

Part I: Lithuania

1. Lithuanian Defence Budget
2. Lithuanian Defence Industry
3. Epicos “Industrial Cooperation and Offset Projects”
4. Utilizing LED Technology for Aerospace and Defence applications
5. Design, manufacture and repair of exceptionally precise mechanical components and assemblies for A&D applications
6. News from our A&D Business Network

Part II: Epicos Newsroom

1. Boeing Forecasts \$350 Billion Market for New Airplanes in Latin America
2. Easyjet places \$3.6bn Airbus order as profits surge
3. Royal Danish Navy orders Rheinmetall’s Millennium gun
4. The Government of Saudi Arabia - Air-to-Ground Munitions
5. Dassault renews CAE as an Authorized Training Provider

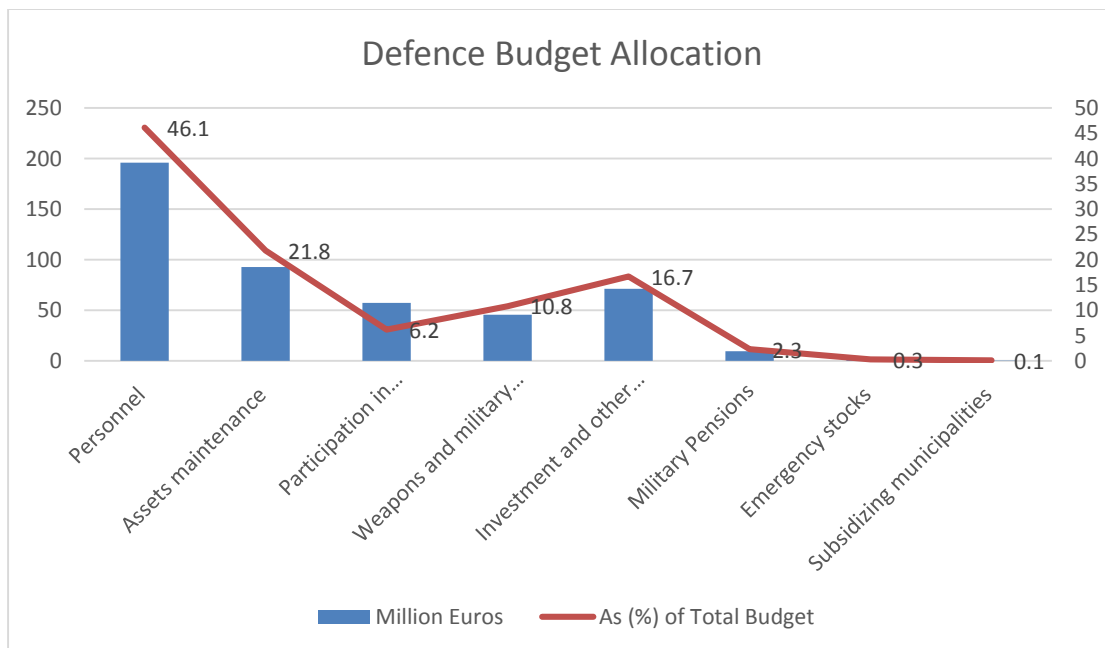
Lithuanian Defence Budget



The Lithuanian defence policy is mainly guided by the assumption that the capabilities of its Armed Forces are developed so as to serve national defence needs and to ensure the implementation of international commitments. Therefore, the country's defence policy is an integral part of the National Security Policy aimed at the development (formation) of the international security environment at the same time contributing to the international stability

and peace, and formation of the national defence capability to ensure both - deterrence from an armed attack, and reliable defence in case of armed aggression. In line with these priorities, Lithuania is planning to spend €425 million Euros for defence in 2015 or 1.11% of Gross Domestic Product (GDP). According to Lithuanian authorities, defence budget is planned to increase to 2% of GDP in 2020.

Additionally, it is worth mentioning that according to Lithuanian authorities' expenditures for procurement and modernization of the armament and military equipment shall be gradually increased and shall constitute no less than 20% of the total defence budget.



