

XTEK Limited

Annual General Meeting

CEO's Address – Brian Malcolm

24 November 2011

XTEK Limited – Annual General Meeting

Aim

To update XTEK shareholders on Company strategic developments and current operational focus

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Scope

- **Strategic Context**
- **Strategic Development**
- **Operational Focus**
- **Operational Objectives**
- **Conclusion**
- **Questions**

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Strategic Context

EXECUTIVE VISION:

A rejuvenated, dynamic and forward-looking company whose close partnerships with its customers enables it to provide intelligent, cutting-edge and cost-effective solutions in response to their most demanding operational requirements

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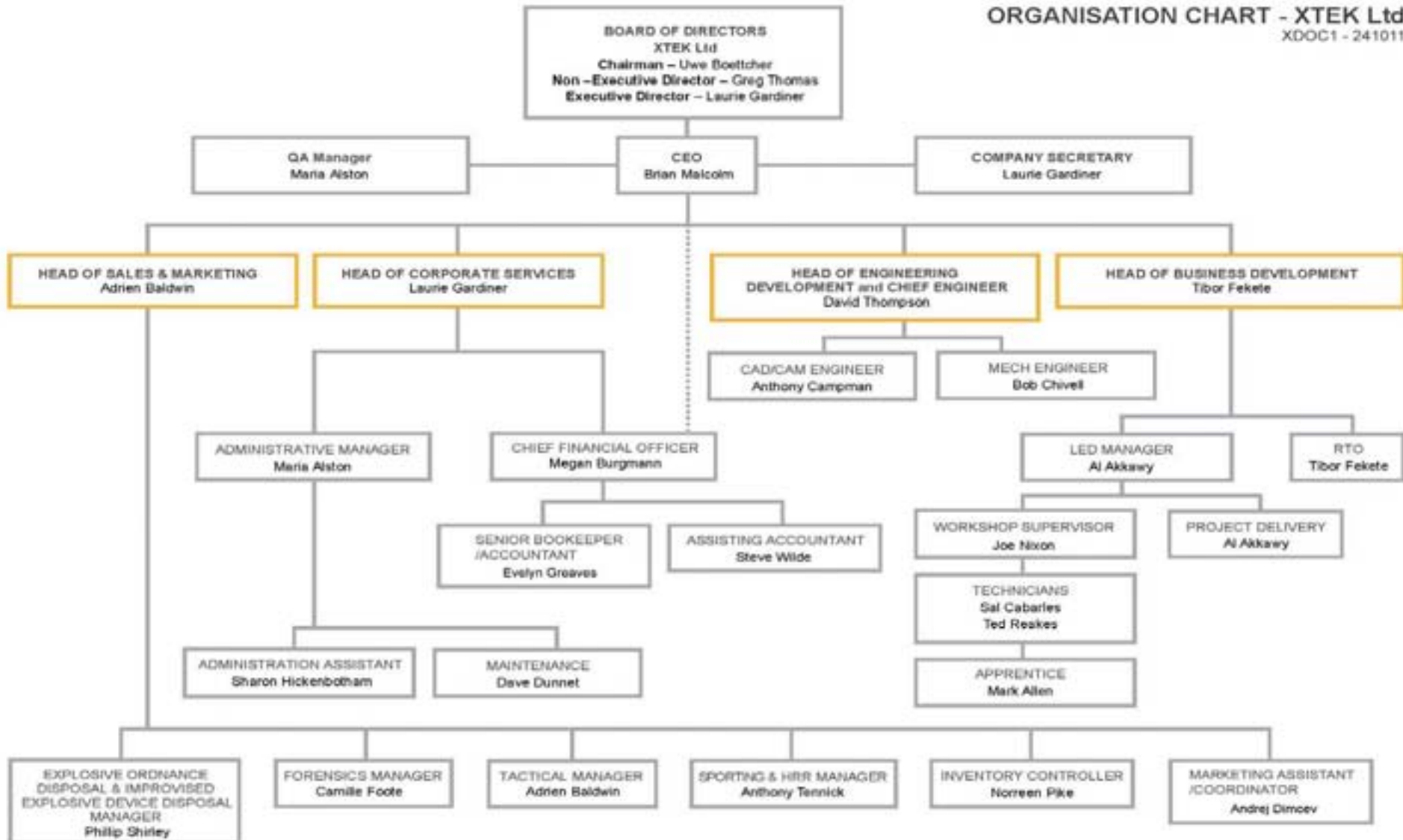
Strategic Development

