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The Global Aviation Outlook for 2012



According to a report released by the International Air Transport Association (IATA) in early October, the global aviation outlook for 2012 has been revised upward, despite the fall in airline profits from the \$8.4 billion that the industry earned in 2011. According to IATA, in 2012 Airlines are expected to earn \$4.1 billion US dollars, 1.1 billion more from the June

forecast of 3.0 billion. Regarding the industry's net profit margins, the report predicts a decline from the 1.4% realized in 2011 to 0.6%. Nevertheless this is an improvement compared to the previous forecast of 0.5%. In a first look in 2013, the association sees global profits rising modestly to \$7.5 billion, though this is a net margin of just 1.1%.

Mr. Tony Tyler, IATA's Director General and CEO stated that: "The European sovereign debt crisis lingers on. China continues to moderate its growth. And the impact of recent quantitative easing in Japan and the US will take time to yield growth. While some of these risks have diminished slightly over recent months, they continue to take their toll on business confidence. The outlook improvement is due to airlines performing better in a difficult environment".

Regarding the passenger market, demand is expected to grow by 5.3% over the course of 2012. This is a 0.5% improvement in comparison to the June forecast. It is important to state that since the beginning of 2012 passenger demand has increased by 1.4% ahead of capacity, whereas load factors averaged at 79.3%.

In the cargo market, demand has fallen and it is expected that it will finish with a 0.4% contraction in 2011 levels. This is a decline in comparison to the 0.3% expansion forecasted in June.

Region	Forecast for 2012 (billion Dollars)	Previous Forecast (billion Dollars)
Europe	-1.2	-1.1
North America	1.9	1.4
Asia-Pacific	2.3	2.0
Middle East	0.7	0.4
Latin America	0.4	≈0.4
Africa	0.0	-0.1

Source: International Air Transport Association (IATA)

Significant differentiations have been observed between different regions, regarding forecasted profitability. There are four regions, namely North American and Latin American, Asia Pacific and Middle East the carriers of which are expected to see improved prospects, while European prospects have been downgraded. African airlines are expected to break even in 2012.

Europe is expected to be the only region to post losses. Forecasted losses are estimated at 1.2 billion US dollars, 0.1 billion worse than previously forecast. On the other hand North American carriers are expected to post profits of 1.9 billion US dollars significantly ameliorating from the last estimation of 1.4%. This is the largest improvement of all regions and is mainly attributed to the impact of tight capacity management. Asia-Pacific airlines are set to post a 2.3 billion profit for the year. That is 0.3 billion better than previously forecasted. Middle East carriers are expected to post a 0.7 billion profit, up 0.3 billion from the previous forecast. Latin American airlines are expected to post a profit of 0.4 billion. Finally, African airlines are expected to break even in 2012. This is an improvement from the 0.1 billion loss that was previously forecasted.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

Airline Industry: Innovation Will Open New Roads



Airline carriers are an important part of the modern economic endeavor. That is why the airline industry should always be in the forefront of development. Additionally, all industry shareholders should contribute in order to ameliorate the services provided and make each passenger's journey as safe, secure,

seamless and convenient as possible. In the World Passenger Symposium which opened in Abu Dhabi, United Arab Emirates on 16th of October, IATA highlighted three priority areas for cooperation to create a more seamless and more interactive modern travel experience. These are the following: simplifying airport processes with Fast Travel, implementing a Checkpoint of the Future (CoF) for passenger security and developing a New Distribution Capability in line with modern retailing practices.

Regarding Fast Travel, IATA is working with industry stakeholders to implement self-service options with its Fast Travel program. This gives passengers more control over their airport experience in six key processes: check-in, bag check, travel document scanning, boarding, flight re-booking and baggage tracing.

Another innovation that will ameliorate the efficiency of airline travel is the CoF project, which will enable a walk-through security checkpoint experience without stopping, removing items of clothing and liquids, or taking computers out of bags. The initial goal of the project is to make checkpoints more efficient by using simple steps as introducing dedicated known traveler lanes, which can increase efficiency by up to 30%.



Finally, IATA stressed the need for a New Distribution Capability, which will enable the industry to offer more options to customers and to reach them seamlessly regardless of distribution channel. The modern airline market is differentiated as about 40% of ticket sales by value come through airline websites. This new datum should be taken into consideration. A differentiation created by this model is that is focused only on finding the lowest ticket price which is commoditizing air travel even as airlines innovate their products.

In 2013, 3 billion passengers will travel worldwide by airplane. And that number will double by 2030. Thus, it is important that airlines persist on innovating and satisfying passengers' needs.

