



## Electro Optic Systems Holdings Limited

A.C.N. 092 708 364

Suite 2, Level 12, 75 Elizabeth Street, Sydney NSW 2000

Tel +61 2 9233 3915 Fax +61 2 9232 3411

<http://www.eos-us.com>

### Update on EOS Weapon Systems Business

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On 11 September 2009 the U.S. Army announced that it is seeking vendors for mature, in-production remote weapon systems under its CROWS [Common Remotely Operated Weapon Station] program. The requirement foreshadowed is for up to 19,500 weapon systems over 5 years, with a potential program value of US\$3.9 billion.

EOS has anticipated the potential for this development since August 2007 when a competitor was awarded a contract for the manufacture of up to 5,600 CROWS weapon systems. Until then EOS had been a producer of CROWS for the U.S. Army.

EOS has undertaken a number of initiatives since 2007 with the aim of being well positioned for any future US Army procurement. Those initiatives relate to price competitiveness, new technology and expanded product range.

The company is more price-competitive than in 2007 due to leaner processes, better supply chain performance and efficient partnering and outsourcing arrangements.

Since 2007 EOS has undertaken technology upgrades to its CROWS systems in areas including sniper detection, target auto-tracking, air burst ammunition, user interface, stabilization, situation awareness, built-in-testing and diagnostics, sensor technology and active defence against missiles. Most of these upgrades are in production.

EOS has also expanded its range of mature, in-production CROWS products. The original CROWS program, executed by EOS and partners from 1993-2007, focused on a single product configuration to meet urgent Army needs. This configuration is called CROWS 1 or R-400 [pictured below] and typically weighs 400lb in basic configuration.



In 2007 CROWS 1 was replaced in production by CROWS 2 which is similar to CROWS 1 in size, weight, capability and performance. Neither CROWS 1 nor CROWS 2 can meet all the future needs of Army so EOS developed new CROWS variants to provide for unmet needs.

New CROWS variants developed by EOS include larger, more capable CROWS as well as smaller, lighter CROWS. These employ key features in common with CROWS 1 and CROWS 2 such as weapons, software, user interfaces, vehicle compatibility and training.

Of particular interest to global customers has been EOS' development of a weapon system which can mount two weapons at the same time. Although CROWS 1 can mount numerous weapons, the user must choose a specific weapon to mount prior to starting a mission. This can result in the wrong weapon being selected, particularly when adversaries adapt engagement tactics to counter the weapon which they see facing them.

The EOS dual weapon system, called R-600 [shown below] was developed to allow any **two** automatic weapons to be deployed on a single vehicle. This provides more than double the firepower on the vehicle, since it defeats an enemy's ability to adapt tactics to negate a specific single weapon selected for the vehicle. For example both short and long range weapons can be deployed simultaneously.



**EOS R-600 Dual Weapon System with 40 mm AGL and 7.62mm GPMG**

The EOS R-600 Dual Weapon System is in full production for its launch customer already and was released to the international market on 11 September 2009 at the Defence Systems & Equipment International Exhibition, in London, UK. This exhibition is a major venue for new defence product releases, and the market response to this EOS offering has been positive. Dual weapon systems have obvious advantages but pose special technical difficulties, so the EOS product is the first of its kind.

Whereas R-400 (CROWS 1 and 2) is essentially a medium weight weapon systems intended for deployment on medium combat vehicles, R-600 is a heavier system with greater capability that is optimised for U.S. Army MRAP vehicles and 6-8 wheeled combat vehicles above 12 tonnes in gross weight.

There is another class of weapon system required in large numbers for light tactical or transport vehicles. EOS has been active with partners in the development of a smaller, single-weapon CROWS that weigh less than half of CROWS 1 or CROWS 2 and is designated R-200. This variant is expected to be qualified and in production before the next phase of Army procurement for CROWS commences.

The EOS R-600 and R-400 systems in production and the R-200 in final development all meet CROWS program requirements, and are compatible with previously-fielded CROWS systems.

EOS expects its product range, price competitiveness, new technology, plant capacity and CROWS compatibility will allow it to be a strong competitor for future U.S. Army requirements.

Further information:

**Dr Ben Greene**  
**Ph: +61 414 365 368**  
[www.eos-aus.com](http://www.eos-aus.com)