



Claim by Minority Shareholders and Debtholders of ImageSat International

Haifa, Israel, December 17, 2008 - Elbit Systems Ltd. (NASDAQ: ESLT) announced it was advised that a claim was filed by certain shareholders and debtholders of ImageSat International N.V. ("ImageSat"). The claim was filed in the United States District Court for the Southern District of New York against Israel Aerospace Industries Ltd. ("IAI"), Elbit Systems, Elbit Systems Electro-Optics Elop Ltd., a subsidiary of Elbit Systems, and four directors of ImageSat, one of which was nominated by Elbit Systems and the remaining three by IAI. The claim is related to two other claims announced on July 4, 2007 and July 24, 2008. ImageSat's largest shareholder is IAI, holding approximately 46% of ImageSat's issued share capital. Elop holds approximately 14% (7% on fully diluted basis) of ImageSat's issued share capital. The director of ImageSat, appointed by Elbit Systems, named as defendant, is, Elbit Systems Chief Financial Officer.

ImageSat is engaged in the operation of satellites and in providing satellite imagery. The claim contains various allegations that the defendants allegedly breached their fiduciary and/or contractual obligations to the detriment of the plaintiffs. The claim alleges various causes of action and damages aggregating hundreds of millions of dollars, not all of which are alleged against Elbit Systems and/or Elbit Systems subsidiary and/or the director appointed by Elbit Systems .

Based upon a preliminary review of the claim, Elbit Systems believes that there is no merit to the allegations made against it or the current or former ImageSat directors who were nominated by Elbit Systems' subsidiary. Elbit Systems views the claim against it as baseless and will vigorously defend against them.

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.