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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Design and prototyping of wrist-top/wearable computer for specialized Future Soldier applications



A leading technology provider, designer and manufacturer of hands-free communication solutions for demanding use, is proposing the design and prototyping of a unique and energy efficient wrist-top/wearable computer that can be used in several Future Soldier (FS) applications.

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

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File and data security system for a large organization



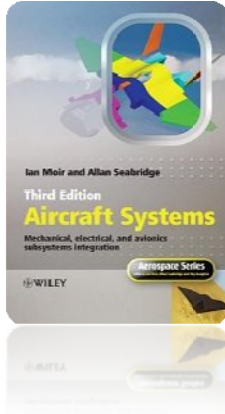
The proposed project involves the development, parameterisation and installation of a file and data security software system, designed to address the needs of large organizations, either of a private or a public nature (e.g. Ministry of Defence), which wish to protect their data (e.g. as stored on the organisation's internal network) from potential leakage. The proposed system will assure that information in those files can only be read, copied or modified by users with sufficient/appropriate rights.

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



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

Commercial Aircraft Projects, by Hans-Henrich Altfeld



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



Malaysia pledges investments in Philippines

Malaysian Prime Minister Najib Razak pledged Monday to support economic development in the conflict-wracked and impoverished southern Philippines after helping to broker a peace plan with Muslim rebels.

Philippine President Benigno Aquino met Najib for one-on-one talks ahead of the planned signing of the peace roadmap with the Moro Islamic Liberation Front (MILF) in Manila, a joint statement said after their meeting.

"The Malaysian government affirmed its support to the Philippine government's sustained socio-economic programmes, which are designed to foster further economic opportunities and jobs in Mindanao," the statement said.

"They also urged Malaysian and other foreign businessmen to consider investing in palm oil, natural rubber, halal industry, infrastructure and other sectors in the region."

Muslim rebel groups have been fighting for full independence or autonomy since the 1970s in Mindanao, which they claim as their ancestral homeland.

The insurgency has left more than 150,000 people dead, with most of the lives lost at the height of the conflict in the early 1970s when an all-out war raged.

Malaysia has hosted on-again, off-again peace talks between the MILF and the Philippine government since 2001. It has also deployed troops to head an international peace mission monitoring a truce between the opposing sides.

Under the peace framework, the 12,000-strong MILF will drop its bid for independence in exchange for an autonomous region by 2016, where they will have power to levy their own taxes and get a share of profits from its resources.

But sceptics have said the peace plan would not guarantee an immediate end to the conflict, even as foreign governments led by the United States and some business groups welcomed it.

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

Elbit Systems to Supply a Far Eastern Country with Artillery and Radio Systems for Approximately \$50 Million

Haifa, Israel, October 14, 2012 - Elbit Systems Ltd. (NASDAQ and TASE: ESLT ("Elbit Systems")), announced today that it was awarded two contracts from a Far Eastern country to supply defense systems at a total value of approximately \$50 million.

Under the first contract, Elbit Systems will supply the country's Artillery Corps the ATMOS autonomous artillery system, for approximately \$30 million, to be supplied within three years. The system, mounted on various wheeled platforms, enhances mission flexibility, reaction speed and survivability of both the crew and the system.

Under the second contract Elbit Systems will supply the country's Armed Forces with personal radio systems, for approximately \$20 million, which will be supplied within a year.

About Elbit Systems

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

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Source: Elbit Systems, Epicos

U.S. Navy Awards General Dynamics \$459 Million for Nuclear-Submarine Support Work

GROTON, Conn., Oct. 16, 2012 /PRNewswire/ -- The U.S. Navy has awarded a \$459 million contract modification to General Dynamics Electric Boat to provide planning yard work and engineering and technical support for nuclear submarines. Electric Boat is a wholly owned subsidiary of General Dynamics (NYSE: GD).

Under the terms of this award, Electric Boat will provide design, engineering and logistics support and research and development activities for active U.S. submarines and submersibles. Electric Boat will also provide information services and support submarine maintenance and modernization activities, training and affordability/cost reduction efforts.

Initially awarded in October 2010, the contract has a potential value of approximately \$1.2 billion over three years if all options are exercised.

This work will engage Electric Boat's engineering and design organization, which comprises more than 4,000 employees. Possessing proven technical capabilities, these employees work on all facets of the submarine lifecycle from concept formulation and design through construction, maintenance and modernization and eventually to inactivation and disposal.

More information about General Dynamics is available on the Internet at www.generaldynamics.com.