According to official estimations the €425 million Euros will be distributed as following:

- ✓ For personnel – EUR €195.8m (46.1 %)
- ✓ For assets maintenance – EUR €92.9 m (21.8 %)
- ✓ For participation in multinational operations (PMO) – EUR €57.2 m (6.2 %)
- ✓ For weapons and military equipment – EUR €45.7 m (10.8 %)
- ✓ For investment and other acquisitions – EUR €71.2 m (16.7 %)
- ✓ For military pensions –EUR €9.6 m (2.3 %)

- ✓ Emergency stocks – EUR €1.4 m (0.3 %)
- ✓ For subsidizing municipalities – EUR €0.5 m (0.1 %)

According to Lithuanian authorities, the main priority of the defence budget in 2015 is to focus on modernization projects of the Lithuanian Armed Forces concerning:

- ✓ Enhancement of combat power of the Lithuanian Armed Forces;
- ✓ Development of combat support capabilities of the Lithuanian Armed Forces;
- ✓ Development of combat training of the Lithuanian Armed Forces and Host Nation Support capabilities.

Finally, it is worth mentioning that according to the Guidelines published by the Ministry of National Defence, for the period 2014–2019, the following armament and military equipment programs will be of the highest priority:

- ✓ Infantry fighting vehicles;
- ✓ Airspace surveillance system;
- ✓ Fire support systems (anti-tank systems, 120 mm self-propelled mortars, 81 mm mortars, etc.);
- ✓ Short-range air defence systems;
- ✓ Command and control systems of the LAF.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

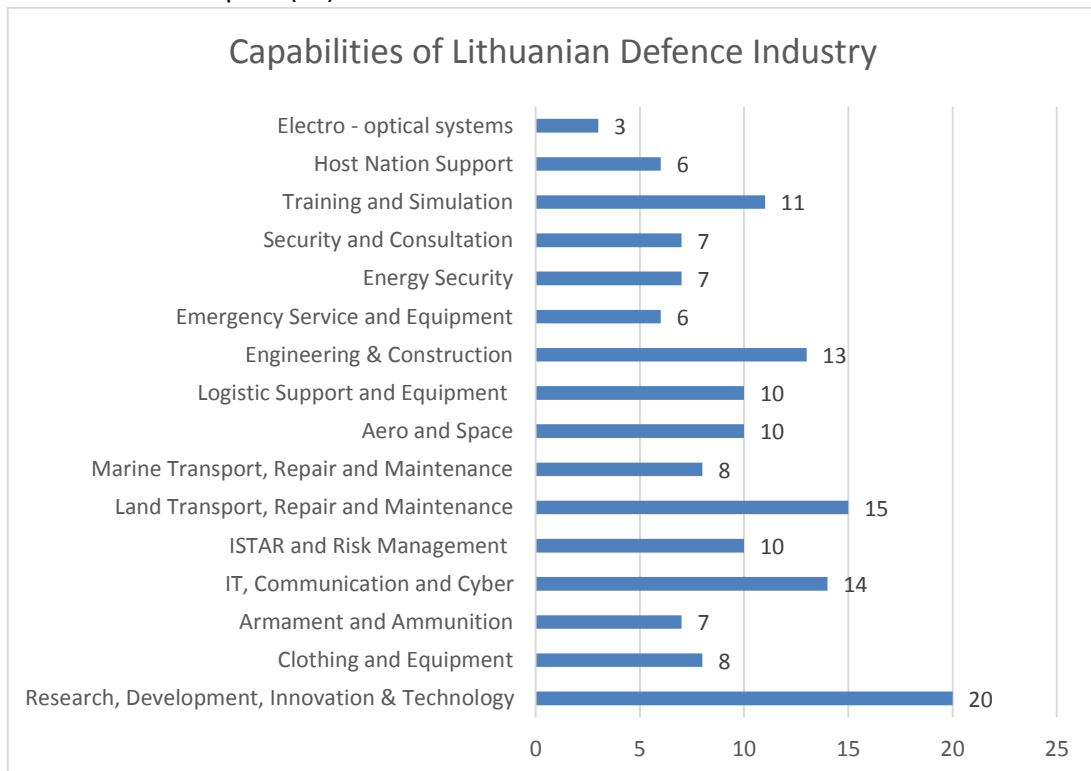
Lithuanian Defence Industry



According to the analysis provided by the Lithuanian Defence and Security Industry Association (LDSIA) there are several companies in the country with capabilities in different sectors of the Aerospace and Defence industry. Mr. Gintaris Satkus director of LDSIA Lithuanian defence stated that the industry is still young, nevertheless, it has already achieved great international victories and won international recognition as Lithuanian-developed defence equipment is already used by the British, US and other NATO troops.

