

November 12, 2009

Via Facsimile and Email

Howard Miller
Listing Qualifications
The NASDAQ Stock Market
9600 Blackwell Road
Rockville, MD 20850
Fax 1-301-978-8099

RE: Elron Electronic Industries Ltd. --
Voluntary Delisting from NASDAQ

Dear Mr. Miller:

In accordance with the requirements of Rule 5840(j) of the NASDAQ Listing Rules, Elron Electronic Industries Ltd. (the "Company") hereby informs you that the Company has decided to voluntarily delist its Ordinary Shares from the NASDAQ Global Select Market, to take effect on the close of trading on January 6, 2010.

On November 12, 2009, the Company's board of directors, after careful and thorough consideration, resolved that it is in the best interest of the Company to voluntarily delist its Ordinary Shares from NASDAQ. Enclosed herewith is (1) a certificate from the Company's Chief Financial Officer certifying the said resolutions of the board of directors and (2) a copy of the press release which is being issued by the Company simultaneously with this letter.

The material facts relating to the reasons for the delisting are as follows:

- The Company was incorporated in Israel in 1962. It is a high technology operational holding company that operates through subsidiaries and affiliated companies.
- The Company's Ordinary Shares have been listed on the Tel Aviv Stock Exchange ("TASE") since 1975 and on NASDAQ since 1981.
- The Company is a "foreign private issuer" and an "accelerated filer," as such terms are defined under applicable rules of the SEC. As such, it is required to comply with the reporting obligations of the Securities Exchange Act of 1934, as amended, including the internal control evaluation and both management and auditor certification requirements of Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX").
- The Company has a relatively limited number of U.S. holders of record and a substantial majority of the trading of the Company's shares occurs on the 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 SOX 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.

- The Company will continue to make public reports with the Israeli Securities Authority and TASE in accordance with the Israeli securities laws and regulations.

A Form 25 will be filed with the Securities and Exchange Commission in due course and a copy thereof will be sent to NASDAQ simultaneously therewith. Additionally, the Company will post this notice on the Company's website.

Please do not hesitate to contact either me at +972-3-6075555 or Ido Zemach, Adv., of Goldfarb, Levy, Eran, Meiri, Tzafir & Co., Law Offices, the Company's special outside counsel, at +972-52-4000533 with any questions or comments you may have.

Sincerely,

Rinat Remler.
Chief Financial Officer
Elron Electronic Industries Ltd.

Encl.