

**Part I**

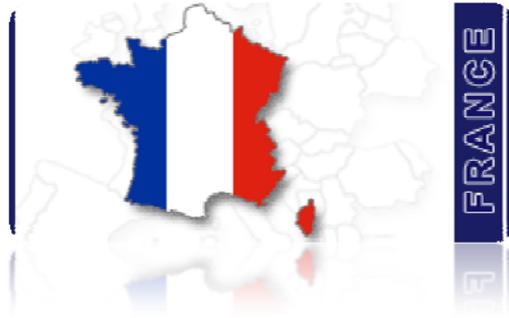
**Special Focus: France**

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After the fall of the communist regime and the creation of a new geopolitical status quo in the international scene, France has, for the first time in its history, a strategic buffer to the east that can be measured in thousands of kilometers. Therefore, the French armed forces could focus on other tasks such as early-

warning of natural disasters, provision of risk information, taking people to a place of safety and organizing relief due to the Order No. 90-670 of July 31<sup>st</sup> 1990. However, the existences of other areas of instability in the world and emergence of new types of threat, such as the proliferation of weapons of mass destruction and terrorism, have led France to define a new defense strategy.

This new strategy is delineated by a specific framework, which defines both France's actions on the international and national political scene. In order to achieve its goal France formulated its military strategy upon (4) key strategic functions: prevention, protection, projection and deterrence.

Furthermore, the national defense policy of the country is planned due to the new international geopolitical environment that is characterized by asymmetric and usually borderless threats, which are contacted with non- conventional methods. Additionally, the proliferation of weapons of mass destruction (nuclear, radiological, bacteriological and chemical), trafficking (in human beings, weapons, narcotics or a number of goods) and cyber-terrorism created a new challenge for the French armed forces.

French society is developed and open with prominent technological achievements, a fact that made it particularly vulnerable to the aforementioned types of threats. Therefore French authorities constantly underline their commitment to create a set of political partnerships in order to fight them.



Under this framework France actively contributes to NATO military operations and also plays an important constitutional role in the alliance by helping to the creation of new definitions for the major guidelines of it. In a European level, France has always been a pioneer in the creation of structures for the European security. It officiated in the creation of the necessary institutions for managing crises, including the Political and Security Committee (PSC), the European Union Military Committee (EUMC) and the European Union Military Staff (EUMS). Additionally, France's overall commitment to the European Union response force represents approximately 20%. The aforementioned force had been created in the Helsinki Summit in December 1999. In this Summit an initiated cooperation between the (15) Member States on military capabilities had been set.

The role of French national defense has been expanded and altered due to the fact that new threats have been created. National Defense has been transformed in an instrument of both

national sovereignty and international credibility. The primary objective of the French national policy still remains defending the security of the country and the interests of its citizens. Though, the country is also standing shoulder to shoulder with Europe and NATO in the fighting of threats that bypass the borders of a country.

Kyriazis Vasileios

Epicos Newsletter Head Editor



ELNO is a French company that was founded in 1927. ELNO is activated in the domain of the design, manufacture and marketing of Electro-Acoustic products and Communication Systems. In 1992, ELNO was transformed into a Group in order to incorporate other European SME's with complementary products and markets to those of ELNO.

As it is already mentioned the company is specialized in the design and manufacture of electro-acoustic products and communication systems for the defence, transport, and communication industries. The products that it manufactures for the defence are the follow:

**Electro-Acoustic equipments:**

- Handsets
- [Headsets](#)
- Microphones
- Loudspeakers

**Intercoms equipments:**

- Battle Tanks
- Light Vehicles
- Personnel Carriers
- Mobile H-Quarters
- VIC-1 Upgrading



**Helmets:**

- [Tank Helmets](#)
- Flight Helmets

Its helmets are used for all types of armoured vehicles with active noise reduction

**Field Telephones:**

- Linear Networks
- Switchboards

Since 1992 ELNO has incorporated several companies that manufacture products similar to the own that the company had already manufactured. These companies are:

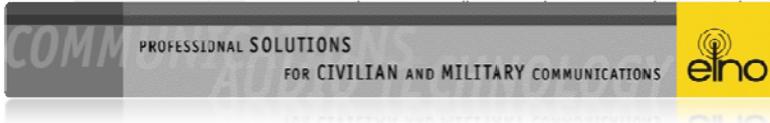
- LEM INDUSTRIES SAS is located in Argenteuil - France



- ELNO TECHNOLOGIES SAS is located in Argenteuil - France
- IDMS SAS is located in Neuville-En-Ferrain - France
- DEUTSCHE ELNO GmbH is located in Garching - Germany
- ELNO TECHNICAL Ltd is located in Larnaca - Cyprus
- ELNO MECCANICA Srl is located in Turin - Italy

Quality is a key element for the company, something that is highlighted by the fact that the company has a long established professional Quality Management System ISO9001-V2000 - AQAP2110 - JAR21 - AQF 2, which is approved by a variety of official organization.

