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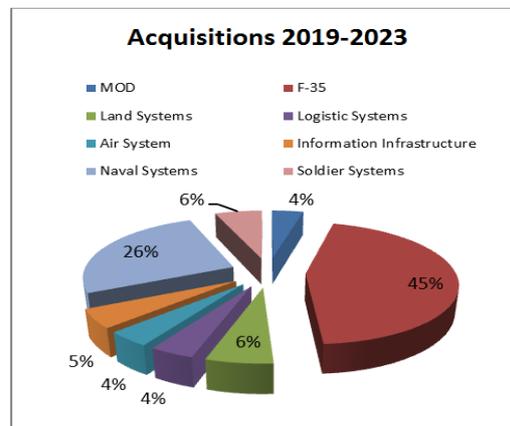
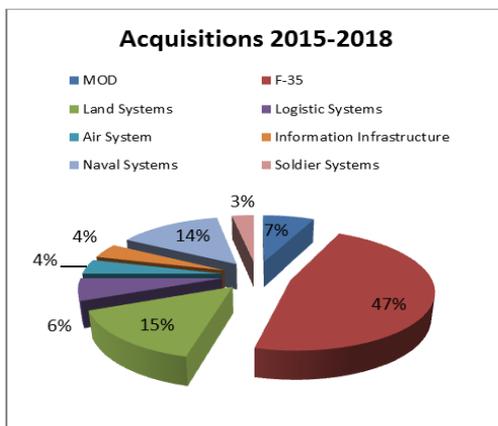
The Future of Norwegian Defence Procurements



The government of Norway continues to give considerable priority to the Country's Armed Forces, and one of its main priorities is to further modernize them. This is highlighted by the fact the Norwegian Government proposed to increase the defence budget by 3.4% in 2015, amounting to a total of NOK 1.460 billion. With these funds Norway is planning to

purchase a wide variety of major defence equipment. For the period 2015-2018 the main acquisitions for the air forces will be the on-going F-35 acquisition, whereas for the land forces the main acquisitions will be within the mechanized units, (new combat vehicles (CV90) and upgrades of existing combat vehicles (CV90 and M113). Finally, for the naval forces, the new acquisitions will consist amongst others a new ocean going Cost Guard vessel and maritime helicopter (NH90).

For the period 2019-2023 the main focus areas for investment will be the F-35 program and Naval systems. The main delivery of the F-35 aircrafts will start in 2017 and will continue beyond 2022. Within Naval systems the main investment will be the two more vessels of the new ocean going Cost Guard vessel class and investments in the project "Submarine capability beyond 2020".



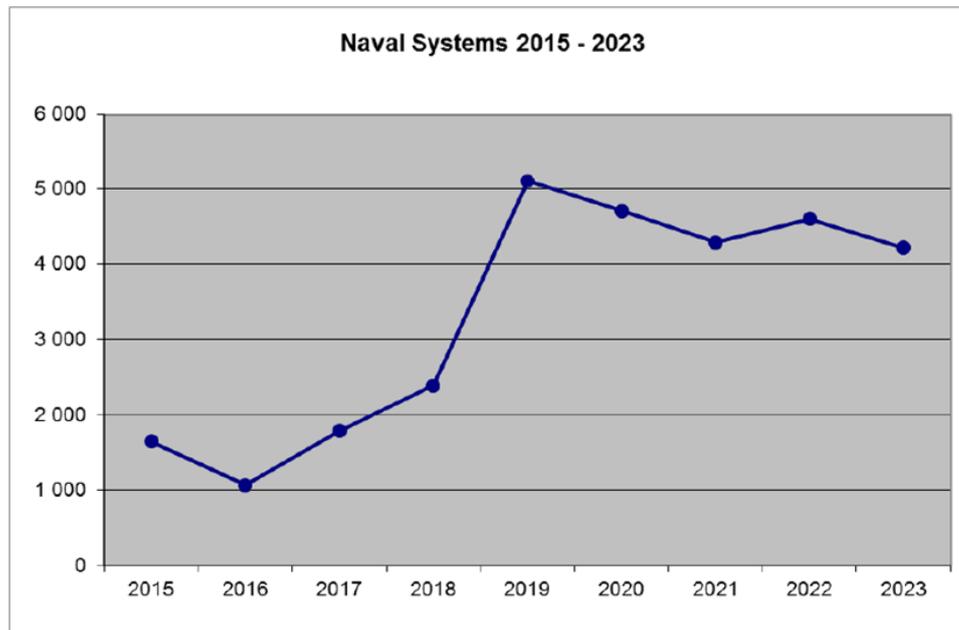
More specifically, during the period 2015-2023, the main investments in the land forces will be the following:

