

Electro Optic Systems
Defence Business

ELECTRO OPTIC SYSTEMS -DEFENCE BUSINESS

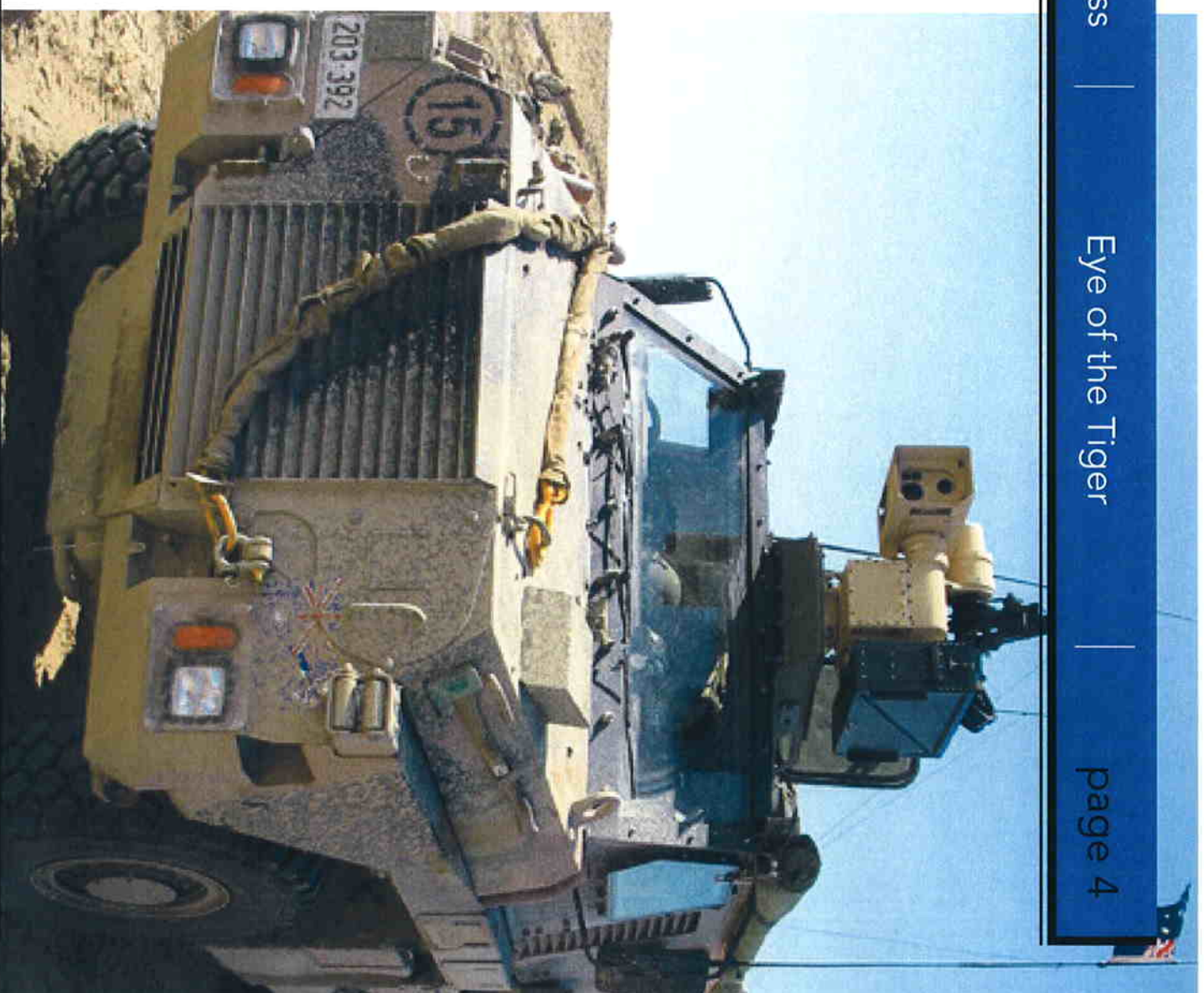
AUSTRALIA'S ELECTRO OPTIC SYSTEMS
DEFENCE BUSINESS HAS EYES FOR
SOLDIERS AND CRICKETERS ALIKE

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A **WORLD LEADER IN BOTH** camera and thermal imaging technology, Electro Optic Systems Defence Business has major partners on

three continents providing cutting edge products to its diverse client list. Along with dependable, life-saving remote weapon systems deployed in theatres such as Iraq and Afghanistan, EOS is repositioning its products to help surgeons, satellites, and umpires do their job better.

