

Elbit Systems to supply IAF F-16I Simulator System to the Israel Ministry of Defense

Haifa, Israel, 23 January, 2006 - Elbit Systems Ltd. (NASDAQ: ESLT) reported today that it will supply the Israeli Ministry of Defense (IMOD) the avionics simulation system for the Israel Air Force F-16I *Sufa* aircrew flight and system trainer. Elbit's share in the development of the trainer amounts to \$10 million.

Elbit-developed avionics systems will use the actual F-16 avionics boxes for the trainers. BVR Systems, acting as a sub-contractor for Elbit, will supply the visual display and cockpit simulators. The avionics, displays and cockpit will then be provided to U.S. tactical aircraft simulation and training systems specialist Lockheed Martin for final overall trainer integration and testing prior to installation in Israel. Lockheed Martin has received a separate IMOD contract for their work on the F-16I flight and systems trainer.

Elbit Systems has previously been selected to supply the core avionic systems for the Israeli Air Force's F-16I aircraft. These systems include the Display and Sight Helmet (DASH), mission computer systems, head-up display systems, display processors and digital maps as well as stores management systems.

Joseph Ackerman, President and CEO of Elbit Systems, said that the contract to supply a simulator for the IAF's most advanced combat aircraft, the F-16I, further strengthens Elbit System's position as a leading company in the simulator field in general and in the flight simulator area in particular. According to Ackerman, in order to achieve better efficiency in defense budgets, there is a wider global demand for use of simulators, which enable air forces and other defense force branches to achieve better performance with the same level of training-hours.

Elbit Systems operates within the simulator market and supplies systems for all types of platforms, including those for air, land and naval applications. Elbit Systems utilizes its advanced technological capabilities, particularly in developing software for complex system programs, and its global leadership in upgrading defense platforms, and has already supplied simulation systems to various customers around the world.



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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