AeroVironment's Global Observer Unmanned Aircraft System Completes Key Ground Tests

Customer-Funded Development Program Proceeding Toward Flight Test Phase of First Unmanned Aircraft System Offering True "Unblinking Eye"

MONROVIA, Calif., May 25, 2010 (BUSINESS WIRE) -- **AeroVironment, Inc.** (AV) (NASDAQ:AVAV) today announced that the first aircraft developed under the Global Observer(TM) Joint Capability Technology Demonstration (JCTD) program has successfully completed key ground tests in preparation for flight testing. The joint Department of Defense, NASA and AV team successfully performed ground vibration, structural and taxi tests at Edwards Air Force Base (EAFB) in California. AV developed and fabricated Aircraft 1 in its dedicated manufacturing facility located in Southern California and shipped it to EAFB in December 2009.

AV is developing the Global Observer unmanned aircraft system (UAS) to be the first to provide robust, cost-effective and persistent communications and surveillance over any location. Six U.S. government agencies have provided more than $120 million in funding for the JCTD program.

"Global Observer is designed to perform above and beyond the capabilities of any other existing aircraft. The unique benefit of this truly unblinking eye will be its ability to watch, listen and relay communications signals flexibly, affordably and without interruption," said Tim Conver, AV's chairman and chief executive officer. "The need for affordable and seamless persistence is great, and we look forward to demonstrating this important capability during the final phase of the Global Observer JCTD program."

Each aircraft in a Global Observer system is designed to fly at an altitude of between 55,000 and 65,000 feet for 5 to 7 days. In addition to flying above weather and above other conventional airplanes, operation in this altitude range means that sensor payloads on the aircraft will be able to view a circular area on the surface of the earth up to 600 miles in diameter, equivalent to more than 280,000 square miles of coverage. Equipped with payloads that are readily available today, two Global Observer aircraft would alternate coverage over any location on the globe every 5 to 7 days, making this the first solution to provide customers with practical, seamless coverage, wherever and whenever required.

The joint Department of Defense, NASA and AV team based at EAFB completed aircraft weight and balance measurements and conducted a series of Ground Vibration and Structural Modes Interaction Tests in February. During March and April the team performed aircraft system tests to validate the aircraft hardware and software readiness, and to support ground and flight crew training in preparation for the initial flight series. Most recently, taxi tests were conducted to confirm autonomous propulsion, data link operation, steering and braking. A final Flight Readiness Review will be conducted to formally review and approve the initiation of flight testing. Initial flight testing will consist of low-altitude battery-powered flights at EAFB to evaluate the aircraft's airworthiness and handling qualities.

Communications relay and intelligence, surveillance and reconnaissance (ISR) payloads are being prepared for installation into the aircraft. Once development flight tests have been completed, payloads will be installed and joint operational utility flight demonstrations will be performed at EAFB.

Global Observer is designed to address an urgent national security need for a persistent stratospheric platform and to offer a means to satisfy numerous high value civil and commercial applications. The system is intended to provide mission capabilities that include robust observation over areas with little or no existing coverage, persistent communications relay, the ability to relocate the system as required by theater commanders, dedicated communications support to other UAS and tactical on-station weather monitoring and data support.

Final assembly of Aircraft 2 is proceeding at the AV Global Observer manufacturing facility.

About Global Observer

With 20 years of experience developing high altitude, long-endurance unmanned aircraft systems (UAS), AV is developing Global Observer to operate as a "stratospheric geosynchronous satellite system" with regional coverage and no signal delay.

Two Global Observer aircraft, each flying for up to a week at a time, will alternate coverage over any area on the earth, providing a seamless, persistent platform for high value missions such as communications relay, remote sensing, long-term surveillance and border patrol. Offering greater flexibility than a satellite and significantly longer duration than conventional manned and unmanned aircraft, Global Observer is designed to provide critical new capabilities in a reliable and more affordable manner, all while consuming no fossil fuels and emitting no carbon emissions.

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 battery-powered, hand-launched UAS to provide situational awareness to tactical operating units through real-time, airborne reconnaissance, surveillance and target acquisition. AV's clean transportation solutions include power cycling and test systems and industrial electric vehicle charging systems for commercial and institutional customers, in addition to EV home chargers and EV public fast chargers for consumers, utilities and governments. 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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