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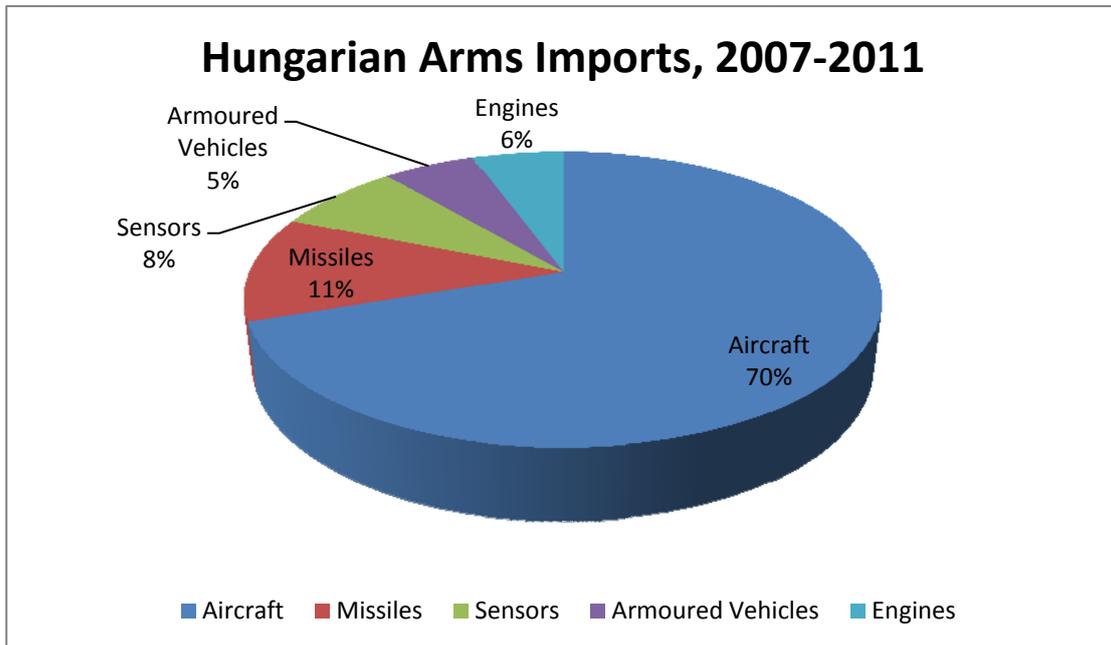
The New Dimension of Hungarian Procurements



During the last years Hungarian defence budget sharply decreased. In 2008 total Military expenditure of Hungary was according to SIPRI 1,690 million US dollars in constant 2008 prices whereas in 2011, reached 1,287 million US dollars. Due to this the country did not procure a variety of defence equipment. Sweden has a leading role

in the Hungarian armament imports. Apart from Sweden, other important countries that export arms to Hungary in the period 2007-2011 are USA, Italy Finland and Israel. Imports are rather limited in their geographical structure as (3) of the (4) first countries that export arms to Hungary, based on the amount of funds allocated are European. This can be easily explained by the intense socioeconomic relations that the country has developed with the European Union member states after 2004, when Hungary entered EU.

The limitation of the geographical allocation of the Hungarian imports is in accordance with the limitation of imported items. Aircraft are the predominant area of imports for the period 2007-2011 with a total amount of 163 US\$ m. at constant (1990) prices. The 2nd most important sector is that of missiles with 27 US\$ m. at constant (1990) prices whereas other areas such as armoured vehicles, sensors and engines follow.



The predominant place of Sweden in the exports of major conventional weapons to Hungary is mainly due to the fact that the Hungarian Air Force has (14) Gripens on a 10 year lease-and-by arrangement, including (2) two-seaters (C/D versions). The final (3) aircrafts were delivered in December 2007. The purchase included an offset package of a 110% value of the amount of the procurement.

Additionally, Hungary loaned equipment to use them in Afghanistan. Namely, the country loaned from USA in 2010 (46) HMMWV Up-Armoured APVs and (19) MaxxPro APCs.

