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## Airlines: Global Traffic Results for April



On May 30<sup>th</sup>, 2013 the International Air Transport Association (IATA) announced global traffic results for April. According to this report the total passenger demand rose 3.2% compared with April 2012. Compared to April 2012 capacity rose by 4.4% slightly staying ahead of demand and pushing the industry load factor downwards by 0.9% points to 78.1%. It was emerging markets that led air travel growth, while it is important to

state that almost all regions reported year-over-year gains. Regarding the results Mr. Tony Tyler, IATA Director General and CEO stated: "Passenger demand continued to grow in April, extending the positive trend that has been developing since late 2012. The increase, however, is concentrated in emerging markets. Airlines in Europe and North America reported a modest expansion compared to the strong growth seen in Africa, the Middle East and Asia. While economic developments in Europe and the US certainly bear watching, most indicators continue to signal further expansion in air travel."

The European airlines recorded a 2% growth compared to April 2012. Passenger's demand was smaller than that of March which reached 4.5%, mainly due to the downward impact of the timing of the Easter holiday. Capacity grew by 2.9% and load factor pushed down to 79.4%.



The Middle East Carriers showcased the largest year-on-year demand growth reaching 10.9%.

Capacity rose by 12.9% and load factors reached 76.8%. Demand on air travel was mainly benefited from expansion of trade volumes in the Middle East and Africa.

The carriers of the Asia-Pacific region recorded a year-on-year increase of 2.4%. Capacity rose 3.7% while load factor slipped to 76.9%.

The North American carriers experienced a shrunk of 0.5% in traffic demand during April compared to the same month last year, being the only region experiencing a reduction in traffic growth. Capacity rose by 1.3%, whereas load factors reached 79.5%, still the highest for any region.

April 2011	Passengers' Demand	Capacity Expansion	Load Factor
Europe	2.0%	2.9%	79.4%
Middle East	10.9%	12.9%	76.8%
North America	-0.5%	1.3%	79.5%
Latin America	4.6%	7.9%	76.0%
Asia Pacific	2.4%	3.7%	76.9%
Africa	4.7%	3.3%	67.8%

The Latin American airlines recorded a 4.6% growth in demand whereas capacity rose by 7.9% and load factor dropped to 76%. Finally the African Airlines showcased a growth of 4.7% in passenger demand compared to April of the previous year, while capacity rose 3.3%, causing load factor to rise to 67.8%. African as Middle East airliners have seen solid growth in air travel as a result of a sustained increase in trade.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## Passenger Demand for May 2013



In the first week of July, the International Air Transport Association (IATA) announced global traffic results showing that air travel continued to expand. Growth was led by the emerging markets of Africa, Latin America and the Middle East. Compared to the same month of the previous year, overall demand rose by 5.6% and capacity by 5.2%. The load factor has been increased to 78.1%. Tony Tyler, IATA's Director

General and CEO regarding this development stated: "Global economic performance remains a concern; however, demand for air travel continues to expand. The primary driver is growing demand for connectivity to emerging markets. The business environment has also improved compared to mid-2012 with some indications of easing weakness in the Eurozone. It's still a tough environment, but there are some reasons for optimism in the second half of the year".

**European carriers** recorded a 5.6% growth on international services compared to May 2012. Capacity growth by 4.4% while load factor climbed 0.9% percentage points to 79.1%, the second highest among the regions. It is obvious that the amelioration of the economic status quo in Europe and thus the improvement of the business confidence are supporting this upward trend.

On the contrary, May was not a good month for the Asia-Pacific airlines' as while traffic rose by 3.7% compared to the year ago, capacity rose by 5.5% with the result that load factor decreased by 1.3% points to 74.1%.

Region	Annual Passenger Growth Rate	Annual Capacity Expansion	Load Factors
Europe	5.6%	4.4%	79.1%
North America	3.0%	1.7%	83.4%
Asia-Pacific	3.7%	5.5%	74.1%
Middle East	11.7%	12.8%	73.5%
Latin America	7.9%	8.9%	77.4%
Africa	9.8%	7.4%	66.2%
Global	5.6%	5.2%	78.1

**In May, the North American airlines** international traffic, climbed by 3.0% comparing to same month's results in 2012. This was the slowest rise among the regions but with capacity up just 1.7%, load factor rose 1.1% points to 83.4%, the highest of any region.