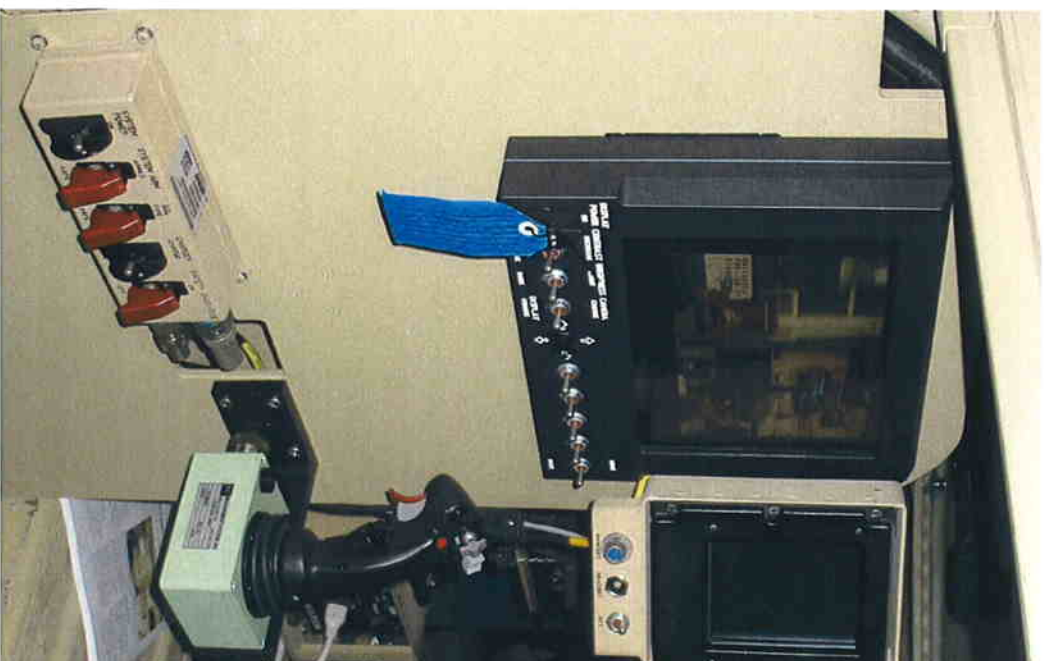
With over thirty years of experience as an infantry officer, CEO of Defence Systems Mark Bornholt is uniquely qualified to lead the company's production and business development activities. A former battalion commander and Order of Australia recipient for his actions in the lead up to the East Timor operation, Bornholt retired from the military in 2009.



And an even more significant outcome is the reduced incidence of friendly fire. “When using the laser and associated cameras, you can virtually see the adversary’s name on his shirt – so you are better informed about whether you’re shooting at the right person.” “Fratricide is sharply reduced”, he says, which is another way of saying it saves soldier’s and non-combatant’s lives.

BACK TO THEIR ROOTS

But remote weapon systems aren’t all EOS is about, and Bornholt is enthusiastic about the company’s efforts to diversify the applications of its technology. In fact, the systems are themselves



a sideline to the original mandate, which was to provide satellite companies with precise information about space debris.

“Our Space business tracks debris in space with the intent of letting potential customers – i.e., people who own satellites – know that their satellite’s about to be whacked with a golf-ball sized piece of debris that’s travelling at 8 kilometres per second,” he explains. “So either move your satellite or contribute to the debris problem.”