Furthermore, Hungary procured (2) Ex-Finnish Mi-8T/Hip-C Helicopters in 2011 from Finland and (100) The AGM-65 Maverick missiles. The AGM-65 is an air-to-ground tactical missile (AGM) designed for close air support. Hungary will use them with the JAS-39 combat aircraft.

Having inherited a legacy of a heavy, slow- moving Warsaw Pact force is trying to modify it into a more versatile and modernised NATO force able to cope with the needs of the modern arm field. Due to this process Hungarian military has been downsized from 130,000 in 1989 to approximately 24,000 in 2008. This has been “paused” by lack of economic funds during the last years.

Kyriazis Vasileios,

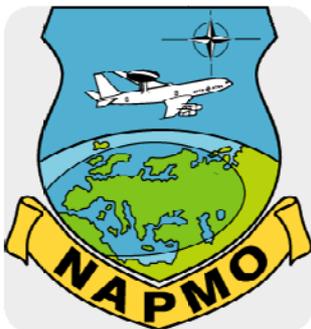
Epicos Newsletter Head Editor

Hungarian Officials Visit NATO's Air Base at Geilenkirchen, Germany



HUNGARIAN
GOVERNMENT

Hungary's outmost strategic goal is to be fully integrated in the western international organisations, such as NATO and EU. Due to this Hungary has been participating in NATO's missions since the crisis in the Balkan Peninsula. During the implementation of the Dayton Peace Accords during 1995-2004, Hungary provided significant help to the allied forces. Since then, the cooperation between NATO and Hungary has been further enhanced. Under this context on Thursday, June 21st, Defence Minister Mr. Csaba Hende and Lt.-Gen. Dr. Zoltan Orosz, the Deputy Chief of the Defence Staff visited the NATO Air Base Geilenkirchen, Germany. During the visit at the base, Mr. Csaba Hende and Lt.-Gen. Dr. Zoltán Orosz watched the display flight of the Airborne Warning and Control System (AWACS) aircraft.



In 1999, Hungary was granted an observer status in NATO's Airborne Early Warning and Control Programme Management Organization (NAPMO). The country became a full member in December, 2005. Accordingly, initially (4) Hungarian Air Force personnel began work at the E-3A Component in Geilenkirchen in the summer of 2006, and later they were joined by another (7) Hungarian air force personnel. Apart from Hungary (14) more countries contribute to the AEW&C program, namely Belgium, Canada, Denmark, Germany, Greece, Hungary, Italy, Luxembourg, The Netherlands, Norway, Poland, Portugal, Spain, Turkey, and the United States. The United Kingdom has its own fleet of E-3D AWACS aircraft which it provides to the NAPMO as a 'contribution in kind'. Both the United States and France have their own national AWACS fleets. France attends NAPMO meetings as an observer, however the country's E-3F AWACS aircraft participate in joint operations with NATO counterparts on a case-by-case basis.

Currently the AWACS is playing an important role in the security of the 2012 UEFA European Football Championship. Host nations have requested the Boeing E-3A fleet to provide air surveillance and control capability in their airspace and the Hungarian defence forces are participating in several tasks in this mission. The Veszprem "Rock" (Control and Reporting Center, CRC) receives recognized air pictures (RAPs) from the Ukraine and Poland and transmits them to the NATO operating authorities.



Hungary's presence in the abovementioned missions clearly illustrates the fact that there is a strong political will for the further integration of the country in the collective structures of

NATO. Additionally, participating in NATO's missions has been an important "school" for Hungarian defence forces, as they gained practical experience, which has contributed to the improvement of their operational capability and readiness. Furthermore Hungarian armed forces are constantly changing in line with the transformation of NATO capabilities, and its doctrines are revised along with it.

In order to be able to fulfil the aforementioned defence commitments and aspirations HDF has to create the proper infrastructures and enhance its armament. The main goal of this reform is to improve Hungarian operational forces and to create a stable yet flexibly adjustable structure; the right ratio of services and branches; effective command and control, the independent operational capability of units and sub-units and the modularity of structural elements are indispensable conditions for the efficient operation of the HDF.

