



United States Air Force Approves BATMAV System with AeroVironment's Wasp III Micro Air Vehicle for Full Rate Production

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MONROVIA, Calif., Jan. 3, 2008 - AeroVironment, Inc. (AV) (NASDAQ: AVAV), a leader in unmanned aircraft systems and efficient electric energy systems, today announced that the United States Air Force BATMAV (Battlefield Air Targeting Micro Air Vehicle) program has received Milestone C approval and authorization for Full Rate Production. The BATMAV program achieved these two significant milestones under the rigors of the United States Department of Defense 5000 Acquisition process in just over 11 months from contract award. The Air Force selected AV's Wasp III as the micro air vehicle (MAV) for its BATMAV Program in December 2006.

"Achieving full rate production in just 11 months from contract award reflects our team's efforts, working closely with our customers, to satisfy program requirements quickly and efficiently," said John Grabowsky, executive vice president and general manager, AV Unmanned Aircraft Systems. "The rapid achievement of full rate production means that we can now produce our Wasp III systems in higher volumes so that our customers can deploy them to the front-line units who need them."

About Wasp III

With a wingspan of 29 inches and weighing only one pound, the Wasp III carries interchangeable targeting payload modules, including an infrared camera, along with two integrated color cameras that transmit streaming video directly to the hand-held ground controller for display on an integrated monitor. Wasp III is the first micro air vehicle to be adopted by the U.S. armed forces in support of a program of record. Its portability and reliability are being demonstrated through continuing evaluation in forward locations.

In November 2007 the U.S. Marine Corps awarded AV a \$19.3 million contract for Wasp III MAV systems under the Air Force BATMAV Contract. The Marines plan to deploy Wasp at the Platoon level and use it as a complement to their Raven small UAS systems, which they currently deploy at the company and battalion levels.

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. The company's small UAS are used extensively by agencies of the U.S. Department of Defense and increasingly by allied military services to provide situational awareness to tactical operating units through real-time, airborne reconnaissance, surveillance, and target acquisition. AV's PosiCharge fast charge systems eliminate battery changing for electric industrial vehicles in factories, airports, and distribution centers. 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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