
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F/A
Amendment No. (1)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF (1934)

For the fiscal year ended December 31, 2008

Commission File No. 0-11456

ELRON ELECTRONIC INDUSTRIES LTD.

(Exact name of Registrant as Specified in Its Charter and Translation of Registrant's Name Into English)

ISRAEL

(Jurisdiction of Incorporation or Organization)

3 Azrieli Center, 42nd Floor, Tel-Aviv, Israel 67023
(Address of Principal Executive Offices)

Rinat Remler, Telephone: (972) 3-607-5555, Facsimile: (972) 3-607-5556
3 Azrieli Center, 42nd Floor, