



Elbit Systems' Subsidiary, the Elisra Group, Initiates a Re-Organization Plan

Haifa, Israel, September 18, 2006 – Elbit Systems Ltd. (NASDAQ Global Select Market: ESLT) reported the initiation of a re-organization plan by its 70%-owned Israeli subsidiary – the Elisra Group. The plan, designed to enhance the synergies and maximize the range of capabilities of the Elisra Group's members: Elisra Electronic Systems Ltd., Tadiran Electronic Systems Ltd. and Tadiran Spectralink Ltd., was announced today by Brig. Gen. (Res.) Yitzhak Gat, CEO of the Elisra Group.

Under the new re-organization plan, the Elisra Group will establish a new central Operations Division, which also will include Elisra's Microwave Division. Colonel (Res.) Ami Dagan, formerly the general manager of Elbit Systems' Silver Arrow, subsidiary, will head the new Operations Division. The Operations Division will provide services to all the Elisra Group's business units, with the aim of enhancing operational efficiency and leveraging its size for procurement and logistics advantages. Moreover, the re-structuring is expected to increase marketing and R&D synergies among the Elisra Groups' various business units, thus enhancing future growth and profitability.

Mr. Itzhak Beni will retire from his position as President and CEO of Tadiran Spectralink and Tadiran Electronic Systems and will be joining Elbit System's Group.

About the Elisra Group

The Elisra Group comprises Elisra Electronic Systems Ltd., Tadiran Electronic Systems Ltd. and Tadiran Spectralink Ltd. The Group designs, develops, manufactures, integrates and supports advanced system solutions for air, sea and land, deployed in numerous countries worldwide. The Elisra Group's major products include: New Generation Integrated Self-Protection Suites including Multi Spectral EW Payloads with Radar Warning Receivers, Laser Warning System, Passive IR Missile Warning System and Chaff and Flare Dispensing System for Fighters, Helicopters, Transport Aircraft and MPA; SIGINT Systems with C4ISTAR, COMINT DF/ ELINT/ECM; Full C4I Solutions – for all Battlefield Command Chains such as Battlefield Management and Control including Artillery C4I Systems; Theater Missile Defense including Test Bed; Advanced Search and Rescue Systems; and Data Links for UAVs & Guided Munitions.

The **Elisra Group** is a 70% subsidiary of **Elbit Systems**.



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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