

**Release to the Australian Securities Exchange**

**XTEK Annual General Meeting**

**Canberra – 28 November 2012**

XTEK Limited (XTE) advises that the 2012 Annual General Meeting (AGM) of the Company, was held today at the Canberra Business Centre, Regatta Point, Commonwealth Park, Acton, ACT 2601.

Shareholders attending the AGM were briefed by the Chairman, Mr. Uwe Boettcher and the Chief Executive Officer, Mr. Brian Malcolm on current and future business operations. A copy of the Chairman's Address and CEO Presentation are attached and form part of this announcement.

XTEK Limited is a leading company in the Australian Homeland Security Market. XTEK's knowledge and expertise is focused on the delivery of protection and sustaining solutions for defence forces, state and federal law enforcement agencies, corrections and customs services, and government clients. For more information visit the XTEK web site at [www.xtek.net](http://www.xtek.net)

**Signed** for and on behalf of XTEK Limited:



Lawrence A Gardiner  
Company Secretary  
28 November 2012

# **XTEK Limited**

## **Annual General Meeting**

### **Chairman's Address - Uwe Boettcher**

**28 November 2012**

## XTEK Limited – Annual General Meeting

### The Defence Industry

- The decade ahead
- The pipeline of work
- SME access to Defence work
- Tiered Body Armour System (TBAS)
- The Whalan Review

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# Losses and Profits

- Last year a low point in turnover
- This year business adjusts to low turnover
- Now close to a sustainable business
- Aim is to be profitable in future, even in a low turnover year

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### Plan to grow

- Core business-particularly recurring revenues
- Commercialise the Hydroclave Process
  - Small scale manufacture
  - Teaming for larger projects
- Merger and/or acquisition

# **XTEK Limited**

## **Annual General Meeting**

### **CEO's Address – Brian Malcolm**

**28 November 2012**

# XTEK Limited – Annual General Meeting

## Aim

**To update XTEK shareholders on Company business strategy and operational progress**

# XTEK Limited – Annual General Meeting

## Scope

- **Strategic Context**
- **Strategic Development**
- **Operational Objectives**
- **Operational Progress**
- **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**

## **XTEK Limited – Annual General Meeting**

# **Strategic Development**

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## Strategic Development

### Strategic Aim 1:

- **Stable Sustainable Business**
  - Profitable and growing
  - Transition from agency predominance
  - Right products at right margins
  - No loss-making portfolios
  - Low OPEX
  - Advantageous terms with suppliers
  - Increased capital value and shareholder return

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## Strategic Development

### Strategic Aim 2:

- **Quality Business**
  - Strong corporate reputation
  - Strong client relationships
  - Dynamic company
  - Quality service provider
  - Effective communication

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## Strategic Development

### Strategic Aim 3:

- **Innovative and Progressive Business**
  - Understanding of emerging requirements
  - Knowledge of emerging technologies
  - Routine ‘outside box thinking’
  - Increased use and development of Company Intellectual Property (IP)
  - Effective use of contemporary digital marketing

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## Strategic Development

### Strategic Aim 4:

- **Balanced Business**
  - Less reliance on Australian market
  - Less reliance on Defence market
  - Less reliance on agency business
  - Performance equality across portfolios
  - National and international diversification

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# Operational Objectives

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# **Operational Objectives**

- **Specified Short Term Goals**
  - **Develop a new and strong sales team**
  - **Increase agency sales**
  - **Enhance corporate reputation**
  - **Realise revenue from XTclave Joint Venture**
  - **Secure XTclave R&D grants and funding**
  - **Analyse XTclave Carbon Composite potential and value**
  - **Develop Precision Weapon Component Suite and establish market in Australia**



## XTEK Limited – Annual General Meeting

# Operational Objectives

- **Specified Medium Term Goals**
  - Increase agency sales
  - Secure Land 125 Phase 3B (Future Soldier Combat Ensemble – Protection Elements)
  - Develop international armour Joint Venture
  - Develop armour technology capability
  - Develop composite manufacturing Joint Ventures
  - Secure JP 129 Phase 4 (Small UAVs)
  - Establish global market for Precision Weapon Component Suite

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# Operational Objectives

- **Specified 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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## Game Plan

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# Operational Objectives

### Game Plan:

- **FY12/13 – Minimal Growth**
  - Aggressively target specific opportunities and increase agency sales
  - Develop new sales team and products
  - Develop corporate reputation
  - Improve digital marketing
  - Seek opportunities for diversification
  - Transition to recognition of IP revenue
  - Gain understanding of IP potential
  - ‘Weather the storm’ and prepare for future