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 an advanced Fluxset type magnetic field sensor for Airborne Antisubmarine Warfare

A company with vast experience on customized hardware and software solutions, the development of avionics and other high-tech electronics systems and simulators is proposing -in the frame of an offset project- partnership with a prime contractor or a third party company in a targeted country specializing in sensing technologies, for the development of an advanced Fluxset type magnetic field sensor for Airborne Antisubmarine Warfare.

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

Mail at: g-menexis@epicos.com

Design and Development of a UAV Nuclear Reconnaissance System

A large company with significant leading experience in the development and production of chemical defense instruments and nuclear reconnaissance systems, is proposing collaboration with a company specializing in the design and production of Unmanned Aerial Vehicles in order to develop a UAV nuclear reconnaissance system. Fields of application could be: reconnaissance of widely

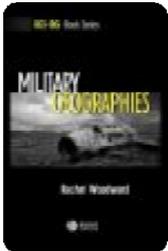
contaminated areas; localization of single radiation sources; nuclear accidents; atomic explosion.

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**Managing Defence in a Democracy, by R. Clearly and Teri McConville**

The state is understood as a human community that claims, successfully, the monopoly of the legitimate use of physical force within a given territory. Taking into consideration this ascertainment a question that is unprompted created is how the state intends to control the means of violence which are used both for internal and external security. Although each state is unique it is possible to identify common issues, problems and answers to the above-mentioned question and this is exactly what the leading contributors that this volume brings together are trying to identify.

Military Geographies (RGS-IBG Book Series) by Rachel Woodward

Military Geographies sets an interesting new agenda for research into militarism and its geographies. It delineates the ways with which military activities creates spaces, places, environments and landscapes. It examines the environmental, cultural, economic and political dimensions of militarism through the lens of geography. The book is covering an aspect of militarism that has not attracted the proper attention and that is the reason why it must be considered as a certain read for anyone interested in broadening his or her horizons in the aforementioned issue.



Elbit Systems to Upgrade Korean Air Forces' C-130 Transport Aircraft Under Contract Valued at \$62 Million

Haifa, Israel, June 24, 2012 – Elbit Systems Ltd. (NASDAQ and TASE: ESLT) ("Elbit Systems") announced today that it was awarded a contract valued at \$62 million to upgrade the Korean Air Force C-130 transport aircraft. Under the contract, the C-130 aircraft will be installed with various types of advanced electronic systems. In addition, Elbit Systems will convert the existing analog cockpit to a "Glass-Cockpit" using Elbit Systems' cutting-edge digital flight displays.

The project, to be performed over four years, will be executed in cooperation with Korea Aerospace Industries Ltd. (KAI), who is the leading local aircraft manufacturer in Korea. Yoram Shmuely, Co-General Manager of Elbit Systems' Aerospace Division commented: "We are very proud of this award. It marks an additional milestone in the projects Elbit Systems has performed for the Korean Air Force in collaboration with Korea Aerospace Industries. This new contract is expected to further enhance capabilities of the Korean Air Force". Shmuely added: "The global demand for transport aircraft upgrades and the experience we have accumulated in performing various similar projects such as the previous program for the Korean C-130, as well as programs for the Romanian C-130 and the Brazilian C-95, position us as favorably for similar projects to follow".

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.

For additional information, visit: www.elbitsystems.com.

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Source: Elbit Systems

Engineers have pilot position in aerospace jobs market

The race to sell airliners, particularly between Airbus and Boeing, is putting the aerospace companies of the world in cut-throat competition to recruit engineers.

There is a worldwide shortage of people with the qualifications needed by the companies gearing up to meet demand for an estimated 20,000 aircraft in the next 20 years.

The European airliner manufacturer Airbus for example is using Twitter accounts to talk to potential recruits and is to hold an international recruitment day on June 30th, interviewing 100 candidates from 15 countries selected from more than 6,500 applicants.

Tom Enders, who has just switched from the top management of Airbus to manage the parent group EADS, said that "the pool of talents in Europe at least has clearly become too small".

Airbus says that of 12,000 jobs available in the sector in Europe last year, only 9,000 were filled.

