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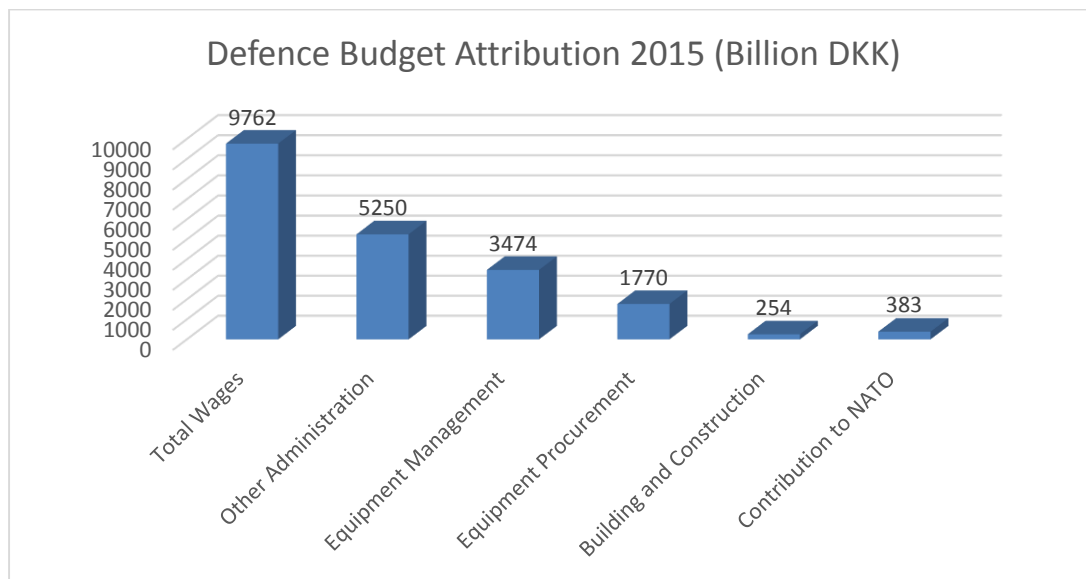
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## Denmark: Defence Budget and Future Developments



Total defence budget for 2015 is 20.9 billion DKK (approximately \$3 billion dollars). It is expected that defence budget will be reduced by 2.6 DKK (Danish Kroner) billion in 2016, and 2.7 DKK (Danish Kroner) billion as of 2017.

Thus, the Danish authorities will be able to save funds in order to contribute to the coherence of the public finances. For the year 2015, the Ministry of defence budget will be divided into the following categories: total Wages (9.762 billion DKK - approximately \$1.44 billion dollars) other Administration (5.250 billion DKK - approximately \$778 million dollars), equipment Management (3.474 billion DKK - approximately \$514 million dollars), equipment procurement (1.770 billion DKK - approximately \$262 million dollars), building and construction (254 million DKK - approximately \$37.6 million dollars) and contribution to NATO (383 million DKK - approximately \$41.9 million dollars).



According to the Danish defence authorities the defence capabilities must continue to be up-to-date, robust and flexible and the personnel must be well trained and armed with modern equipment. Under this context Danish Defence Acquisition and Logistics Organisation (DALO), the specialised materiel centre and logistics authority of the Danish Armed Forces are going to procure the following equipment:

For the army:

- Heavy Mortar System
- Satellite communication
- Electronic Counter Measures – for protection
- Sensors
- Armoured Patrol Vehicles
- Laser Target Designator
- Weapon Stations

## For the Navy:

- Close in Weapon System
- Fast Rescue Boats
- Scan Sonar replacement
- IFF Mode 5 upgrade
- Continuous Wave Illuminators replacement
- Vessel Traffic Service radar replacement

## For the Air Force:

- Terminal Control Area Radar, replacement acquisition
- F-16 M6 Simulator update
- EH-101 Simulator
- Fennec update
- Encrypted radio communications for F-16
- EH-101 IFF Mode 5 upgrade
- F-16 replacement (TBD)

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## Danish Defence Industry



Denmark has approximately 450 companies supplying products and services to the defence, security and aerospace industries. Danish companies are primarily subcontractors and highly specialised niche companies. Additionally, they are used to working closely with foreign defence companies on long-lasting development projects and cooperation agreements. The annual turnover of the Danish defence industry for 2014 was 305 million euros, while 80% of the total production was exported. Danish defence industry is expected to further expand in the future due to large national procurements of military equipment.