Lithuanian defence companies, members of the LDSIA have competences/capabilities in the following areas:

- Research, Development, Innovation & Technology (20)
- Clothing and Equipment (8)
- Armament and Ammunition (7)
- IT, Communication and Cyber (14)
- ISTAR and Risk Management (10)
- Land Transport, Repair and Maintenance (15)
- Marine Transport, Repair and Maintenance (8)
- Aero and Space (10)
- Logistic Support and Equipment (10)
- Engineering & Construction (13)
- Emergency Service and Equipment (6)
- Energy Security (7)
- Security and Consultation (7)
- Training and Simulation (11)
- Host Nation Support (6)
- Electro - optical systems (3)



Source: www.lgspa.lt

One of the companies with capabilities in the Electro - optical systems category is Brolis Semiconductors. Brolis, develops a range of laser defense systems and components for security, surveillance, reconnaissance and targeting applications and offers products ranging from basic epitaxial wafer to full system module including the mid infrared laser, optics and control electronics.

One of the 10 companies active in the Aero and Space sector is ASU Baltija. ASU Baltija was established at the beginning of 2005 and its main business line is the modernization of helicopters by installation of equipment for radio navigation and wireless communication, meteo and search locators, GPS navigation systems, searchlights, observation equipment, rescue winches, upgrading of light sources for the NVG-equipped missions and others.

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](#)

Utilizing LED Technology for Aerospace and Defence applications



A leading supplier of LED solutions, mainly for commercial applications, is willing to expand its line of business in the Aerospace and Defence (A&D) sector, offering state-of-the-art solutions and products, as well as additional services and support.

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

Mail at: g-menexis@epicos.com

Design, manufacture and repair of exceptionally precise mechanical components and assemblies for A&D applications



applications (actuators, gearboxes, transducers, etc).

A company with extensive experience in designing and manufacturing exceptionally precise mechanical components and assemblies (gearwheels and axles, spur and worm gears, manual and automatic actuators, precision gears and fine mechanical parts and assemblies) is willing to undertake the design, prototyping, testing, production and optionally the repair and overhaul of components to be used in aerospace and defence

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

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News from our A&D Business Network



Romania to host production of new, robust, and cost-effective H215 heavy helicopter



In a ceremony held today by Guillaume Faury, CEO of Airbus Helicopters, and in the presence of Alexandru Nastase, Secretary of State, Airbus Helicopters set down the foundation stone of its new Romanian factory, established to assemble the

latest helicopter to join the H Family of aircraft – the H215. The H215 is an evolution of the former AS332 C1e/L1e, offering a new business and industrial concept for this ready, proven and affordable helicopter, proudly built in Romania.

Under the control of Airbus Helicopters Industries, the 10,000m² factory based in Brasov will house H215 production from procurement to after-sales, including design office activities, and will provide jobs to more than 300 employees in the long term. The modern assembly line with its takt time flow line will be capable of producing up to 15 aircraft per year. The first H215 to roll out of the assembly line is planned for 2017.

“The H215 is of strategic importance to Airbus Helicopters and will allow us to offer customers the best helicopter for the job, all with extremely competitive direct operating and maintenance costs,” Guillaume Faury said. “This expanded partnership with Romania, an important EU and NATO member, will ensure that our legacy twin-engine heavy helicopters are more economical than ever on current and emerging markets,” he added.

All H215 helicopters will come off the final assembly line in a highly capable standard configuration, able to support an extensive list of optionals (“shopping list”) ready to be selected. This new concept will allow the aircraft to best meet customers’ expectations and serve a wide range of missions, providing a modern and cost-effective solution for markets such as utility, United Nations peacekeeping operations and logistic support missions.

