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EOS TEAM WINS EXPORT CONTRACT FOR WEAPON SYSTEMS

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Electro Optic Systems Pty Ltd (ASX: EOS) has been awarded a \$9.3 million contract to provide advanced military sub-systems and components to Hyundai-Wia.

EOS announced in July 2012 that it had teamed with major Korean defence company Hyundai-Wia to address specific long-term requirements for the international defence market. Hyundai-Wia is a subsidiary of the Hyundai Motor Group [HMG], one of the world's largest manufacturing entities.

Under the teaming agreement EOS and Hyundai-Wia combined their respective technologies and production capabilities to meet high performance and extreme environmental requirements in very demanding applications for military surveillance, electronics and force protection products. Bids, proposals and tender responses are submitted on behalf of this team by either EOS or Hyundai-Wia, depending on the product configuration and market. The teaming arrangements allocate work share for each company in the event that the team is successful in achieving contract awards in these fields.

In late 2012 Hyundai-Wia was selected by one customer for long term trials involving more than two years of operational deployment of EOS-Hyundai-Wia equipment for surveillance and force protection. Over the past 16 months the testing process also included direct operational comparison with a competing manufacturer's products.

The trials concluded in Q1 2015 and the customer has recently awarded a contract for the requirement to Hyundai-Wia. As a result, Hyundai-Wia has contracted EOS to deliver work share of approximately \$9.3 million of surveillance and force protection parts and sub-systems over 12 months, commencing in Q3 2015. Hyundai-Wia will also produce some EOS designs under license for this requirement.

The current awards relate to an initial phase of acquisition for one program. This program, if funded in subsequent budget appropriations by the customer, would extend over 4-5 years and require 5 times more equipment than is presently under order. Larger programs requiring similar equipment have already been initiated by the same customer, and Hyundai-Wia and EOS now plan to compete for those requirements as well as further opportunities in the international market.

According to EOS CEO, Dr Ben Greene, the contract will provide the customer with leading-edge capabilities in integrated surveillance and firepower for force protection.

“Systems deployed for armed surveillance to protect troops operating close to, but not involved in, an active conflict must operate on high alert, and with superior weapon safety to avoid unintended provocations.

“EOS's experience in active theatres of operation around the world, Hyundai-Wia's engineering and production capabilities and the advanced technology of both companies have

been combined to produce new systems that can automatically detect military activity at extreme ranges and discriminate between activity types to assess threats. The new capabilities allow users to engage persisting intruders with non-lethal or lethal force at very long range.

“Hyundai-Wia and EOS intend to offer the same customer variants of this successful equipment for related requirements which have been approved for procurement from 2017,” Dr. Greene added.

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

EOS is an aerospace company which develops and produces products incorporating advanced electro-optic technologies for the global aerospace market. EOS products are based on core technologies in software, lasers, electronics, optics, gimbals, telescopes, beam directors, optical coatings, precision mechanisms and highly ruggedized assemblies.

EOS employs around 120 staff operating from facilities in Australia, Singapore, Germany and the US. EOS operations are divided in two sectors: **Space Systems** and **Defence Systems**.

Defence Systems

EOS is a key global supplier in the market for remote weapon systems [RWS] and autonomous military surveillance and combat systems.

Over 1,300 RWS from EOS have been sold or deployed through US, NATO, Australian and allied forces, including naval weapon systems, armoured vehicle turrets and remote controlled mobile weapon systems. EOS is a development centre for RWS users globally.

The Company's RWS product family is based on a common module set and fully-qualified fire control software. Modules include high resolution cameras, thermal vision, image processing, ruggedized computers, lasers, sensor systems and power management systems, all qualified for the military environment.

Space Systems

The EOS Space Systems sector focuses on both commercial and defence requirements for space information, including space situation awareness. EOS specializes in obtaining space information using EOS-developed optical instruments and sensors to detect, track, classify and characterise objects in space. This information is required for both military and commercial space applications.

About HYUNDAI-WIA

Hyundai-WIA is a major subsidiary of Hyundai Motor Group [HMG], a Korean corporation with diverse technology, manufacturing and service businesses and with global revenues of US\$242 billion [2014]. Hyundai-WIA itself has global revenues of US\$10 billion [2014].

Hyundai-WIA is the HMG subsidiary focussed on defence products. It is based in Changwon, Korea and employs around 7,500 staff. It is a leading exponent of innovation in defence products and manufacturing technology.