

Part I: Special Focus: European Defence industry

1. French Defence Exports
2. German Defence Industry; Exports and future developments
3. Epicos “Industrial Cooperation and Offset Projects”
4. Customised actuators for best possible control of movement for new generation all terrain UGV (Unmanned Ground Vehicle) systems and unattended sensors
5. Development of all-composite cab and/or vehicle body components for existing or future military ground vehicles
6. News from our A&D Business Network

Part II: Epicos Newsroom

1. S.African aviation firms join forces with Airbus
2. Netherlands ups defence spending in wake of downed MH17
3. Airbus to restructure defence division, sell off units
4. Norway mulls contribution to anti-IS force
5. NATO says independent Scotland would have to reapply

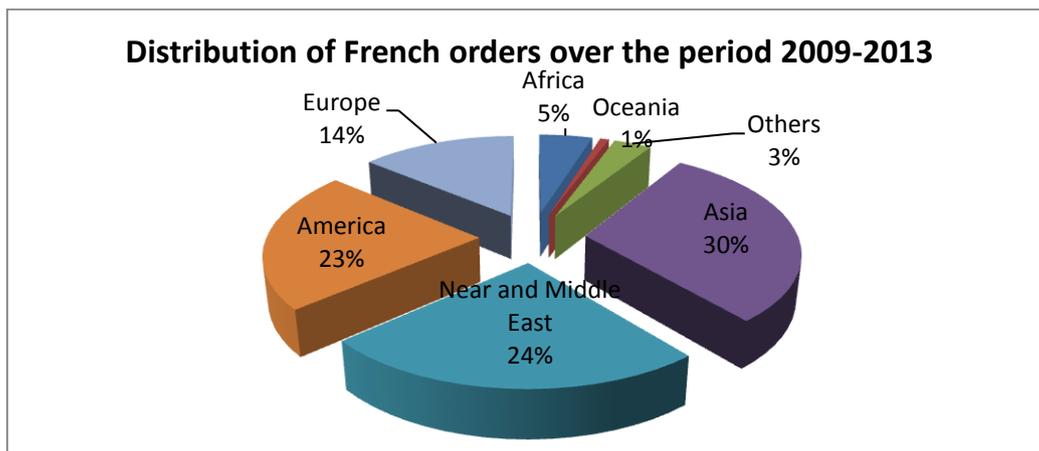


French Defence Exports



According to a report filed to the French Parliament French defence exports ascended by 42.7% in 2013 compared to 2012. Orders worth €6.87bn (\$8.86bn) were taken by French companies, of which eight were worth more than €200m (\$258m) compared to just three worth this amount or more in 2012. According to the

same report, Asia was the region that received the biggest amount of French orders over the period 2009-2013 (30% of the total orders), Near and Middle East followed with 24.6% of the total orders. French arms exports are rather diversified in its geographical structure and range of exported items. Several countries imported defence equipment from France, whereas, the four (4) first countries, based on the amount of funds allocated are: Saudi Arabia, India, Brazil and UAE.



It is of utmost importance for the French industry to continue exporting defence equipment in non-European markets. The reason is that the European market is shrinking due to the severe economic crisis most of the members of the EU are facing. Thus, the French defence industry must explore and find new markets to sell products in order to counterbalance this.

Unfortunately, this comes with a cost, as the global “big spenders”, such as India, require offset packages, which most of the times include provisions of transfer of technology, in order to conclude purchases of defense equipment. This may threaten in the long term the competitiveness of the European defense industry, mainly due to the fact that if transfer of technology occurs incorrectly, it will increase competition from foreign companies. New international competitors could arise and eventually claim a part of the international market.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

