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Hungarian economy was characterised by a rather strong and viable performance during the last years. From the second half of the 1990s to 2006 Hungary achieved rapid economic growth and its Gross Domestic Product (GDP) was above 4%. Additionally, the ample economic performance of the country was reinforced by the rapid integration into the European markets. It is indicative that the stock

of foreign direct investments was almost EUR 59 billion during these years. This fact, associated with the modern export capacities, played a significant role in the positive shift of the national economic structure. Thus, the economic overall performance of Hungary dramatically altered after 2006 and was further deteriorated after 2008 when the country was hit by the global financial crisis.

The main reason that created the unfavorable economic situation in Hungary was the sharp decrease in domestic and external demand. The domestic demand was downsized due to the serious downturn of investments and consumption whereas the external demand was decreased because of the recession of advanced economies, such as Germany. The aforementioned situation led to a rapid fall in the Hungarian GDP and a further decrease of employment.

According to the developments above, the sharp decrease in domestic (due to the serious downturn of investments and consumption) and external demand (because of the recession of advanced economies, especially Germany) leads to a 6-7% fall in Hungarian gross domestic product (which is unseen since the transition crisis) and a further decrease of employment.



The negative economical outlook of the country continued in 2009 as GDP dropped by 6.3%. This downturn is without precedent for the country since the crisis of transformation in the early 90's and exceeds that of the EU. The negative economic situation was slightly approved as the Hungarian economy performed better than expected in Q1 2010 and GDP rose by 0.1% compared to the corresponding period of the previous year.

	2006	2007	2008	2009	January-March 2010
Unemployment (%)	7.5	7.4	7.8	10.0	11.8

Source: Hungarian Ministry for National Development and Economy

The aforementioned unfavorable socio-economical situation had as a result the explosion of unemployment. It is indicative that in 2009 the **unemployment rate** jumped near to 10% by early spring. At the start of 2010, the unemployment rate continued unfavourable processes

seem to strengthen. According to the latest official data, number of employed continued to fall and unemployment rate surged to a new peak (11.8%) in March 2010.

In order to correct the country's macroeconomic imbalances, the Hungarian government started a crisis management program harmonized with some long-term objectives in spring 2009. Part of this product is the cut-back on fiscal expenditures (so as to ensure the sustainability of budget deficit target) and the essential tax rearrangements (so as to improve the competitiveness of enterprises). The long term goal of the program is to reach an acceptable growth pace and it remains to be seen if the goal will be fulfilled.

Kyriazis Vasileios,

Epicos Newsletter Head Editor



PRODUKTUM KFT

Produktum Kft is a Hungarian company that designs and produces tools and metal structures for the aviation and related industry. Produktum designs and produce light structures mainly

made of aluminium and steel. Its products include welded aluminium structures; maintenance stands statically designed structures: stands, steps, frames, installation. The company's products are used for aviation and vehicle industries, as well as for railway, bus, automotive and logistics companies. The latest development of the company is a compressor washing rig for V2500 and CFM 56 airplane engines.

Produktum is engaged in the design and production of work platforms for general purposes and especially for aircraft maintenance. The company's offering comprises a work platform family with 1-12 steps made of welded and mounted alloyed aluminum, zinc plated or painted steel. Aluminum structures can be produced - on request - with anodized coating. All work platforms are easy to manoeuvre and installed with breakable/fixable wheels.

All types of ladders can be assembled in a short time on site. Types higher than 3,6 m are built in pyramidal shape and have a tow bar and supporting legs. Type H-01 hydraulic powered scissor lift is combined with a movable consol on the top in order to go up on the wing surface.



The company offers special dock for B-767 main landing gear well and cargo room too. For mounting of A-330/340 customers can be supplied with special stand for main landing gear. Produktum can also supply customers with special stand developed to A-319/320/321 nose landing gear.

Additionally, the company produces ramps for its customers. The main type is loadable with 3.5 t and gives the possibility to transport big earthwork machines with a common truck. On order the company designs and produces ramps for disabled people too.

Furthermore, the company produces baggage carts for airport and small lorries for industrial use with 1,1 ton load ability. The products are TÜV-certified and exist in different versions. The normal version is equipped with side and back walls. Optional features include canvas and back wall enlarger. The lorry is equipped with ran over brake and shafts are assembled specifications.



Lately the company produced a new product which prepares washing liquid for cleaning gas paths of CFM 56 and V2500 engines. The GTM 10.1 PRO JET one JUNIOR gas path cleaner equipment is adjusted for providing 19-23 litre/min for CFM engines, and 20-30 litre/min quantity for V2500 engines.