Source: General Dynamics Electric Boat

China leads rise in Asia military spending

Military spending by Asia's major powers increased dramatically over the past decade with China leading the way, as its defense budget quadrupled since 2000, according to a study released Monday.

Defense spending in China and four other Asian countries doubled over 10 years and will surpass Europe's military expenditures this year, said the Center for Strategic and International Studies, a Washington-based think tank.

Asia's arms race still leaves it trailing US defense spending, but it will ensure the United States likely will stick to its plan to shift the country's strategic focus towards the Asia-Pacific region, it said.

Defense spending in China, India, Japan, South Korea and Taiwan reached a total of \$224 billion in 2011, which "equates to almost twice the amount spent by these five countries in 2000," said the CSIS study.

"With Asian defense spending projected to overtake that of Europe by the end of 2012, the United States' posture rebalancing toward the Asia-Pacific region is likely to continue," it said.

In 2005, China's military budget outstripped Japan's as the largest in Asia and recorded a 13.4 percent annual rise that year.

Among all countries, China now ranks second behind the United States in total military spending, though the Pentagon budget still dwarfs Beijing's defense spending at more than \$600 billion (463 million euros) year.

Experts say China's emergence as a global economic giant has driven the spike in military spending, as Beijing seeks to assert its influence beyond its borders to safeguard its access to sea lanes and resources.

In 2011, Beijing spent \$25.8 billion on new weapons and related research and development, up from \$7.3 billion in 2000, the report said.

China's total defense budget grew from \$22.5 billion to \$89.9 billion between 2000 and 2011, said the report, citing official figures from the Beijing government.

But the study acknowledged that independent estimates put Chinese spending at a much higher level, with the Stockholm International Peace Research Institute estimating Beijing's 2011 defense budget at \$142.2 billion.

India's defense spending grew 47.6 percent over the decade, reaching \$37 billion in 2011. Japan's military budget rose from \$40 billion to \$58.2 billion.

South Korea's defense investments swelled from \$17 billion to \$29 billion, while Taiwan's defense budget expanded at a slower pace, from \$8 billion in 2000 to \$10 billion in 2011.

Apart from Japan, which spent \$238,000 per soldier in 2011, the four other countries devoted \$28,000 to \$44,000 to training, paying and equipping each of its soldiers, the study said.

"This discrepancy was predominantly caused by the small size of the Japanese forces, approximately 244,300 troops in 2011, relative to the other countries," it said.

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

CACI Awarded Prime Position on \$780 Million Multiple-Award Contract to Provide Training Products for Naval Air Warfare Center

CACI International Inc (NYSE:CACI) announced today that it has been selected as one of several prime contractors to support the Naval Air Warfare Center Training Systems Division (NAWCTSD) on the Training Data Products Contract (TDPC). With an anticipated ceiling value of \$780 million, this eight-year (five base years plus three options) multiple-award/indefinite quantity contract represents new work for CACI and expands the company's work in training product development.

Within the Naval Air Systems Command, NAWCTSD is the Navy's source for a full range of innovative products and services that provide complete training solutions. This includes requirements analysis, design, development, and full lifecycle support. TDPC will support the training needs of NAWCTSD's customers, which include not only Naval personnel but also military organizations throughout the Department of Defense. CACI will provide traditional training solutions, technology- and web-based training, job aids, and performance support systems to improve and enhance the performance of service members.

As a major provider of training development services, CACI is especially qualified to perform this work and has the ability and experience to deliver mission-oriented training that meets federal government standards. CACI's unique training process framework and attention to risk management and quality assurance will also help the Navy achieve high returns in cost savings and increased productivity and efficiency.

According to John Mengucci, CACI Chief Operating Officer and President of U.S. Operations, "This new work supporting the Naval Air Warfare Center demonstrates the strength of CACI's training solutions. Our industry-recognized instructional systems designers and multimedia developers and our comprehensive quality assurance checks ensure that we provide rapid, high-value solutions to meet our clients' training needs."

CACI President and Chief Executive Officer Dan Allen said, "Government agencies are increasingly focused on enhancing their training capabilities as a priority for effective and efficient mission execution. CACI supports this growing need with a suite of solutions and services that will help our Armed Forces and all federal employees perform at higher levels than ever before."

CACI provides information solutions and services in support of national security missions and government transformation for Intelligence, Defense, and Federal Civilian clients. A member of the Fortune 1000 Largest Companies and the Russell 2000 Index, CACI provides dynamic careers for approximately 14,900 employees working in over 120 offices worldwide. Visit www.caci.com.

Source: CACI International Inc