



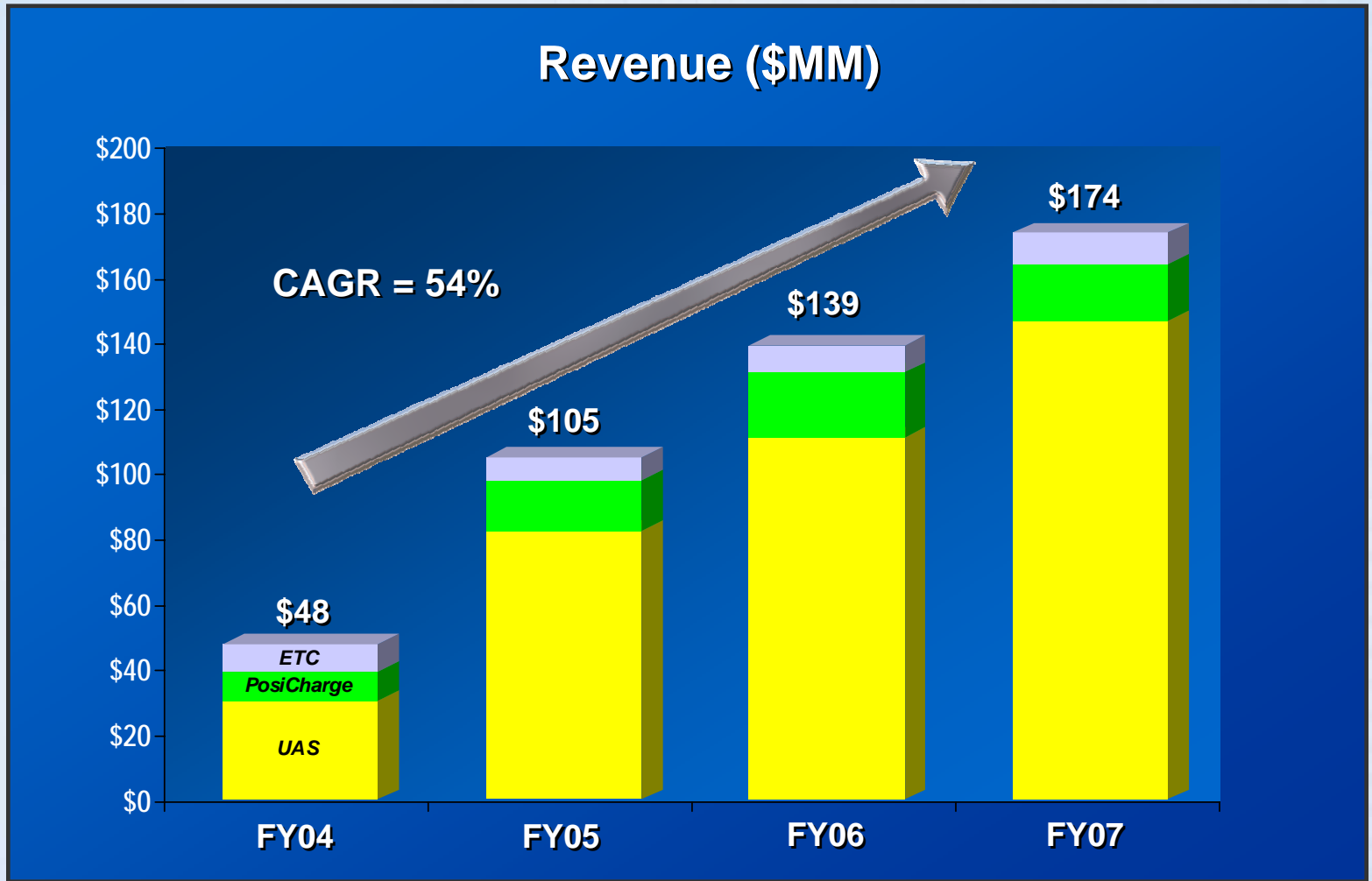
AeroVironment, Inc.
NASDAQ: AVAV

October 2007

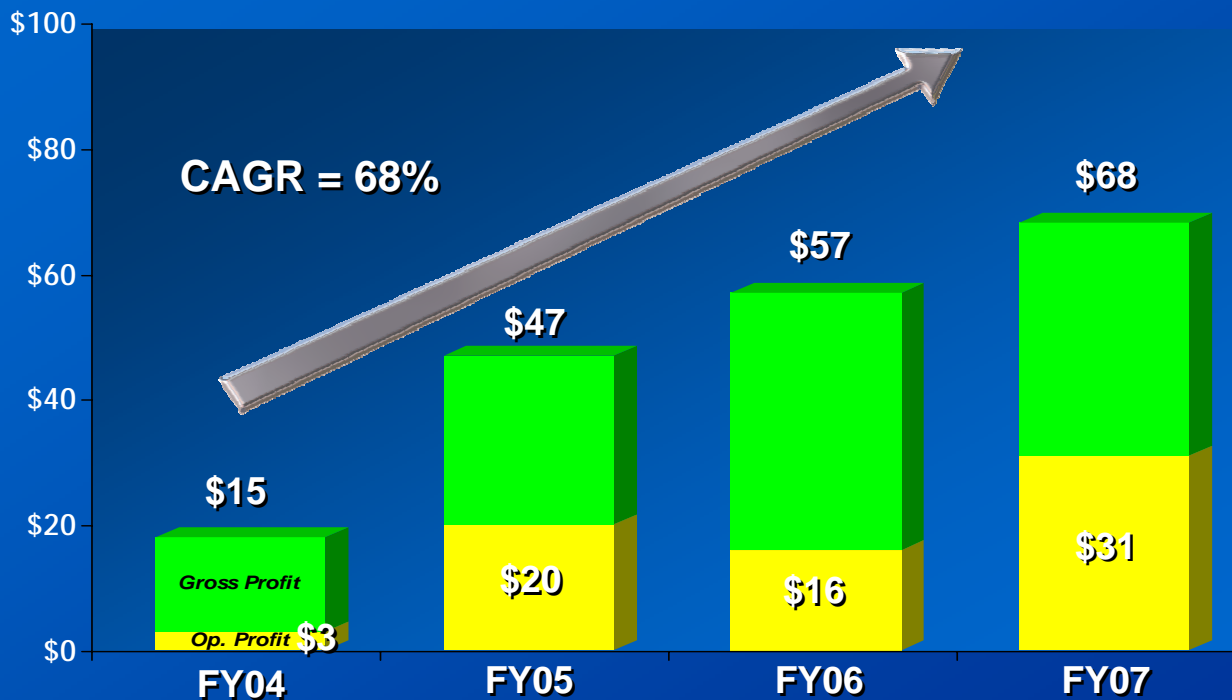
This presentation contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, strategy or actual results to differ materially from the forward-looking statements. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, reliance on sales to the U.S. government; changes in the supply and/or demand and/or prices for our products; the activities of competitors; failure of the markets in which we operate to grow; failure to expand into new markets; changes in significant operating expenses, including components and raw materials; failure to develop new products; changes in the regulatory environment; product liability, infringement and other claims; and general economic and business conditions in the United States and elsewhere in the world. For a further list and description of such risks and uncertainties, see the reports we file with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. We do not intend, and undertake no obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

- Leading developer and supplier of small unmanned aircraft systems (UAS) and electric vehicle fast charge systems
- Rapidly growing markets for our solutions
- Track record of successful growth
- Robust, market-driven development pipeline
- Proven management and an innovative culture

Consistent Annual Revenue Growth



Gross and Operating Profit (\$MM)





Unmanned Aircraft Systems
Simi Valley, CA



Energy Technology Center
Monrovia, CA



PosiCharge Systems
Monrovia, CA

Small, Hand-Launched Unmanned Aircraft Systems (UAS)



- FY '07: 84% Of Total Revenue
- FY '04 – '07 UAS Revenue CAGR: 69%
- Sole Supplier to All U.S. DoD Programs of Record for small UAS

