

**-FOR IMMEDIATE RELEASE-**

**ELRON ANNOUNCES IDB'S GROUP COMPANIES EXAMINING POSSIBILITY OF  
OFFERING TO ACQUIRE ELRON'S HOLDINGS IN NETVISION LTD.**

**Tel Aviv, May 20, 2009 - Elron Electronic Industries Ltd. (TASE & NASDAQ: ELRN),** today announced that Clal Industries and Investments Ltd. ("Clal") has indicated in its directors report for the first quarter of 2009 published yesterday in Israel that Clal and Discount Investment Corporation Ltd. ("DIC"), which currently holds approximately 49% of Elron's outstanding ordinary shares are examining the possibility of offering to acquire Elron's interest in NetVision Ltd. (TASE: NTSN), a provider of communication services in Israel. Elron holds 16% of Netvision's outstanding ordinary shares.

DIC and Clal are both majority owned subsidiaries of IDB Development Ltd. DIC and Clal currently hold 32% and 25%, respectively, of Netvision outstanding ordinary shares. Elron, DIC and Clal are parties to a shareholders agreement in connection with their respective holdings of Netvision shares.

Elron is not aware of DIC and/or Clal taking any definitive steps at this time toward any such transaction and there is no assurance of the occurrence, timing or terms of any such transaction.

***Elron Electronic Industries Ltd. (TASE & NASDAQ: ELRN), a member of the IDB Holding group, is a high-technology holding company traded in the Nasdaq and in the Tel-Aviv Stock Exchange. 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. Included in our group companies are well established companies who are leaders in their fields, such as Given Imaging and 013 NetVision, together with innovative start-up companies who possess growth potential in Israel and the rest of the world. For further information, please visit [www.elron.com](http://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. These risks include, but are not limited to the impact of: the global financial crisis and economic downturn on Elron and its group companies, any decrease in the market value of Given Imaging, the continuing losses incurred by certain group companies, the need of Elron's group companies for additional capital in order to reach profitability, the possibility of further impairment charges and other risk factors detailed from time to time in the Company's Annual Report on

Form 20-F and other periodic reports filed by the Company with the Securities and Exchange Commission, which the Company urges investors to consider. The restricted availability of financing for young technology companies, the limited availability of profitable “exits” and the increased volatility in the securities markets may affect our business results and compliance with bank covenants. Elron assumes no obligation to update the information in this press release and disclaims any obligation to publicly update or revise any such forward-looking statements to reflect any change in its expectations or in events, conditions, or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements. Reference to Elron’s website above does not constitute incorporation of any of the information thereon into this press release.