“This new 100% Airbus Helicopters industrial centre is capitalizing on a successful history of aircraft heavy maintenance and complex upgrade programs in Romania and cooperation in the country that goes back more than 40 years,” said Serge Durand, managing director of Airbus Helicopters Industries. “The aim is to offer our customers a completely new and modern business concept by proposing a standardized equipment definition for rapid production times and cost-effective acquisition prices,” he added.

The H215 is a twin-engine, versatile, economic and robust helicopter that combines advanced avionics and a reliable platform for rugged multi-mission capabilities. It offers long range capabilities, power, speed, a large useful payload and very good lifting performance in hot and high environments. Both EASA and FAA certified, the aircraft is equipped with the latest, most modern technologies meeting the latest safety requirements of the market. This includes a glass cockpit and the renowned 4-axis autopilot used on the H225, which provides flight

envelope protection, unrivalled precision, and stability in even the harshest operating conditions.

About Airbus Helicopters

Airbus Helicopters is a division of Airbus Group. The company provides the most efficient civil and military helicopter solutions to its customers who serve, protect, save lives and safely carry passengers in highly demanding environments. Flying more than 3 million flight hours per year, the company's in-service fleet includes some 12,000 helicopters operated by more than 3,000 customers in 152 countries. Airbus Helicopters employs more than 23,000 people worldwide and in 2014 generated revenues of 6.5 billion Euros. In line with the company's new identity, fully integrated into Airbus Group, Airbus Helicopters has renamed its product range replacing the former "EC" designation with an "H".

For Further Information [Click Here](#)

Flexjet, LLC Signs Memorandum of Understanding to Purchase 20 Bombardier Challenger 350 Aircraft



Bombardier Business Aircraft announced today that it has signed a Memorandum of Understanding (MOU) with Flexjet, LLC of Richardson, Texas, to purchase 20 Challenger 350 aircraft. The transaction is valued at approximately \$544 million US, based on the current list price for standard-equipped aircraft.

Fractional ownership pioneer Flexjet, LLC ranks as one of the world's largest providers of private jet travel, and Bombardier business aircraft have formed the backbone of Flexjet's offering since the company was founded two decades ago. Offering travellers access to the world's most luxurious fleet of private jets, Flexjet's fleet features some of the youngest aircraft in the fractional jet industry with an average age of approximately six years, including Challenger 350 aircraft custom outfitted with Flexjet-branded LXi Cabin Collection ultra-luxurious interiors.

"Today's announcement is a further endorsement of our incomparable Challenger 350 aircraft," said David Coleal, President, Bombardier Business Aircraft. "Flexjet is one of our most valued customers, and we are pleased that our Challenger 350 aircraft, built for optimal comfort and performance, will add to Flexjet's continued growth and success."

"We are experiencing growing demand in the super midsize segment, where owners are seeking more spacious and luxurious cabins, coupled with greater speed and range," said Michael Silvestro, Flexjet's Chief Executive Officer. "Our owners have already expressed their appreciation for the luxurious comfort and superior performance of the Challenger 350 aircraft, and we look forward to offering them more options for an outstanding experience."

Challenger 350 aircraft: The Challenger 350 jet boasts class-defining performance, a true seats full, tanks full, 3,200 NM (5,926 km) range that will connect New York City with London*. The Challenger 350 jet builds upon the legendary segment defining clean-sheet Challenger 300 jet. Not only does it feature the very latest in avionics functionality, but it also offers the segment's most advanced cabin that maximizes natural light and redefines interior comfort and design sophistication, all the while maintaining the performance attributes that have become synonymous with the Challenger family.

About Flexjet

Flexjet, LLC first entered the fractional jet ownership market in 1995, and celebrated its 20th anniversary in May 2015. Flexjet offers fractional jet ownership and leasing. Flexjet's fractional aircraft program is the first in the world to be recognized as achieving the Air Charter Safety Foundation's Industry Audit Standard, and Flexjet is the first and only company to be honored with its 16th FAA Diamond Award for Excellence. Flexjet's fractional program fields an exclusive array of business aircraft—some of the youngest in the fractional jet industry, with

an average age of approximately six years—including their LXi Cabin Collection consisting of the Learjet 75, Challenger 350, the Embraer Legacy 450, Global Express and the Gulfstream G450, G500 and G650 business jets. In addition, the overall jet collection includes the Embraer Phenom 300, Challenger 300 and Challenger 605. Flexjet is a member of the Directional Aviation family of companies. For more details on innovative programs and flexible offerings, visit www.flexjet.com or follow us on Twitter @Flexjet.