Vision Achieved By:

- **More Effective and Responsive Structure**
- **More Effective Use of ICT**
- **Updated Product Lines and Capabilities**
- **More Effective Communication**
- **Reduced OPEX**
- **More Effective Use of Engineering Development Capability**

Strategic Development Revised Company Structure

ORGANISATION CHART - XTEK Ltd
XDOC1 - 241011



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Strategic Development

- **Structural Advantages**
 - **More Depth**
 - **Ability to Focus on Current and Future Operations**
 - **Dedicated Head of Sales**
 - **More Effective Executive Decision Making**

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Strategic Development

- **More Effective Use of ICT**
 - **MYOB EXO**
 - 4 in 1
 - Inventory Management
 - Job Costing and Tracking
 - Predict Customer Requirements
 - Accurate Reporting and Forecasting
 - **Dealers-on-Line**

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Strategic Development

- **Updated Product Lines and Capabilities**
 - **NIC Hook and Line Equipment**
 - **Specialist EOD Training and Equipment**
 - **Mesa Remotely Piloted Vehicles**
 - **Raptor Explosive Detection Wipes**
 - **Sheerspeed Forensics Tents**
 - **WA Forensics Consumables**

Strategic Development

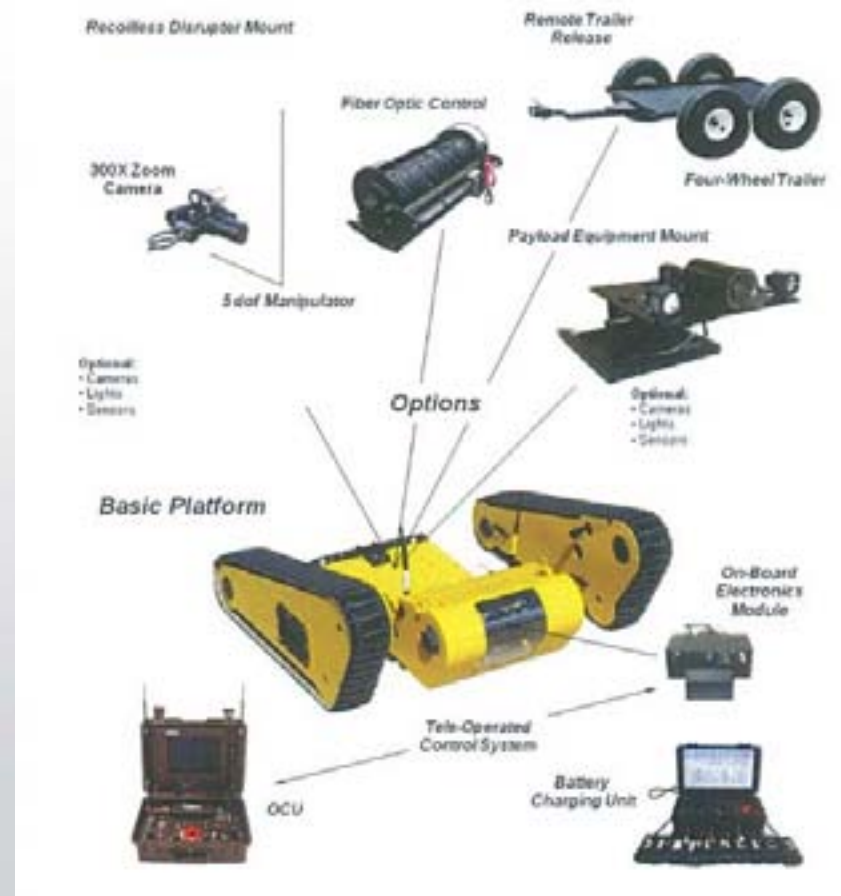
NIC Hook and Line Equipment



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Strategic Development

Raptor Explosive Detection Wipes



Strategic Development

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Strategic Development WA Forensics Consumables



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Strategic Development

- **More Effective Communication**
 - **External**
 - **Enhanced Website**
 - **Refined Marketing Strategy**
 - **Targeted Conferences and Demonstrations**
 - **More Regular Meetings with Customers**
 - **Improved ‘Reachback’ to US and UK**
 - **Internal**
 - **Weekly Coordination Meetings**
 - **Quarterly Sales Meetings**

