

-FOR IMMEDIATE RELEASE-

**ELRON ANNOUNCES UPDATE IN CONNECTION WITH THE SALE OF ITS
HOLDING IN NETVISION**

Tel Aviv, Israel – October 22, 2009- Elron Electronic Industries Ltd. (NASDAQ & TASE: ELRN) today announced that, further to its previous announcement on August 19, 2009 in relation to the sale of its holding in NetVision Ltd. ("NetVision") to Discount Investment Corporation Ltd. ("DIC") and Clal Industries and Investments Ltd. ("CII") and further to other previous announcements in relation to the aforementioned sale, NetVision informed Elron that the consents to the sale, required under NetVision's and its subsidiaries' licenses (including from the Israeli Ministry of Communications), have been obtained and thus, one of the conditions to closing the aforementioned sale has been fulfilled. The completion of the sale is subject to obtaining the respective shareholder approvals of Elron, DIC and CII, as set forth in the sale agreement attached as Exhibit A to Elron's proxy statement filed on August 26, 2009. General Meetings of shareholders are scheduled to take place on October 29, 2009 at which the shareholders of each of Elron, DIC and CII shareholders will be asked to approve the sale.

There is no assurance of the completion of the sale.

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 which are leaders in their fields, such as Given Imaging and 013 NetVision, together with innovative start-up s who possess growth potential in Israel and the rest of the world. For further information, please visit www.elron.com.

www.elron.com

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