

-FOR IMMEDIATE RELEASE-

**ELRON ANNOUNCES DISCOUNT INVESTMENT CORPORATION CONSIDERING
POSSIBILITIES FOR GOING PRIVATE TRANSACTION INVOLVING ELRON**

Tel Aviv, November 25, 2008 - Elron Electronic Industries Ltd. (TASE & NASDAQ: ELRN), today announced that Discount Investment Corporation Ltd. ("DIC"), which currently holds approximately 49% of Elron's outstanding ordinary shares, has indicated in its third quarter financial report of 2008 that it is considering a reorganization of part of its holdings which includes reviewing, among other transactions with its affiliated companies, various possibilities for a going private transaction involving Elron. Elron is not aware of DIC taking any definitive steps at this time toward effecting any transaction involving Elron and there can be no assurance that any transaction will take place or the timing or terms of any such transaction.

Elron Electronic Industries Ltd. (TASE & NASDAQ: ELRN), a member of the IDB Holding group, is a leading Israel-based technology holding company directly involved in the long-term performance of its group companies. Elron identifies potential technologies, creates strategic partnerships, secures financing, and recruits highly qualified management teams. Elron's group companies currently comprise a diverse range of publicly-traded and privately held companies primarily in the fields of medical devices, information & communications technology, clean technology and semiconductors. For further information, please visit www.elron.com

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(Any statements in this press release that may be considered forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially. Actual results may differ from such forward-looking statements due to various risks and uncertainties, including among others the risk factors discussed in periodic reports filed by the Company with the Securities and Exchange Commission, which the Company urges investors to consider)