



**ELBIT SYSTEMS TEAMS WITH HONEYWELL TO SUPPLY
HEAD-UP DISPLAY (HUD) SYSTEMS TO COMMERCIAL
AIR TRANSPORT MARKET**

Haifa, Israel, July 6, 2004 -Elbit Systems Ltd. (NASDAQ: ESLT) announced today that its U.S. subsidiary has teamed with Honeywell to supply head-up display (HUD) systems to the commercial air transport market.

Honeywell's first program under this agreement will be to equip a major cargo carrier's fleet of wide-body aircraft with the advanced HUD.

Under the terms of the new contract, awarded by Honeywell International Air Transport Division, Elbit Systems will supply overhead electro-optical projection units, which will be integrated into Honeywell's new HUD system for Honeywell's commercial air transport customers. The electro-optical units are based on advanced HUD technologies developed by Elbit Systems' subsidiary Elop Electro-Optics Industries Ltd.(El-Op) for military use and on its extensive experience as a supplier of thousands of HUD systems to its customers worldwide.

The HUD system allows commercial pilots to view essential flight information while looking directly outside the windshield. The unit will be used mainly during take-off and landing, enhancing aircraft safety. The HUD system displays flight symbols as well as Enhanced Vision System (EVS) imagery. The unit will utilize novel Liquid Crystal Display (LCD) technology developed by Honeywell as the image source. The new image source provides higher quality and improved reliability, as compared to the Cathode Ray Tube (CRT) technology used in older HUD systems.

Joseph Ackerman, President and CEO of Elbit Systems ,commented: "We are very pleased to partner with Honeywell Air Transport Division in the commercial HUD market. I am confident that our unique experience with commercial avionics and electro-optic systems, together with Honeywell's leadership position in the avionics market will benefit both companies. "

Elbit Systems has recently received orders, valued at more than \$50 million, for the commercial air transport aviation market, a significant part of which is a result of this agreement.



About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related programs throughout the world, in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence, surveillance and reconnaissance (“C4ISR”), advanced electro-optic and space technologies. The Company focuses on the upgrading of existing military platforms and developing new technologies for defense and homeland security applications.

For more about Elbit Systems, please visit our website at www.elbitsystems.com

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