Among others, Danish defence companies are developing and manufacturing: defence electronics, including software, command and control systems, surveillance and radar technology, as well as hardware for different purposes such as ammunition, ballistic protection, minesweeping equipment, parts and systems for vehicles and maritime solutions.

For the aerospace industry, Danish companies provide electronic and mechanical components for aircraft, helicopters and missiles as well as certification, maintenance, support and training. Furthermore, Danish companies provide high-tech electronics for satellites and space rockets as well as equipment for improving and testing the health of astronauts.

United States is by far the largest market for Danish exports. Denmark exports the same amount of defence equipment to USA as to all European countries combined together.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

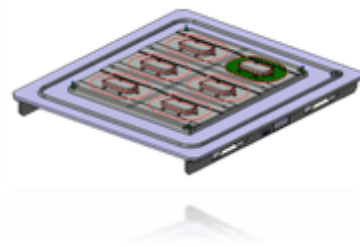
## Epicos "Industrial Cooperation and Offset Projects"



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](#)

### Design and development of precision tools for composite and plastic parts manufacturing, for defence applications



A company providing Engineering Design, as well as complete Project Management services (turn-key projects) for the aerospace and automotive markets is proposing, in the frame of an offset program, collaboration with Aerospace or Defence Primes, or lower tier companies, for the development of precision tools for manufacturing composite and plastic material parts. These parts will be subassemblies or lower level parts for defence equipment.

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

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### Manufacturing of precision tools and moulds to be used in the production of composite parts for defence applications (aeronautical, land vehicles, shipbuilding, etc.)



A company with significant experience in the production of high quality tooling for plastic parts manufacturing for the automotive and consumer goods industries, is proposing collaboration for the production of precision tools and moulds, for manufacturing of composite material articles. These articles will be subassemblies or lower level parts of defence applications equipment (aeronautical, land vehicles, naval, etc).

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*News from our A&D Business Network***Northrop Grumman Wins Contract to Support Next Generation Air Transportation System****NORTHROP GRUMMAN**

Northrop Grumman Corporation has been awarded an \$81 million contract from the Federal Aviation Administration (FAA) to support the Aeronautical Information Management Modernization (AIMM) program. Under this contract, Northrop Grumman will support the FAA safety mission and Next Generation Air Transportation System (NextGen) objectives of developing automation, and information systems and services to address future air traffic requirements. This program will also provide aviation users with digital Aeronautical Information (AI) that conforms to international standards.

"With extensive experience in designing and delivering architectures to modernize systems of this kind, we are uniquely qualified to meet the FAA's specialized needs and address the next frontier of Aeronautical Information requirements," said Ed Sturms, vice president and general manager, civil division, Northrop Grumman Information Systems. "Northrop Grumman is committed to providing a quality user experience for our FAA customer through our inclusive and proven methodology increasing the likelihood of early and broad adoption."

Northrop Grumman has a legacy in securely integrating complex data systems leading to low-risk solutions that address customers' most critical challenges. To see more of the company's solutions, visit booth #529 at the 60th Annual ATCA Conference Nov. 1-4, 2015. Northrop Grumman's FAA-focused approach adapts to new challenges by leveraging proven processes as well as supporting information sharing, collaboration, and direct discussions about the key issues with government and industry partners. Through partnerships, Northrop Grumman is able to better recognize customer needs and adapt to the evolving marketplace challenges quickly and easily. The Northrop Grumman team includes Crown Consulting, Inc., Enterprise Engineering Services, Rigil Corporation and Sunhillo Corporation.

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.

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**Source:** Epicos, Northrop Grumman

## AAR Receives Extension for Navy Vertical Replenishment Contract



AAR announces Military Sealift Command (MSC) has exercised a one-year renewal option for its Airlift division to perform vertical replenishment (VERTREP) services for the U.S. Navy's 5th and 7th Fleets in the Mediterranean Sea, Arabian Gulf and Indian Ocean.

