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א.ג.נ.,

הנדון: אלביט מערכות בע"מ ("החברה") – הודעה לעיתונות

מצ"ב הודעה לעיתונות (Press Release) בדבר תוצאות פעילות החברה ברבעון השלישי של שנת 2005, שבכוונתנו לפרסם היום בארה"ב ולהגישה כדו"ח 6K לרשות ניירות ערך האמריקאית.

בכבוד רב,

אילן פכולדר
מזכיר החברה



ELBIT SYSTEMS REPORTS THIRD QUARTER 2005 RESULTS

Revenues Increased by 22.3% to a Record \$273.6 Million

Backlog of Orders Reached a New Record of \$ 2.405 Billion

Excluding One-Time In-Process R&D Write-Off Related to Tadiran Share Purchase, Net Profit and EPS Reached \$15.8 Million and \$0.38, Respectively

Haifa, Israel, November 15, 2005 – Elbit Systems Ltd. (the “Company”) (NASDAQ: ESLT), the international defense company, today reported its consolidated results for the third quarter ended September 30, 2005.

The Company’s backlog of orders as of September 30, 2005 reached \$2,405 million, an 11.7% increase as compared to \$2,154 million at the end of 2004. Approximately 65% of the backlog relates to orders outside of Israel. Approximately 50% of the Company’s backlog as of September 30, 2005 is scheduled to be performed over the last quarter of 2005 and during 2006.

Consolidated revenues for the third quarter of 2005 increased by 22.3% to \$273.6 million from \$223.8 million in the third quarter of 2004.

Gross profit for the third quarter of 2005 increased by 20.3% to \$73.7 million (26.9% of revenues), as compared with gross profit of \$61.2 million (27.4% of revenues) in the third quarter of 2004.

Reported consolidated net income for the third quarter of 2005 increased by 9.4% to \$14.6 million (5.3% of revenues), as compared with \$13.3 million (5.9% of revenues) in the third quarter of 2004. Reported diluted earnings per share for the third quarter of 2005 were \$0.35, as compared with \$0.32 for the third quarter of 2004.

Excluding the one-time in-process R&D write-off related to the share purchase of Tadiran Communications Ltd. (“Tadiran”), the Company’s net income for the third quarter of 2005 was \$15.8 million (or 5.8% of revenues) and the diluted EPS was \$0.38.

As previously reported, the Company’s financial results for the third quarter of 2005 were affected by its acquisition of Tadiran shares from Koor Industries Ltd. (“Koor”). As a result of the completion of the second stage of the agreement to acquire Koor’s holdings in Tadiran, which included the purchase of an additional 5% of Tadiran's shares during the



third quarter of 2005, the Company recorded a \$1.2 million write-off of In-Process Research & Development in the third quarter of 2005. All the effects of the Tadiran transaction are recorded as part of the Company's earnings from affiliated companies in its income statement

During the first nine months of 2005 the Company produced an operating cash flow of \$96.4 million.

The President and CEO of Elbit Systems, Joseph Ackerman, commented: "We are pleased to report the third quarter results, in which we reached the highest quarterly revenues in our history. These results continue the trend of profitable growth that we have demonstrated for many consecutive quarters. The high backlog of orders does not include some large and important orders, such as the UK Watchkeeper, the U.S. Marine Corps contract and other contracts that we received following the end of the quarter. All of this provides us with a high level of confidence in the continued growth of Elbit Systems going forward, supported by our on going investments in R&D in order to maintain technological leadership in our many business areas."

The Board of Directors declared a dividend of \$0.14 per share for the third quarter of 2005. The dividend's record date is November 29, 2005, and the dividend will be paid on December 12, 2005, net of taxes and levies, at the rate of 22.1%.

Conference Call

The Company will be hosting a conference call today, Tuesday, November 15, at 10.00am EST. On the call, management will review and discuss the third quarter 2005 results and will be available to answer questions.

To participate, please call one of the following teleconferencing numbers. Please begin placing your calls at least 5 minutes before the conference call commences. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

US Dial-in Numbers: 1 866 860 9642
UK Dial-in Number: 0 800 917 5108
ISRAEL Dial-in Number: 03 918 0610
INTERNATIONAL Dial-in Number: +972 3 918 0610

At:
10:00am Eastern Standard Time
7:00am Pacific Standard Time
3:00pm Greenwich Mean Time
5:00pm Israel Time



This call will also be broadcast live on Elbit Systems' web-site at <http://www.elbitsystems.com>. An online replay will be available from 48 hours after the call ends, and will be available online for 30 days.

