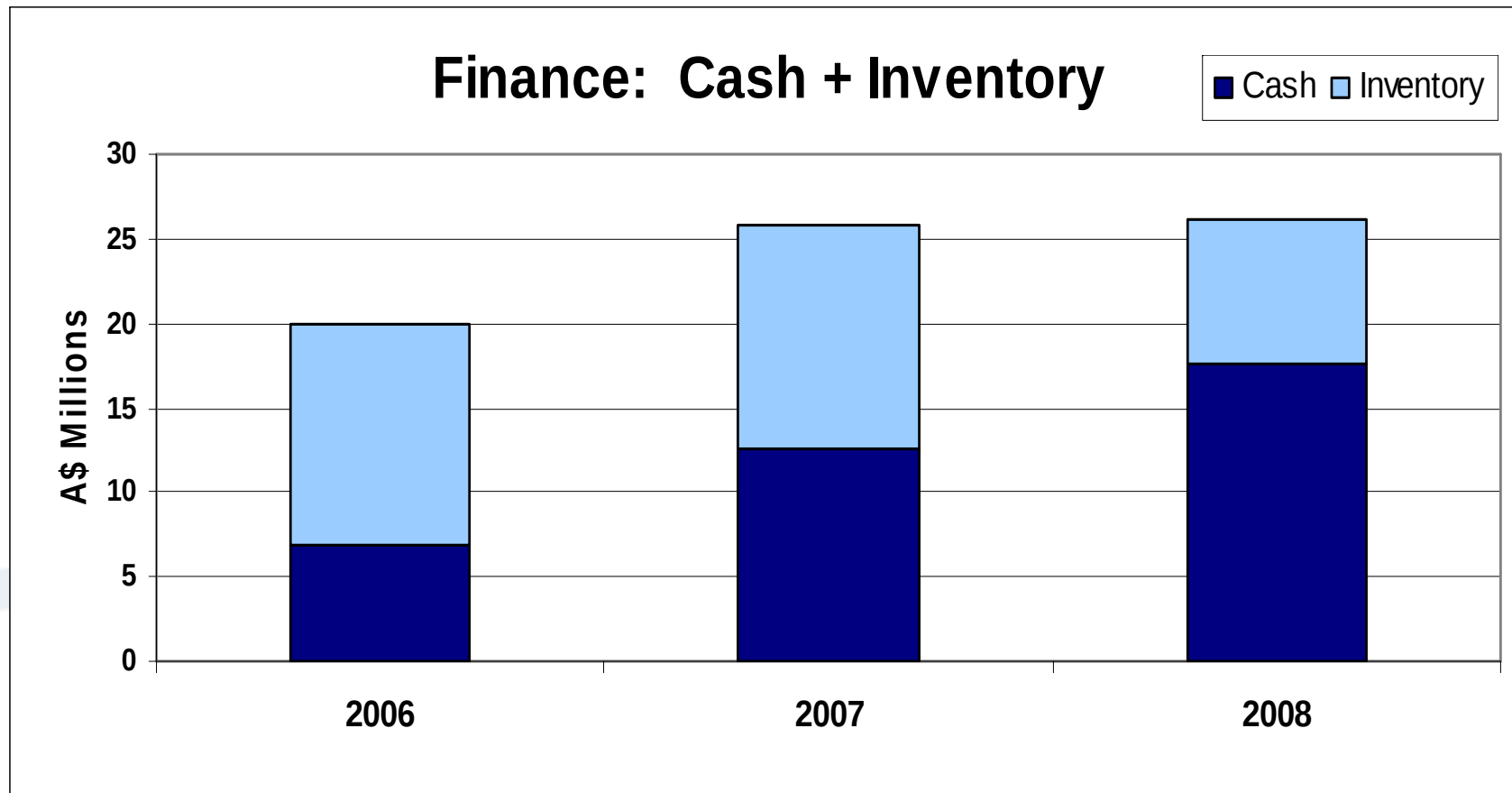
Stabilised & diversified around new programs and markets

Review of 2008 Performance



5% profit on \$40m revenue

Review of 2008 Performance



Cash + Inventory stable, providing a base for growth

Key Elements in 2008 Results



- **Re-sizing**
 - 50% reduction in staff
 - strategic partners engaged for large programs
 - capacity recovery will use more outsourcing
- **Disciplined execution**
 - Space and military programs held on track
- **Product and customer diversification**
 - new products for a wider range of customers

The Way Forward



The last statement made at the 2008 Annual General Meeting:

“2008 will be a year of consolidation after setbacks in 2007”

This consolidation continues into 2009, now in parallel with activities to reinforce future growth.

Growth: Weapon Systems



- Product range diversification on track with 200/400/600 lb categories now available
- Existing customer business sustained
- Customer diversification on track with targeted new customers engaged
- Inquiry rates exceeding expectations
- New strategic partners engaged to accelerate product and market diversification
- Inventory accumulated to support customers

Growth: Space Business



- Space ground segment operations continue normally, providing revenue and a base for future expansion
- Telescope business is achieving performance milestones and building customer confidence
- Space surveillance requirements world-wide escalating due to new debris and other threats in space
- New strategic partners now actively responding with EOS to emerging requirements

Defence White Paper: Space



This defence policy and planning document for the first time indicates requirements for the following capabilities.

- Space Surveillance and Space Situation Awareness
- Theatre Defence
- Surveillance from Space using satellites

EOS expects to be well-placed to compete as these plans are implemented in Australia

Defence White Paper: Remote Weapon Systems



- Australia will acquire 1,100 deployable protected vehicles and 7,000 support vehicles. Many of these will require weapon systems
- “Remote weapon stations on combat vehicles” is established as a priority industry capability for Australia
EOS is the only Australian provider of remote weapon stations, and has proven its technology and products in international markets

The expansion of Australian weapon system requirements provides strong growth potential

Summary



- 2008 was a year of consolidation, as expected.
- Consolidation continues in 2009 in parallel with reinforcing future growth elements.
- Future growth implied by stronger responses from international customers in both space and weapon systems.
- Defence White Paper lays a foundation for long term domestic business.
- Despite the current environment, the company is cautiously optimistic regarding future prospects.