The one-year renewal is valued at approximately \$6.7 million. The contract was awarded to AAR Airlift Group in 2014 for an estimated value of \$34 million, inclusive of all options. The contract includes the use of two helicopters, personnel, and operational and technical support services. AAR operates a total of six helicopters for the Navy's commercial VERTREP program.

Military Sealift Command is the leading provider of ocean transportation for the Navy and the U.S. Department of Defense, operating approximately 110 ships daily around the globe. AAR has been performing commercial VERTREP services including ship-to-shore and ship-to-ship vertical replenishment, search and rescue, and support for humanitarian aid operations for MSC since 2007.

"AAR Airlift has provided exceptional service to the U.S. Navy at an excellent value for eight consecutive years," said Steven B. Harrison, President, AAR Airlift Group. "We're honored to continue providing this critical service for our military personnel."

AAR Airlift provides aviation services in support of expeditionary operations worldwide, including passenger and cargo transport, aeromedical services, night vision operations, aerial delivery, search and rescue, and other special mission services. AAR Airlift's fleet of fixed-wing and rotary-wing aircraft serves peacekeeping organizations and government customers in Afghanistan, Africa, the Mediterranean, and the Western Pacific and Indian Oceans.

### About AAR

AAR is a global aftermarket solutions company that employs more than 4,500 people in over 20 countries. Based in Wood Dale, Illinois, AAR supports commercial aviation and government customers through two operating segments: Aviation Services and Expeditionary Services. AAR's Aviation Services include inventory management; parts supply; OEM parts distribution; aircraft maintenance, repair and overhaul; and component repair. AAR's Expeditionary Services include airlift operations; mobility systems; and command and control centers in support of military and humanitarian missions. More information can be found at [www.aarcorp.com](http://www.aarcorp.com).

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## Harris Corporation Awarded \$12 Million IDIQ Contract to Supply High-Frequency, Tactical Radio Antennas to US Army

Harris Corporation (NYSE:HRS) has received a five-year, \$12 million IDIQ contract to provide high-frequency (HF) tactical radio antennas to the U.S. Army. The award was received during the company's first quarter of fiscal 2016.

Under the contract, Harris will provide its RF-3134 HF full-loop antennas, which can be used for fixed installations or on vehicles, enabling HF communication on-the-move. The RF-3134 interfaces with the Harris Falcon® series of HF radios. It is lightweight and has a low physical profile, which makes it easy to install and uninstall.

"The HF full-loop antenna provides a combination of high bandwidth and signal efficiency that makes it ideal for on-the-move applications," said Chris Young, president, Harris Communication Systems. "Harris continues to provide advanced radios and related systems to meet the real-time communications needs of our nation's warfighters."

### About Harris Corporation

Harris provides advanced, technology-based solutions that solve government and commercial customers' mission-critical challenges. The company has approximately \$8 billion in annualized revenue and more than 22,000 employees — including 9,000 engineers and scientists — supporting customers in more than 125 countries. Learn more at [harris.com](http://harris.com).

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**Source:** Epicos, Harris Corporation



## Russian Helicopters signs agreement to supply two Mi-171s and two Mi-8AMTs to Rosneft

Russian Helicopters, part of State Corporation Rostec, has signed an agreement with RN-Aerokraft to deliver two Mi-171 and two Mi-8AMT helicopters for use by oil company Rosneft. The helicopters will be used in Rosneft's operations to develop and service offshore and onshore projects.

"Strategic cooperation between Rostec and Rosneft in important spheres such as developing offshore fields is an example of how major natural resources projects can create demand for the latest technologies, support demand for Russian industrial products, and allow us to tap into the potential of Russian engineers and scientists," said Rostec CEO Sergei Chemezov. "Rostec is able to meet this demand in full. It is particularly important given that use of advanced Russian technology to develop hydrocarbons deposits is a guarantee of Russia's energy security, which is an important factor in the Russian economy as a whole and in the final analysis national security as well." The passenger Mi-171s will carry teams of shift workers and cargo to onshore oil and gas sites.

