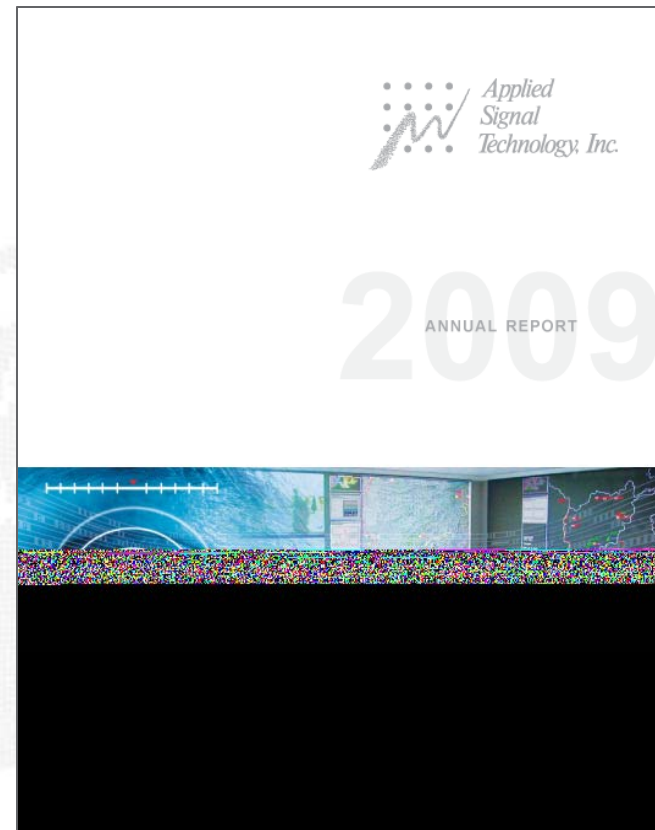




AST Financials

“A Position of Strength”



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INTELLIGENCE | SURVEILLANCE | RECONNAISSANCE

1

Global Threat Environment Will Remain Severe, Creating a Funding Mandate



- Emphasis on asymmetric warfare continuing for foreseeable future
- Expect shift from “hot” conflicts to prevention/intelligence of emerging threats
- Funding availability for intelligence equipment not tied to Iraq/Afghanistan
- Proliferation of diesel-electric submarines creating re-emergence of ASW funding
- Expansion of cyber-attacks threaten our national infrastructure

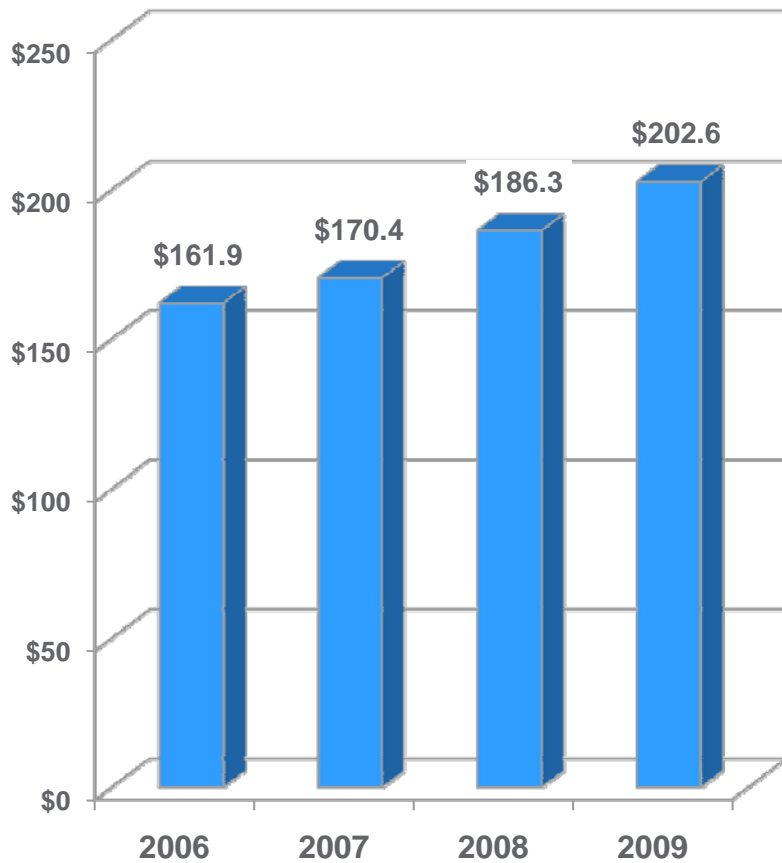
Enhancing Operating Discipline & Profitability



