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ELBIT SYSTEMS IN COOPERATION WITH AVIOANE CRAIOVA WILL SUPPLY EIGHT IAR-99 LEAD-IN TRAINER AIRCRAFT TO THE ROMANIAN AIR FORCE

Project valued at $43 million

Elbit Systems, in cooperation with the Romanian aircraft manufacturer Avioane Craiova, was recently awarded a $43 million contract from the Romanian Defense Ministry to supply eight IAR-99 lead-in trainer aircraft. The project will be executed in cooperation with Romanian industries over a period of three and a half years.

As part of the contract, Elbit Systems will supply an advanced avionics package which will contribute to significant savings in pilot training costs. Elbit Systems will also supply ACTS, an Advanced Combat Training System, which will aid pilot training and the transition to upgraded MiG-21 aircraft and other future fighters.

This contract follows Elbit Systems' upgrade project of four IAR-99 aircraft which was announced in 2001. The first program has since been completed and the aircraft are currently used by the Romanian Air Force.

Elbit Systems has been operating in Romania for the past 10 years and has conducted joint ventures with the country's leading defense industries in domestic and international projects wards, achieving an offset value through investment in and export from Romania of high-tech products.

Joseph Ackerman, President and CEO of Elbit Systems, said that supplying the advanced avionics and training packages to Romania's Air Force flight training school strengthens the company's cooperation with the Romanian Ministry of Defense, Air Force and military industries. He added it is yet another step in Elbit Systems' strategy to expand its upgrade operations in Israel and around the world.

The upgraded IAR-99s, developed by Elbit Systems and Avioane Craiova, have already recorded 1,300 flight hours and performed in Farnborough and Paris air shows.

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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