



Elbit Systems U.S. Subsidiary and General Dynamics Form Joint Venture to Provide Tactical UAVs to U.S. Market

Haifa, Israel, May 17, 2009 – Elbit Systems Ltd. (NASDAQ:ESLT) announced today that its subsidiary, Elbit Systems of America, LLC and General Dynamics Armament and Technical Products have formed a new joint venture named UAS Dynamics, LLC, to provide unmanned aerial systems (UAS) to the Department of Defense (DoD) and other potential U.S. government customers through programs such as the recently announced U.S. Marine Corps' Small Tactical Unmanned Aircraft System (STUAS)/Tier II program.

The solutions that UAS Dynamics will offer are based on advanced, mature UAS designs that have accumulated more than 150,000 operational flight hours to date: the combat-proven Hermes® and Skylark® systems, developed and fielded by Elbit Systems Ltd. UAS Dynamics will adapt those proven designs to incorporate new technologies that use U.S. engineering, technology, manufacturing and logistics resources to rapidly field and satisfy evolving U.S. requirements. The new platforms will fill current and future operational gaps allowing Intelligence, Surveillance and Reconnaissance (ISR) capabilities that range in size and scope from hand-held and tactical level systems to medium altitude, long-endurance level systems.

UAS Dynamics is equally owned by Elbit Systems of America and General Dynamics and is located in Fort Mill, South Carolina.

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.