- Combat vehicles and artillery (medium-weight, standard armoured vehicles CV90, armoured reconnaissance systems (CV90)).
- Life extension program on the Main Battle Tank Leopard 2A4 and new Combat Service vehicles on Leopard 2 chassis (Recovery, Bridge layers and Engineer vehicles).
- Other investments include M-113s, various types of remotely operated weapon stations for vehicles, MLU SISU plus a number of smaller investments.

On the other hand the bulk of the investments for the navy, for the same period, will be related to the completion of the acquisition programmes of new capital ships and related weapon systems. In addition, existing systems are undergoing significant upgrades:

- Naval Strike Missile (NSM).
- Deliveries of NH90 maritime helicopters for the frigates and the Coast Guard.
- The Ula-class submarines will be undergoing upgrades throughout the period.
- Submarine Capability post 2020.
- Procurement of Ocean going Coast Guard Vessels.
- Evolved Sea Sparrow Missile Block II.

Annual allocation of funds (NOK mill.)



Source: Future acquisitions For the Norwegian Armed Forces 2015-2023 Annual allocation of funds (NOK mill.)

Finally, the main investments within the air force will be the following:

- Maintaining the F-16 as a first line combat aircraft until it is phased out towards the end of the decade.
- Preparations for the acquisition of the F-35 combat aircraft. According to the current plan main deliveries will take place during the period 2017-2024.
- Replacement of air surveillance radars and required contributions to NATO Airborne Early Warning and Control Force (NAEW&C Force).

Kyriazis Vasileios,
Epicos Newsletter Head Editor

Norway: In talks with Poland regarding Submarine Cooperation



The Norwegian Government decided in 2014 to investigate options for a new submarine class, rather than doing a life-extension program on the existing Ula-class submarines. The main reason

is that the six submarines of the Ula-class currently operated by Norway are the only submarines of this class in the world, thus acquiring spare parts is rather difficult. The procurement cost of new submarines will be considerable. Therefore, Norway is actively trying to find partners to form an extensive cooperation in the development of new submarines. The Polish requirements for future submarines are similar to the Norwegian and the two countries discussed on forming a potential cooperation towards this direction. The talks took place at the 23rd International Defence Industry Exhibition MSPO 2015 in Kielce, Poland in September 2015.

The Ula-class submarine will reach the end of its life in the mid-2020s. In order to have new submarines ready by this time, a contract will have to be signed before 2020. To maintain knowledge, competency and a minimum of operational submarines, there needs to be an overlap between the phasing out of the Ula-class and phasing in of the new submarine class. It is estimated that delivery of the first new submarine of the new class will take place approximately six to seven years after a contract is signed.

Apart from the new submarines Norway will carry out several other investments in the navy. For the period 2015-2023 the main investments will be related to the completion of the acquisition programmes of new capital ships and related weapon systems. In addition, existing systems are undergoing significant upgrades:

- Naval Strike Missile (NSM).
- Deliveries of NH90 maritime helicopters for the frigates and the Coast Guard.
- Procurement of Ocean going Coast Guard Vessels.
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Kyriazis Vasileios,
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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 development of an Upgrade package for military Armoured and/or Wheeled vehicles



A company, leading supplier of technologically advanced systems and components for the international Aerospace, Defence, Automotive and other industries, is proposing, in the frame of an offset program, cooperation with a prime contractor for the development of an upgrade package for military Armoured and/or Wheeled vehicles. The upgrade package will be based on a range of systems developed by the

company and already deployed and operationally tested.