**In other regions, Middle East Carriers showcased a strong** year-on-year traffic growth of 11.7%, the highest of any other. Nevertheless, capacity climbed by 12.8% and load factor declined by 0.7% points to 73.5%.

The African airlines' traffic climbed 9.8% in May compared to last year's. This was the second highest among the regions. Additionally capacity rose by 7.4%, raising load factor by 1.4% points to 66.2%.

Finally, the carriers in Latin America demand rose by 7.9% compared to May 2012, while capacity climbed 8.9%, depressing the load factor by 0.7% points to 77.4%.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## Air Freight Markets: April 2013



On May 29<sup>th</sup> 2013, the Geneva based International Air Transport Association (IATA) released the global air freight demand statistics for April 2013. Compared to April 2012 the air freight market showed a modest growth of 1.4%. Tony Tyler, IATA's Director General & CEO, stated regarding this development: "We saw a brief rally in cargo markets at the end of 2012. But that has clearly stalled. Fortunately, the small improvement in April means that economic conditions have not deteriorated to the point of starting a market contraction. And if we look to emerging markets -particularly Latin America and the Middle East- we do see some encouraging signs of growth".

The carriers of the Asia-Pacific area showcased a 0.4% year-to-year fall in freight demand. Despite the fact that Chinese economy is still experiencing a robust economic growth, overall business confidence softened in April. On the contrary Japanese business confidence reached a 13-month high and the impact of this development is expected to be recorded in the future.

Freight demand for North America airlines fell by 0.1% in April compared to the same month of the same year. Despite the fact that there is still a decline it is an improvement compared to the 6.5% fall in March.

European carriers saw an increase in air freight demand of 0.9%. Despite the economic crisis that the area is experiencing, air freight volumes are still holding up.

On the other hand Middle East airlines experienced a robust year-to-year growth of approximately 8.6% compared to April 2012. Despite the fact that this is number is a

Region	Annual Freight Growth Rate
Europe	0.9%
North America	-0.1%
Asia-Pacific	0.4%
Middle East	8.6%
Latin America	12.2%
Africa	1.4%

slowdown to the year-to-date growth rate of 11.2% is still the second best behind Latin America.

As it is mentioned Latin America experienced the highest growth of all regions

with a 12.2% expansion compared to the year-ago levels. This is mainly due to strong domestic demand and sustained growth in exports of perishable goods.

Finally, African airlines recorded an air freight demand grow by 1.4% compared to April 2012.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## Cargo Demand for May 2013



According to the estimations of the Geneva based International Air Transport Association (IATA), the global air freight demand continued to be in a standstill in May, broadly following the trend of the last 18 months. It is indicative that global freight tonne kilometers increased marginally by 0.8% in May compared to a year ago. Capacity, however, increased by 2.1% causing load factors to fall to 44.9%. Tony Tyler, IATA's Director General and CEO stated regarding this development that: "It is getting harder to find optimistic signs for air cargo growth. The Middle East remains a bright spot, and the rate of decline in the Eurozone is easing. But this is offset by the weakening of expansion in Asia-Pacific. It is now clear that the positive global upswing in air cargo at the end of 2012 was an illusion. Air cargo, along with many parts of the world economy, appears to be in suspended animation at the moment."

Carriers of Asia-Pacific region showcased a fall in freight volumes of 0.5% compared to May 2012, while capacity grew by 0.3%, further depressing load factors. European carriers freight volume increased by 1.0%. This was the second-best growth of any region. The improvement of business confidence and the slowdown of the pace of economic decline in Eurozone created this positive environment. Nevertheless, we should always take into consideration that the trend in recent months has been little or no growth.

