

MEDIA ARTICLE

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Tie-up with Europeans lifts EOS

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Shares in space and military software systems and electronics developer Electro Optic Systems have doubled in value in the past two months as the company recovers from the loss of a major US army deal.

EOS this week revealed it would team up with Europe's second-largest satellite company, OHB System, to produce space surveillance, imagery and data products.

The agreement is a fillip for EOS, which has sought to propel its space business forward after a key deal worth \$US260 million with the US Army to provide a sensory, ranging, and remote fire control system known as CROWS was wrested away by Norwegian competitor Kongsberg Gruppen late last year.

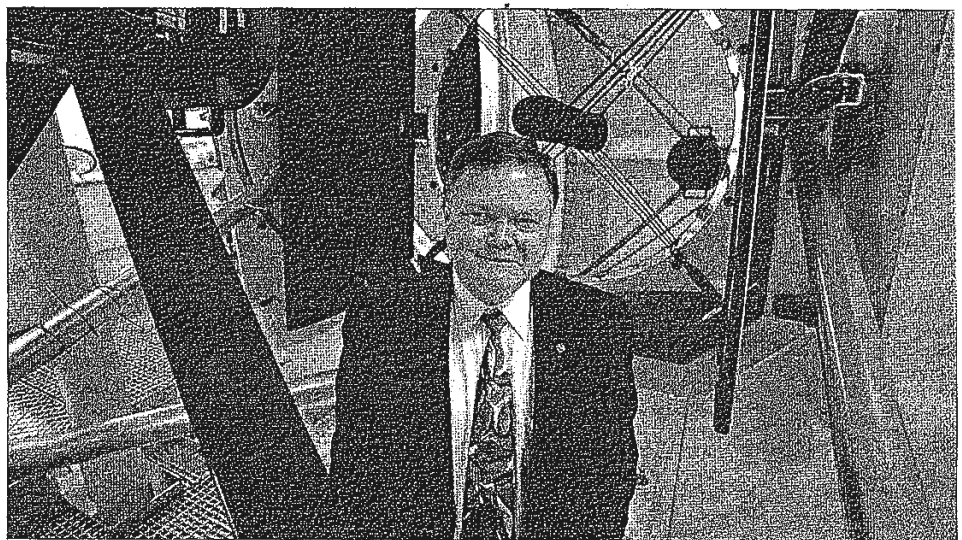
Shares in EOS have climbed 130 per cent since the company hit a 52-week low of 26¢ on April 11 and yesterday traded unchanged at 60¢.

Under the deal with OHB, EOS will supply optical surveillance technology to complement the German company's radar-based systems, a combination the two entities hope will make space technology far more affordable to emerging markets.

"We don't have their technology and they don't have ours," EOS chief executive Ben Greene said.

"The space market is changing quite quickly, a lot more countries need space data. This will make it much harder for the competition to catch up."

Despite the good news, the company has stuck to its position of not providing forward earnings



EOS chief executive Ben Greene says many more countries now need space data.

Photo: PAT SCALA

estimates, a situation that is unlikely to change when it fronts shareholders at its annual general meeting in Sydney tomorrow.

Demand for data gathered from space, including satellite imagery, has increased sharply over recent years on advances in computing power combined with geospatial technologies such as geo-coding that have given rise to products such as in-car satellite navigation and vehicle tracking.

Sectors including mining, farming, water and land management have increasingly found space imaging and analysis a

compelling proposition because it eliminates the need for costly aerial photography using planes, resulting in consumer applications including Google Earth.

At the same time, military and industrial consumption of satellite broadband has risen substantially as larger amounts of data are sent and received from remote locations, such as at sea or in the air.

But the popularity of launching satellites, particularly by developing economies, has created congestion in space, a situation that EOS has milked for some years by providing satellite monitoring and guidance

systems in addition to the tracking of space junk.

Mr Greene yesterday said EOS would continue to pursue exploration of dual-use technologies that would allow it to transfer technology from its military systems to civilian and industrial applications and had two trials under way.

One of those is almost certain to be sensing and ranging applications that allow computers to rapidly identify and home in on events based on noise and light signatures, a technology that has been harnessed to protect against snipers in Iraq.

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