



Elbit Systems' Hermes® 450 Records Another Success:

Elbit Systems to Supply UAV Systems to a European Country Valued at \$20 Million

Haifa, Israel, 7 July, 2008 - Elbit Systems Ltd. (NASDAQ: ESLT) announced today that it was awarded a contract valued at approximately \$20 million to supply Hermes® 450 UAV Systems to a European country. The systems include both air vehicles as well as complementing ground systems, to be delivered during 2009.

Hermes® 450 is a unique Elbit Systems development, which has been the major player in Israel's security activities, and the IDF's primary UAV system. In addition, the Hermes® 450 is the basis for the UK Armed Forces' Watchkeeper program, the largest UAV program in Europe. Hermes® 450 UAVs are used extensively in armies worldwide, including active war zones such as Iraq and Afghanistan. So far, the Hermes® 450 has accumulated over 100,000 operational flight hours.

Haim Kellerman, General Manager of Elbit Systems UAS Division said: "The new order is yet another link in the chain of successes in the marketing of the Hermes® 450, building on the level of maturity the system has achieved. The Hermes® 450 has well proved its capabilities and reliability over many years of operational performance." He added, "In light of the current high demand for the Hermes® 450, and specifically the requirement for speedy delivery for operational needs, Elbit Systems' UAV Division is prepared to meet the full range of customers' demands."

About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related 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 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 Company 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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This press release contains forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended) regarding Elbit Systems Ltd. and/or its subsidiaries (collectively the Company), to the extent such statements do not relate to historical or current fact. Forward Looking Statements are based on management's expectations, estimates, projections and assumptions. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results, performance and trends may differ materially from these forward-looking statements due to a variety of factors, including, without limitation: scope and length of customer contracts; governmental regulations and approvals; changes in governmental budgeting priorities; general market, political and economic conditions in the countries in which the Company operates or sells, including Israel and the United States among others; differences in anticipated and actual program performance, including the ability to perform under long-term fixed-price contracts; and the outcome of legal and/or regulatory proceedings. The factors listed above are not all-inclusive, and further information is contained in Elbit Systems Ltd.'s latest annual report on Form 20-F, which is on file with the U.S. Securities and Exchange Commission. All forward-looking statements speak only as of the date of this release. The Company does not undertake to update its forward-looking statements.