



ISRAEL AIR FORCE TO BE EQUIPPED WITH ELBIT SYSTEMS' LIZARD LASER- GUIDED BOMBS

Haifa, Israel, September 30, 2007 -Elbit Systems Ltd. (NASDAQ:ESLT) reported today that it had been selected to equip the Israel Air Force (IAF) with its Lizard laser-guided bombs. Contract value is several \$Millions and the initial supply of the systems to the IAF has already begun.

Lizard, a sophisticated new generation laser-guided bomb incorporates decades of Elbit Systems in-house technological expertise. The system which will be used for air-to-surface attack of diverse targets inflicts pinpoint damage while substantially reducing collateral damage. The current laser designator is designed for warheads of various sizes.

Elbit Systems has already supplied the Lizard laser-guided bomb kit to several international customers including NATO-member countries. The performance-proven LIZARD has already generated repeat orders from existing customers.

According to Yoram Shmueli, Joint General Manager of Elbit Systems' Airborne division, the decision to equip the IAF with Lizard represents an important breakthrough for Elbit Systems as a major supplier of laser-guided systems. Mr. Shmueli added, "the use of lasers for pinpoint accuracy and reduced collateral damage is in increased demand amongst the world's advanced air forces, and the fact that the IAF has chosen Elbit Systems' Lizard will lead to increased orders for the system worldwide.

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"), unmanned air vehicle (UAV) systems, advanced electro-optics, electro-optic space systems, EW suites, airborne warning systems, ELINT systems, data links and military communications systems and radios. The Group also focuses on the upgrading of existing military platforms and developing new technologies for defense, homeland security and commercial aviation applications.

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