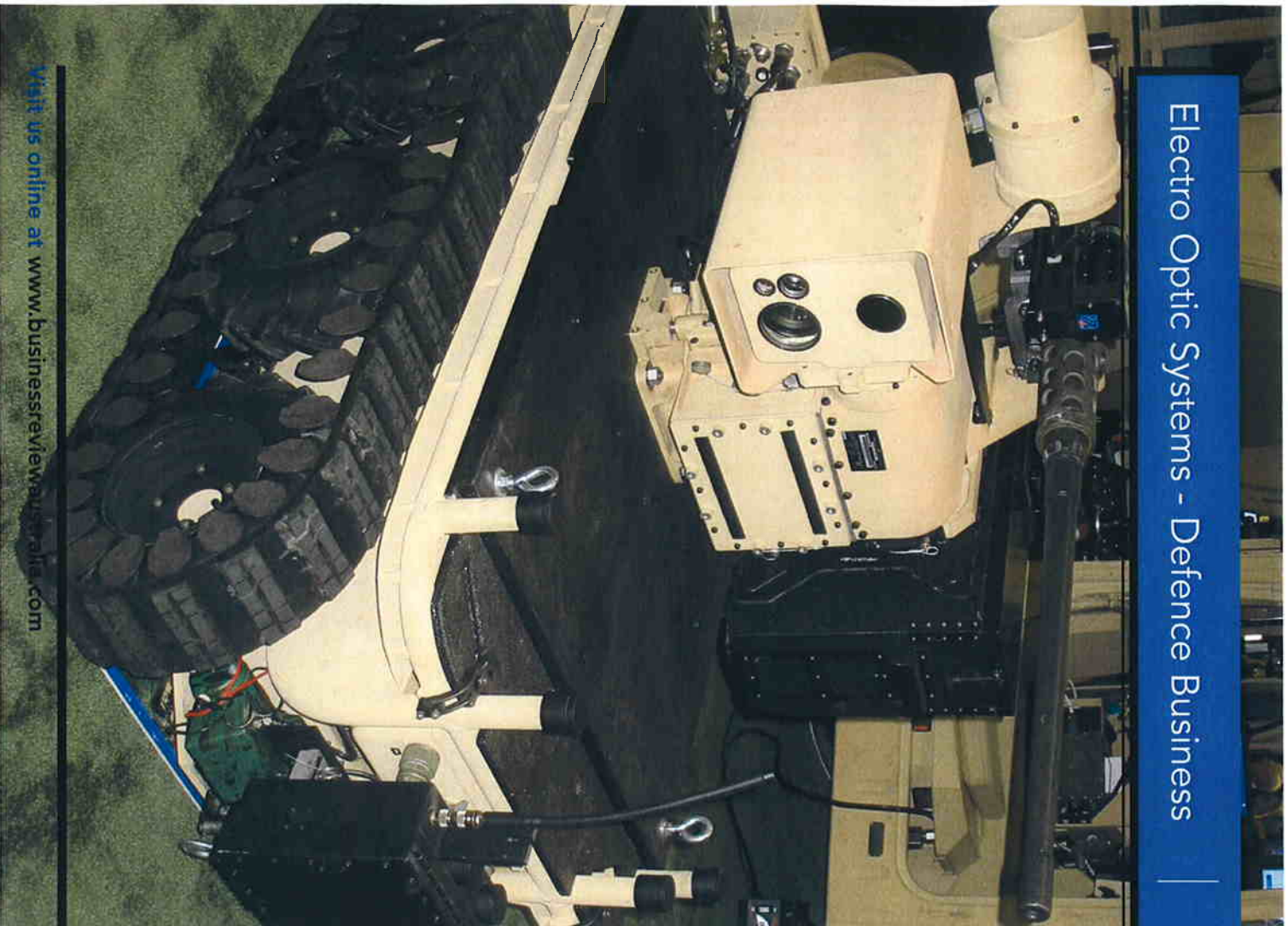
With military spending likely to decline worldwide, the company is looking forward to returning to its roots by providing state-of-the-art

technology to clients of all stripes who are very glad to have it.

SOMETHING TO CROW ABOUT

But its partnership with Northrop Grumman, a leading global security company based out of Alabama, is strong, and together they're making a bold play for a major US Army contract called the CROWS project – an acronym for Common Remotely Operated Weapon Station. EOS have been involved previously, and on their own, but the scale of the undertaking has led them to seek the help of a larger company capable of producing industrial quantity.

It's the first phase of an ambitious restructuring plan for the EOS defence manufacturing operation, through which globally sourced companies will be able to license their products for independent manufacture. Until recently, EOS would carry products through from the design stage to deployment by itself.



SEA CHANGE

This streamlining diversification strategy is already bearing fruit, with a new partner; Hyundai-WIA and established partner Singapore Technologies Kinetics reinvigorating the revenue stream whilst the company looks to reposition their technologies towards creative new ends.

“Our technology is world-leading,” says Bornholt. “We think we’ve got the best camera in the world – we’ve certainly got one of the best

thermal imagers.” And it’s this type of technology that’s used for the popular new HotSpot function in cricket, which is employed internationally.

“If you hit the ball with the bat, it creates a heat signature and this camera picks it up,” he explains. “Umpires are then able to be more accurate in their decisions,

making it extremely useful to the game. We are also about to look at using our thermal imager in a surgical application to better enable the early detection of infection in trauma patients,” he says proudly. “And that’s just two examples of the diversity that we’re starting to pursue.”