Region	Change in Freight Volumes
Europe	1.0%
North America	-1.2%
Asia-Pacific	-0.5%
Middle East	9.7%
Latin America	-0.1%
Africa	0.2%

Regarding the North America region, carriers posted a 1.2% decline in demand for air cargo, and capacity grew slightly, namely by 0.1%. In Middle East carriers grew by 9.7% compared to May 2012, taking advantage of their aggressive hub strategy at the crossroads of East and West, and the growth of routes out of Africa to China.

The cargo volumes of the carriers in Latin American fell by 0.1%, a rather discouraging figure after the good performance the region showcased since the beginning of the year. Finally, the African carriers grew just by 0.2% in May.

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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### Development of SHORAD system radar (sub) components



A company specializing in the repair and technical inspection of fire control systems, radars, electronic and mechanical units of different missile systems, the designing and manufacturing of mechanical/electronic units, hardware and software for military solutions and security engineering systems is proposing, in the frame of an offset program, the collaboration with a prime contractor or a third party company specializing in 3D Radar Development, in order to receive technology on the development of radar system components to be used in medium- and Short Range

Air Defense (SHORAD) missile systems.

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

Mail at: [g-menexis@epicos.com](mailto:g-menexis@epicos.com)

### Portable, Semi-Automatic Heavy Gun Barrel Cleaning System



A well-established developer and producer of barrel cleaning solutions, is proposing the implementation of an advanced semi-automatic and environmental-friendly cleaning system to support military and peace keeping operations in harsh environments worldwide.

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

Mail at: [g-menexis@epicos.com](mailto:g-menexis@epicos.com)



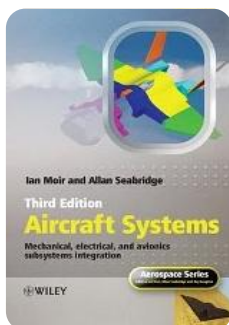


### **Aircraft Noise: Assessment, Prediction and Control, by Oleksandr Zaporozhets, Vadim Tokarev, Keith Attenborough**



Aircraft noise has adverse impacts on passengers, airport staff and people living near airports, it thus limits the capacity of regional and international airports throughout the world. Reducing perceived noise of aircraft involves reduction of noise at source, along the propagation path and at the receiver. Effective noise control demands highly skilled and knowledgeable engineers. This book is for them. It shows you how accurate and reliable information about aircraft noise levels can be gained by calculations using appropriate generation and propagation models, or by measurements with effective monitoring systems. It also explains how to allow for atmospheric conditions, natural and artificial topography as well as detailing necessary measurement techniques.

### **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.



### Elbit Systems reports second quarter 2013 results

Haifa, Israel, August 13, 2013 – Elbit Systems Ltd. (the “Company”) (NASDAQ: ESLT, TASE: ESLT), the international defense electronics company, reported today its consolidated financial results for the second quarter ended June 30, 2013.

In this release, the Company is providing its usual US-GAAP results as well as additional non-GAAP financial data, which are intended to provide investors with a more comprehensive understanding of the Company's business results and trends. Unless otherwise stated, all financial data presented is GAAP financial data.

**Source:** Epicos, Elbit Systems

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### India 'milestone' as it launches own aircraft carrier

India unveiled its first indigenously-built aircraft carrier on Monday, a landmark moment in the \$5 billion project that seeks to project the country's power and check the rising influence of China.

When the INS Vikrant comes into full service in 2018, India will join an elite club of nations that have designed and built their own aircraft carriers including Britain, France, Russia and the United States but not China.

"It's a remarkable milestone," Defence Minister A.K. Antony said as he stood on a red carpet in the shadow of the giant ship which was launched from a dry-dock in the city of Kochi and later pulled out into the harbour by tug boats.

"It marks just a first step in a long journey but at the same time an important one," he added before his wife Elizabeth officially launched the 40,000-tonne vessel by placing a garland on its hull.

INS Vikrant, which will be fitted with weaponry and machinery and then tested over the next four years, is a major technological and military advance for a country competing for influence in Asia, analysts say.

"It is going to be deployed in the Indian Ocean region where the world's commercial and economic interests coalesce. India's capability is very much with China in mind," Rahul Bedi, a defence expert with IHS Jane's Defence Weekly, told AFP.

