



Elbit Systems Completes Purchase of all of Koor's Holdings in Elisra and Tadiran Communications

Haifa, Israel, 30 November 2005, Elbit Systems Ltd. (NASDAQ:ESLT) ("Elbit Systems") announced, further to its announcement dated August 25, 2005, that it completed today the purchase of all of the shares of Koor Industries Ltd. ("Koor") in Elisra Electronic Systems Ltd. ("Elisra") for approximately \$68.8 million in cash. Following the completion of the transaction, Elbit Systems owns 70% of the Elisra group that includes Elisra, Tadiran Systems and Tadiran Spectralink. It does not include Elisra's shares in Decolink, a start-up company that was distributed as a dividend in kind prior to the closing, in accordance with the terms of the agreement signed between Elbit Systems and Koor on July 6, 2005.

Simultaneously with the acquisition of Koor's shares in Elisra, Elbit Systems also completed the purchase of the remaining 13% held by Koor in Tadiran Communications Ltd. ("Tadiran"), for approximately \$59.3 million in cash. Elbit Systems now holds approximately 39% of Tadiran's shares.

Elbit Systems expects that its fourth quarter results will be affected by a one-time "In Process R&D" charge in the amount of approximately \$3.5 million as a result of the acquisition of the additional shares of Tadiran.

Based on information currently available, Elbit Systems estimates that following the acquisition of the Elisra shares, and subject to the completion of various activities currently in process, Elbit Systems will post material write-offs, the amount of which will be advised by Elbit Systems when determined.

The completion of the purchase of the Elisra shares was made possible following the receipt of all required approvals, including that of the Israeli Antitrust Authorities. In accordance with the Israeli antitrust approval, Elbit Systems has agreed to fulfill conditions imposed by the Antitrust Authorities related to the market environment between Elbit Systems and Israel Aircraft



Industries Ltd. ("IAI"), which holds the balance of Elisra's shares. Should the Antitrust Authorities conclude, during the course of a 5-year period following the acquisition, that Elbit Systems has not complied with such conditions, the Antitrust Authorities may take various measures, including steps that could result in the cessation of the joint holdings in Elisra by Elbit Systems and IAI.

Joseph Ackerman, President and CEO of Elbit Systems, commented "We appreciate the support given by the relevant governmental entities that enabled us to conclude these important acquisitions. The completion of these acquisitions is a major milestone in the execution of our long-term strategic plan. Elbit Systems will continue to take steps towards improving our overall worldwide business standing with the completion of these strategic acquisitions and to emphasize enhancement of the synergies among the Elbit Systems Group companies to the benefit of our employees, customers and shareholders."

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.

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