



Elbit Systems Reports the Impact of the acquisition of Tadiran Communications Shares on its Second Quarter 2007 Financial Results

Haifa, 12 July 2007 - Elbit Systems Ltd. (NASDAQ: ESLT) announced today that, following the successful completion of its Cash Tender Offer for the balance of the ordinary shares of Tadiran Communications Ltd. on April 26, 2007, it expects to record in the second quarter of 2007 acquisition expenses related to In Process Research & Development write off and Restructuring expenses, estimated at 25 – 30 million dollars.

The Company is in the process of finalizing its purchase price allocation and the related expenses, charges and the on-going amortization of the amounts allocated to tangible and intangible assets acquired in accordance. The overall impact on the financial results for the second quarter will be included in its report, which is planned to be released in August 2007.

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, computes, intelligence surveillance and reconnaissance ("C4ISR"), advanced electro-optics and space technologies, EW suites, airborne warning systems, ELINT systems, data links and military communications systems and radios. 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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