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Boeing Completes 2012 with Record Orders and Deliveries



Boeing completed a significantly successful year as they recorded (1,203) net commercial orders during 2012. This was the second best year in the company's history regarding commercial orders. Additionally, Boeing completed (601) deliveries of aircraft, the biggest number since 1999. Finally, the company's unfilled commercial airplane orders at the end of the year stood at (4,373), the most in company history. Mr. Ray Conner, President & CEO, Boeing Commercial Airplanes, stated the following: "Our employees rose to the challenge of executing several production rate increases in 2012 - a truly remarkable performance. Increasing our deliveries by 26% allowed us to put more airplanes into the hands of our customers and grow our customer base by offering the best products and services".

The 737 program broke the record for orders for any Boeing model in a single year, accumulating (1,124) net orders. The 737 MAX - the new engine variant of the best-selling 737 - recorded (914) of those orders, bringing total orders to date to (1,064). Additionally, the 777, totaled (83) deliveries in 2012 and surpassed (1,000) since its launch, won (68) net orders. Finally, the 767 aircraft family totaled (26) deliveries and won (22) net orders.

Orders, deliveries and unfilled orders as of Dec. 31, 2012, by program were as follows:

Family	Gross Orders	Net Orders	Deliveries	Unfilled orders
737	1,184	1,124	415	3,074
747	7	1	31	67
767	23	22	26	68
777	75	68	83	365
787	50	-12	46	799
Total	1,339	1,203	601	4,373

During 2012, Boeing received the largest ever commercial airplane order when Lion Air finalized a firm order for (201) 737 MAXs and (29) Next-Generation 737-900ERs (extended range). The agreement also includes purchase rights for an additional (150) airplanes.

Regarding the future of the company Mr. Ray Conner, President & CEO, Boeing Commercial Airplanes, stated that: "As we look ahead to 2013, we're focused on meeting our customer commitments by increasing production rates and delivering high-quality, reliable products and services. We will also transition the 787-9 into production and flight test and work closely with customers, who contribute so much to our success, to continue defining the 787-10X and 777X."

Kyriazis Vasileios,

Epicos Newsletter Head Editor



Boeing: Deliveries for the 4th Quarter

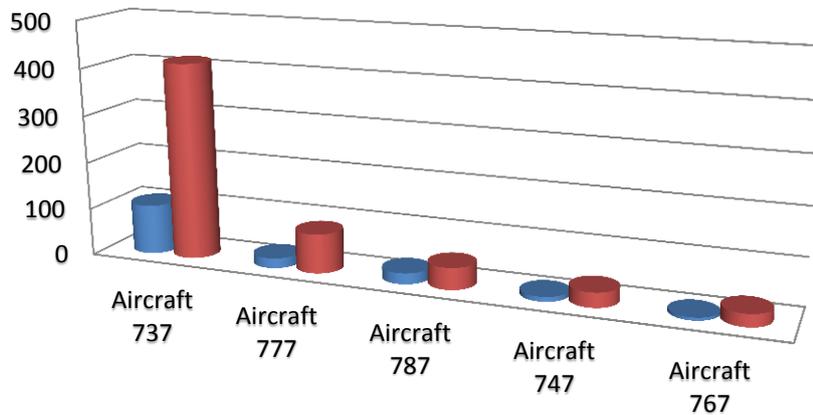


The Boeing Company delivered (165) airplanes in total during the 4th quarter of 2012. The aircraft with the most deliveries for this month is the 737 with (105) deliveries and is followed by the 777 and 787 with (21) and (23) deliveries respectively. The 747 followed with (10) aircrafts and the 767 with (6) aircraft delivered each. With these deliveries Boeing has

reached (601) since the beginning of 2012. The aircraft with the most deliveries was the 737 with (415) and it was followed by the 777 with (83) deliveries. The 747, 767 and 787 aircraft had (31), (26) and (46) deliveries respectively.

Amongst the deliveries Boeing made during the 4th quarter of 2012 was that of the 7,370th 737. The airplane is Lion Air's 75th Next-Generation 737. Additionally, on December 11, 2012 Boeing delivered to American Airlines today its first 777-300ER (extended range) jetliner as part of the airline's fleet modernization effort and global network strategy. The delivery makes the Fort Worth, Texas-based carrier the first U.S. airline to add the 777-300ER to its fleet.