Embedded into U.S. Military

Small UAS Video

click [here](#) and select "Raven UAS WMV" option

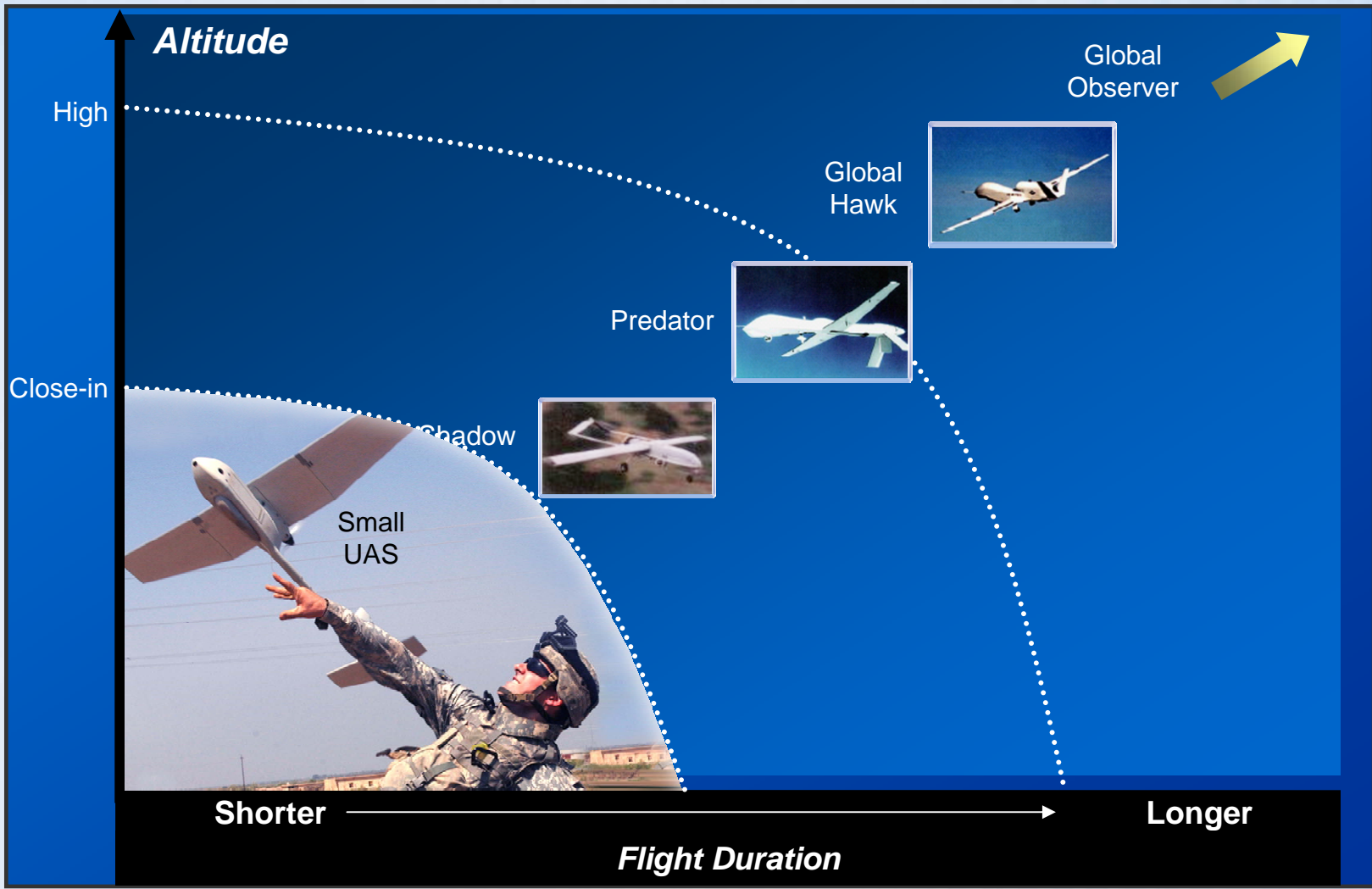


A Complex System... Easy to Use and Reliable



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Different Platforms for Remote Imagery



