



First stage of the Tadiran Communications Shares purchase by Elbit Systems completed

Elbit Systems reached holdings of approximately 20% of Tadiran Communications shares

Koor purchased from Federmann Enterprises approximately 5.3% of Elbit Systems

Haifa, Israel, April 18, 2005 Elbit Systems Ltd. (Nasdaq: ESLT), ("Elbit Systems") announced, further to its announcement of December 27, 2004, that it completed the first stage of the transaction to purchase shares of Tadiran Communications Ltd. ("Tadiran Communications") from Koor Industries Ltd. ("Koor"). The first stage of the transaction was completed after all the conditions precedent and all the required approvals for this stage were obtained.

According to the transaction agreements, Elbit Systems purchased from Koor, in this stage, approximately 13.7% of the share equity of Tadiran Communications. In addition to the shares previously purchased by Elbit Systems in the stock market, it now holds approximately 20% of Tadiran Communications' shares. Koor purchased approximately 5.3% of Elbit Systems' share equity from the Federmann Group.

Upon completion of the first stage of the transaction, three members at Tadiran Communications' board of directors were appointed: Joseph Ackerman, Elbit Systems' President, and two of Elbit Systems' Vice Presidents, Joseph Gasper and Jacob Gadot. Also, Jonathan Kolber, CEO of Koor, was appointed as a member of Elbit Systems' board of directors.

Elbit Systems purchased Tadiran Communications shares from Koor in consideration for approximately \$62.5 million. Koor purchased from the Federmann Group Elbit Systems' shares in consideration for approximately \$53.2 million.

The parties are continuing towards completion of the transaction, and therefore agreed that to the extent necessary, the time schedule for the completion of the second stage will be extended by up to four months.

Michael Federmann, Chairman of Elbit Systems, Joseph Ackerman, President and CEO of Elbit Systems, Jonathan Kolber, CEO of Koor, and Danny Biran, President of Koor, said: "We are pleased with the completion of the first stage of this strategic transaction. We are sure that all the parties involved will contribute their best efforts in order to complete the transaction for the benefit of the Israeli defense industry, Elbit Systems, Koor and Tadiran Communications."

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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