"This will be the first time that helicopters of this type have been produced in Russia. There are no similar aircraft operating on the Russian market today. Russian Helicopters has created a unique aircraft that is fully able to cope with a wide variety of challenging tasks to service offshore projects," said Russian Helicopters CEO Alexander Mikheev. "To develop modern technologies we use successful solutions that have been tried and tested in practice, as well as the latest advances in aircraft building. It should be noted that each Mi-8AMT helicopter will be equipped with advanced on-board avionics."

The new hi-tech Mi-8AMT has been developed in part based on recommendations from the International Association of Oil & Gas Producers for fitting out a medium helicopter in maritime configuration. These multifunctional aircraft will be used for carrying shift teams, search and rescue support and emergency evacuation of staff from offshore platforms and vessels.

Mi-8/17 helicopters are renowned and in demand around the world for their reliability, adaptability, and ease of use and maintenance. Russian Helicopters is working with leading oil and gas experts to improve the capabilities of existing helicopters and create new aircraft prototypes.

Russian Helicopters, (part of State Corporation Rostec), is one of the global leaders in helicopter production and the only helicopter design and production powerhouse in Russia. Russian Helicopters was founded in 2007 and is headquartered in Moscow. The company comprises five helicopter production facilities, two design bureaus, a spare parts production and repair facility, as well as an aftersale service branch responsible for maintenance and repair in Russia and all over the world. Its helicopters are popular among Russian ministries and state authorities (Ministry of Defence, Ministry of Internal Affairs, Emergency Control Ministry), operators (Gazpromavia, UTair), major Russian corporations. In 2014 its IFRS revenues increased 22,8% to RUB 169,8 billion. Deliveries reached 271 helicopters.

State Corporation Rostec is a Russian corporation founded in 2007 for the purpose of promoting the development, production and export of hi-tech civilian and military industry products. It comprises 700 organisations, nine of which have now been formed as holding companies of the military-industrial complex, five of them are involved in civil industries and 22 are directly controlled. Rostec's portfolio includes recognised brands such as Avtovaz, Kamaz, Russian Helicopters, and VSMPO-AVISMA. Rostec's organisations are located in 60 constituent entities of the Russian Federation and supply their products to the markets of more than 70 countries. The revenue of Rostec in 2013 amounted to RUB 1.04 trillion. The tax deductions into the treasuries at all levels exceeded RUB 138 billion.

For Further Information [Click Here](#)

**Source:** Epicos, Russian Helicopters

### China slams US warship sail-by near artificial islands

The United States defied China Tuesday by sending a warship close to artificial islands the rising Asian power is building in disputed waters, prompting Beijing to furiously denounce what it called a threat to its sovereignty. The USS Lassen, a guided missile destroyer, passed within 12 nautical miles -- the normal limit of territorial waters around natural land -- of at least one of the formations Beijing claims in the Spratly Islands.

Washington's long-awaited move to assert freedom of navigation in the South China Sea also escalated the dispute over the strategically vital waters, where Beijing has been transforming reefs and outcrops into artificial islands with potential military use.

China claims sovereignty over almost the whole of the area, raising concerns it may one day seek to dictate who may transit its bustling sea lanes. Several neighbouring countries including the Philippines, a US ally, have competing claims and the dispute has raised fears of clashes in an area through which a third of the world's oil passes.

The US action was part of the country's "routine operations in the South China Sea in accordance with international law", an American official told AFP. "We will fly, sail, and operate anywhere in the world that international law allows." China's foreign ministry spokesman Lu Kang blasted the exercise, saying that the ship "illegally entered" the waters near the islands "without receiving permission from the Chinese government".

Beijing "resolutely opposes any country using freedom of navigation and overflight as a pretext for harming China's national sovereignty and security interests", he said, adding it would "staunchly defend its territorial sovereignty".

- Balance of power -

There have been repeated confrontations in the area between Chinese vessels and boats from some of its neighbours, particularly the Philippines and Vietnam.

Both are members of the Association of Southeast Asian Nations, which has long called on China to negotiate a code of conduct in the region, as are fellow claimants Brunei and Malaysia. Taiwan also asserts rights to the waters.

