

8.7.04

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א.ג.נ.,

הנדון: אלביט מערכות בע"מ ("החברה") – דיווח מיידי

מצ"ב דיווח מיידי (Immediate Report) שבכוונתנו לפרסם היום בארה"ב ולהגישה כדו"ח 6K לרשות ניירות ערך האמריקאית.

בכבוד רב,

אילן פכולדר
מזכיר החברה



Elron Signs Agreement to Sell All of Its Holdings in Elbit Systems to Tadiran Communications for Approximately \$197 Million

Tel Aviv, July 8, 2004 – Elbit Systems Ltd. (NASDAQ:ESTL) (the “Company”) today reported, further to today's announcement by Elron Electronic Industries Ltd. (NASDAQ:ELRN) (“Elron”), that Elron has signed a definitive agreement for the sale of all of its holdings in the Company, constituting approximately 19.6% of the Company’s outstanding share capital, to Tadiran Communications Ltd., in consideration for approximately \$197 million. This price represents a Company value of approximately \$1 billion and a premium of approximately 25% over the Company’s current per share market price.

Tadiran Communications Ltd. is an Israeli manufacturer of sophisticated electronic defense communications equipment, whose shares are traded on the Tel Aviv Stock Exchange.

The closing of the transaction is subject to the right of first refusal of the Federmann Group, which holds approximately 30% of the Company’s outstanding shares, as well as regulatory approvals. There is no assurance that the transaction will be completed.

About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related programs throughout the world, in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence, surveillance and reconnaissance (“C4ISR”), advanced electro-optic and space technologies. The Company focuses on the upgrading of existing military platforms and developing new technologies for defense and homeland security applications.

For more about Elbit Systems, please visit our website at www.elbitsystems.com

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