The equipment is installed with pump and 2 stainless steel heat able tanks. It can provide cold or warm water or washing liquid from 1 or 2 tanks in the same time. The equipment has electric panel, from where you can control temperature of washing liquid and cleaning

No.	Type of engine	Type of washing pipe
1.	CFM 56-3	JMP/CFM56/D/4538
2.	CFM56-2 5A	JMP/CFM56/D/4435
3.	CFM56-5B	JMP/CFM56/D/6527
4.	CFM56-5C	JMP/CFM56/D/4605
5.	CFM56-7	JMP/CFM56/D/4462
6	V2500	IAE4J12034 or IAE4J12031

process. It also fitted with all the needed safety indicators and sensors.

Washing rig is installed on towable steel chassis. Its covering can be opened by gas springs.

Main technical data:

Voltage:	380 V
Volume of tanks:	2x 148.8 litre (usable 2x120 litre)
Material of tank:	stainless steel
Heating coil:	4.5 KW/tank
Thermometers:	Pt 100
Level indicators:	D 16mm heat resistant glass pipes and electronic level switches

Contact the company at:

Email: info@produktum.hu

Telephone +36 1 291 0460

Fax +36 1 291 0460

Address 1182 Budapest Olt u. 12. - Hungary



PRODUKTUM KFT

reasonable prices," said Mr. Ferenc Szarvas, Mechanical Engineer of Produktum kft. in an exclusive interview given to Epicos.

"Our productions are very simple, reliable, workers like them because it is very easy to work with them. We are very flexible, and we offer our customers good quality at

Please tell us about the place of Produktum Kft. in the national and international market.

Our company was established in 1998 and step by step penetrated into the market. Mainly it works for inland in Hungary but we export our aluminium maintenance stands to Central-European and Balkan Countries. They can be found in Montenegro, Austria, Romania, Switzerland, Albania and Serbia. Our stands are present in airplane, bus, railway, moulding, power station industry, at metro company and logistic centers too.

What are the next steps and the priorities of the company?

Now we must focus on technology. We harmonize the design process with the production in order to reduce costs and production time. We are standardizing our products.

What are the difficulties that Produktum Kft. is currently facing?

First of all Hungarian market became smaller, companies reduced their developments. As a consequence, the market opportunities decreased generally.

Metal commercial companies are increasing the price of raw materials, aluminium and steel too.



Why someone should choose the company to do business.

Many reasons can be found. First of all our productions are very simple, reliable, workers like them because it is very easy to work with them. We are very flexible, and we offer our customers good quality at reasonable prices.

Is there a specific country that Produktum Kft. is going to expand?

We would like to expand to Western Europe, Balkan, and North-Africa.

What are the main advantages of the Produktum Kft.?

As I mentioned we can combine reliability, flexibility and reasonable price with good quality.

We tailor our products just in accordance with customers' wishes.



Epicos "Project Opportunities" provides a unique set of online tools enabling the structure, identification and implementation of comprehensive Offsets programs, through a searchable database. By introducing different offset projects and ideas proposed by local A&D industry it ensures the optimum cost for Prime Contractors and reassures that the priorities of local industry are fully met...

[For Further Information Press Here](#)

Non-destructive Testing (NDT) apparatuses calibration services for the aerospace and defense industry



A company specializing on the sales and servicing of non-destructive testing apparatuses, running a NAT-accredited MSZ EN ISO/IEC 17025:2005 calibrating laboratory is proposing - in the frame of an offset program- the collaboration with a prime contractor or a third party company active within the NDT market, in order to provide its services as a certified NDT apparatus calibration center for Eastern Europe.

[For Further Information Contact our ICO Department](#)

Mail at: a-dimou@epicos.com

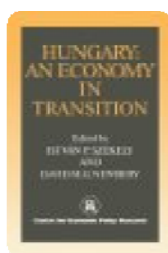
Development of SHORAD system radar (sub)components



A company specializing in the repairing and technical inspection of fire control systems, radars, electronic and mechanical units of different missiles, the designing and manufacturing of mechanical, electronic units, hardware and software of military implements and security engineering systems is proposing, in the frame of an offset program, the collaboration with a prime contractor or a third party company specializing in 3D Radar Development, in order to receive technology on the development of radar system components to be used in medium- and Short Range Air Defense (SHORAD) missile systems.

[For Further Information Contact our ICO Department](#)

Mail at: a-dimou@epicos.com

Hungary: An Economy in Transition, Istvan Szekely, David M. G. Newbery

Hungary was through a very challenging situation during its economic and political transformation. This book is trying to delineate the local arguments and perceptions informing the current debate, and critical examination of these ideas by an international panel of scholars. Therefore, it gives an original insight for the interested reader. Chapters address the privatization program; reform of financial, tax and legal systems; integration into the international financial and monetary systems; labor markets, unemployment and the social safety net; and the political economy of the current economic transformation. This book must be regarded as a must read for scholars studying the economics of transition.