- For Further Information Press [Here](#)



“WE dedicate more than 15% of our budget to R&D. We are presently working on innovative communication equipments

based on new technologies such as wireless, bone conduction or digital signal processing”, said Mr. Jerome Ambrosini, Export Manager of ELNO in an exclusive interview that he gave to Epicos.

**1. Could you please briefly analyze the industry domains in which ELNO is activated?**

Founded in 1927, the Company specialized in audio and electro-acoustic equipments, including intercom systems, public address systems, loudspeakers and various types of headsets.

Shortly after the Second World War, ELNO entered the military equipment field, supplying many types of electro-acoustic peripheral equipments to the French Army, and thus acquired considerable expertise in the field of speech transmission in particularly noisy environments.

In the seventies, while remaining in the field of communication, ELNO diversified in the Passenger Information Systems for railway vehicles and stations, airports.

**2. What are the main aerospace and defence products that ELNO is manufacturing?**

ELNO is specialised in audio ancillaries and has expanded its activity beyond electro-acoustic equipments, naturally evolving towards audio communication systems.

For the audio ancillaries, we have a significant presence in Europe, North and South Africa, Middle-East and Asia with our tank helmets, helmets for rotary wings aircraft and bone conduction headsets.

For our intercom systems, we are also quite successful in France for armoured vehicles and abroad for light armoured vehicles.



**3. Could you please tell us about the place of ELNO in the national and international market?**

It is difficult to make a classification, but in our range of products we are definitely the leader in France and should be ranking in the first 5 producers in the world.

**4. Who are the main customers of ELNO?**

We work directly with Land Forces and Air Forces or through OEM dealing with Defence such as Thales, EADS, Nexter, Sagem, Eurocopter, Rohde & Schwarz, Krauss Maffei, Tadiran, Otokar, Singapore Technologies, Sapura.

**5. Is there a specific market that the company is planning to expand?**



We have designed a new BONE-CONDUCTION HEADSET originally for Future Soldier Programs and with a variety of applications including use with existing and future-generation combat helmets.

The OH 395 / OL395 headset employs bone-conduction technology. The left or right hand housings containing the bone-conductor receivers are worn forward of each ear, on the jaw. Two microphone options are available, either conventional, employing a differential boom mount microphone, or a bone conduction microphone mounted below one of the bone conduction receivers.

The Elno approach to battlefield hearing protection enables the soldier to operate under stealth conditions in the approach to a combat zone. He retains his natural spatial hearing of surrounding sound because his ear is not obscured and any incoming radio messages are received through the bone-conducting earpiece that emits no airborne “crackle” to give away his position.

**6. What are the next steps and the priorities of the company?**

Our development must be done in 3 directions:

- While supporting our position in France, we must reinforce our presence on export markets,



- Research and Innovation are strong axes of our strategy, and must contribute to the assertion of an offer bringing competitive advantages,
- Cost reduction and control are essential conditions to earn markets in a more and more competitive environment.

**7. What are the main technological advantages of the company?**

Our assets are:

- The full and complete expertise of the audio process from the operator to the radio,
- The know-how in the treatment of the sound with different technologies (analog, digital, DSP..),
- The flexibility of a SME what enables us to be reactive and adaptive to the specific requirements of our customers.

**8. Is ELNO currently investing in a new technology and if yes what it is?**

We dedicate more than 15% of our budget to R&D.

We are presently working on innovative communication equipments based on new technologies such as wireless, bone conduction or digital signal processing.



## Epicos Project Opportunities



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](#)

### Fire resistance ammunition containers for improved AFVs/MBTs crew member survivability



A company focusing in applied research, design, development and manufacturing of advanced products made of lightweight composite materials, is proposing the customised development of fire resistance ammunition containers to be used in several AFVs/MBTs designs and for different ammunition type and diameter. The main target of the system is to maximize the delay of ignition and explosion of the ammunition allows for a sufficient period of time for the tank crew to evacuate safely.