Manila has infuriated the world's second-largest economy by taking the dispute to a United Nations tribunal, and Philippine President Benigno Aquino said the US action demonstrated that "the balance of power says that there is not just a single voice that must be adhered to".

Beijing's South China Sea reclamations have been seen as an attempt to assert its claims by establishing physical facts in the water, but Aquino said: "There is no de facto changing of the reality on the ground."

Beijing has repeatedly said the construction work is primarily for civilian purposes, and Chinese President Xi Jinping during a visit to Washington last month pledged that the country will not militarise the area.

But satellite images of the islands published by the Washington-based Centre for Strategic and International Studies show that Beijing has reclaimed millions of square metres of land in the Spratlys, known as Nansha in Chinese.

The pictures also show a host of facilities with the potential for military applications being developed, including as many as three runways, at least one of them 3,000 metres (10,000 feet) long.

- 'Long overdue' -

The US, which is engaged in a foreign policy "pivot" to Asia, and China, which has the world's largest military and is expanding the reach of its navy, are jockeying for position in the Pacific.

Beijing regularly calls for a "new model of major country relations", implying equality between the world's top two economic and military powers.

Tuesday's operations were "not directed at any specific country," the US official said.

"US forces operate in the Asia-Pacific region on a daily basis, including in the South China Sea," he added.

The sail-by was "long overdue", said Bonnie Glaser, a senior China expert at CSIS, adding that the exercises "should be done quietly, regularly, and often".

"There should be no media fanfare," she added. "The way this has been handled has left the Chinese believing that the US is challenging its sovereignty rather than simply exercising freedom of the seas."

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

## S. Korea's Park vows to strengthen defence against North

President Park Geun-Hye vowed Tuesday to strengthen South Korea's defence capabilities -- backed by a defence budget hike -- to guard against future provocations from North Korea. At the same time, she said Seoul would try and work with Pyongyang to increase the frequency of family reunions for those separated by the 1950-53 Korean War. In an annual budget address at the National Assembly, Park outlined plans to increase defence spending by four percent next year to 39 trillion won (\$34.5 billion) -- higher than the overall budget growth of three percent.

"We will drastically beef up our defence capability ... in order to effectively respond to potential provocations by the North and other security threats around the Korean peninsula," she said. The President specifically cited a recent escalation in cross-border military tensions that was triggered by a landmine explosion that maimed two Seoul soldiers.

Seoul took a hard line with Pyongyang over the incident as both sides put their militaries on high alert and warned of a possible armed conflict.

In the end, North Korea appeared to blink first, approaching the South with a proposal for talks.

"The provocation was another reminder that we can open the door to normal dialogue and cooperation only when we ... maintain a watertight defence posture," Park said.

The talks that eventually took place reached an agreement in late August to defuse tensions and hold a rare reunion for divided families.

The week-long reunion event, held in a North Korean mountain resort, wrapped up on Monday after allowing nearly 1,000 people to meet long-lost relatives for the first time in more than six decades.

The emotional gathering was only "small progress," Park said, noting the complaints about the frequency of the reunions and the limited time allotted for each one.

"The government will make all possible efforts to hold the reunions on a regular basis and allow the separated families to check whether their relatives are alive," she said.

Millions of people were displaced by the sweep of the Korean conflict that sealed the division on the peninsula. Most died without meeting or hearing from their relatives on the other side of the border across which all civilian exchanges are banned. North Korea has long manipulated the reunion issue as a tool for extracting concessions from the South, and has rejected proposals to increase their frequency.

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

### IndiGo launches India's largest IPO in three years

India's largest carrier IndiGo launched the country's biggest initial public offering (IPO) in three years Tuesday, seeking to raise \$460 million to extend its dominance of the budget airline sector.

IndiGo, India's only consistently profitable airline, is selling shares at between 700 rupees (\$11) and 765 rupees each and plans to use the money raised to expand operations and trim debt.

The share sale will run for three days and is the largest in India since December 2012, when telecom infrastructure provider Bharti Infratel raised 41.7 billion rupees, equivalent to \$638 million today.

IndiGo's flotation comes two weeks after Cafe Coffee Day raised \$176 million in a share offering as India's long-suffering IPO market enjoys a mini-resurgence.

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