

## **TECHNOLOGY OF ELRON'S COMPANY, STARLING, TO BE INCORPORATED IN ANTENNAS AT ESTIMATED VALUE FOR STARLING OF \$60M**

Tel Aviv, Israel, Sept. 24, 2008 – **Elron Electronic Industries Ltd.** (NASDAQ: ELRN) (TASE: ELRN) ("Elron") highlighted today that group company *Starling Advanced Communications Ltd.* ("Starling", TASE: STLG, held 50% directly and indirectly), a developer and manufacturer of innovative airborne broadband antenna systems, announced that further to its announcement from July 24, 2008, an international communication service provider has signed a detailed non-binding agreement with EMS under which EMS is to supply the international communication service provider with two-way Ku band antenna systems for aircraft over a period of seven years.

The antenna systems to be supplied to the international communication service provider will incorporate Starling's technology pursuant to the agreement signed between Starling and EMS on May 7, 2008. Starling estimates the value of its share in the non-binding agreement, if fully executed, at approximately \$60 million. The international communication service provider anticipates that the first binding order, in which Starling's share will be approximately \$9 million, will take place by December 1, 2008. There can be no assurance that any purchase orders will be issued, including the anticipated first binding purchase order.

In light of the above, Starling announced that it has reached the milestone under which it may use the proceeds of the convertible interest-bearing debentures sold as part of its initial public offering in June of 2007, which are currently being held in trust, in the amount of approximately 41.2 million NIS (approximately \$11.7 million).

### **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](http://www.starling-com.com)

### **About Elron Electronic Industries**

Elron Electronic Industries Ltd., 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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***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 various risks and uncertainties, including among others 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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