



AeroVironment Receives Order for Third Global Observer Aircraft under Joint Capability Technology Demonstration Program

Option Exercise for Aircraft and Additional Items Builds on Successful Program Milestones, Resulting in Total Program Funding of More Than \$120 Million

MONROVIA, Calif.--(BUSINESS WIRE)--Jun. 3, 2009-- [AeroVironment, Inc.](#) (AV) (NASDAQ:AVAV) today announced that U.S. government agencies funding the Global Observer Joint Capability Technology Demonstration (JCTD) program have exercised an option for the assembly of a third Global Observer aircraft and additional items. There have been six contract options exercised since the program was initiated, resulting in a cumulative value of more than \$120 million in program funding.

"Global Observer is an entirely new solution designed to deliver affordable persistence for intelligence, surveillance, reconnaissance and communications through a high altitude unmanned aircraft system with a flight duration of up to one week," said Tim Conner, AV chief executive officer. "This and previous option exercises represent continued conviction regarding the value that Global Observer will provide and validation of the effectiveness of our joint AV, supplier and customer team in developing this important new solution."

Each completed Global Observer aircraft will take off from and land on a runway, and will have a payload capacity of approximately 400 pounds. A system consisting of two or more Global Observer aircraft flying sequentially would provide seamless, persistent intelligence, surveillance and reconnaissance (ISR) and communications relay over any area of interest around the globe in a manner that is expected to be much more cost effective and flexible than existing alternatives.

The order for the third aircraft comes at the midpoint of the JCTD and follows a series of milestones in design, development and testing of the Global Observer system, including the successful Preliminary Design Review and Critical Design Review. The initial \$57 million contract for a three-year development program was awarded to AV in September, 2007. Six government organizations are funding the JCTD program, reflecting broad interest in its capabilities for potential military and civil applications. The JCTD is intended to demonstrate the tactical utility of a hydrogen-powered UAS for long duration (up to seven day) missions at altitudes from 55,000 to 65,000 feet. Global Observer builds on nearly two decades of AV's development and flight experience with stratospheric unmanned aircraft systems, including the record-setting Pathfinder and [Helios](#) solar-powered aircraft.

To date AV has received contract option exercises for the development, fabrication and testing of three aircraft, two launch and recovery elements, Systems Integration Laboratory testing and other development items. Operation of the advanced hydrogen-fueled power generation system at simulated atmospheric conditions in an altitude chamber continues after previous successful, multi-day tests.

About AeroVironment, Inc. (AV)

Building on a history of technological innovation, AV designs, develops, produces, and supports an advanced portfolio of Unmanned Aircraft Systems (UAS) and efficient electric energy systems. Agencies of the U.S. Department of Defense and allied military services use the company's [hand-launched UAS](#) to provide situational awareness to tactical operating units through real-time, airborne reconnaissance, surveillance, and target acquisition. Commercial and government entities use AV's clean transportation solutions such as [electric vehicle test systems](#) and [electric vehicle fast charge systems](#), as well as its clean energy solutions. More information about AV is available at www.avinc.com.

Safe Harbor Statement

Certain statements in this press release may constitute "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are made on the basis of current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, strategy or actual results to differ materially from those expressed or implied. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, our ability to perform under existing contracts and obtain additional contracts; changes in the regulatory environment; the activities of competitors; failure of the markets in which we operate to grow; failure to expand into

new markets; failure to develop new products or integrate new technology with current products; and general economic and business conditions in the United States and elsewhere in the world. For a further list and description of such risks and uncertainties, see the reports we file with the Securities and Exchange Commission. We do not intend, and undertake no obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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