Aircraft Sales



	Aircraft 737	Aircraft 777	Aircraft 787	Aircraft 747	Aircraft 767
■ 4th Quarter 2012	105	21	23	10	6
■ 2012	415	83	46	31	26

Regarding the defence operation of the company, during the 4th quarter of 2012 Boeing delivered (1) early warning and control (AEW&C) system, (6) Apache, (11) Chinook, (2) C-17, (12) F/A-18E/F and EA-18G, (2) P-8 and (1) Satellite. With these deliveries Boeing has reached (151) since the beginning of 2012. More specifically, the company delivered (3) early warning and control (AEW&C) system, (19) Apache, (51) Chinook, (10) C-17, (8) F-15 (48) F/A-18E/F and EA-18G, (5) P-8 and (10) Satellites.

	4th Quarter 2012	2012
AEW&C	1	3
Apache	6	19
Chinook	11	51
C-17	2	10
F-15	0	8
F/A-18E/F and EA-18G	12	48
P-8	2	5
Satellites (Government & Commercial)	1	10

On December 19, 2012, Boeing made an on-site delivery of the first P-8I aircraft to the Indian Navy in Seattle, in accordance with the contract. India will receive this aircraft and two more of its eight contracted P-8Is in 2013. The program is progressing on schedule as Boeing assembles the fourth and fifth P-8Is, which are designed for long-range maritime reconnaissance and anti-submarine warfare.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

Epicos “Industrial Cooperation and Offset Projects”



Epicos “Industrial Cooperation and Offset Projects” 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](#)

Development of a CCTV Surveillance and Biometrics Access Control System for Homeland Security and/or Military Applications



A company active in the fields of video technology and biometrics-based entry control is proposing the development of a CCTV Surveillance and Biometrics Access Control System for Homeland Security and/or Military applications. This system will be based on a combination of legacy sub-systems already developed and fielded in several customers but it could also include the latest advances in video surveillance and biometrics-based entry control technologies.

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

Mail at: g-menexis@epicos.com

Truth verification and emotion identification software system for military and homeland security applications



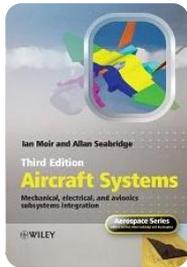
A leading provider of voice analysis and emotion detection technologies, for defense and civilian markets, is proposing to partner with another company in a targeted country. The partnership can include the provision of an advanced software turnkey solution and a knowledge transfer of the company’s truth verification and emotion identification software system. The proposed software platform is used across a multitude of areas of applications including governments and security organizations, law enforcement agencies and immigration authorities.

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

Mail at: g-menexis@epicos.com

Epicos- Amazon**Commercial Aircraft Projects, by Hans-Henrich Altfeld**

Commercial aircrafts are by their nature extremely complex products and their development equally complex and challenging. This should require the highest level of project management sophistication but in reality it cannot be afforded. However, cost reductions can be achieved by concentrating on the essential elements of such disciplines, to maintain their principal strengths, and combining them in an intelligent and pragmatic way. This is why the management of commercial aircraft must be performed on the basis of affordable essentials taken from state-of-the-art management disciplines as well as through an integrated architecture. Where this book goes beyond management essentials found elsewhere is its treatment of architecture integration, necessary to interlink product, process and resources data.

Aircraft Systems: Mechanical, Electrical and Avionics Subsystems Integration, by Ian Moir, Allan Seabridge

This third edition of Aircraft Systems represents a timely update of the Aerospace Series' successful and widely acclaimed flagship title. Moir and Seabridge present an in-depth study of the general systems of an aircraft – electronics, hydraulics, pneumatics, emergency systems and flight control – to name but a few - that transform an aircraft shell into a living, functioning and communicating flying machine. Advances in systems technology continue to alloy systems and avionics, with aircraft support and flight systems increasingly controlled and monitored by electronics; the authors handle the complexities of these overlaps and interactions in a straightforward and accessible manner that also enhances synergy with the book's two sister volumes, Civil Avionics Systems and Military Avionics Systems.



Japan plans to raise military budget amid China row

Japan will raise military spending this year for the first time in over a decade under a ruling party plan, an official said Tuesday, as Tokyo summoned Beijing's envoy in a territorial row.

The national defence task force of the newly-elected Liberal Democratic Party will increase the defence budget request by more than 100 billion yen (\$1.15 billion) in response to an emboldened China, a party official told AFP.