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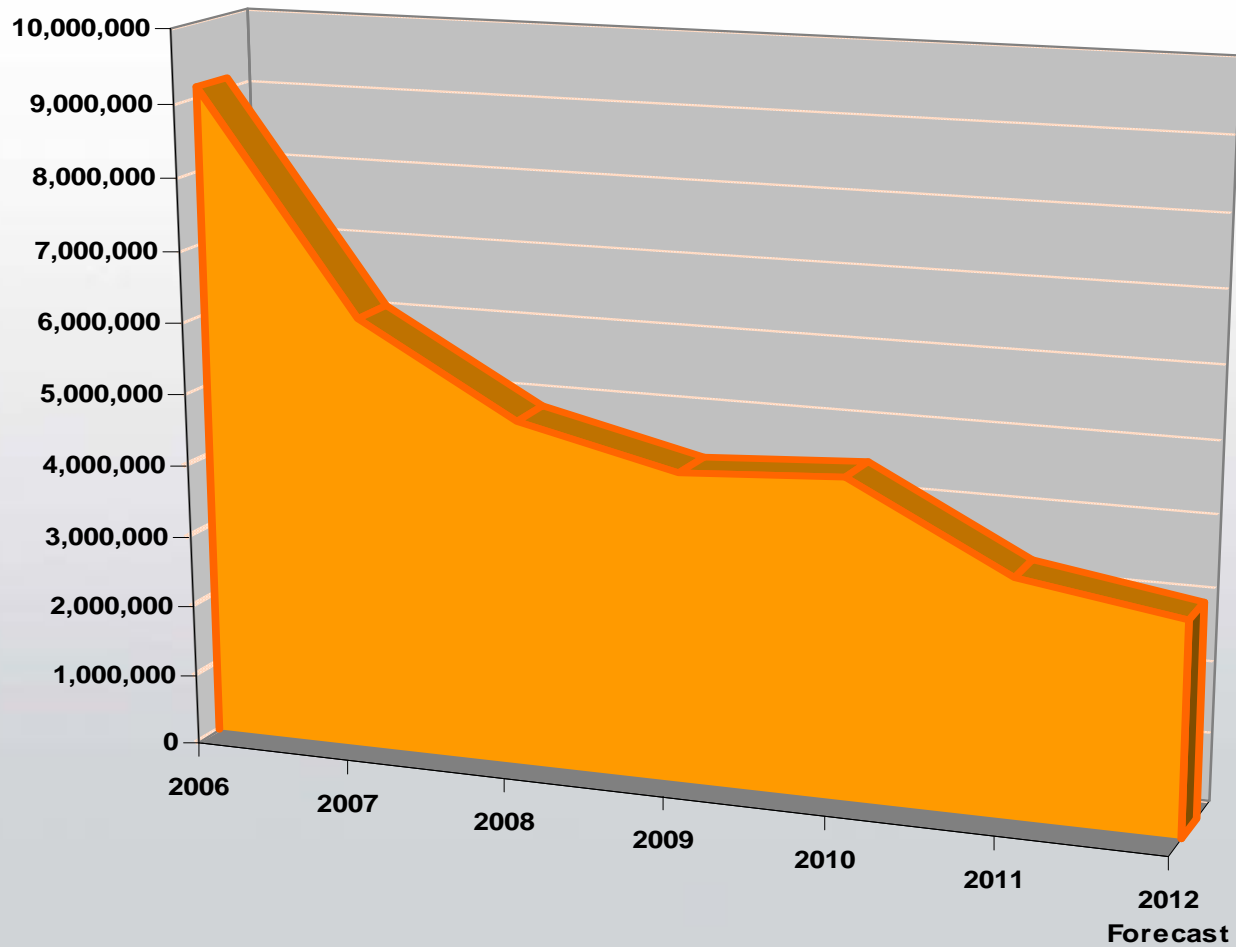
Strategic Development

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- More Effective and Responsive Structure
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- **Reduced OPEX**
- More Effective Use of Engineering Development Capability

Reduced OPEX

Operational / Employee Expenditure (excluding depreciation and impairment costs)