About Bombardier

Bombardier is the world's leading manufacturer of both planes and trains. Looking far ahead while delivering today, Bombardier is evolving mobility worldwide by answering the call for more efficient, sustainable and enjoyable transportation everywhere. Our vehicles, services and, most of all, our employees are what make us a global leader in transportation.

Bombardier is headquartered in Montréal, Canada. The company's shares are traded on the Toronto Stock Exchange (BBD) and they are listed on the Dow Jones Sustainability North America Index. In the fiscal year ended December 31, 2014, the company posted revenues of \$20.1 billion. News and information are available at bombardier.com or follow on Twitter @Bombardier.



Boeing Forecasts \$350 Billion Market for New Airplanes in Latin America

Boeing projects the Latin American commercial aviation market will grow at one of the highest rates in the world over the next 20 years. As a result, Boeing forecasts the region's airlines will need 3,050 new airplanes valued at \$350 billion.

"The economies of Latin America and the Caribbean will grow faster than the rest of the world over the long term," said Van Rex Gallard, vice president, Sales, Latin America, Africa and Caribbean, Boeing Commercial Airplanes. "This economic growth, coupled with rising incomes and new airline business models that give more people access to travel, is causing passenger traffic in the region to grow by 6 percent per year – well above the global rate.

"To accommodate that growth, we forecast that the region's fleet will more than double," he said.

Of the 3,050 new airplanes needed, 83 percent will be single-aisle airplanes, spurred by intense regional traffic growth. The widebody fleet will require 340 new airplanes as regional carriers continue to compete more strongly on routes traditionally dominated by foreign operators.

Average airplane age in the region's fleet has been reduced from more than 15 years to less than 10 years since 2005, giving Latin America and the Caribbean a younger fleet than the world average. The region has been in a steady replacement cycle since the mid-2000s and that trend will continue as nearly 60 percent of the current fleet is replaced over the next two decades.

"Commercial aviation and economic expansion go hand-in-hand in this region and around the world," Gallard said. "Passenger traffic grows as economies grow, and economies grow as commercial aviation grows. Every dollar that commercial aviation adds directly to a country's GDP generates four times as much activity in the larger economy."

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Source: Epicos, Boeing

Easyjet places \$3.6bn Airbus order as profits surge

British no-frills airline Easyjet on Tuesday ordered 36 Airbus A320 jets worth \$3.8 billion (3.5 billion euros) at catalogue prices, after posting record annual profits on keen demand.

Easyjet said in a results statement it will purchase 30 next-generation fuel-efficient A320neo aircraft, converting options that had been announced back in 2013, and has added another six firm orders for current-generation A320s. The 36 popular single-aisle Airbus airplanes, which have 186 seats, are for delivery between 2018 and 2021. Easyjet, which is based in Luton north of London, added that it would take more options for 30 A320neo aircraft, taking its total number of options to 100.

"Due to our continued robust trading, high demand for easyJet flights and the number of profitable opportunities we see in our markets, we are pleased to have secured an agreement with Airbus to take delivery of an additional 36 A320 aircraft," the airline said in the statement.

"These aircraft will offer increased flexibility in fleet planning, including the faster replacement of some of our A319 aircraft, lower overall unit costs and ensure Easyjet can continue to grow past 2019 to support increasing total shareholder returns." Easyjet's vast Airbus order was unveiled alongside news of soaring annual profits. Pre-tax profit leapt 18 percent to a record £686 million, buoyed by keen demand for city break holidays and business travel, and lower fuel costs.

Pre-tax earnings, which rose for the fifth year in a row, were in the middle of the group's forecast range. "Our outlook for the longer term is positive," said chief executive Carolyn McCall. "We expect demand in our markets to be sustained and for Easyjet to continue to be a winner in its markets."