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

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### Design, manufacture and testing of custom made components and assemblies for A&D applications



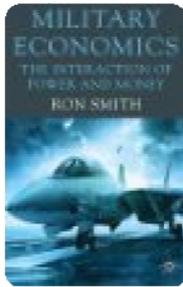
A company specialised in the development, manufacturing and assembly of custom-made machinery and build-to-print components offers its experience and knowledge as a subcontractor in the international Aerospace and Defence Industry for cooperation. The company has been active in this industry sector for many years and has developed a high level of expertise in the fields of metalworking, welding and manufacturing engineering. The company is also able to offer one-stop-shop solutions including project management and supply chain optimisation and control with an extensive outsourcing network from design engineers to low-cost parts manufacturers. The company can act as a subcontractor for complex parts machining and assembly for all types of aerospace and defence applications.

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

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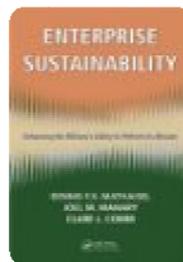


**Military Economics: The Interaction of Power and Money, by Ron Smith**



Money has always being an important matter for the military. Money is needed to finance fighting and desire to acquire it is often the motive for fighting. Additionally, fighting matters for the economy, since military power and conflict have shaped economic development throughout the history of mankind. Nevertheless, defense economics has long been incomprehensible to many students of security and the military. This book is trying to delineate the issue and must be regarded as a long needed book on the complex and important issues of military economics.

**Enterprise Sustainability: Enhancing the Militarys Ability to Perform its Mission, by Dennis F.X. Mathaisel, Joel M. Manary, Clare L. Comm**



Military supply chains are unique because what is supplied to the end user is routinely returned to the supply chain for maintenance, repair, and overhaul (MRO). Offering a blueprint for transforming military depot workload and processes into those of high-performance commercial facilities, **Enterprise Sustainability: Enhancing the Military's Ability to Perform its Mission** provides a powerful system of concepts and tools for enhancing the ability of the military to perform MRO on its weapon systems. These concepts and tools are applicable to any enterprise, military or commercial.



## **General Dynamics NASSCO Awarded \$825 Million Contract for T-AKE Ship Construction**

SAN DIEGO, March 1 /PRNewswire-FirstCall/ -- General Dynamics NASSCO, a wholly-owned subsidiary of General Dynamics (NYSE: GD), has been awarded an \$824.6 million contract from the U.S. Navy for the construction of two T-AKE dry cargo-ammunition ships.

Announced by the Department of Defense on February 26, the contract provides full funding to NASSCO for the construction of T-AKE 13, the future *USNS Medgar Evers*, and T-AKE 14, the unnamed final ship of the *Lewis and Clark* class. In December 2008, NASSCO received a \$200 million contract to purchase the engines and other long lead materials for these ships. Construction of T-AKE 13 and 14 is scheduled to begin in the second and fourth quarters of 2010, respectively. NASSCO expects to deliver both ships to the Navy's Military Sealift Command in 2012.

General Dynamics NASSCO employs more than 4,300 people and is the only full-service ship construction and repair yard on the West Coast of the United States. The shipyard delivered its ninth T-AKE ship on February 24 and is currently building the tenth through twelfth ships of the class. More information about NASSCO can be found at [www.nassco.com](http://www.nassco.com).

General Dynamics, headquartered in Falls Church, Virginia, employs approximately 91,700 people worldwide. The company is a market leader in business aviation; land and expeditionary combat systems, armaments and munitions; shipbuilding and marine systems; and information systems and technologies. More information about the company is available on the Internet at [www.generaldynamics.com](http://www.generaldynamics.com).

**Source:** PRNewswire, General Dynamics NASSCO

## **India set to buy 42 more Russian Su-30 fighter jets**

NEW DELHI, March 2 (RIA Novosti) - India and Russia are negotiating a new contract on the delivery of 42 Su-30MKI to the Indian Air Force, an Indian newspaper reported on Tuesday, citing military sources. According to the Daily News and Analysis newspaper, the new deal, which is reportedly worth more than \$3 billion, has been in the works for several months. The new air-superiority fighters will come on top of the 230 already contracted from Russia in three deals worth a total of \$8.5 billion. "The [new] order is being placed due to the insufficient number of fighter squadrons in the Indian Air Force and would allow us to eliminate potential threats," a source in the Indian Defense Ministry told RIA Novosti. India originally ordered 50 Su-30MKI aircraft from Russia in 1996-98 and an additional 40 planes in 2007. Hindustani Aeronautics Ltd (HAL) was also contracted to build 140 aircraft in India between 2003 and 2017 under a licensed production agreement. The Indian Air Force currently has about 100 Su-30MKIs, mainly deployed at airbases close to the borders with China and Pakistan. Analysts believe that India will remain the main purchaser of Russian-made combat aircraft for the next 15 years under existing and future contracts, as the

country desperately needs to upgrade its fighter fleet, which includes Su-30MKI and MiG-29 fighters, but mainly consists of obsolete Soviet MiG-21 models.

