



Elbit Systems joint venture with Rockwell Collins, VSI, awarded new JHMCS contracts valued at more than \$80 million

Haifa, Israel, May 18, 2006 – Elbit Systems (NASDAQ: ESLT) announced today that Vision Systems International LLC (VSI), its joint venture with Rockwell Collins, and a leader in advanced Helmet Mounted Display (HMD) technology, has been awarded several new contracts with a total value of more than \$80 million.

The Boeing Company awarded VSI a contract for the delivery of more than 400 additional Joint Helmet Mounted Cueing Systems (JHMCS). VSI also received direct contracts from the United States Navy and Air Force for spares and test equipment in support of the JHMCS program.

Under the production contract, VSI will provide JHMCS hardware, including spares, technical support and support equipment for the Full Rate Production - Lot 3 (FRP-3) acquisition. This procurement fills U.S. government domestic requirements for the USAF F-15 and F-16, ANG F-15, USN F/A-18E/F single seat and dual seat platforms as well as foreign military sales production and spares commitments including: Poland (F-16), Netherlands (F-16), Turkey (F-16), Australia (F/A-18), Switzerland (F/A-18) and Canada (F/A-18). Deliveries under FRP-3 will commence next year and continue through 2008. Jim Wojtasek, VSI President, commented, "as VSI celebrates its 10 year anniversary, our helmet mounted display systems or enabling sub-systems are on every current US production front-line fighter aircraft. The true test of a system is user – in this case, fighter pilot – acceptance. We find ourselves in an enviable position where fighter pilot demand has actually accelerated production forcing us to increase capacity for JHMCS".

The JHMCS provides the pilot with "first look, first shot" high off-boresight weapons engagement capabilities. The system enables the pilot to accurately cue onboard weapons and sensors against enemy aircraft and ground targets without the need to aggressively turn the aircraft or place the target in the Head Up Display (HUD) for designation. Critical information and symbology, such as targeting cues and aircraft performance parameters, are graphically displayed directly on the pilot's visor.

Formed in 1996, **VSI**, is a joint venture between EFW Inc., an Elbit Systems of America company and a subsidiary of Elbit Systems Ltd. (ESLT), and Rockwell Collins (NYSE:COL) to develop, manufacture and support fixed wing HMDs worldwide. With a heritage of more than 35 years of design and development experience in display systems, VSI today is the leading supplier of fixed wing



HMDs. In addition to the JHMCS, VSI is in development of the advanced HMD for the F-35 (JSF), in development of the QuadEye Night Vision Cueing & Display (NVCD) for the US Navy, and in production on the DASH (Display and Sight Helmet) Generation IV HMD under multiple contracts to Lockheed Martin.

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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