She added: "We continue to invest in profitable growth, ensuring our digital advantage and giving our customer good value fares." Net profits meanwhile rallied 22 percent to £548 million in the year to the end of September, compared with 2013/2014.

Passenger numbers rose six percent to 68.6 million people, and revenues swelled 3.5 percent to £4.686 billion. "Our markets are strong, with favourable economic and consumer trends," the airline said in the statement.

"Our core leisure customer is part of a market that is growing strongly every year as people take more holidays and city breaks, complemented by a business travel market that prizes both flexibility and value." The single aisle A320neo is designed to produce fuel savings of some 20 percent per seat compared with current generation jetliners and they have greater range.

Source: 2015 AFP, Agence France-Presse (AFP)

Royal Danish Navy orders Rheinmetall's Millennium gun

The Danish procurement authorities have contracted with the Düsseldorf-based Rheinmetall Group to supply additional 35mm Oerlikon Millennium guns for ships of the Royal Danish Navy. The order, which also includes spare parts and technical services, is worth around €20 million. The guns will be shipped in 2016.

The Rheinmetall Group won an initial order from Denmark for the Oerlikon Millennium gun back in 2005. Now official, this follow up order is of great importance with regard to international sales, reflecting strong customer satisfaction with existing systems and their performance over the past decade.

Two types of Danish ships will therefore soon be equipped with the Millennium gun, one of the most effective and versatile naval weapon systems anywhere.

Thanks to the flexible ISO Mount installation concept, the guns can be installed on any of the Absalon class or the new Iver Huitfeldt-class frigate. The guns will be managed by SaabTech CEROS fire control systems and Terma command and control technology.

Teamed with Rheinmetall's high-performance 35mm Ahead airburst ammunition, the Millennium gun gives the Danish Navy a close-range self-defence capability for protecting high-value assets that is second to none. A multipurpose weapon system, it is also capable of neutralizing asymmetric and symmetric threats alike, whether on the surface or in the air.

Besides Denmark, five other NATO nations use Rheinmetall's programmable 35mm Ahead airburst ammunition which, when combined with the Millennium Revolver Gun 35/1000, results in massive yet flexible firepower that can be scaled to match a wide variety of operational scenarios.

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For Further Information [Click Here](#)

Source: Epicos, RHEINMETALL AG

The Government of Saudi Arabia - Air-to-Ground Munitions

The State Department has made a determination approving a possible Foreign Military Sale to the Government of Saudi Arabia for air-to-ground munitions and associated equipment, parts and logistical support for an estimated cost of \$1.29 billion. The Defense Security Cooperation Agency delivered the required certification notifying Congress of this possible sale on November 13, 2015.

The Government of Saudi Arabia requested approval to procure the following:

Major Defense Equipment (MDE) includes:

- One thousand (1000) GBU-10 Paveway II Laser Guided Bombs (LGBs)
- Two thousand, three hundred (2,300) BLU-117/MK-84 2000lb General Purpose (GP) Bombs
- Four thousand twenty (4,020) GBU-12 Paveway II LGBs
- Eight thousand twenty (8,020) BLU-111/MK-82 500lb GP Bombs
- One thousand, one hundred (1,100) GBU-24 Paveway III LGBs
- One thousand, five hundred (1,500) BLU-109 2000lb Penetrator Warheads
- Four hundred (400) GBU-31(V1) KMU-556 Joint Direct Attack Munitions (JDAM) tail kits
- One thousand (1,000) GBU-31(V3) KMU-557 JDAM tail kits
- Three thousand (3,000) GBU-38 KMU-572 JDAM tail kits
- Two thousand (2,000) GBU-48 Enhanced Paveway II, dual mode Global Positioning System (GPS)/LGB with the MXU-667 Airfoil and the MAU-169L/B Computer Control Group (CCG) Dual mode
- Two thousand (2,000) BLU-110/MK-83 1000lb GP Bombs
- Five hundred (500) GBU-54 KMU-572 Laser JDAM tail kits, dual mode GPS/LGB with the MXU-667 Airfoil and the MAU-169L/B CCG Dual mode
- Three hundred (300) GBU-56 KMU 556 Laser JDAM tail kits, dual mode GPS/LGB with the MXU-667 Airfoil and the MAU-169L/B CCG Dual mode
- Ten thousand two hundred (10,200) FMU-152 Fuzes

This request also includes the following Non-MDE items and services: procurement of bomb equipment components such as adaptors, nose plugs, fusing mechanisms, swivels, support links and connections; associated support equipment; publications, such as technical orders, and system manuals; training; engineering and technical support; transportation (to include special airlift support); program management; and other administrative support and related services. The total estimated MDE value is \$1.10 billion, and the estimated total overall value is \$1.29 billion.