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

Mail at: g-menexis@epicos.com

Upgrade of armoured military vehicles with state of the art air conditioning and NBC protection systems



As existing military Armoured and/or Wheeled vehicles age and fewer new systems are under development or close to be deployed, the needs of the Forces for more reliable and operational capable armoured vehicles and state of the art subsystems, dictate that these needs can be met by modernization and upgrades to the vehicles the armed forces are currently operating. A company specializing in the design, development and manufacture of heat exchangers, cooling and air conditioning systems, fuel systems, etc., for military and commercial applications, is proposing the upgrade of military

armoured (fighting or beyond) vehicles, with state of the art air conditioning and NBC protection systems.

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

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News from our A&D Business Network

Elbit Systems Awarded an Approximately \$78 Million Contract to Provide a European Country with UAS-Based Advanced Intelligence Systems



Elbit Systems Ltd, announced today that it was awarded a contract from a European country to supply an Unmanned Aircraft System (UAS)-based cutting-edge intelligence solution. Valued at approximately \$78 million, the contract will be performed over a two-year period by Elbit Systems' ISTAR Division, established several

months ago, as a result of combining Elbit Systems' Electro-optics – Elop and UAS Divisions. Elbit Systems' solution will consist, among other elements, of AMPS (Advanced Multi-Sensor Payload System) - a multi-sensor electro-optics system capable of long-range visual intelligence for both day and night. The system is adaptable for a large variety of airborne applications and serves as an important building block for the integrated intelligence solution.

Elad Aharonson, General Manager of Elbit Systems ISTAR Division commented: "We are proud of this contract award to supply a solution that answers the current and future requirements of the high level intelligence systems' market. We develop and tailor end-to-end solutions that meet the demands and specific expectations of our customers. I believe that our systematic capabilities, that enable an optimal integration between UAS and our intelligence systems, will enhance our position as a world leader in ISTAR activities resulting in further achievements in the international market."

About Elbit Systems

Elbit Systems Ltd. is an international high technology company engaged in a wide range of defense, homeland security and commercial 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, advanced electro-optics, electro-optic space systems, EW suites, signal intelligence systems, data links and communications systems, radios and cyber-based systems. The Company also focuses on the upgrading of existing platforms, developing new technologies for defense, homeland security and commercial applications and providing a range of support services, including training and simulation systems.

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Netherlands orders Raytheon Excalibur lb precision munitions, becomes second European customer



The Netherlands Ministry of Defense is adding Raytheon Company's Excalibur lb artillery rounds to its arsenal under a previously announced foreign military sales agreement, underscoring growing international interest in the precision-guided projectile. The Netherlands is the second Excalibur lb customer in Europe after Sweden, the U.S. government's development partner for the 155 mm round. Deliveries are expected to begin later this year. "When fired from the Dutch PzH 2000 artillery system, Excalibur can fly up to 50 kilometers, score a direct hit and deliver lethal effects in all types of weather and battlefield conditions," said Mark Hokeness, Raytheon's Excalibur program director. "The Netherlands joins a growing list of nations acquiring this highly sophisticated artillery munition, which uses GPS guidance to provide accurate, first-round effects capability at extended ranges." The U.S. Army has determined Excalibur lb is fully compatible with the PzH 2000, a self-propelled howitzer produced in Germany and fielded by several nations.

About Excalibur

Excalibur is a precision-guided, extended-range projectile that uses GPS guidance to provide accurate, first-round-effects capability in any environment. Excalibur's level of precision delivers a major reduction in the time, cost and logistical burden associated with using other artillery munitions. Excalibur has been fielded by the U.S. Army, Marines and several international military forces.

