

ELRON ANNOUNCES KEY DEVELOPMENTS AND MARKET RECOGNITION IN CERTAIN GROUP COMPANIES

Jordan Valley Acquiring Assets of Bede X-Ray Metrology

Teledata Wins \$12.5m Project from ICE, Costa Rica; Chosen to Enhance Israel's Bezeq's Access Network

PLYmedia chosen Israel's Most Promising Internet Startup of 2008 by "The Marker" Publication

Tel Aviv, Israel, April 22, 2008 - **Elron Electronic Industries Ltd.** (NASDAQ: ELRN) (TASE: ELRN) ("Elron") highlighted today several key developments and accreditations in group companies.

Jordan Valley Semiconductors Ltd. ("Jordan Valley"), a provider of semiconductor metrology solutions, in which Elron holds 21%, acquired, on April 14, 2008 the business of Bede X-Ray Metrology ("Bede") (LSE: BED). Bede is the leading supplier of HRXRD (High Resolution XRD) metrology for the semiconductor and compound industries with revenues of \$11.6M in 2007.

Teledata Networks Ltd. ("Teledata") (held 21% by Elron), a leading global provider of innovative Multiservice Access solutions for NGN (Next Generation Networks), awarded a \$12.5 million project from ICE, Costa Rica's National Electricity and Telecommunications Company. The contract covers the supply of BroadAccess multiservice access systems supporting a variety of services, from TDM to IP. The system's wide range of network technologies saves the operator costly infrastructure, as it essentially comprises several systems in one. The systems will be installed all over Costa Rica, and will deliver services to both businesses and residential areas. Furthermore, Teledata announced that it has been selected by Bezeq, Israel's national landline operator and largest telecommunications service provider, to provide Next Generation Network access systems. Bezeq will use BroadAccess-1000 to supply a variety of services to its customers, such as Voice, ISDN, ADSL2+ and G.SHDSL. Teledata has been providing Bezeq with access network equipment for over eighteen years.

PLYmedia Inc. ("PLYmedia") (held by Elron by means of convertible loan), a pioneer in the development and deployment of an interactive, multi-dimensional web video platform – PLYplatform™ for web video publishers and broadcasters, has won 1st place in a competition for Israel's Most Promising Internet Start-up of the Year 2008 sponsored by Microsoft Israel Innovation Labs, Vertex Venture Capital Fund and TheMarker, Israel's financial magazine. PLYmedia was selected out of tens of companies for its innovative products and ability to provide added value – and monetize – PLYmedia's clients' offerings.

About Elron Electronic Industries

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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Forward Looking Statements

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 the risk factors discussed in periodic reports filed by the Company with the Securities and Exchange Commission, which the Company urges investors to consider.

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