



Elbit Systems' Brazilian Subsidiary, AEL Sistemas, and Embraer Sign Strategic Agreement Focusing on the UAS Market

The agreement envisages the evaluation of joint exploration of the UAS market, with the anticipated creation of a new company to work in the segment

Haifa, Israel, April 13, 2011 – Elbit Systems Ltd. (NASDAQ and TASE: ESLT) ("Elbit Systems") announced today that its Brazilian subsidiary, AEL Sistemas S.A ("AEL") signed a strategic agreement with Embraer Defesa e Segurança S.A., a subsidiary of Embraer S.A (NYSE: ERJ; BM&FBOVESPA: BR3) ("Embraer"), during the Latin American Aerospace & Defense (LAAD) Exhibition 2011. The agreement envisages the evaluation of joint exploration of unmanned aircraft systems (UAS), including the anticipated creation of a jointly owned company with majority participation of Embraer Defesa e Segurança to work in the segment.

Luiz Carlos Aguiar, President of Embraer Defesa e Segurança stated: " UAS are a reality and a need for solutions on defense and security, and Embraer Defesa e Segurança considers that this agreement intends to strengthen both companies' ability to offer solutions with an excellent cost-benefit ratio for the Brazilian Government." Aguiar added: "In addition, these vehicles allow for dual-use for monitoring of ports, agricultural, forest, and coastal areas, traffic, etc".

Shlomo Erez, Director General of AEL, commented: "This strategic agreement with Embraer marks a significant milestone for AEL, towards the realization of our goal regarding the development of UAS competencies in Brazil. This cooperation with Embraer will leverage new business opportunities and enhance Brazilian know-how in the development and manufacture of unmanned systems, offering latest generation technology in order to meet the specific demands and needs of our country". Erez added: "The agreement foresees the evaluation of joint activities in marketing, development, systems integration, manufacturing and support of UAS, as well as in simulators and activities for the modernization of avionics systems, and the anticipated participation of Embraer Defesa e Segurança in the capital of AEL".



Embraer and AEL have a successful track record of cooperative relationships. AEL was one of the first suppliers of systems for the turboprop Tucano basic trainer and the subsonic fighter AMX, aircraft manufactured by Embraer in the 1980s and 1990s. Currently, AEL provides the avionics for the turboprop light attack and advanced training Super Tucano, as well as the avionics of the F-5M fighter, modernized by Embraer for the Brazilian Air Force (FAB).

About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of 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 aircraft systems ("UAS"), 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, developing new technologies for defense, homeland security and commercial aviation applications and providing a range of support services. For additional information, visit: www.elbitsystems.com.

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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.