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Strategic Development

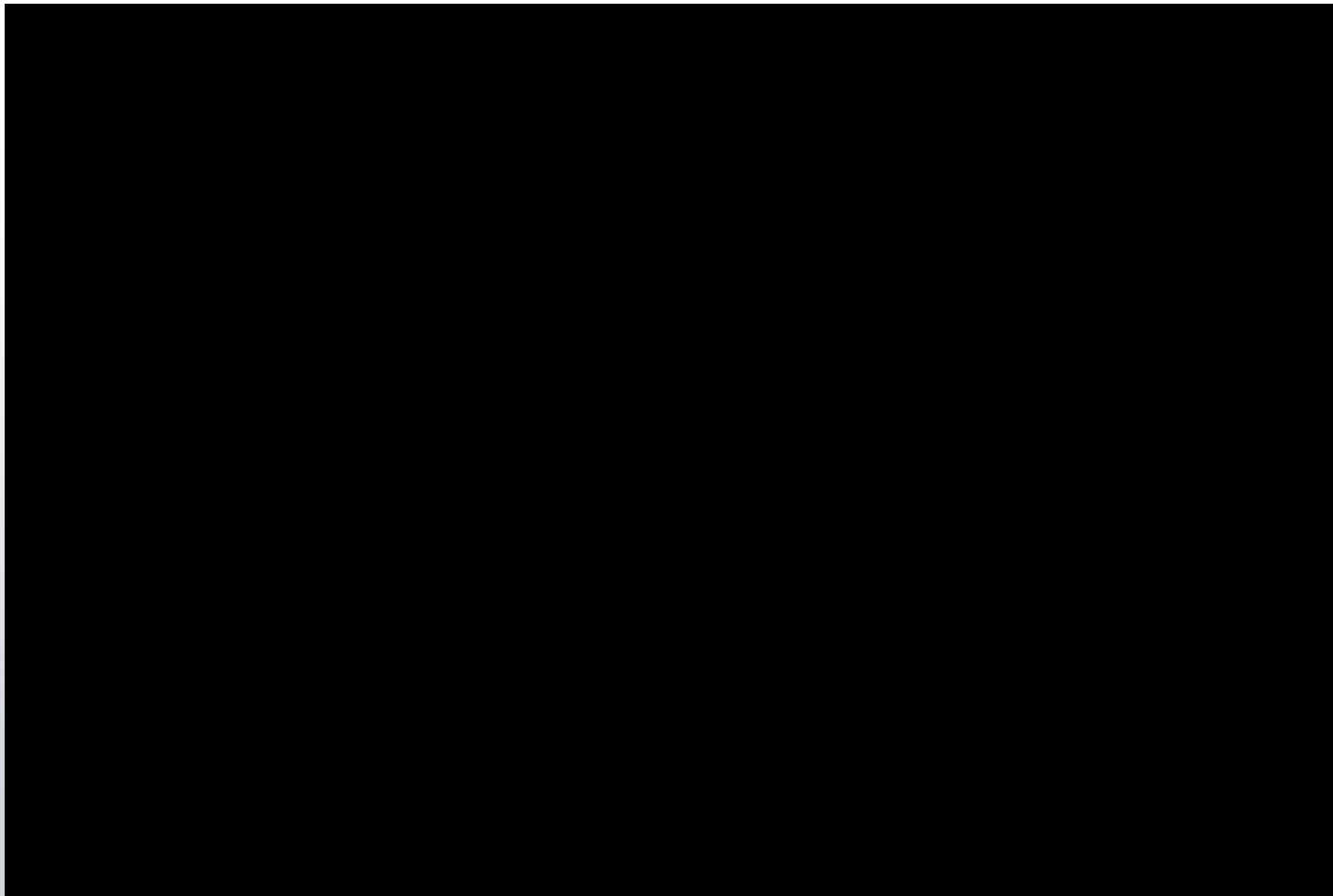
- **More Effective Use of Engineering Development Capability**
 - **Increased Revenue from Company IP**
 - **Provision of Bespoke Solutions**
 - **More Effective Response to Technical Issues**
 - **Enhanced Corporate Brand**

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Strategic Development

ONE VISION – MANY SOLUTIONS

XTEK- One Vision



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Operational Focus

- **XTclave**
 - **Armour**
 - **Composite Manufacturing**
- **Unmanned Aerial Vehicles**
- **Precision Weapon Ancillaries**
- **Specialist Training**

- **XTclave Armour**

- **Joint Venture Agreement to be Signed Imminently**
- **First Production Plant Completed Early Next Year**
- **Discussions Continuing with Other Interested Parties**

