



Elbit Systems Completes Second Stage of Purchase of Tadiran Communications' Shares

Elbit Systems reached holdings of approximately 26% in Tadiran Communications

Koor purchased from Federmann Enterprises an additional 2.45 % of Elbit Systems' shares

Joseph Ackerman appointed as Chairman of Tadiran Communications

Haifa, Israel, August 25, 2005 Elbit Systems Ltd. (Nasdaq: ESLT), ("Elbit Systems") announced that it completed today the second stage of the transaction to purchase shares of Tadiran Communications Ltd. ("Tadiran Communications") from Koor Industries Ltd. ("Koor"). The second stage of the transaction was completed after all the conditions precedent for this stage were obtained.

According to the amended transaction agreements, which were approved by the Company's shareholders at an Extraordinary Shareholders Meeting held on August 23, 2005, as reported yesterday, Elbit Systems purchased from Koor, in this stage, 5% of the share equity of Tadiran Communications. In addition to the shares previously purchased by Elbit Systems in the transaction's first stage and on the stock market, Elbit Systems now holds approximately 26% of Tadiran Communications' shares.

Also, today, Koor completed the purchase of an additional approximately 2.45% of Elbit Systems' share equity from the Federmann Group, bringing Koor's total holdings in Elbit Systems to approximately 7.8%.

In conjunction with the above mentioned share purchases, Mr. Alon Domanis was appointed as a director to Tadiran Communications' board, and Mr. Israel (Izzy) Tapoohi was appointed as a director to Elbit Systems' board. Mr. Domanis and Mr. Tapoohi each respectively meet the applicable criteria for independent directors. In addition, Mr. Joseph Ackerman, Elbit Systems' President and CEO was appointed as Chairman of Tadiran Communications' board of directors.

Elbit Systems purchased Tadiran Communications shares from Koor in consideration for approximately \$23 million. Koor purchased from the Federmann Group Elbit Systems' shares in consideration for approximately \$25 million.

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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