The Impact of FDI in Transition Economies: The Experience of Hungary and Albania, and Lessons for Kosova, Nazmi Zeqiri

Today, one of the most important economical issues is Foreign Direct Investment (FDI). The importance of FDI is even higher for transition countries where domestic capital is incapable of meeting the huge investment needs of the economy in the transformation process from planned to market economy. In the twentieth century international capital flows have taken over the lead from foreign trade, becoming the main power beyond of the world economy. In this context Foreign Direct Investment (FDI) played a crucial role. This book is trying to explore the impact that FDI had in Hungary and Albania.



Russia to test new model of Kalashnikov assault rifle in 2011

MOSCOW, May 25 (RIA Novosti) - State tests of the new model of Kalashnikov automatic rifles will be held in Russia next year, Izhmash Director General Vladimir Grodetsky said on Tuesday. The new model of the legendary assault rifle, the AK-200, is based on the AK-74M and differs in weight (3.8 kilograms/8.4 lbs vs. 3.3 kilograms/7.3 lbs) and the magazine capacity (30, 50, 60 rounds vs. 30). The AK-74, a developed version of the Kalashnikov rifle's first model, the AK-47, was introduced in 1974 and used by the Soviet forces during the Afghanistan conflict. The AK-47 was originally created by Mikhail Kalashnikov, who as a WWII soldier was inspired to design the weapon after being wounded in 1941. While his first attempts were unsuccessful, he was given a position in weapons development, and by 1947 he had perfected his masterpiece. Since then, the AK-47 has become the most widespread and famous assault rifle. Used by some 50 armies around the world, as well as countless urban guerrilla movements, it is also featured on the flag of Mozambique. Kalashnikov received Russia's highest honorary title on his 90th birthday last November. Accepting the award, Kalashnikov voiced regret that his creation, the world's most widely used rifle, has been often misused. Russian President Dmitry Medvedev described the AK-47 at the ceremony as "an excellent model of Russian weaponry" and "a national brand that makes each citizen proud."

Source: Ria Novosti

First US Patriot missile battery in Poland

A battery of US surface-to-air Patriot-type missiles arrived Sunday at a Polish military base, the first such deployment on Polish soil, the US embassy in Warsaw said Monday.

"An American Patriot Air and Missile Defense Battery arrived on Sunday at Morag, home of the 16th Mechanized Battalion of the Polish Land Forces, located in north-east Poland," said a statement published Monday on the embassy's website.

"The U.S. 5th Battalion, 7th Air Defense Artillery, also known as the Rough Riders, will unload 37 train cars of equipment on Monday," it said.

Some 100-150 US troops based in Kaiserslautern, Germany, are to service the battery in Poland and train Polish soldiers to operate it, the statement said.

Polish officials are to unveil the Patriots, which are designed to intercept incoming surface-to-surface missiles, on Wednesday, a Polish defence ministry statement said last week.

The Polish military base at Morag, in the Mazurian Lakes region, is some 250 kilometres (150 miles) north of Warsaw and just 60 kilometres (40 miles) from the border with Russia's Kaliningrad territory.

In February, Poland ratified the so-called SOFA deal on the stationing on its soil of US troops who will crew the Patriot battery and train Polish soldiers to use the system.

Poland has repeatedly insisted that the base close to Kaliningrad was not chosen for political or strategic reasons, but simply because it already has good infrastructure.

In September 2009 US President Barack Obama scrapped a plan agreed a year earlier by his predecessor George W. Bush to install a controversial anti-missile shield system in Poland and the Czech Republic.

Under that now-shelved deal, the United States also pledged to help upgrade Poland's national air defences with Patriot missiles and has stuck to that part of the agreement.

The anti-missile shield plan had enraged Russia, which dubbed it a menace to its security on its very doorstep, although Washington insisted it was meant to ward off a potential long-range missile threat from Iran.

Warsaw and Prague were part of Moscow's Soviet-era sphere of control, but became solid US allies after breaking from the crumbling communist bloc in 1989, and joined NATO in 1999.

The Obama administration has since come up with a new plan aimed at parrying short- and medium-range missile attacks.

Source: 2009 AFP, Agence France-Presse (AFP)

Saab develops future avionics system for Gripen

Defence and security company Saab has received an order from the Swedish Defence Materiel Administration (FMV) to develop an avionics system for the Swedish Armed Forces' Gripen aircraft. The order value amounts to MSEK 450, divided over 2 years.

The order means that work will begin on a new avionics system, including new computers and displays, which will enter into service 10 years from now.