The relatively small amount -- just over two percent of the total military budget -- is largely symbolic, but reflects anxiety at what Japan sees as an increasingly hostile region in which China appears happy to throw its weight about.

"We have decided that the additional budget will be used for research into a new radar system as well as fuel and other maintenance costs for early-warning aircraft," the official said on condition of anonymity.

The news came as the foreign ministry called in China's ambassador to protest at the latest dispatch of official vessels into waters around the Tokyo-controlled Senkaku islands, which Beijing claims as the Diaoyus.

The summons was the first under nationalistic Prime Minister Shinzo Abe, and is in line with the tough stance he pushed on China on the campaign trail in December.

Beijing, however, rebuffed the move. Hong Lei, spokesman for China's foreign ministry, told reporters in Beijing patrols were "normal" because the islands are Chinese territory.

Nerves in Tokyo have also been rattled by an unpredictable North Korea. It sent a rocket over Japan's southern islands last month in what it insisted was a satellite launch. Tokyo and its allies said the launch was a covert ballistic missile test.

The military is bound by the country's US-imposed pacifist constitution, which restricts its ability to project power or to wage aggressive war. However, commentators say it is a modern, well-funded and well-equipped force.

In the run-up to last month's election, the LDP pledged to expand the number of personnel in the Self-Defence Forces and boost their equipment and spending power.

The proposed increase in funding comes after declines over 10 consecutive years as Tokyo grappled with its huge public debt.

The initial defence budget for fiscal 2012, which ends in March, stood at 4.65 trillion yen. This compares with a budget for fiscal 2002 that peaked at 4.94 trillion yen.

Defence Minister Itsunori Onodera has said Abe's government will review Japan's long-term basic defence programme, adopted in 2010 under the Democratic Party of Japan which was routed at the polls.

The current programme includes plans to trim troop numbers by around 1,000.

Kazuhiko Togo, director at the Institute for World Affairs of Kyoto Sangyo University, said the planned rise in defence spending was a direct result of China's more hostile attitude, specifically over the disputed islands.

"China has publicly said it would seize the islands by force if necessary and acted as such. To avoid a possible armed clash, Japan has no choice but to possess deterrence by boosting its defence budget," he said.

Hitoshi Tanaka, former diplomat and chairman of the Institute for International Strategy at the Japan Research Institute said at around 0.9 percent of GDP, Japan's defence budget was comparatively small.

"Given the fact that there is a rather difficult security environment these days, it is only natural for the government to think about increasing this," he said.

Abe has pledged to improve ties with key ally the United States and other democracies in the region, including Australia and India, as a counterbalance to China.

The United States stations some 47,000 troops in Japan as part of an alliance that enjoys broad support among political leaders, but is sometimes unpopular in communities that host bases, particularly on Okinawa.

A rise in defence spending will likely be welcomed in Washington, which has called for Tokyo to shoulder more of the burden of regional security.

However, any attempt to reinforce Japan's military has traditionally aroused suspicion in countries like China and the two Koreas, which fell victim to its wartime rampage.

Source: 2012 AFP, Agence France-Presse (AFP)

Elbit Systems to Supply Long-Range Observation Systems to the Israeli Ministry of Defense

These unique, light-weight systems are considered world leaders and are capable of performing high-quality observation in day, night and low visibility conditions

Elbit Systems Ltd.'s (the "Company) subsidiary, Elbit Systems Electro-Optics Elop Ltd. ("Elop") recently was awarded a contract to supply long-range observation and target acquisition systems to the Israel Ministry of Defense ("IMOD"). The contract, to be supplied over a three-year period, is a part of the Company's December 31, 2012 announcement regarding an award by the IMOD of several contracts in different areas in a total amount of approximately \$315 million.

This award to Elop is a follow-on to an IMOD contract received in 2011 for the development and production of mobile observation and target acquisition systems for the Field Intelligence Corps. Since then, the systems have already been deployed operationally by the Israel Defense Forces ("IDF"), gaining recognition for their high-quality performance.

Adi Dar, General Manager of Elbit Systems Electro-Optics Elop, noted: "These unique systems are considered as world leaders. Light-weight and capable of performing high-quality observation in day, night and low visibility conditions, they have generated significant interest among international customers. The current contract with the IMOD further positions Elop as a world leader in the electro-optic field, and I trust that further international customers will follow the IDF and select this advanced system."