## XTEK Limited – Annual General Meeting

# Operational Objectives

### Game Plan:

- **FY13/14 – Gradual Growth**
  - Focused sales efforts for specific requirements
  - Develop client relationships
  - Raise company profile
  - Diversify
  - Increased revenue from Company IP
  - Further develop Company IP

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# Operational Objectives

### Game Plan:

- **FY14/15 – Increasing Growth**
  - Improving sales climate
  - Exploit this with by now experienced and trusted sales team
  - Draw on developed client and supplier relationships to succeed
  - Use diverse sales portfolio to advantage
  - Benefit from high-profile, reputable and successful Company IP

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# Operational Progress

## **XTEK Limited – Annual General Meeting**

# **Operational Progress**

- **New Managers**
- **Updated Products and Capabilities**
- **Increased Organisational Efficiency**
- **Enhanced Profile**
- **Diversification**
- **Greater Emphasis on XTEK IP**



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# Operational Progress

- **New Sales Managers**
  - **Mr Andy Cullen – EOD Sales Manager**
    - 15 Years military experience
    - Considerable EOD operational experience
    - Qualified EOD instructor
    - Highly regarded throughout EOD community
  - **Ms Jae Gerhard – Forensics Sales Manager**
    - BSc Biomedical Science (Hons)
    - Considerable forensics operational experience with AFP and NSW Police
    - Published Technical Expert
    - Highly regarded throughout forensics community

## XTEK Limited – Annual General Meeting

# Operational Progress

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## Operational Progress

- **Updated Product Lines and Capabilities**
  - SIG SAUER Weapons
  - ICOR EOD Robotics
  - Cassidian Simulation
  - ChemImage Hyperspectral Imaging
  - Winkelmann TSCM Equipment
  - TSCM Capability

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## Operational Progress

- New Managers
- Updated Products and Capabilities
- **Increased Organisational Efficiency**
- Enhanced Profile
- Diversification
- Greater Emphasis on XTEK IP

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## Operational Progress

- **Increased Organisational Efficiency**
  - **Closure of Melbourne office**
  - **Reduced footprint in Canberra**
  - **Closure of Sporting portfolio**
  - **Reduced inventory**
  - **Reduced OPEX**

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## Operational Progress

- New Managers
- Updated Products and Capabilities
- Increased Organisational Efficiency
- **Enhanced Profile**
- Diversification
- Greater Emphasis on XTEK IP

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## Operational Progress

- **Enhanced Profile**
  - Improved digital marketing and website
  - Focused media campaign
  - Superior profile at trade shows
  - Political engagement
  - Proactive relationship building with clients and suppliers

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# Operational Progress

- **New Managers**
- **Updated Products and Capabilities**
- **Increased Organisational Efficiency**
- **Enhanced Profile**
- **Diversification**
- **Greater Emphasis on XTEK IP**



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## Operational Progress

- **Diversification**
  - EOD equipment tender proposals to Middle East, South America and SE Asia
  - Overseas EOD training submission
  - New forensics and biometrics markets
  - Technical Surveillance Countermeasures
  - Mining sector opportunities
  - XTEK-developed equipment

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## Operational Progress

- **New Managers**
- **Updated Products and Capabilities**
- **Increased Organisational Efficiency**
- **Enhanced Profile**
- **Diversification**
- **Greater Emphasis on XTEK IP**

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# Operational Progress

- **Greater Emphasis on XTEK IP**
  - Signed Joint Venture for armour with Armour Australia
  - Finished and delivered XTclave Production Plant
  - Short-Listed for Future Combat Soldier Ensemble Request for Tender
  - Secured grants and R&D tax relief
  - In discussions with global composite manufacturers

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# Operational Progress

- **Greater Emphasis on XTEK IP**
  - Subject to contract, secured US DoD Foreign Comparative Testing funding for body armour research (\$1.2m)
  - Commissioned report on XTclave potential
  - Marketed XTclave capability
  - Tactical 2 Folding Chassis rights secured by SIG SAUER
  - Promoted Tactical 2 Folding Chassis within Australian Defence and Law Enforcement communities
  - Developing new products

## XTEK Limited – Annual General Meeting

### Conclusion

- **Challenging Period but Clear Business Focus**
- **Defined Aims and Objectives to Deliver Success and to Realise Considerable Medium and Long Term Potential**
- **Dynamic, Forward-Looking and Proactive Mind-Set has Led to Operational Progress**
- **More Efficient Business with Strong Team, Improving Agency Arm and World-Class IP**
- **Exciting Future**

## XTEK Limited – Annual General Meeting

# Questions