**Source:** Ria Novosti

### **France to pay Russia \$1 billion for 14 Soyuz carrier rockets**

MOSCOW, March 2 (RIA Novosti) - France has put aside some \$1 billion to buy 14 Soyuz carrier rockets from Russia, French satellite launch firm Arianespace CEO Jean-Yves Le Gall said Tuesday. "We have ordered 14 Soyuzes from the Russian Federation; the contract's cost is about \$1 billion. These are ambitious plans," Le Gall said at a Russian-French business forum, held as part of President Dmitry Medvedev's visit to France. His speech was broadcast by the Rossiya 24 TV channel. The new deal marks another step in cooperation between Russia and France in the space sector. Arianespace signed a contract with Russia's space agency in 2008 for the launch of 10 Russian Soyuz-ST carrier rockets from the Kourou space center in French Guiana. Le Gall confirmed earlier reports that the first launch is scheduled for 2010, saying it will take place in the second quarter. The Russian and French space agencies Roscosmos and CNES on Monday approved a plan of joint work for 2010 as part of a cooperation program on new carrier rockets. Medvedev's visit to France will end Wednesday. He has been accompanied by a delegation of 80 Russian business leaders, with officials predicting before the visit that around 10 major deals would be signed during the trip. Russia's Gazprom and GDF Suez signed a memorandum Monday on the French utility taking a 9% stake in the Nord Stream gas pipeline project to pump Russian gas to Germany under the Baltic Sea. Under the deal, the 20% shares of the two German partners, Wintershall Holding and E.ON Ruhrgas, will be reduced, but Gazprom's 51% stake and the 9% held by Dutch Gasunie will not be affected. French President Nicolas Sarkozy said Monday after talks with Medvedev that Russia and France had started "exclusive talks" on the purchase of four French Mistral-class amphibious-assault ships. He said two of the four Mistral-class ships under discussion could be built in Russia. The announcement of the talks confirmed earlier comments by a Russian Defense Ministry source that the sale would not be finalized during Medvedev's visit. A Mistral-class ship is capable of transporting and deploying 16 helicopters, four landing barges, up to 70 vehicles including 13 battle tanks, and 450 soldiers. The vessel is equipped with a 69-bed hospital and can be used as an amphibious command ship.

**Source:** Ria Novosti

### **Airlines show 'encouraging' demand growth in January: IATA**

International air passenger traffic grew 6.4 percent in January compared to a year earlier, with Asia, Latin America and the Middle East lifting demand, IATA said Tuesday.

Cargo demand also grew 28.3 percent in January compared to the same month in 2009, or up 3.0 percent from December, as businesses moved to restock inventories, said the International Air Transport Association in a statement.

"We are starting to see some encouraging signs in demand, albeit with large differences among the regions," said Giovanni Bisignani, IATA director general.

A recovery in passenger traffic was notable among Asian-Pacific carriers, which posted 6.5 percent growth year-on-year. Compared to the lowest point reached in 2009, demand for these carriers has risen 31 percent.

In the Middle East, demand soared 23.6 percent in January compared to January 2009, while in Latin America, growth was also a robust 11 percent.

Carriers in North America and Europe recorded a more muted recovery, with passenger traffic demand up just 2.1 percent and 3.1 percent respectively.

"This reflects the jobless recovery from the recession in which consumers are focused on paying down debt," said IATA.

A similar trend was observed in cargo demand, although the weak recovery by European carriers was most marked, said IATA.

"With an 11.6 percent improvement in January compared to the previous year, carriers in Europe stand out for their sluggish demand recovery," it said.

World airlines suffered their biggest traffic decline since 1945 last year in the economic crisis, making 2009 the "worst year the industry has ever seen," IATA had said, adding that recovery in 2010 would be slow.

In addition, it has forecast a 5.6-billion-dollar (4.1-billion-euro) loss for airlines in 2010.

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

### **Lufthansa reports switch into annual net loss**

German airline Lufthansa, Europe's reported on Tuesday a 2009 net loss of 112 million euros (151 million dollars) after net earnings of 542 million euros in 2008.

The company said that consequently it would not pay a dividend.

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