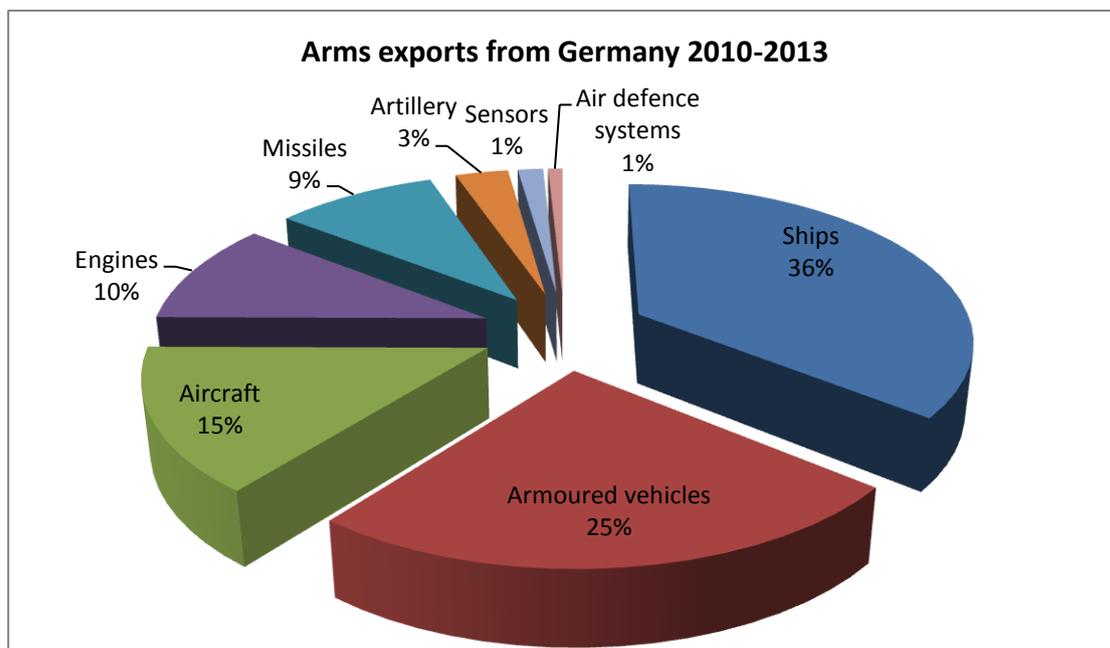
German Defence Industry; Exports and future developments



Europe plays an important role in the international scene of arms transfer. Germany is one of the countries that constantly contribute to the intensification of this, and its defence industry has managed to be established as one of the most important and trustworthy in the globe. The two main pillars of the industry are innovation and small and medium-sized companies. It can be stated

that the German Security & Defence industry is a driving force for innovation, particularly in technology, as it is a global leader in many technology fields. On the other hand small and medium-sized companies account for more than half of the value created by the German Security & Defence industry.

In order for the Security & Defence industry to ensure its capacity and further succeed must export. Of course with the exports, the German Security & Defense industry is in intense competition with suppliers with other European countries, USA, Russia and more. Nevertheless, the German industry has to demonstrate a wide spectrum of exports. It is indicative that according to the Stockholm International Peace Research Institute (SIPRI), for the period 2010-2013 more than fifty (50) countries imported defence equipment from Germany, whereas, the six (6) first countries, based on the amount of funds allocated are: United States, Israel, Portugal, Spain, Greece and Singapore. This actually denotes that Germany is exporting in four (4) different continents and/or sub-continent, North America (United States) Middle East (Israel), Europe (Portugal, Spain, Greece) and Asia (Singapore).



Germany exports a broad spectrum of defence equipment. Ship vessels are the predominant area of exports for the period 2010-2013 with a total amount of 2231 US\$ m. at constant (1990) prices. The 2nd most important sector is that of armored vehicles with 1545 US\$ m. at constant (1990) prices whereas other areas such as Aircraft, Engines, Missiles, Artillery, Sensors and Air defence systems follow.

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...

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Customised actuators for best possible control of movement for new generation all terrain UGV (Unmanned Ground Vehicle) systems and unattended sensors



A company with extensive experience in designing and manufacturing precision actuators is proposing implementation of existing technology to new generation UGV systems and unattended sensors. The proposed solution includes the initial customised design of automatic actuators, motor, sensor control electronics, as well as field bus solutions for the UGV designs.