About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of programs throughout the world. The Company, which includes Elbit Systems and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence surveillance and reconnaissance ("C4ISR"), unmanned aircraft systems ("UAS"), advanced electro-optics, electro-optic space systems, EW suites, airborne warning systems, ELINT systems, data links and military communications systems and radios. The Company also focuses on the upgrading of existing military platforms, developing new technologies for defense, homeland security and commercial aviation applications and providing a range of support services.

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Source: Elbit Systems, Epicos

Air France-KLM reports rise in passenger traffic in 2012

Air France-KLM airline reported on Tuesday that firm business in Europe and Asia had enabled it to increase passenger traffic by 2.1 percent last year but that freight traffic fell by 6.3 percent.

The airline said that it had carried a total of 77.4 million passengers and had raised its ratio of occupancy of seats, a critical measure of profitability, by 1.2 percentage points from the 2011 level to 83.1 percent.

This had been achieved because an increase in capacity had been held down to 0.6 percent, the airline said in a statement.

Source: 2012 AFP, Agence France-Presse (AFP)

New Berlin airport faces fresh delay

The opening of Berlin's new main airport has been postponed again after several previous delays, media reported on Monday, in a fresh embarrassment for the city and its mayor.

The mass circulation daily Bild said that the airport, initially scheduled to open in June 2012 was now more likely to open next year, extending an already delayed target date of October 27, 2013.

"What a scandal. The capital is making a fool out of the whole country," Bild said, citing internal airport documents saying an opening was possible "in 2014 at the earliest" due to construction errors.

The calamity in one of Germany's largest construction projects has dented the popularity of the city's major, Klaus Wowereit, accused of incompetence and underestimating the problems linked to the building of the new airport.

Without citing its sources, Bild said that Wowereit, from the opposition Social Democrats, had already offered to resign if the 2013 start date could not be met. "What conclusions will you draw now, Mr Wowereit?" asked the paper.

The country's top two airlines, Lufthansa and Air Berlin, have also expressed outrage over the repeated delays to the project, on the site of the current Schoenefeld Airport, in the south-east of the city.

Berlin's airports are not the country's busiest, with Schoenefeld and Tegel combined welcoming around 24 million visitors a year -- less than half the 56 million passengers serviced at Frankfurt airport in western Germany.

But the new airport, to be named after former chancellor Willy Brandt, was intended to accommodate the sharp rise in air traffic to the region seen in the two decades since the fall of the Berlin Wall and German reunification.

The latest delay is because the fire system has been built in a different way from what was specified on its building permit, Bild said.

Source: 2012 AFP, Agence France-Presse (AFP)

Virgin Atlantic recruits head from American Airlines

Richard Branson's Virgin Atlantic airline named American Airlines executive Craig Kreeger on Tuesday as its new head, one month after Delta Airlines agreed to buy 49 percent of the British carrier.

"Virgin Atlantic Airways has today appointed Craig Kreeger as its new chief executive," the carrier said in a statement, adding he would assume the role on February 1.

American Kreeger, 53, will succeed current Virgin Atlantic chief Steve Ridgway, who is retiring from the airline and leaves at the end of next month.

At American Airlines, Kreeger had a 27-year career spanning commercial, financial and strategic roles in the United States and around the globe. He was appointed Senior Vice President, Customer, in 2012.

"We are thrilled to welcome Craig to Virgin Atlantic -- he is the right person to succeed Steve Ridgway at this dynamic and challenging time for our airline," Virgin president Branson said in the statement.

"We believe Craig has the experience and passion to drive Virgin Atlantic forward and capitalise on the opportunities created by our new venture with Delta Airlines."

Under the agreement unveiled in December, Delta will invest \$360 million (272 million euros) and Branson's Virgin Atlantic will keep its 51-percent controlling stake.

"I am delighted to be taking on the role of Virgin Atlantic's chief executive," Kreeger said in the statement.

"I have been competing with it for many years but have always admired its laser focus on its people, its products and its customers."

The Delta-Virgin deal requires regulatory approval in both the United States and the European Union and is expected to close by the end of 2013.

The alliance gives the Atlanta, Georgia-based Delta greater presence at the congested London Heathrow airport. The two carriers will operate 31 peak-day round-trip flights between Britain and North America, 23 of which operate out of London-Heathrow.

Source: 2012 AFP, Agence France-Presse (AFP)