On Saturday, India announced its first indigenously-built nuclear submarine was ready for sea trials, which Prime Minister Manmohan Singh called a "giant stride" for the nation.

"All these are power projection platforms, to project India's power as an extension of its diplomacy," Bedi added.

The world's biggest democracy is spending tens of billions of dollars upgrading its mainly Soviet-era military hardware to bolster its defences.

Successes in its long-range missile and naval programmes have been tempered by expensive failures in developing its own aircraft and other land-based weaponry, leaving the country highly dependent on imports.

INS Vikrant is two years behind schedule after problems in sourcing specialised steel from Russia, delays with crucial equipment and even a road accident in which vital diesel generators were damaged.

Overall, India lags far behind China in defence capabilities, analysts say, making the success in beating its regional rival in the race to develop a domestically-produced aircraft carrier significant.

China's first carrier, the Liaoning, which was purchased from the Ukraine, went into service last September.

Beijing is reportedly planning to construct or acquire a bigger ship in the future and Jane's claimed earlier this month that it has seen evidence that an indigenous carrier was being assembled in a shipbuilding facility near Shanghai.

India has one aircraft carrier in operation -- a 60-year-old British vessel acquired by India in 1987 and renamed INS Viraat -- but it will be phased out in the coming years.

India's ally Russia is also set to hand over a third aircraft carrier -- INS Vikramaditya -- later this year after a bitter row over the refurbished Soviet-era warship caused by rising costs and delays.

The INS Vikrant, which means "courageous" or "bold" in Hindi, had a bare flight-deck decked out only with flags and yellow tassels but it will carry Russian-built MiG-29 fighter jets and other light aircraft when it goes into service.

While its hull, design and some of its machinery are domestically made, most of its weaponry will be imported as well as its propulsion system, which was sourced from GE in the United States.

"Its primary role will only be to defend our naval fleet and it will not be used for ground attacks," retired rear admiral K. Raja Menon told AFP.

"It's a defence carrier so it will attack platforms that are coming to attack our (naval) fleet ...without air defence our fleet just cannot survive," Menon said.

C. Uday Bhaskar, a retired naval officer and former director of the National Maritime Foundation in New Delhi, said the ship would "enhance India's credibility" -- but it "would not alter the balance of power with China".

"China's nuclear expertise and ship-building capabilities are of a higher order," he told AFP.

The Indian navy is currently working on 39 ships and has begun planning to make another two aircraft carriers, Bedi said.

**Source:** 2013 AFP, Agence France-Presse (AFP)

### **Northrop Grumman Awarded \$617 Million for Full-Rate Production E-2D Advanced Hawkeyes**

BETHPAGE, N.Y., Aug. 12, 2013 /PRNewswire/ -- The U.S. Navy has awarded Northrop Grumman Corporation (NYSE: NOC) a \$617 million contract for five full-rate production Lot 1 E-2D Advanced Hawkeye aircraft.

"Moving from low-rate production into full-rate production is a significant milestone for the E-2D Advanced Hawkeye program," said Bart LaGrone, vice president, E-2/C-2 programs, Northrop Grumman Aerospace Systems. "We look forward to manufacturing and delivering a mature and effective airborne early warning, battle management, command and control system."

"Attaining E-2D full-rate production is the culmination of years of hard work," said Capt. John S. Lemmon, program manager, E-2/C-2 Airborne Tactical Data System Program Office (PMA-231). "The E-2D team continues to work together with one vision and goal - deliver a solid product to the fleet."

On Aug. 3, 2007, the first E-2D Advanced Hawkeye took to the skies over St. Augustine, Fla. Since then, Northrop Grumman has delivered 10 new production E-2Ds to the U.S. Navy, on cost and on schedule. An additional 10 aircraft are in various stages of manufacturing and predelivery flight testing at the company's St. Augustine Aircraft Integration Center. Initial operational capability with the Navy remains on track for 2015.

The E-2D program continues to find ways to reduce costs and provide best value to the customer through improving aircraft delivery processes, standardizing repair methods and looking for opportunities to improve spares timing to increase the overall program affordability.

