



Elbit Systems Signs Agreement to Purchase a Minority Interest in Azimuth

Haifa, Israel, October 28, 2008 - Elbit Systems Ltd. (NASDAQ: ESLT) ("Elbit Systems") announced that on October 27, 2008 it signed an agreement (the "Purchase Agreement") to purchase a minority interest in Azimuth Technologies Ltd. ("Azimuth"). Azimuth is an Israeli company whose shares are traded on the Tel Aviv Stock Exchange ("TASE") and is engaged in the development and sale of products for target acquisition, navigation and orientation for the defense market. Under the Purchase Agreement, Elbit Systems will purchase from certain minority shareholders of Azimuth 13,739,400 shares, representing approximately 19.48% of Azimuth's voting shares on a non-fully diluted basis, for a price of U.S. \$0.25 (twenty-five cents) per share.

The closing of the purchase is subject to various conditions which must be fulfilled within 30 days of the signing of the Purchase Agreement. In addition, either Elbit Systems or the sellers have the right to terminate the Purchase Agreement prior to closing if the average price of Azimuth shares on the TASE rises above or falls below agreed upon high or low prices during a period of 14 consecutive trading days. Subject to the closing under the Purchase Agreement, Azimuth's controlling shareholder, S. Reisman Ltd., has committed to Elbit Systems to vote for one Elbit Systems nominee to Azimuth's Board of Directors, as long as Elbit Systems maintains certain specified shareholding levels in Azimuth. Such commitment by Azimuth's controlling shareholder was made without consideration or a reciprocal commitment being provided by Elbit Systems to the controlling shareholder.

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.