



Elbit Systems Brazilian Subsidiary, AEL and Embraer Defesa e Segurança, Sign Agreement for the Entrance of the Brazilian Company Avibras to Harpia

The companies will jointly pursue UAS projects in Brazil

Avibras' Falcão UAS project will be included in Harpia's portfolio

Haifa, Israel, February 6, 2013 – Elbit Systems Ltd. (NASDAQ and TASE: ESLT) ("Elbit Systems") announced today that its subsidiary in Brazil, AEL Sistemas S.A. ("AEL"), and Embraer Defesa e Segurança S.A. ("Embraer Defesa") have signed an agreement for the entrance of Avibras Divisão Aérea e Naval S.A. ("Avibras") as a shareholder of Harpia Sistemas S.A. ("Harpia"), envisaging joint collaboration on Unmanned Aircraft Systems ("UAS") in Brazil. According to the agreement, Avibras will hold a 9% stake of the shareholdings in Harpia, resulting in AEL owning 40% of Harpia's shares, with Embraer Defesa remaining as the major shareholder, with 51% of the shares.

The agreement signed among the three companies establishes that Avibras' Falcão UAS project will be included in Harpia's portfolio, reinforcing the national content of the partnership. Falcão is being developed by Avibras for the use of the Brazilian Armed Forces and is intended to carry out reconnaissance missions, target acquisition, support for firing direction, damages evaluation and land and sea surveillance.

"The entrance of Avibras increases the national participation in Harpia which now complies with all requirements to be a Strategic Defense Company", said Luiz Carlos Aguiar, President of Embraer Defesa and Harpia Chairman of the Board. "In addition, Harpia will be enhanced by the technical competence of Avibras".

"The synergy of technical and industrial expertise of the three Harpia partners in addition to the legacy of high technological content of the Falcão UAS project, will result in a solution of an UAS of high competitiveness in Brazil and abroad," said Sami Hassuani, President of Avibras.

"Avibras brings to Harpia the best of the know-how that has been developed autonomously in Brazil for UAS to date, making Harpia, that already benefits from the extensive capabilities of Embraer Defesa and AEL, a company with all necessary elements for the success of the development in Brazil of latest generation UAS to meet the needs of our country", said Shlomo Erez, Director General of AEL.



About AEL

AEL Sistemas S.A. (www.ael.com.br) is a Brazilian company with headquarters in Porto Alegre. For more than two decades it has been engaged in the design, development, manufacturing, maintenance and logistic support of military and civilian electronic products, for applications for air, sea and land vehicles, manned and unmanned. In 2001, AEL Sistemas became a subsidiary of Elbit Systems Ltd., the largest non-government-owned defense company in Israel, and in 2011 Embraer Defesa and Security acquired a 25% interest in AEL.

About Embraer Defesa.

With more than 40 years of experience in the supply of platforms and superior systems to the Armed Forces of the entire world, Embraer Defesa e Segurança S.A has growing presence in the global market and plays a strategic role in the Brazilian defense system. Embraer's Defesa portfolio includes military aircraft, last radar generation technologies, unmanned air vehicles (UAV) and advanced information and communication systems such as the applications of Command, Control, Communication, Intelligence, Surveillance and Reconnaissance (C4ISR). Embraer's aircraft and military solutions are present in more than 50 Armed Forces of 48 countries.

About Avibras

Founded em 1961, Avibras Divisão Aérea e Naval S.A is a 100% national company, specialized in engineering, which designs, develops and manufactures products for the military and civilian markets. Its ample defense portfolio includes artillery rocket systems, autonomous and guided missiles, anti-aircraft systems, weapon systems for aircraft, military armored vehicles, remotely piloted aircraft, command and control vehicles and complex systems integration.

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.



Contacts:

Company Contact:

Joseph Gaspar, *Executive VP & CFO*

Tel: +972-4-8316663

j.gaspar@elbitsystems.com

Dalia Rosen, *VP, Head of Corporate Communications*

Tel: +972-4-8316784

dalia.rosen@elbitsystems.com

Elbit Systems Ltd.

IR Contact:

Ehud Helft

Kenny Green

CCG Investor Relations

Tel: 1-646-201-9246

e-mail:

elbitsystems@ccgisrael.com

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