



## **Elbit Systems Reports the Impact of Certain Developments on its Fourth Quarter 2005 Financial Results**

Haifa, Israel, February 13, 2006 – Elbit Systems Ltd. ("Elbit Systems") (NASDAQ:ESLT), announced today that it expects to record in the fourth quarter of 2005 an estimated \$20 million to \$25 million in costs, which relate to (i) its acquisition of a 70% interest in Elisra Electronic Systems Ltd. ("Elisra"), (ii) the purchase of an additional 13% interest in Tadiran Communications Ltd. ("Tadiran"), (iii) the impact of certain developments that occurred in Tadiran during the fourth quarter of 2005 and (iv) value impairment in connection with companies in which Elbit Systems holds a minority interest.

This announcement is further to previous Elbit Systems' announcements regarding the potential effect of the Elisra and Tadiran share purchases (the "Share Purchases"), and further to its announcement dated January 4, 2006 regarding the potential impact of certain developments at Tadiran on Tadiran's fourth quarter 2005 financial results.

Approximately one-half of the above-mentioned costs relate to one-time expenses such as in-process R&D, restructuring and write-offs of inventories and other assets as a result of the Share Purchases. The balance of the costs relate to Elbit Systems' share in Tadiran's loss due to the strike at Tadiran during the fourth quarter of 2005 as well as costs attributable to value impairment expected to be recorded in connection with companies in which Elbit Systems holds a minority interest.

Elbit Systems is in the process of finalizing its review of the above costs, the details of which and their overall impact on the financial results for the fourth quarter will be reflected in its 2005 year end and fourth quarter reports, which are planned to be released in March 2006.

### **About Elbit Systems**

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related programs throughout the world. The Elbit Systems Group, which includes the company and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence, surveillance and reconnaissance ("C4ISR"), advanced electro-optic and space technologies, EW suites, airborne warning systems, ELINT systems, data links and military communications systems and equipment. The Group also focuses on the upgrading of existing military platforms and developing new technologies for defense and homeland security applications.



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