- **Combat-proven:** Nearly 770 Excalibur rounds have been fired in combat with exceptional accuracy and lethality.
- **Precise:** Excalibur consistently strikes less than two meters from a precisely-located target.
- **Safe:** Excalibur's precision avoids collateral damage and has been employed within 75 meters of supported troops.
- **Affordable:** With its first round effects, Excalibur reduces total mission cost and time and the user's logistics burden.
- **Evolving:** Raytheon has demonstrated a dual-mode GPS/semi-active laser seeker Excalibur variant to compensate for target location error, maintain precision in GPS denied or degraded environments, and enable engagement of relocated or moving targets.
- **Entering New Markets:** With Excalibur N5, navies will be able to deliver extended range, precision naval surface fires from existing 5-inch/127 mm guns.

About Raytheon

Raytheon Company, with 2014 sales of \$23 billion and 61,000 employees worldwide, is a technology and innovation leader specializing in defense, civil government and cybersecurity markets throughout the world. With a history of innovation spanning 93 years, Raytheon provides state-of-the-art electronics, mission systems integration and other capabilities in the areas of sensing; effects; and command, control, communications and intelligence systems, as well as cybersecurity and a broad range of mission support services. Raytheon is headquartered in Waltham, Mass. For more about Raytheon, visit www.raytheon.com or follow on Twitter @Raytheon

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Ryanair hikes annual profit forecast by a quarter

Irish no-frills airline Ryanair on Wednesday ramped up its full-year net profit forecast by a quarter on keen demand for summer holidays at higher prices.

Earnings after taxation will climb to between 1.175 billion euros and 1.225 billion euros (\$1.8 billion and \$1.88 billion) in the current financial year to March 2016, Ryanair predicted in a trading statement.

That was revised up from the previous forecast of between 940 million euros and 970 million euros, which was given in May.

The Dublin-based carrier added that the upgrade was "due to stronger than expected peak summer traffic and prices", as well as the company's ongoing improvements to customer services.

Ryanair also hiked its full-year traffic target by one percent to 104 million passengers.

"We have been surprised by the strength of ... bookings and fares this summer," said chief executive Michael O'Leary.

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

Bahrain's Gulf Air to buy up to 50 Airbus planes: minister

Bahrain's national carrier Gulf Air is planning to buy up to 50 Airbus aircraft, the country's Information Minister Isa Abdulrahman Al Hammadi told AFP Tuesday.

The minister said the massive new contract was discussed between Bahrain's King Hamad and French President Francois Hollande during a meeting in Paris.

"Gulf Air met today with Airbus and discussed the airline's future narrow- and wide-body fleet requirements -- up to 50 aircraft," the minister said in an interview.

"Discussion will be finalised by the end of the year and an announcement will be made during the Bahrain International Air show", which takes place in January 2016.

The two leaders discussed several "mega-projects" the minister added, as the Gulf island state plans to build a new airport terminal and a second causeway linking it to Saudi Arabia.

Also on the agenda were the crises in Syria and Yemen, including efforts to combat the financing of the Islamic State jihadist group.

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

Norwegian Avinor Selects WAM From Saab

Defence and security company Saab has been selected by Avinor Air Navigation Services (Avinor ANS), Norway's air navigation service provider, to deploy multilateration technology for air traffic surveillance coverage across all of Norway along with surface surveillance for Norwegian airports.

Avinor's NORWAM system will provide air traffic surveillance data to the ARTAS (advanced surveillance data system) tracker through a constellation of sensors installed throughout the country. The system will replace several existing radars which have reached their end-of-life dates. The surveillance data will be fully compliant with all applicable standards in the different airspaces such as Enroute, TMA, CTR and surface coverage volumes. The first phase of the project is to implement WAM coverage for TMAs and CTRs within three regions of Norway. Over the coming years, Avinor plans to expand the coverage across the nation.

"We are pleased to have signed this contract with Saab. Saab's technology will help us to provide the best possible service to our customers in the coming years, at a lower cost than traditional radar," says managing director of Avinor ANS, Anders Kirsebom.