Small UAS Respond to the Immediate Need for RSTA



<i>Existing</i>	<i>Potential</i>		
U.S. Special Forces	National Guard	Individual U.S. Warfighters	Individual International Warfighters
U.S. Army, Marines, Air Force	Border Security	Asset Security	International Asset Security
U.S. DoD	Homeland Security	First Response	International First Response
International Military Forces	SWAT Teams	Law Enforcement	International Law Enforcement

Sale of additional products:
Raven, Wasp, Puma

Services supporting deployed systems:
training, spares, repairs

Product upgrades:
DDL, Raven B

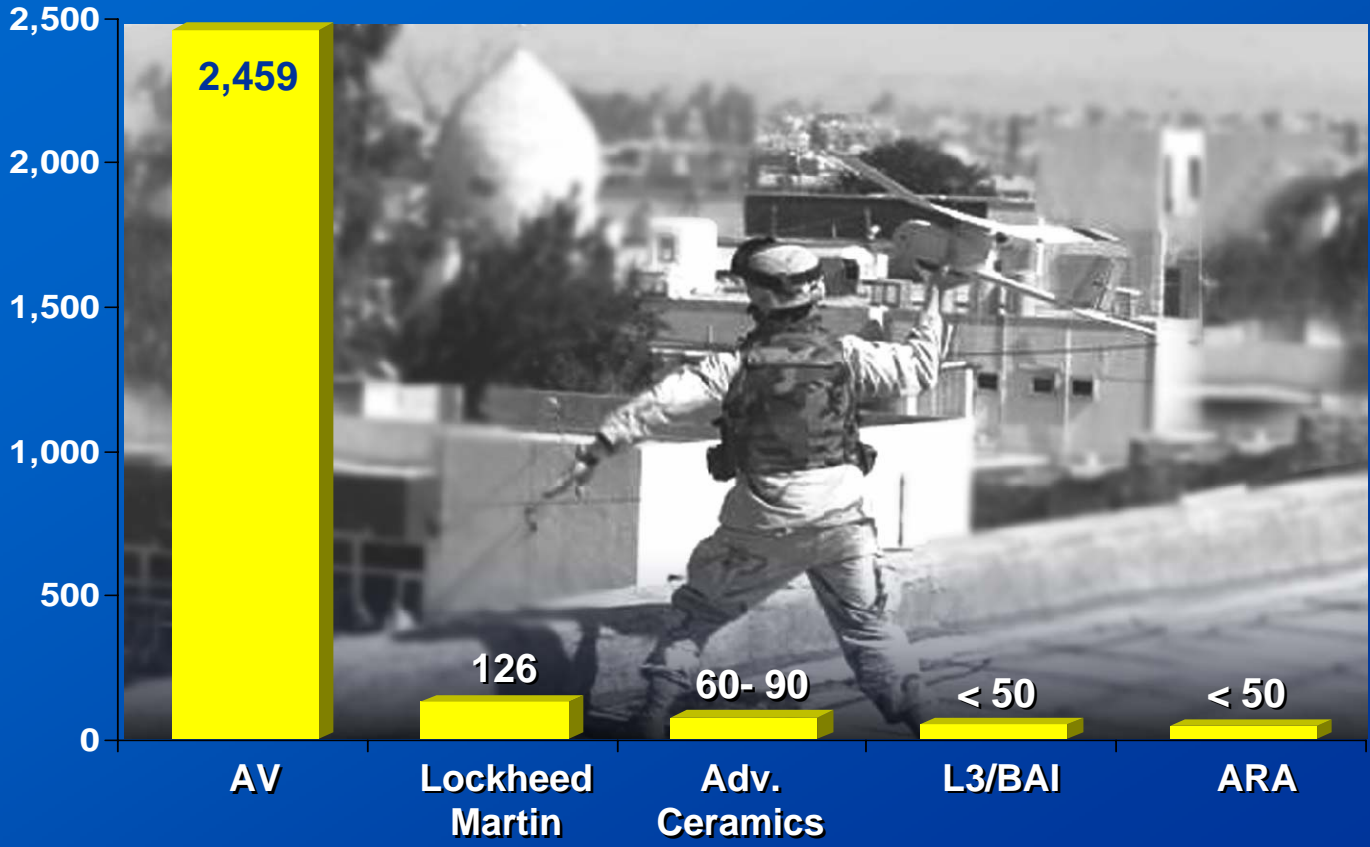
New products:
Switchblade, BATMAV, Global Observer