The purchase replenishes the Royal Saudi Air Force's (RSAF) current weapons supplies, which are becoming depleted due to the high operational tempo in multiple counter-terrorism operations. The purchase of these munitions rebuilds war reserves and provides options for future contingencies.

The RSAF will have no issues fielding, supporting, and employing these munitions.

The proposed sale augments Saudi Arabia's capability to meet current and future threats from potential adversaries during combat operations. Providing these defense articles supports Saudi Arabian defense missions and promotes stability in the region.

This acquisition will help sustain strong military-to-military relations between the United States and Saudi Arabia, improve operational interoperability with the United States, and enable Saudi Arabia to meet regional threats and safeguard the world's largest oil reserves.

This acquisition contributes to the foreign policy and national security of the United States by increasing the security of an important partner that continues to be a significant force for political stability and economic progress in the Middle East. Sustaining Saudi military capabilities deters hostile actors, increases U.S.-Saudi military interoperability, and has a positive impact on the stability of the global economy. This acquisition also directly conveys U.S. commitment to the RSAF's current and future ability to sustain combat operations.

The prime contractor will be determined by competition. There are no known offset agreements proposed in connection with this potential sale.

There is no adverse impact on U.S. defense readiness as a result of this proposed sale.

This notice of a potential sale is required by law and does not mean the sale has been concluded.

All questions regarding this proposed Foreign Military Sale should be directed to the State Department's Bureau of Political Military Affairs, Office of Congressional and Public Affairs, pm-cpa@state.gov.

For Further Information [Click Here](#)

Source: Defense Security Cooperation Agency

Dassault renews CAE as an Authorized Training Provider

CAE and Dassault announced today at the annual Business Aviation Convention & Exhibition (NBAA 2015) that, after a rigorous audit, Dassault Aviation has renewed CAE's Certificate of Approval as an Authorized Training Provider in accordance with the Falcon Training Policy Manual (FTPM). This is the highest level of certification attainable by a flight training organization. The audit is part of the Dassault Authorized Training Provider authorization program designed to assure quality training services for all Falcon-affiliated personnel.

"We are honored to have our Authorized Training Provider Certificate renewed," said Nick Leontidis, CAE's Group President, Civil Aviation Training Solutions. "The audit process affirms our commitment to delivering excellent training to Dassault Falcon operators around the world." The Dassault FTPM program periodically evaluates a training provider's organization and processes, training course development and standardization, flight simulation training device qualification, ground school and flight instructor certification, trainee completion standards, quality management system, regulatory approvals and other requirements. As a Dassault training partner, CAE is regularly evaluated for compliance.

CAE currently provides training for all in-production Falcon aircraft, including the Falcon 7X, Falcon 900EX EASy and Falcon 2000EX EASy, as well as some earlier models such as the Falcon 10/100 and Falcon 50/50EX. CAE was also named the exclusive training provider for the new Falcon 5X. CAE Dassault Falcon training programs are available in the Middle East, Europe and North America and are qualified by the European Aviation Safety Agency (EASA), US Federal Aviation Administration (FAA) and other regulatory authorities.

About CAE

CAE is a global leader in the delivery of training for the civil aviation, defence and security, and healthcare markets. We design and integrate the industry's most comprehensive training solutions, anchored by the knowledge and expertise of our 8,000 employees, our world-leading simulation technologies and a track record of service and technology innovation spanning seven decades. Our global presence is the broadest in the industry, with 160 sites and training locations in 35 countries, including our joint venture operations, and the world's largest installed base of flight simulators. Each year, we train more than 120,000 civil and defence crewmembers, as well as thousands of healthcare professionals. www.cae.com

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Source: Epicos, CAE