At US aircraft maker Boeing, the vice president for human resources Rick Stephens told AFP that the United States produced 72,000 to 74,000 engineering graduates a year but "we don't see enough students completing engineering degrees to be able to fill what we believe will be the needs" of the aerospace industry.

His counterpart at Airbus and EADS Thierry Baril said: "We must fight like hell on the international market to get the best talents."

When Boeing closes a factory as it did this year at Wichita in Kansas, putting engineers on the market, "everybody pounds after them, Airbus and Bombardier," Baril said. "It's a little war for talent."

Problem for sub-contractors

The biggest companies say that even so, they manage to recruit owing to the strength of their brand names, but worry about problems encountered by their sub-contractors.

These companies can become weak links in the production chain when Boeing and Airbus increase their output.

The president of small and medium businesses in the organisation grouping French aerospace firms (Gifas), Thierry Voiriot said that "engineers are more attracted by the big names and think that in these companies there will be more opportunities for development."

This problem is exacerbated if big groups use head-hunting firms to try to attract engineers away from the smaller companies, he said, adding however that such behaviour was the exception.

In general, the big manufacturers had a policy of trying to ensure that the entire industry would be supplied adequately with engineers in the next few years.

Stephens said that the US industry had been taking this approach for the last three years. "We all agreed that we would help create a large talent pool and then we could go and fight for them," he said.

Firms in the sector work with schools and universities to help draw up programmes which meet the future needs of the industry.

Airbus, and the third-biggest manufacturer in the world, Embraer of Brazil, run their own engineering schools.

The president of Embraer Aviation Europe, Luiz Fuchs, said: "We have our own school in Sao Paulo. This has been a very successful programme where we attract people who have no possibility perhaps to go university. So we develop them, we pay attention to them, and we put them on the market."

There is also a drive to raise the image of the engineer.

Lutz Bertling, the chief executive of Eurocopter which is part of the Airbus group and the world leader in the sector of civil helicopters, gives presentations in universities to attract students. He is himself an engineer.

Boeing has been working for a year with the film industry in Hollywood to improve the image of engineers who are often cast in a bad light, Stephens said.

Commenting on competition for engineers with information technology firms such as Google or Apple, Stephens said: "They are great paying jobs. You get more engineers doing better in aerospace than you may in the IT field."

Boeing and Airbus also recruit on the international market.

Stephens said that Boeing, which does an increasing share of its business abroad, needs to attract talented people outside the United States.

Airbus goes a step farther, considering itself to be not a European but a world business.

Of 4,000 people whom it will recruit this year, 90 percent will be hired in Europe and the rest in India, in the United States, China and Russia, Baril said.

Enders said that Airbus would open an innovation unit in India to be managed by an Indian.

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

AECOM wins US\$19.5-million contract for work on Australia's largest public-transportation project

AECOM Technology Corporation (NYSE: ACM), a leading provider of professional technical and management support services for public and private sector clients in more than 130 countries around the world, announced today that it is part of a consortium that has been awarded a US\$555-million contract for a package of work on Australia's Regional Rail Link in the state of Victoria.

AECOM's contribution in delivering the contract is expected to generate revenue of US\$19.5 million.

Under the contract from Victoria's Department of Transport, AECOM will provide rail, structural, electrical, signaling and civil infrastructure design as well as geotechnical, waterway modeling and environmental management services for the project — which runs from Melbourne's Southern Cross Station to the Maribyrnong River — until February 2015.

"We are excited to play a key role in an effort that will remove major bottlenecks in Victoria's rail network by untangling metropolitan and regional tracks," said John M. Dionisio, AECOM chairman and chief executive officer.

Planning and design work will begin immediately, and major construction for the project is scheduled for completion during February 2015. The overall Regional Rail Link is expected to be complete in early 2016. AECOM's work on the project is expected to conclude during February 2015.

The Regional Rail Link currently is Australia's largest public-transportation project and the first major rail line construction project for metropolitan Melbourne in 80 years. AECOM is part of a consortium of companies that have formed an alliance with Metro Trains Melbourne, V/Line and the Regional Rail Link Authority to deliver the project.

