

## **ELRON ELECTS TO VOLUNTARILY DELIST FROM NASDAQ**

**Tel Aviv, Israel – November 12, 2009** – Elron Electronic Industries Ltd. (NASDAQ & TASE: ELRN) announced today that it intends to voluntarily delist from the NASDAQ Global Select Market, effective at the close of trading on January 6, 2010. Accordingly, Elron has provided notice to NASDAQ of its intent to delist and intent to file a Form 25 with the U.S. Securities and Exchange Commission ("SEC") on or about December 28, 2009, to effect the delisting. By operation of law, the delisting will become effective ten days after this filing. Accordingly, the last day for trading of Elron's shares on NASDAQ is expected to be January 6, 2010.

Elron further announced that, when circumstances permit, it intends to terminate the registration of its Ordinary Shares under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as possible following the delisting from NASDAQ, thereby terminating its obligation to file annual and other reports with the SEC. Elron does not expect such deregistration to take effect earlier than the first quarter of 2011.

Elron's decision to delist from NASDAQ and deregister its Ordinary Shares under the Exchange Act was made after careful consideration by its Board of Directors of various factors, including the following:

- Elron has a relatively limited number of U.S. holders of record and a substantial majority of the trading of Elron's shares occurs on the Tel Aviv Stock Exchange ("TASE").
- The high costs associated with being a reporting company under the U.S. securities laws, including costs arising from compliance with the provisions of the Sarbanes-Oxley Act of 2002 and the NASDAQ Listing Rules, the associated listing fees, increased costs of directors' and officers' insurance due to trading on the U.S. capital markets and increased U.S. legal and auditing fees.
- The Ordinary Shares will continue to be listed and traded on the principal trading market—the TASE.
- Elron will continue to make public reports with the Israeli Securities Authority and TASE in accordance with the Israeli securities laws and regulations.

Elron believes that these and other factors outweigh the benefits of maintaining the secondary listing on NASDAQ.

It should be noted that as a result of the delisting from NASDAQ, Elron will change its financial reporting principles from U.S. generally accepted accounting principles ("U.S. GAAP") to the International Financial Reporting Standards ("IFRS"). As permitted under the Exchange Act and the regulations promulgated thereunder, Elron's future financial statements to be submitted to the SEC will be prepared in accordance with IFRS (without reconciliation to US GAAP).

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#### **ABOUT ELRON ELECTRONIC INDUSTRIES:**

*Elron Electronic Industries Ltd. (TASE & NASDAQ: ELRN), a member of the IDB Holding group, is a technology holding company traded on the Nasdaq Global Select Market and on the Tel-Aviv Stock Exchange. Elron's group companies currently comprise public and privately held companies engaged in a diverse range of technological activities. These companies, at various levels of maturity and progress, are primarily in the fields of medical devices, information & communications technology and clean technology, and have the potential to be technology leaders, each in their respective fields. Elron focuses on identifying and developing unique technology companies. Current group companies include Given Imaging, Medingo, BrainsGate, NuLens, Aqwise and Starling, and in the past included Elbit Systems, NetVision and Partner Communications. For further information, please visit [www.elron.com](http://www.elron.com).*

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