New markets and applications:
*allied military, border security, law
enforcement*

Leading Market Position in Small UAS

Aircraft
Planned

U.S. DoD Small UAS Suppliers, Aug. '05



Source: UAS Roadmap 2005-2030, August, 2005 for the U.S. Department of Defense, Office of the Secretary of Defense; (units as of UAS Roadmap print date and calculated based on data provided)



- Productivity Solution For Industrial Vehicles
- FY '07: 10% Of Total Revenue
- FY '04 – '07 PosiCharge Revenue CAGR: 24%

Electric Lift Trucks

Battery Changing Limits Productivity



**Battery
Changing Room**



Productivity Affects Competitiveness

PosiCharge

Growing, Blue Chip Customer Base (sample)

- Key purchase drivers
 - Productivity
 - Safety
 - Efficiency
- Vertical market penetration
 - Automotive
 - Air transport
 - Food
 - Logistics
- Consistent adoption pattern
 - Initial trial
 - Single facility implementation
 - Multiple facility implementation
 - Enterprise adoption



PosiCharge Systems

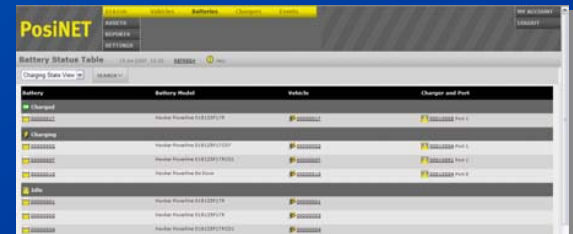
Complete System Solution



Accessories



Installation & Repair Services



Battery	Battery Model	Vehicle	Charger and Port
Charged	Model PosiNet 1.8 (2011-12)	AVU000002	AVU000002 Port 1
Charging	Model PosiNet 1.8 (2011-12)	AVU000003	AVU000002 Port 1
	Model PosiNet 1.8 (2011-12)	AVU000004	AVU000002 Port 1
	Model PosiNet 1.8 (2011-12)	AVU000005	AVU000002 Port 1
	Model PosiNet 1.8 (2011-12)	AVU000006	AVU000002 Port 1
	Model PosiNet 1.8 (2011-12)	AVU000007	AVU000002 Port 1
	Model PosiNet 1.8 (2011-12)	AVU000008	AVU000002 Port 1
	Model PosiNet 1.8 (2011-12)	AVU000009	AVU000002 Port 1

Data Products & Services

Charging
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- Strategic R&D, Electronic Test Equipment, Commercialization
- FY '07: 6% Of Total Revenue

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Switchblade



- **Man-Portable, Lethal Small UAS**

Global Observer



- **High Altitude, Long-Endurance UAS**

Development Pipeline Examples

Architectural Wind



- Strong Organic Revenue Growth
- Track Record of Profitability
- Diverse Revenue Mix
 - Products, R&D, Services
 - Government, Commercial
- Strong Balance Sheet with No Debt

Quarterly Performance by Segment

In \$ Millions	First Quarter FY '08			Total
	UAS	PosiCharge	ETC	
Revenue	\$42	\$5	\$2	\$49
Gross Profit <i>Margin</i>	\$14 34%	\$2 36%	\$1 41%	\$17 34%
Operating Income <i>Margin</i>				\$5 10%
Net Income <i>Margin</i>				\$4 8%



AeroVironment
Fiscal Quarter Ended 07/28/07

Cash & ST Investments	\$101	Payables	\$12
Receivables	39	Other Liabilities	13
Inventories	16		
Property and Equipment	8	Capital	87
Other Assets	<u>4</u>	Retained Earnings	<u>56</u>
Total Assets	<u><u>\$168</u></u>	Total Liabilities & Equity	<u><u>\$168</u></u>

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