



Elron Sells All of Its Holdings in Elbit Systems to Federmann Enterprises for Approximately \$197 Million

Haifa, July 28, 2004 – Elbit Systems Ltd. (NASDAQ:ESLT) (the “Company”) today reported that Elron Electronic Industries Ltd. (NASDAQ:ELRN) (“Elron”), completed today the sale of all of its holdings in the Company, constituting approximately 19.6% of the Company’s outstanding share capital, to Federmann Enterprises Ltd., in consideration for approximately \$197 million.

The transaction was consummated following the exercise by Federmann Enterprises Ltd. of its right of first refusal as a result of the agreement signed on July 8, 2004 between Elron and Tadiran Communications Ltd.

As a result of the sale, the Federmann Group is the beneficial owner of approximately 49.8% of the Company’s outstanding shares.

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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