"We've got the right people and processes in place to make a seamless transition into full-rate production," LaGrone said. "With the Navy's E-2D program of record at 75 aircraft, full-rate production enables the production of the remaining 55 aircraft over the next 10 years and provides the opportunity for a cost-effective, multiyear procurement."

Northrop Grumman is a leading global security company providing innovative systems, products and solutions in unmanned systems, cyber, C4ISR, and logistics and modernization to government and commercial customers worldwide. Please visit [www.northropgrumman.com](http://www.northropgrumman.com) for more information.

**Source:** PR Newswire Association LLC, Northrop Grumman Corporation

### **Boeing Delivers First Next-Generation 737-800 to Iraqi Airways**

SEATTLE, Aug. 12, 2013 -- Boeing [NYSE: BA] delivered a Next-Generation 737-800 to Iraqi Airways, the first of 30 that the airline ordered in 2008, marking a milestone in its relationship with the airline.

"The Next-Generation 737-800 will play a key role in helping us modernize our fleet and integrate into the regional and international commercial aviation system," said H.E. Hadi Al Ameri, Iraq's Minister of Transportation. "Boeing has played a pivotal role in our growth plan and the Next-Generation 737 has earned an excellent reputation for reliability and operational efficiency." With this delivery, Iraqi Airways currently has 39 Boeing airplanes on order, including 29 Next-Generation 737-800s and 10 787 Dreamliners.

"This is a historic milestone in our relationship with Iraqi Airways and a testament to the value that the Next-Generation 737-800 will bring to the airline's fleet," said Marty Bentrutt, vice president for Sales, Boeing Commercial Airplanes, Middle East, Russia and Central Asia. "Boeing is proud of the confidence that Iraqi Airways has in its products and we look forward to further strengthening this relationship to fulfill the airline's future commercial aviation needs."

The Next-Generation 737 family has won orders for more than 6,500 airplanes, while the 737 family has surpassed 11,000 orders to date. Boeing has delivered more than 7,600 737s – including more than 4,500 Next-Generation 737s – and currently has more than 3,400 unfilled orders for 737s (through July 2013).

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Photo and caption will be available here: <http://boeing.mediaroom.com>

**Source:** Epicos, Boeing

### Indian auditor criticises Italian chopper deal: report

Indian auditors accused the government Tuesday of breaking its own procurement rules to award a \$748-million helicopter contract to Italian-owned AgustaWestland, which is under investigation for bribery, the Press Trust of India reported.

The deal to purchase 12 luxury helicopters for use by VIPs came under scrutiny in India earlier this year after investigators in Italy began looking into allegations that AgustaWestland had paid bribes to foreign officials.

The Comptroller and Auditor General of India's report, formally presented in parliament Tuesday, said the defence ministry "deviated from procurement procedure and tender on several instances in the deal", according to PTI.

The auditors also questioned the decision of the former air force chief, S.P. Tyagi in 2007 to conduct the helicopter trials overseas.

Indian detectives raided Tyagi's home as part of a separate investigation into allegations that bribes helped swing the deal in favour of AgustaWestland, which is based in Britain but owned by Italian firm Finmeccanica.

India put payments to the companies on hold in February and threatened punitive action against the firm if any wrongdoing was uncovered.

Italian prosecutors suspect that kickbacks worth around 10 percent of the deal, or 50 million euros (\$68 million), were paid to Indian officials to ensure AgustaWestland won the contract, according to Italian media reports.

Cash was allegedly handed to Tyagi's cousin with more money funnelled via a web of middlemen and companies in London, Switzerland, Tunisia and Mauritius.

Finmeccanica's former boss Giuseppe Orsi, currently on trial for bribery in Milan, has denied any wrongdoing.

The chopper deal was cleared by Indian Prime Minister Manmohan Singh, whose Congress-led government has been hit by a series of corruption scandals that analysts say could scupper the party's electoral chances in national polls next year.

India has already received three of the choppers. The rest were to be delivered by the end of 2014.

**Source:** 2013 AFP, Agence France-Presse (AFP)