



Another Prestigious Prize for Elbit Systems:

Elbit Systems Skylark®-II UAV Wins Frost & Sullivan “Best Innovative Product Award for 2007 in the Aviation & Defense Category”

Haifa, Israel, June 17, 2007 – Elbit Systems Ltd. (NASDAQ:ESLT) announced that the prestigious business research and consulting firm Frost & Sullivan has presented its “Best Innovative Product Award for 2007 in the Aviation & Defense Category” to Skylark®-II, a close-range tactical UAV system developed and produced by Elbit Systems.

Frost & Sullivan cited the Skylark®-II system as a market trend setter, defining and leading the UAV market. The Skylark®-II's unique system capabilities enable it to perform the same missions that previously only larger and more expensive UAV systems could perform. Elbit Systems ongoing leadership in the UAV field was another factor in Frost & Sullivan's decision to present this award.

The Skylark®-II is a new, improved model of the Skylark®-I UAV system that is in widespread operational use worldwide, including in the Israel Defense Forces (IDF). The Skylark®-II is capable of carrying out covert surveillance flights day and night, in all weather conditions at mission ranges exceeding 50 kilometers.

The Skylark®-II has the ability to perform a wide range of missions, including: surveillance and reconnaissance, data collection and target designation. The Skylark®-II is deployed from a field-vehicle equipped with an integral launcher and a dual-Ground Control Station. The advanced UAV is highly autonomous, based on highly advanced technology and the extensive accumulated operational experience of the Elbit Systems Hermes® family of UAVs. The system's compact design and light weight allows for assembly, launch and recovery by a two-person crew.

The unique technologically advanced propulsion system for low and medium altitudes is silent and highly efficient for covert operations. The advanced payload configuration features a color day camera, 3rd generation thermal imaging night camera and a laser illuminator, enabling Skylark®-II to produce high quality sharp imagery even under cloud cover and adverse weather conditions.

Haim Kellerman, Corporate Vice President and General Manager of Elbit Systems UAV Division stated, "We are proud to receive this award from a prominent consulting and research company such as Frost & Sullivan. This selection is an example of the enthusiastic response that we are receiving from experts in the field and potential customers. Last November, Popular Science Magazine credited the same product with a similar award. Our product being selected by one of the top consulting and research companies testifies to Elbit Systems position as an innovative and advanced UAV manufacturer."

About the "Best Innovative Product Award for 2007"

Every year the analysts of Frost & Sullivan choose the most innovative products launched that year. They evaluate: R&D expenses, products in development and new product applications for existing products in the search for the most innovative products of the year. The winners are the products and technology comprising a major breakthrough in a respective field. All the products are selected according to the degree of innovativeness and customer satisfaction.

All products are examined using the following criteria:

- Level of innovation in the respective field
- Competitive advantage versus the market
- Level of technological innovation implemented in the product
- Penetration level of product in the market
- Added value product provides to customers
- Number of competitors with a similar product

About Elbit Systems Ltd.

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

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