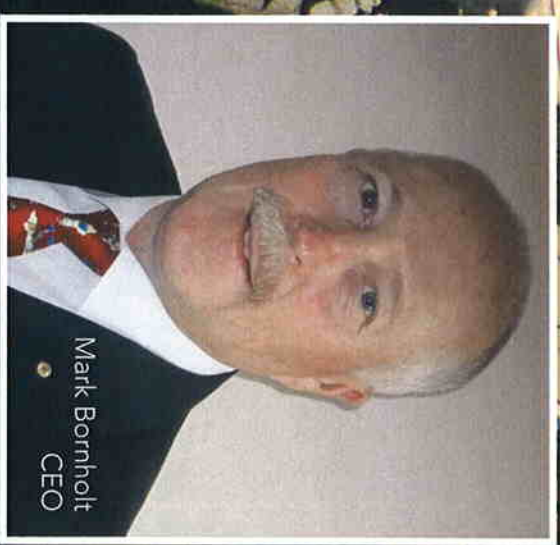
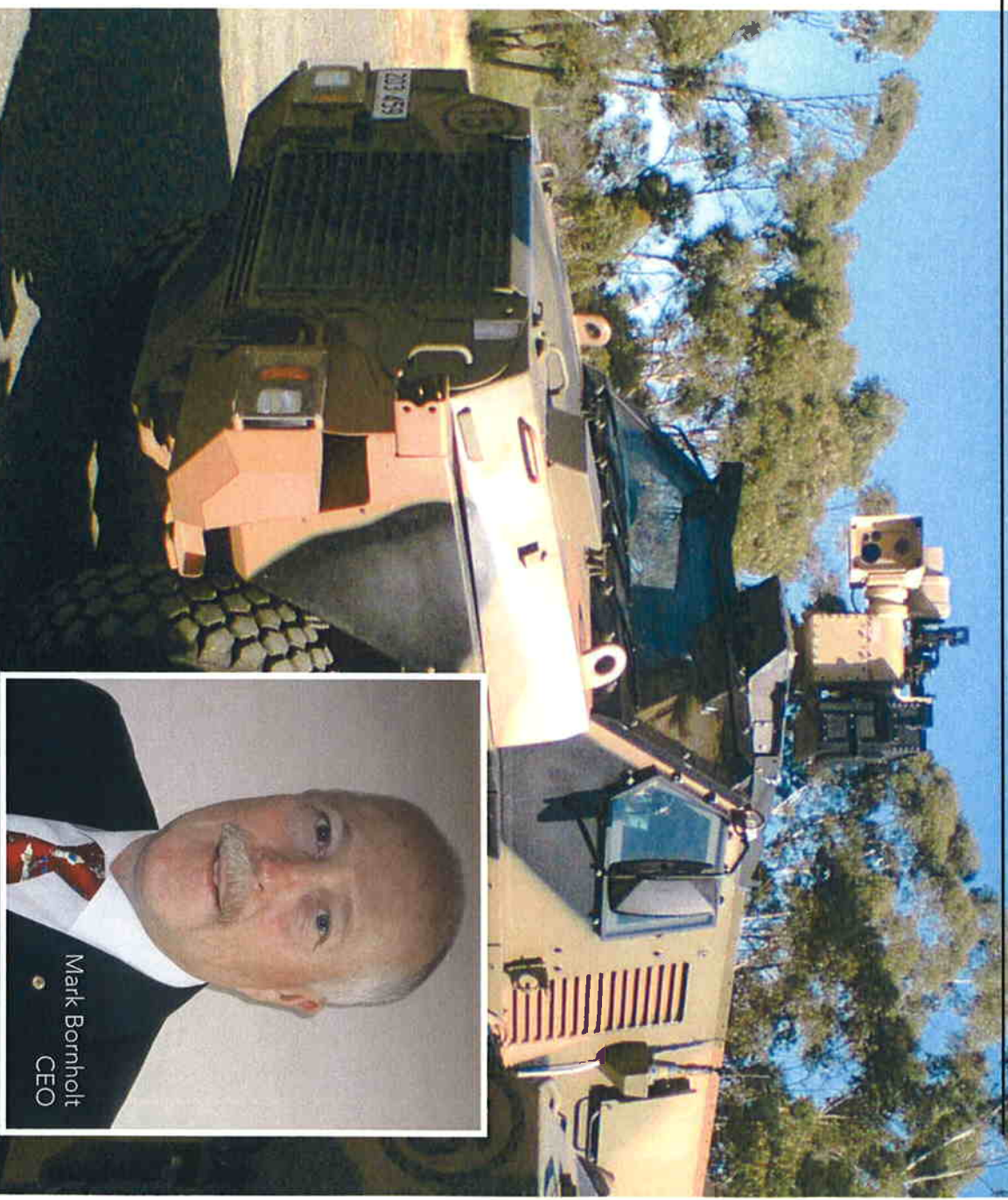
In the high tech sector, however, it takes a long time to make sure you get things right. EOS has a world-class design team that’s always eager to perfect their products, but there’s always a commercial



imperative to get it out as quickly as possible and stay competitive. A lot of the CEO's job consists of walking that line. "It's the balance of getting the product right and getting it out the door as a commercially ready technology that challenges me daily," he says.

BOTH WAYS

Notwithstanding the challenges, Bornholt seems confident that their team will see things through. They have an experienced, loyal and dedicated staff who remain committed to their purpose, and for Bornholt, that's the key to the whole enterprise. Many of the best ideas, in his experience, come from below, and managers need to be sensitive to that.



Mark Bornholt
CEO