

Press release – 3 November 2014

Homeland security specialist's aggressive growth strategy paying dividends

When the Assistant Minister for Defence, The Hon Stuart Robert MP opens the new purpose designed, contemporary Head Office and Workshop facilities for homeland security specialist XTEK (ASX:XTE) in Canberra today, it will be an important indicator that the company's aggressive growth strategy - which has seen the share price remain stable in an increasingly jittery market - is paying off.

Established during the Commonwealth Heads of Government Meeting in 1978, XTEK designs, makes, sells and supports specialist equipment and machinery to help protect and sustain Defence, police, security and other agencies.

Traditionally XTEK imported international products for the regional security market. Now the company also designs and develops its own product range to complement its agency business and invests in local engineering innovation.

The jewel in the crown is XTEK's XTclave™ Composite Consolidation Technology which manufactures lighter, stronger and stiffer composite articles, such as body armour, outperforming traditional processes.

Last year XTEK entered into a contract with the US DOD to investigate how its technology could be used to reduce the weight and improve the capability of future hard body armour solutions. Stage 1 of that contract is nearing completion and the US DOD recently confirmed funding for the second year of the project. Similarly, XTEK has produced complex components for an XTEK designed and developed folding chassis that is used on high end sniper rifles.

Importantly, XTclave™ is a platform technology that has considerable potential for the manufacture of high-quality, void-free, precision structural carbon fibre composite components for military and aerospace applications.

"We are in the production stage but the products are at varying stages of maturity. It's very important for us to remain as diverse and innovative as possible and to take full advantage of all the possibilities of XTclave™" XTEK chairman Mr Uwe Boettcher explains.

"We are developing hard armour inserts for body armour with the aim of producing the lightest body armour on the market as well as investigating a number of potential opportunities ranging from the development of ultra-lightweight combat helmets through to the manufacture of specialised weapon and aerospace components."

"The size of the military market is huge. For instance, there are about one million active regular personnel serving in the US military alone, not to mention reserve forces and the law enforcement community, including police SWAT teams and FBI," Mr Boettcher added.

The Unmanned Aerial Vehicle (UAV) business is of particular interest to XTEK and another area of considerable growth. XTEK exclusively represents the entire suite of AeroVironment UAV systems in Australasia.

“The future is bright for XTEK. We are embarking upon a genuinely exciting period of growing our existing business and adding a turbo boost, focussing on XTEK-developed technology and XTEK’s own product range with higher margins and very significant growth potential; our new headquarters are testament to that,” Mr Boettcher concluded.

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About XTEK Limited

XTEK LIMITED is listed on the Australian Securities Exchange main board (ASX code: XTE). The only listed homeland security company in Australia, XTEK is one of the top Small Medium Enterprise (SME) Defence Contractors providing equipment, training and support services to Federal and State Government Departments and Police Forces responsible for Australia's national internal security. <http://www.xtek.net/>