

ELRON HIGHLIGHTS DEVELOPMENT IN GROUP COMPANY STARLING

Tel Aviv, Israel, July 24, 2008 - **Elron Electronic Industries Ltd.** (NASDAQ: ELRN) (TASE: ELRN) ("Elron") highlighted today that *Starling Advanced Communications Ltd.* ("Starling", TASE: STLG, held 50% directly and indirectly by Elron), a developer and manufacturer of innovative airborne broadband antenna systems, announced today that it received notice from an American satellite communications systems manufacturer (the "Communications Company") that an international services provider has chosen the Communication Company to supply it with two-way Ku band antenna systems for aircraft following its tender offer. Such award is subject to the execution of a detailed non-binding framework agreement for the supply of innovative antenna systems over a period of seven years. Starling announced that it estimates that the value of its share in the non-binding agreement, if executed, may be up to \$60 million.

The international services provider also notified that it anticipates that its first binding purchase order for 150 antennas will be issued by December 1, 2008.

Starling clarified that the announcement of the award does not constitute a binding purchase order and, furthermore, there can be no assurance that the framework agreement will be completed or that any purchase orders will be issued, including the anticipated first binding purchase order for 150 antennas.

About Starling Advanced Communications

Starling Advanced Communications is a public company listed on the Tel Aviv Stock Exchange (TASE: STLG). Starling develops and manufactures next generation compact, low profile Satellite based antenna systems that enable full-featured broadband connectivity on mobile platforms. Starling's first product is MIJET – an antenna system of a family of two-way Ku band antenna systems for aircraft. The MIJET family antennas are expected to enable broadband in-flight entertainment and personal communications not currently available in commercial aircraft. For additional information, please visit: www.starling-com.com

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

Company Contact :

Rinat Remler, Vice President & CFO

Elron Electronic Industries Ltd.

Tel. 972-3-6075555

elron@elron.net

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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