



Elbit Systems to Establish Israeli MOD's Communications Equipment Supply, Upgrade and Maintenance Project Valued at Approximately \$280 Million

The IMOD and the IDF will benefit from rapid supply of highly advanced, operationally available and cost effective communication systems

A key part of the project will be performed in the Southern Israeli city of Arad, providing employment for dozens of local residents

Haifa, Israel, September 28, 2011 – **Elbit Systems Ltd. (NASDAQ and TASE: ESLT)** ("ESLT") announced today that it was awarded a contract by the Israeli Ministry of Defense (IMOD) to supply, upgrade and provide maintenance under the Israeli Defense Forces' (IDF) communications equipment project. The project is valued at approximately \$280 million, of which approximately half is designated for the supply of new communication systems over the next five years, and the balance is to be applied to the upgrade and maintenance of existing systems over a twenty-year period.

The military communications project is an IMOD's efficiency initiative, aimed at establishing a supply arrangement for advanced, operationally available and cost effective communication systems for the IDF.

Joseph Ackerman, President and CEO of Elbit Systems said: "The project we are establishing is a part of the IMOD's initiative to outsource the revamping of the IDF's communications inventory in order to make it more efficient. We intend to leverage our extensive operational experience and know-how in performing similar outsourcing projects for customers worldwide, in order to provide the IMOD and the IDF with the most high quality and cost-effective communications solution. A key part of the project will be performed in a development area, as part of the Israeli Government's policy to develop industries in the periphery, providing employment for dozens of local residents."



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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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.