"Gripen is under continuous development. Computers with the best performance possible today will be viewed as inadequate for the tasks facing Gripen in ten years, when the aircraft must remain modern for a further twenty years. Few high-tech products have a service life as long as Gripen," says Lennart Sindahl, Vice President at Saab and head of the Aeronautics business area.

The new avionics system will enhance Gripen's capacity to handle large quantities of complex information with different security classification levels. A new avionics system also makes it possible in the future to introduce new sensors that require altered system architecture.

Saab serves the global market with world-leading products, services and solutions ranging from military defence to civil security. Saab has operations and employees on all continents and constantly develops, adopts and improves new technology to meet customers' changing needs.

For further information, please contact:

Saab Press Centre, +46 (0)734 180 018

www.saabgroup.com

For streaming video with TV quality, please visit www.thenewsmarket.com/saab.

Source: Epicos, Saab

Russian finance minister says confident in euro's future

MOSCOW, May 25 (RIA Novosti) - Russian Finance Minister Alexei Kudrin said on Tuesday he is confident in the future of the struggling euro and the current crisis will strengthen EU integration. The 11-year old single European currency fell to its weakest level last week in the wake of the Greek financial crisis. Fears remain about the future of the euro, despite a huge financial bail out package from EU governments and the International Monetary Fund. "I am confident in the future of the euro and I do not think it will be weakened by the exchange rate fluctuations, which can be called a minor currency crisis," Kudrin told journalists. The Russian deputy prime minister said that at the end of 1980s the dollar exchange rate plunged twofold in relation to other currencies but this has not "lessened its role." Kudrin said the crisis has revealed the weak spots in the economic policies of the euro zone and forced the EU to "create new tools for consolidating its finances and strengthening the position of the euro."

Source: Ria Novosti

U.S. Air Force Awards Raytheon \$97 Million for More Miniature Air Launched Decoys

TUCSON, Ariz., May 24, 2010 /PRNewswire/ -- The U.S. Air Force awarded Raytheon Company (NYSE: RTN) \$96.7 million for a third production lot of the Miniature Air Launched Decoy.

MALD(TM) is a state-of-the-art, low-cost, decoy flight vehicle that is modular, air-launched and programmable. It weighs less than 300 pounds and has a range of approximately 500 nautical miles (about 575 statute miles).

"MALD protects aircrew and their aircraft by mimicking the signatures and combat flight profiles of U.S. and allied aircraft," said Ken Watson, the U.S. Air Force's MALD program manager. "This contract delivers additional capabilities to the combatant commanders by giving them more options to shape the battlespace."

MALD is currently in production, and Raytheon has delivered more than 100 units to the U.S. Air Force. This new contract calls for the company to build approximately 300 additional decoys -- nearly equal to the total of Lots I and II combined. Additionally, the contract requires the delivery of the MALD-Jammer in preparation for the MALD-J(TM) initial operational test and evaluation phase, with production expected to begin in 2011.

"This contract showcases the reliability and capability of the baseline program," said Scott Muse, Raytheon's MALD program director. "MALD can be certified on any aircraft with a 14-inch suspension carriage, and its modular design opens the door to numerous options beyond the stand-in-jammer, making MALD an ideal solution for the men and women in uniform."

Raytheon Company, with 2009 sales of \$25 billion, is a technology and innovation leader specializing in defense, homeland security and other government markets throughout the world. With a history of innovation spanning 88 years, Raytheon provides state-of-the-art electronics, mission systems integration and other capabilities in the areas of sensing; effects; and command, control, communications and intelligence systems, as well as a broad range of mission support services. With headquarters in Waltham, Mass., Raytheon employs 75,000 people worldwide.

Note to Editors:

More than 125 Raytheon employees design and build the MALD and MALD-J in Tucson, Ariz.; Goleta, Calif.; and El Segundo, Calif.

Hundreds of employees in scores of businesses across the U.S. design and manufacture MALD and MALD-J components. Major suppliers include: AML Communications, Camarillo, Calif.; AUSCO, Port Washington, N.Y.; BAE, Berthoud, Colo.; CEI, Sacramento, Calif.; Celestica, Austin, Texas; Eagle Pitcher, Joplin, Mo.; EDO, Bohemia, N.Y.; Enser, Pinellas Park, Fla.; Engineered Fabrics Corp, Rockmart, Ga.; GDOTS, Redmond, Wash.; Hamilton-Sundstrand, Rockford, Ill.; Hamilton-Sundstrand, San Diego; LaBarge, Joplin, Mo.; Moog, East Aurora, N.Y.; Tecom, Westlake Village, Calif.

www.raytheon.com

Contact:

Mike Nachshen
520.794.4088 (office)
520.269.5697 (mobile)
michael_nachshen@raytheon.com

Source: PRNewswire, Raytheon Company