Alternatively, for two days following the end of the call, investors will be able to dial a replay number to listen to the call. The dial-in number is either: 1 888 269 0005 (US) or +972 3 925 5945 (Israel and International).

About Elbit Systems Ltd.

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, ground and naval systems, command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) and advanced electro-optic technologies. The Company focuses on the upgrading of existing military platforms and developing new technologies for defense applications. For further information, please visit the Company web site at www.elbitsystems.com

Company Contact:

Ilan Pacholder
V.P. Finance & Capital Markets
and Corporate Secretary
Elbit Systems Ltd
Tel: +972-4 831-6632
Fax: +972-4 831-6659
E-mail: pacholder@elbit.co.il

IR Contact:

Ehud Helft / Kenny Green

GK International
Tel: 1-866-704-6710
Fax: + 972-3-607- 4711
E-mail: Kenny@gk-biz.com
E-mail: Ehud@gk-biz.com

STATEMENTS IN THIS PRESS RELEASE WHICH ARE NOT HISTORICAL DATA ARE FORWARD-LOOKING STATEMENTS WHICH INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES OR OTHER FACTORS NOT UNDER THE COMPANY'S CONTROL, WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM THE RESULTS, PERFORMANCE OR OTHER EXPECTATIONS IMPLIED BY THESE FORWARD-LOOKING STATEMENTS. THESE FACTORS INCLUDE, BUT ARE NOT LIMITED TO, THOSE DETAILED IN THE COMPANY'S PERIODIC FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION.

(FINANCIAL TABLES TO FOLLOW)

ELBIT SYSTEMS LTD.
CONSOLIDATED BALANCE SHEETS
(In thousand of US Dollars)

	September 30 2005 Unaudited	December 31 2004 (**)
<u>Assets</u>		
Current Assets:		
Cash and short term deposits	150,949	34,847
Trade receivable and others	288,632	*267,903
Inventories, net of advances	294,069	249,041
Total current assets	<u>733,650</u>	<u>551,791</u>
 Affiliated Companies & other Investments	 150,618	 *59,618
Long-term receivables & others	85,241	85,100
Fixed Assets, net	252,311	244,288
Other assets, net	93,403	95,987
	<u>1,315,223</u>	<u>1,036,784</u>
 <u>Liabilities and Shareholder's Equity</u>		
Current liabilities	454,611	378,450
Long-term liabilities	397,237	221,810
Minority Interest	3,915	4,340
Shareholder's equity	459,460	*432,184
	<u>1,315,223</u>	<u>1,036,784</u>

* Restated due to the Tadiran share purchase transaction

** Derived from the Company's 2004 audited financial statements

ELBIT SYSTEMS LTD.
CONSOLIDATED STATEMENTS OF INCOME
(In thousand of US Dollars, except for per share amounts)

	Nine Months Ended September 30 2005		Three Months Ended September 30 2005		Year Ended December 31 2004
	Unaudited		Unaudited		(***)
Revenues	748,116	669,150	273,646	223,833	939,925
Cost of revenues	546,790	491,427	199,969	162,588	689,626
Gross Profit	201,326	177,723	73,677	61,245	250,299
Research and development, net	53,443	43,570	20,482	16,543	66,846
Marketing and selling	54,695	50,722	20,309	15,562	69,912
General and administrative	38,262	34,957	12,838	12,226	47,832
Total operating expenses	146,400	129,249	53,629	44,331	184,590
Operating income	54,926	48,474	20,048	16,914	65,709
Financial expenses, net	(6,273)	(2,878)	(3,076)	(1,577)	(5,852)
Other income, net	(192)	(61)	(6)	23	770
Income before income taxes	48,461	45,535	16,966	15,360	60,627
Taxes on income	12,289	11,712	4,246	3,933	15,219
	36,172	33,823	12,720	11,427	45,408
Company's share of partnerships and affiliated Companies income, net	1,339	4,586	1,465	1,616	*6,645
Minority rights	652	459	379	271	(180)
Net income	38,163	38,868	14,564	13,314	*51,873
Earnings per share					
Basic net earnings per share	\$ 0.94	\$ 0.98	\$ 0.36	\$ 0.33	*\$ 1.30
Diluted net earnings per share	\$ 0.92	\$ 0.95	\$ 0.35	\$ 0.32	*\$ 1.26

* Restated due to the Tadiran share purchase transaction

** Restated due to the adoption of SFAS 123

*** Derived from the Company's 2004 audited financial statements