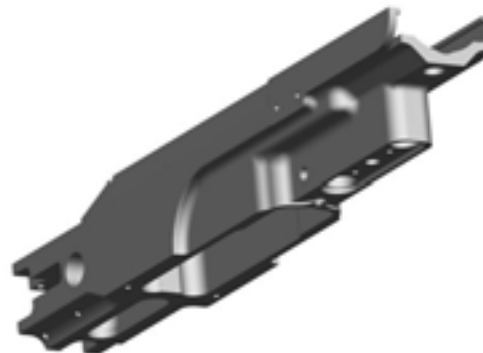


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- **XTclave Composite Manufacturing**
 - Precision, Lightweight Carbon Composites Capable of Withstanding Extreme Thermal Loading
 - Investigating Armament, Aerospace and Aviation Industries



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Operational Focus

- XTclave
 - Armour
 - Composite Manufacturing
- **Unmanned Aerial Vehicles**
- Precision Weapon Ancillaries
- Specialist Training

- **Unmanned Aerial Vehicles**

- Represent AeroVironment – World Leader
- Contend for Defence JP 129 Phase 4



Raven



Puma



Wasp

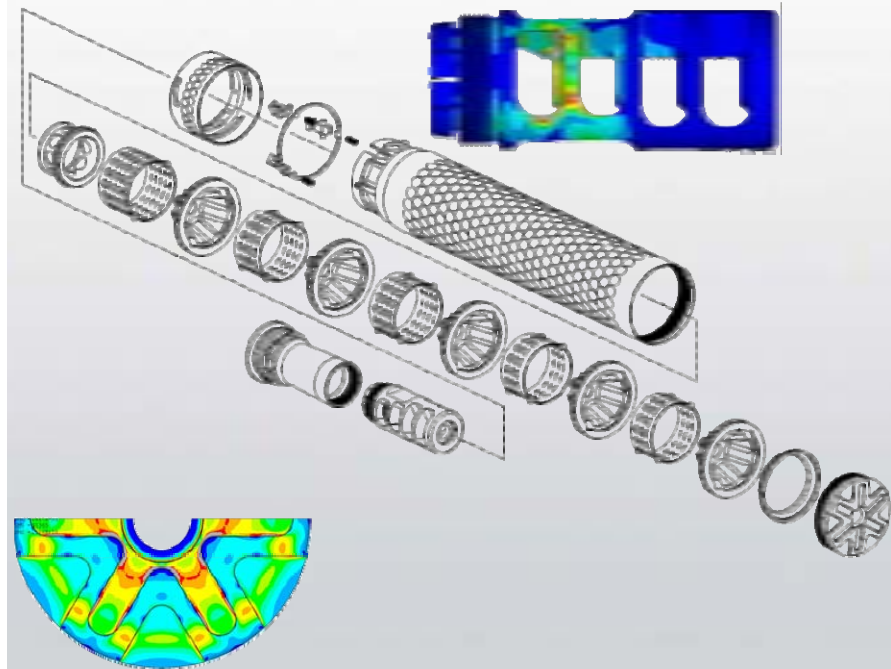
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• Precision Weapon Ancillaries

- Developed Suppressor, Folding Chassis, Magazine and Sight Mount
- Suppressor Undergoing Trials with ADF
- Developing Portfolio for International Market



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- **Specialist Training**

- Registered Training Organisation
- Access to Specialist UK EOD Training Solutions
- Significant Market Potential



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Operational Objectives

- **Short Term Goals**
 - **Consolidation**
 - **Increase Agency Sales**
 - **Establish XTclave Joint Venture**
 - **Analyse Composite Manufacturing Capability**
 - **Develop Unmanned Aerial Vehicle Portfolio**
 - **Develop Precision Weapon Ancillary Suite and Establish Market in Australia**

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Operational Objectives

- **Medium Term Goals**
 - **Increase Agency Sales**
 - **Tiered Body Armour System**
 - **Develop Armour Manufacturing Capability**
 - **Develop Composite Manufacturing Joint Venture**
 - **JP 129 Phase 4**
 - **Establish Global Market for Precision Weapon Ancillary Suite**

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Operational Objectives

- **Long Term Goals**
 - **Establish XTclave in Global Armour Market**
 - **Establish XTclave in Global Composite Market**
 - **Develop XTclave and Investigate Further Markets**
 - **Establish XTEK as Company of Choice for Unmanned Aerial Vehicles in Oceania**
 - **Develop XTEK Engineering Development Capability**

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Conclusion

- **Company Driving Forward**
- **Identified the Need for Transformation**
- **Strategic Development Almost Complete**
- **Have the People, Strategy and Operational Focus to Succeed in Short Term and to Realise Considerable Medium and Long Term Potential**

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Questions