"WAM will improve coverage, accuracy and redundancy over traditional radar at a lower initial and life cycle cost. Saab's multilateration sensor is a rugged, reliable solution that meets the performance requirements for this difficult operating area," said Anders Carp, head of Traffic Management, Saab.

Saab is the world's leading multilateration provider. The multilateration system from Saab is operational at nearly 80 sites, including nine of the 10 busiest airports in the world as identified by Airports Council International.

Saab has deployed several operational WAM systems, to customers that include Sweden, Austria, Australia, Portugal, the United Kingdom and the United States. Saab has a long history of providing ATC systems in Norway, including: multilateration systems at Bergen and Stavanger Airports; A-SMGCS at Stavanger, Bergen and Oslo airports; an ADS-B system for the Ekofisk and Sleipner-Heimdal oil fields, and a regional WAM in southwestern Norway.

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Saab serves the global market with world-leading products, services and solutions within military defence and civil security. Saab has operations and employees on all continents around the world. Through innovative, collaborative and pragmatic thinking, Saab develops, adopts and improves new technology to meet customers' changing needs.

Source: Epicos, SAAB

FINMECCANICA: Maiden Flight for the First F-35 Made In Italy

The first F-35 assembled in Italy at Finmeccanica – Alenia Aermacchi's production facilities, has made its maiden flight successfully at Cameri's Italian Air Force Base (near Novara). The F-35 is a new-generation multi-role aircraft with stealth characteristics, namely low radar observability, produced within the Joint Strike Fighter international programme, led by the U.S. company Lockheed Martin.

Following its participation in the design phase through teams integrated with Lockheed Martin, Finmeccanica, through Alenia Aermacchi, is the industrial lead at national level for over 25 Italian companies. In detail, the Group is responsible for the assembly of the airplanes for the Italian Air Force, and part of those for the Dutch Air Force. Furthermore, the Cameri site is also the second production line for the wing components in addition to the main line managed directly by Lockheed Martin. The Cameri site has also been selected as the logistics support centre for aircraft in Europe. Finmeccanica is also involved in the production of some of the aircraft's electronic components through Selex ES.

The success of the maiden flight testifies to Finmeccanica's ability to respect its production commitments within a highly challenging programme under the industrial and technological profile. The programme foresees important technological and employment returns for Finmeccanica and the companies involved.

For Further Information [Click Here](#)

Source: Epicos, Finmeccanica

US unveils Predator drones at Latvian airbase

The US Air Force on Tuesday showed off its advanced MQ-1 "Predator" drone at a Latvian airbase, marking the first time the cutting-edge aircraft has been deployed in Europe.

The showcase at the central Lielvarde airbase comes as tensions run high in the Baltic states -- Estonia, Lithuania, Latvia -- with neighbouring Russia over its role in the Ukraine conflict.

"It's important to train for interoperability between NATO partners," Latvian President Raimonds Vejonis told AFP at the event.

"It's a good example of smart defence that we can use equipment that we don't currently have," he said, adding Riga is considering buying its own drones without specifying which.

Originally built for Russian bombers, the Lielvarde base has been extensively overhauled to make it the only one in Europe capable of hosting Predator drones on a permanent basis.

But the current deployment is due to last just two weeks and involves familiarising intelligence staff from the Baltic states, Poland and Germany with the system.

The two pilotless drones -- which have a range of 2,000 nautical miles and a top speed of 135 miles per hour -- performed a series of flybys at the showcase also featuring A-10 "Warthog" ground-attack craft.

Though the two drones in Latvia are weapon-free, they are capable of carrying armaments including Hellfire missiles as well as carrying out intelligence and reconnaissance missions.

Tuesday's showcase comes less than a week after US F-22 Raptor fighters visited Estonia for the first time.

The three Baltic states regained their independence in 1991 after 50 years of Soviet occupation and joined NATO in 2004.

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