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

Mail at: g-menexis@epicos.com

Development of all-composite cab and/or vehicle body components for existing or future military ground vehicles



A leading company in the development and manufacturing of composite products for ballistic protection is proposing the development of a new all-composite cabin for future or existing wheeled and tracked military vehicles. In addition, or alternatively,

the company is proposing the incorporation of composite vehicle body components and parts in existing or future vehicle frames. Apart from weight reduction and the associated benefits (quicker response, less fuel required, potential for additional cargo etc), the incorporation of a composite vehicle superstructure will allow for the integration of other important features, like increased personnel protection.

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Castor Networks expands its cooperation with Gazprom Space Systems



Castor Networks (the Netherlands) has expanded cooperation with Gazprom Space Systems after signing the contract for the use of additional Yamal-402 satellite capacity for a maritime project in the area of Nova Zemlya Island at IBC 2014 Exhibition. Castor Networks is one of the first customers of Gazprom Space Systems for Yamal-402 satellite capacity.

One year after concluding the first contract the company continues growing its business on this satellite step by step. Recently the capacity used by the company increased 3 times.

Geography of end users using Castor services on the base of Yamal-402 is widespread. Castor applies iDirect Evolution platform to deliver services to Middle East and the countries of East and South Africa (South Sudan, Mozambique, South Africa, Angola). Internet providers, oil & gas logistics companies, mining companies and governmental structures are among the customers.

For provision of these services the company leases the capacity in 3 beams of Yamal-402 satellite: Northern beam, European beam and Southern beam. Cross-strap connectivity is also used between European and Southern beam.

Edwin Cras, Managing Director, Castor Networks says: «Southern Beam is used extensively over Africa from west to east as it allows a competitive proposition to 1.2meter dishes with 3W BUC. This beam covers all of Sub-Sahara Africa and operating this whole region is very attractive. At such, it was an optimal choice and it made us decide to allocate a 9 meter dish on it at the Burum Teleport in the north part of the Netherlands». This antenna is also used for monitoring of Yamal-402 satellite capacity in European Beam.

Castor Networks is well experienced in Middle East and African markets. The company has an office in Johannesburg and not long time ago opened one more representative office in South Sudan. This office promotes Internet access services in the area basing on Yamal-402. In South Africa Castor Networks migrated a lot of VSAT to Yamal-402. Apart from that a lot of big projects for governmental structures of African countries were implemented on Yamal-402 Southern Beam. The capacity in European Beam is used for maritime projects in the Mediterranean Sea and the Middle East.

«Gazprom Space Systems has proven to be a flexible and fast responding satellite operator allowing Castor to provide the high quality services it is known for and expand its presence in the market» - Edwin Cras adds.

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Embraer and Republic Airways Holdings Sign a Contract for 50 Firm E175 Jets



São José dos Campos, Brazil, September 17, 2014 – Embraer S.A. and Republic Airways Holdings Inc., operator of the largest E-Jets fleet in the world, announced a contract today for the sale and purchase of 50 firm E175 jets. The value of the firm order, which will be included in Embraer’s 2014 third-quarter backlog, is estimated at USD 2.1 billion, based on 2014 list prices. The aircraft will be operated for United Airlines under the United Express brand. Deliveries are scheduled to begin in the third quarter of 2015 and extend until 2017.

This contract is in addition to the order signed by Embraer and Republic in January 2013 for 47 firm and 47 option E175s – 34 of which have already been delivered. In addition to the new order, Republic maintains 32 options for E175s.

“We have long and successful relationships established with both Republic and United. This new contract further strengthens these important bonds,” said Paulo Cesar Silva, President & CEO, Embraer Commercial Aviation. “As the worldwide leader in the 70 to 130-seat jet segment, Embraer has shown the capability of fulfilling the needs of airlines in the demanding and challenging U.S. regional market, providing the best aircraft in the segment, with outstanding economics and the most comfortable passenger cabin.”

This transaction is in connection with the transfer of Q400 turboprop airplanes currently operated by Republic Airlines to UK's carrier Flybe Limited. Concurrently, Flybe and Embraer have agreed to reduce by 20 the outstanding order for 24 E175's the airline has on order backlog. Therefore, the net increase to Embraer's backlog in the 3rd quarter will be 30 E175 jets. “Embraer has a long history of working with us to meet our partners’ needs,” said Bryan Bedford, President, Chairman and CEO of Republic. “We look forward to working with Embraer, United and Flybe to complete this fleet transition.”