- Drove core program costs down to ensure competitive edge extended beyond technical expertise
- Instilled margin discipline to keep organization focused on maximizing value to shareholders
- Focused development efforts on products with superior margins
- Essentially created an operating platform that would optimize profitability as company experiences growth

Improving Performance

Revenues



Operating Income



Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) (\$ in thousands)

	Fiscal Year		
	2007	2008	2009
Earnings Before Interest/Taxes	\$11,304*	\$12,787*	\$22,870*
Percent of Revenues	6.6%	6.9%	11.3%
Depreciation and Amortization	\$5,649	\$6,138	\$6,361
EBITDA	\$16,953	\$18,925	\$29,231
Percent of Revenues	10.0%	10.2%	14.4%

*Note: Operating income was reduced \$4.2 million, \$4.8 million, \$2.2 million during fiscal years 2007, 2008 and 2009 respectively, due to the adoption of FAS 123R.

AST Performance Compared to Peers

	Top 2 Rankings
	Middle Rankings
	Bottom 2 Rankings

Ratios	APSG AST	AST	APSG AST	LLL L-3	STST Argon ST	HRS Harris	AVAV AeroVironment	CUB Cubic Corp	SXE Stanely
For the Fiscal Period Ending	FY09 Actuals	Rank	12 months Oct-31-2009	Press Release 12 months Dec-31-2009	12 months Jan-03-2010	LTM 12 months Jan-01-2010	12 months Oct-31-2009	12 months Dec-25-2009	12 months Dec-31-2009
Return on Assets %	8.7%	3	8.7%	7.1%	6.3%	11.6%	2.9%	7.8%	9.6%
Return on Equity %	11.0%	5	11.0%	14.5%	7.4%	14.3%	4.5%	13.4%	19.3%
Current Ratio	4.3x	2	4.3x	2.0x	3.5x	1.9x	6.9x	2.4x	2.0x
Quick Ratio	3.6x	2	3.6x	1.8x	3.2x	1.0x	5.9x	2.0x	1.9x

Growth Over Prior Year

Total Revenue	8.7%	3	8.7%	4.8%	1.3%	8.0%	(6.3%)	10.7%	16.8%
Gross Profit	6.0%	5	6.0%	4.3%	7.8%	12.3%	(16.9%)	20.5%	23.4%
EBITDA	45.4%	1	45.4%	5.0%	10.8%	4.7%	(55.3%)	33.7%	25.1%
EBIT	63.7%	1	63.7%	4.3%	11.9%	5.6%	(69.9%)	32.2%	24.8%
Net Income	81.2%	1	81.2%	(5.1%)	9.2%	(34.9%)	(65.7%)	36.7%	30.0%
Diluted EPS	74.8%	1	74.8%	(1.5%)	9.2%	(39.3%)	(65.5%)	36.7%	28.6%

Next Stage is to Leverage Enhanced Profitability to Generate Sustained Growth



- Continue to pursue acquisition strategy to extend the range and scale of the business
- Defend and develop portfolio of commercially viable intellectual property
- Reinforce key areas of management
- Enhance research and development efforts to further leadership position in core markets
- Short term contraction in operating profitability is necessary to position the business for long-term growth

Cash-Rich Balance Sheet Will Support Accelerated Organic and Extrinsic Growth



- \$45 million in cash and investments
- Willingness and opportunity to expand organic growth into new tier of programs
- Willingness and opportunity to execute strategic acquisitions
- Additional shares are intended to serve growth and corporate needs over the next 5 years

Financing our Growth

- ***Increased line of credit to \$35 million***
 - Can be used for acquisitions and general business needs
 - No fees on the used portion
 - Covenants consistent with the current loan
- ***Shareholders approved a 15 million share increase in authorized shares***
 - Strategy – cash, debt and equity opportunistically

AST will search for small, strategic acquisitions to help accelerate our growth to achieve our long-term business objectives

Reiterating FY10 Guidance

- **Revenue growth**
 - Anticipate \$213M to \$223M including revenue from Pyxis Engineering
- **Operating income**
 - Anticipate operating income of \$19M to \$22M or midrange of 8% to 11% long-term model
- **Taxes**
 - Anticipate a 38% to 39% effective tax rate assuming the R&D tax credit is extended

Anticipate growth in all areas however challenges remain in tactical SIGINT