



Elbit Systems to Invest \$18 Million for 19% of Mikal Ltd. with an Option to Acquire the Remaining Shares

Haifa, Israel, 15 June, 2009 - Elbit Systems Ltd. ([NASDAQ: ESLT](#)), announced today that it signed an agreement with Mikal Ltd. ("Mikal") under which it will invest approximately \$18 million in Mikal in consideration for the issuance of approximately 19% of Mikal's shares. As part of the agreement, Elbit Systems also will be granted the option to purchase all of the remaining shares of Mikal from its shareholders.

In the first stage of the transaction, Elbit Systems will transfer to Mikal \$18 million, which will serve as a loan. After receiving authorization from the Israeli Antitrust Authority and subject to such authorization, the loan will be converted to an equity investment, and Mikal will issue approximately 19% of its shares to Elbit Systems and Elbit Systems will be granted the option to purchase the remaining shares of Mikal from the other shareholders, in the course of 2011, for a purchase price to be determined in accordance with an independent external valuation.

Mikal was founded in 1993 by Abraham (Miko) Gilat. The Mikal group operates through three main branches including Soltam Systems Ltd. in the field of artillery, the field of armored fighting vehicles led by Symar Ltd. and the field of optronics, led by ITL Optronics Ltd. The group owns companies both in Israel and throughout the world.

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.

For additional information, visit: www.elbitsystems.com.



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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.