



## **ELBIT SYSTEMS AND BULGARIAN MINISTRY OF DEFENSE REACH AGREEMENT ON CANCELLATION OF HELICOPTER PROGRAM**

Haifa, Israel, March 5, 2007 – Elbit Systems Ltd. (NASDAQ: ESLT) announced today, that further to its January 30, 2007 announcement, it has reached an agreement with the Bulgarian Government regarding the cancellation of the contract for the modernization of Bulgarian Air Force Mi-24 and Mi-17 helicopters.

The agreement recognizes that the cancellation of the contract is by mutual consent and is not a result of breach of obligations by either party.

Under the agreement Elbit Systems will return to the Bulgarian Ministry of Defense part of the advance payments received. Elbit Systems will also deliver the Ministry of Defense equipment and items already produced in the performance of the program in consideration of the balance of the payments to be retained by Elbit Systems.

Elbit Systems believes that this matter will not have a material adverse affect on its results of operations.

### **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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