

**- FOR IMMEDIATE RELEASE -**

**ELRON HIGHLIGHTS DEVELOPMENTS IN TELEDATA AND ELLARA GROUP COMPANIES**

- ❖ *Teledata Receives \$21M Order from Prominent Central Asian Telecom Company*
- ❖ *Ellara Acquired by Climate-Control System Manufacturer Domotek in Exchange for Domotek Shares*

**Tel Aviv, Israel, Sept. 17, 2008 – Elron Electronic Industries Ltd. (NASDAQ: ELRN) (TASE: ELRN)** ("Elron") highlighted today developments in two group companies.

***Teledata Networks Ltd.*** ("Teledata", 21% held by Elron), a leading provider of advanced multiservice access solutions, announced that it has received an order for \$21 million from a prominent Central Asian telecommunications company to enhance their existing infrastructure with Teledata Networks' BroadAccess-1000 MSAG. The systems will provide a mix of voice, broadband data and IPTV services over Next Generation IP Network. The order was submitted following successful deployments of BroadAccess systems by the operator, providing hundreds of thousands of voice and broadband lines, operating over an IP Next Generation Network. This order is one of many received by the company in 2008 all of which have contributed to an increase in the company's performance.

***Ellara Ltd.*** ("Ellara", 39% held by Elron on an as converted basis, pre-acquisition), a provider of energy efficient heating solutions based on amorphous metals technologies was acquired by Domotek Ltd. ("Domotek"), in consideration for 33.33% of Domotek's shares. Domotek is an Israeli company engaged in the manufacture of climate control systems. The acquisition will enable Domotek to optimize the synergy between the two companies.

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***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](http://www.elron.com)***

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