Republic Airways was one of the first U.S. carriers to fly Embraer E-Jets, operating its first E170 in 2004. With this new order, the Republic Airways E-Jet fleet will consist of 72 E170s and 151 E175s for a total of 223 E-Jets. Republic Airways is also a long-time customer of the ERJ 145 regional jet family with 41 flying as Delta Connection aircraft.

About Republic Airways Holdings Inc.

Republic Airways Holdings Inc., based in Indianapolis, Indiana, is an airline holding company that owns Chautauqua Airlines, Republic Airlines and Shuttle America, collectively called “the airlines.” The airlines operate a combined fleet of nearly 250 aircraft and offer scheduled passenger service on about 1,300 flights daily to about 110 cities in the U.S., Canada and the Caribbean through fixed-fee flights operated under our major airline partner

brands, including American Eagle, Delta Connection, United Express and US Airways Express. The airlines currently employ about 6,500 aviation professionals. For more information about Republic Airways, please visit our website at www.rjet.com.

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S.African aviation firms join forces with Airbus

Two South African aviation companies have signed an agreement with Airbus which will allow them access into larger contracts by the giant European aircraft maker, the firms announced Tuesday.

Airbus said the alliance would enable the state-owned components maker Denel Aerostructures and Aerosud Aviation "to jointly bid for larger scale manufacturing work packages on Airbus commercial airliner programmes" which they used to compete for separately.

Denel Aerostructures, a division of arms manufacturer Denel, supplies the aviation sector with a range of components and engineering solutions.

Simon Ward, Airbus vice-president for international cooperation, described the deal for Denel as a "transition" from military components to commercial aircraft work.

Ward said the two companies would be offered support in making bids to Airbus and to manufacture bigger components.

The South African government hailed the partnership, saying it would give the country a crucial opportunity to "reduce its dependency on military aerospace" and help improve skills development.

Airbus has an order book of nearly 6,000 aircraft, some eight to nine years of output at full production rates.

Source: 2014 AFP, Agence France-Presse (AFP)

Netherlands ups defence spending in wake of downed MH17

The Netherlands is to increase defence spending after being hard hit by global conflicts including the downing of Malaysia Airlines flight MH17 over Ukraine, King Willem-Alexander said on Tuesday.

Giving his traditional opening of parliament speech, which this year marks the 200th anniversary of the Dutch kingdom, Willem-Alexander highlighted the threats facing the Netherlands.

"Conflicts happening thousands of kilometres away also stir emotions in our own country," he said in The Hague, where "Prinsjesdag" (Prince's Day) was celebrated with pomp and ceremony.

"The MH17 disaster, the situation in the Ukraine and the Middle East clearly shows how everything's connected," he said.

The Netherlands was deeply affected after flight MH17 was blown out of the sky over separatist-held eastern Ukraine in mid-July on its way between Amsterdam and Kuala Lumpur, killing all 298 people on board, most of them Dutch.

Kiev and the West have accused the pro-Russian separatists of shooting it down with a surface-to-air missile supplied by Moscow.

Moscow and the rebels deny this and point the finger at Kiev.

At home, King Willem-Alexander stressed a growing threat of radicalisation of young Muslims, with government tightening laws to prevent would-be jihadis from going to fight in Syria and Iraq.

The Hague recently saw a pro-Islamic State (IS) protest and more than 100 Dutch citizens are believed to have travelled to Iraq and Syria to fight.

"The situation in northern Iraq, Syria and Gaza is leading to tensions at home and feelings of helplessness and insecurity," the king said.

"The hatred that consumes people elsewhere in the world may not be allowed to get a foothold in our streets," he added, saying the battle against radicalisation was a key priority. The Dutch government will increase its defence spending by 100 million euros (\$129 million) per year from 2015, the king said.

"This is done based on growing tensions around the world and our responsibilities" as a country committed to global safety and security, said Willem-Alexander.

The announcement "broke the trend" of previous defence cutbacks and savings, the king said.

Next year the Dutch deficit will drop to 2.2 percent of its gross domestic product, also making further cutbacks unnecessary, Willem-Alexander said.