About AECOM

AECOM (NYSE: ACM) is a global provider of professional technical and management support services to a broad range of markets, including transportation, facilities, environmental, energy, water and government. With approximately 45,000 employees around the world, AECOM is a leader in all of the key markets that it serves. AECOM provides a blend of global reach, local knowledge, innovation, and technical excellence in delivering solutions that create, enhance and sustain the world's built, natural and social environments. A Fortune 500 company, AECOM serves clients in more than 130 countries and had revenue of \$8.2 billion during the 12 months ended March 31, 2012. More information on AECOM and its services can be found at www.aecom.com.

Source: AECOM

Philippines Eyes Purchase of Third Warship, Plus Three Naval Helicopters

MANILA, Philippines - The Philippines is planning to purchase a third warship and three naval helicopters to bolster its maritime defense capabilities in a region increasingly wary of China's looming presence.

The Philippines currently has one warship in its possession, the BRP Gregorio del Pilar. Another warship, the BRP Ramon Alcaraz, is expected to arrive in the country later this year.

Apart from a third warship, the Philippine Navy said it was planning to purchase three "marinized" naval helicopters to complement its available warships.

No definite date has been set, but Navy chief Vice Admiral Alexander Pama told reporters Friday the plan is to buy these using funds generated from the Energy department's Malampaya project.

Pama, in an interview with reporters at the Air Power Symposium in Pasay City, said the three will eventually be attached to the Hamilton-class cutters purchased from the United States.

"Our budget is set for three [helicopters] since domain awareness calls for helicopters on board; that's why in our program there are three helicopters [for] three Hamilton Class [ships]. One is to one," Pama explained.

At the moment, officials are busy preparing for the arrival of the second warship, BRP Alcaraz. A 90-man crew from the Navy has been in Charleston, South Carolina since April for training and repairing of the ship.

Source: Epicos

Air France to shed over 5,000 jobs by 2014

Air France said Thursday it is to slash over 5,000 jobs or around 10 percent of its workforce in voluntary departures by 2014 as part of a vast plan to make the struggling French airline profitable.

A total of 5,122 jobs will be shed and the carrier said in a statement that all departures would be voluntary provided a new framework agreement can be signed with unions.

"Air France has chosen to work in complete transparency and to privilege social dialogue to find structural and sustainable solutions, included in corporate agreements," it said.

If new agreements are signed by staff then "Air France has pledged not to make redundancies and to implement various measures to support the necessary reduction in staff numbers," it said.

The Franco-Dutch carrier Air France-KLM has launched a major cost-saving programme after posting a loss of 809 million euros (\$1.0 billion) for 2011 and a first quarter net loss in 2012 of 368 million euros.

Shares in Air France-KLM, in which the French state holds a 15 percent stake, shot up by over 7.0 percent after the job cuts announcement.

The company said that the new framework agreement is "a major condition of the company's recovery" and the carrier needs to increase economic efficiency by 20 percent by the end of 2014.

Air France said the Central Works Council would have draft agreements for signing by unions on June 28.

"If the agreements are signed, the accompanying measures to reduce staff numbers will exclude the use of forced departures before the end of 2013," Air France said.

The efficacy of the plan will be evaluated in the second half of 2013 and if the 20 percent improvement is achieved "the use of forced departures will also be avoided in 2014," the company said.

If the agreements are not signed then the improved efficiency would be achieved "in a much more economically constrained context."

"Given the impact of the necessary reductions in activity and routes closures, forced departures may therefore not be avoidable," Air France said.

French Employment Minister Michel Sapin said ahead of Air France's announcement that "dialogue should allow the company to return to financial balance."

"The management says that 'if nothing is done, this big company might collapse... We must maintain this big global French company that is Air France," Sapin said.

Air France CEO Alexandre de Juniac said that "Air France is facing a fundamental choice about its future."

"Our business plan has two ambitions: to ensure Air France returns to profitability and to better serve our customers. If we all make the necessary equitably distributed efforts, there will be no forced departures," he said.

But unions said they were seeking job guarantees in exchange.

"This does not satisfy us. We want a formal undertaking on the entire plan," or guaranteeing jobs up to 2015, said Michel Salomon of the CFDT union.

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