Boeing Selects Elbit to Supply Virtual Radar for U.S. Navy's T-45 Training System

ST. LOUIS, June 26, 2008 -- The Boeing Company [NYSE: BA] today announced that it has selected Elbit Systems [NASDAQ: ESLT] as chief supplier of the Virtual Mission Training System (VMTS), which will integrate realistic radar training into the U.S. Navy's T-45 Training System.

"VMTS will enrich the undergraduate military flight officer's weapons-and-tactics curriculum, producing flight officers who are better prepared to transition to carrier strike-fighter and electronic-attack duty," said Barbara Wilson, T-45 Training Systems director and program manager for Boeing. "Elbit has shown unwavering commitment to this technology, which will take naval air training to the next level of fidelity while reducing cost."

VMTS simulates via data link an unclassified, mechanically scanned tactical radar that provides air-to-air and air-to-ground modes as well as simulated weapons and simulated electronic warfare. These functions can be networked between the participating aircraft and instructor ground stations that control the mission presentation. The current phase of VMTS work will provide flight officers with in-flight training in the use of radar and weapons against virtual enemy aircraft, including cooperative training with friendly real and virtual aircraft.

Boeing is currently under contract to develop the VMTS capability. Subsequent phases of work will provide for two test aircraft and then for retrofit of 18 existing aircraft with VMTS by 2012.

"We are very proud to have been selected for such a prestigious plan," said Ran Hellerstein, co-general manager for aerospace at Elbit Systems. "This selection demonstrates our commitment to providing cutting-edge training systems to Boeing in support of the Navy's mission-readiness requirements."

The T-45 Training System is in use at Naval Air Station (NAS) Kingsville, Texas; NAS Meridian, Miss.; and NAS Pensacola, Fla. The system comprises the two-seat T-45 Goshawk jet trainer, fully integrated high-fidelity instrument and visual flight simulators, computer-assisted classrooms and courseware, and a computerized training management asset. Boeing recently rolled out the 210th Goshawk from its St. Louis assembly facility and remains under contract for 11 additional aircraft.

Described by instructor-pilots as "eminently forgiving," the T-45 is the only jet trainer designed to land routinely at sink rates of greater than 700 feet per minute, which are required for aircraft carrier-approach landings. It has logged more than 800,000 flight-hours and over 50,000 aircraft carrier catapult launches and arrested landings since entering service in 1992. Approximately 3,500 Navy, Marine Corps and international student aviators have earned their wings in the T-45.

Elbit Systems Ltd. is an international defense electronics company engaged in a wide variety of defense-related programs throughout the world. The company operates in the areas of aerospace, land and naval systems, C4ISR, 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.

A unit of The Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses specializing in innovative and capabilities-driven customer solutions. Headquartered in St. Louis, Boeing Integrated Defense Systems is a \$32.1 billion business with 71,000 employees worldwide.

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