The king's address, mainly written by Prime Minister Mark Rutte, is his second since his enthronement last year.

Willem-Alexander took over the large ceremonial constitutional monarchy from his mother Beatrix, who early last year announced her abdication after 33 years on the throne.

Source: 2014 AFP, Agence France-Presse (AFP)

Airbus to restructure defence division, sell off units

European aircraft manufacturer Airbus said Tuesday that it would sell off several subsidiaries at its defence division to focus on its core businesses of space activities, military planes and missiles.

"Some business areas are identified as divestment candidates as they do not fit the strategic goals," the company said in a statement, citing budget troubles among key state clients. These include communications businesses such as commercial satellite activities "which will have better chances for growth and market success in different ownership structures".

Airbus cited specific units that would go on the auction block including Fairchild Controls, Rostock System-Technik, AvDef and Atlas Elektronik.

It said "further industrial alternatives" for its Security and Defence Electronics businesses would be explored.

The company did not give a timeframe for the restructuring.

Chief executive Tom Enders said the new priorities were the "logical follow-up" to a strategic review at the group last year.

"They will foster the strengths of the division and, hence, will result in an even stronger focus on our Group's core activities, aeronautics and space," Enders said in the statement. The head of the Airbus Defence and Space division, Bernhard Gerwert, said that the "tight budgetary situation in our home countries and increasing competition on global markets" had prompted the shift.

The restructuring will strengthen the company "particularly on critically important international growth markets", he added.

The Airbus Defence and Space division groups two activities formerly known as Airbus Military, Astrium and Cassidian.

The company changed its name to Airbus Group from EADS at the beginning of this year in a major refocusing of activities after a failed attempt to merge with British group BAE Systems.

Source: 2014 AFP, Agence France-Presse (AFP)

Norway mulls contribution to anti-IS force

Norway is considering making a military contribution to the US-led coalition against the Islamic State jihadist group, its foreign minister said Monday.

"First of all we have identified additional efforts in the humanitarian field," Foreign Minister Boerge Brende told Norwegian daily Verdens Gang.

"But we have an ongoing evaluation whether we could go beyond humanitarian help to also participate in building military capacities," he added, signalling an apparent change in position.

According to Brende, the Norwegian contribution could involve training assistance for military personnel, depending on what requests Oslo received and subject to a debate in parliament.

He made the comments ahead of an international conference on security in Iraq held in Paris on Monday.

The participants agreed to support the Iraqi authorities' fight against IS "by all necessary means," including military, according to the final text.

Source: 2014 AFP, Agence France-Presse (AFP)

NATO says independent Scotland would have to reapply

NATO chief Anders Fogh Rasmussen said Monday that if Scotland votes for independence this week it will have to reapply to join the military alliance.

He also insisted that Britain's own role in NATO was not in question whatever the result of the referendum, despite uncertainty over the fate of its Scottish-based nuclear deterrent.

Rasmussen told an event hosted by the Carnegie Europe think-tank in Brussels that he was "not going to interfere with the referendum campaign in Scotland".

But he added: "If a new independent state wants to become a member of NATO it will have to apply for membership of NATO.

"And such an application will be addressed in exactly the same way as all applications are dealt with and eventually it will require consensus, unanimity in the alliance to accept a new member."

Rasmussen would not estimate how long it would take to decide on new membership, saying it depended on the country and their "ability to fulfil the necessary criteria".

The Dane added that it was a "hypothetical question" and that NATO's 28 members "haven't discussed it at all".

Britain's nuclear Trident armed-submarines, based at the Faslane naval base in Scotland, are part of NATO's collective deterrent and have long underpinned London's diplomatic and military power.

But the Scottish National Party of pro-independence First Minister Alex Salmond wants the missiles out of Scotland by 2020 in the case of a "Yes" vote in Thursday's referendum.

Asked if Scottish independence affects Britain's role in NATO, Rasmussen said: "Again without interfering with the debate leading up to the referendum, I don't see that any outcome of the Scottish referendum will have an impact on the UK's contribution."

The European Union has also insisted that any newly-independent nation such as Scotland emerging from an existing member state would also have to reapply for membership.

Source: 2014 AFP, Agence France-Presse (AFP)