



Elettronica and Elbit Systems Electro-Optics Elop Generating a Joint Laser-Based DIRCM Product

Paris 21 June 2007 -- Elbit Systems Ltd. (NASDAQ: ESLT) announced today that its subsidiary Elbit Systems Electro-Optics Elop Ltd. (Elop) and Elettronica S.p.A. (Elettronica) have agreed to cooperate and complete the joint development of advanced DIRCM (Direct Infra-Red Counter-Measures) systems intended to protect helicopters and wide-bodied aircraft from low altitude attack by shoulder-mounted heat-seeking missiles.

The agreement builds on the abundant experience of both companies in infra-red countermeasures. Elettronica was an early pioneer in the field, which it explored beginning in the 1980s. Serving as the Israel Government's Center for Excellence for Electro-Optics Applications, Elop provides advanced electro-optic digital technologies for both military and space applications.

DIRCM systems are intended primarily to protect helicopters, and larger fixed-wing aircraft during their take-off and landing phases, against the so-called portable heat-seeking missiles. These arms, beyond their combat applications, are considered to pose a potential terrorist risk for civilian aviation as well.

Elettronica and Elop will jointly offer defense solutions based on "MUSIC®", the world's most advanced laser-based DIRCM protection system, integrating fiber laser technology with a small, highly dynamic turret to provide effective, reliable and affordable protection under all operational conditions. The system can operate with most types of Missile Approach Warning Systems (MAWS) and can be integrated into Defensive Aids Sub Systems (DASS).



The two companies will offer systems solutions based on the technology for both military and civilian use. Marketing has begun, with early deliveries expected by the end of 2008.

Elettronica's advanced self-protection systems have been at the heart of platform defense on every recent generation of important European combat aircraft - including the Tornado, Mirage and AMX fighters as well as the EFA (European Fighter Aircraft), where the solid state EFA-DASS (Defensive Aids Sub-System) is largely supplied by the company.

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, computes, intelligence surveillance and reconnaissance ("C4ISR"), advanced electro-optics 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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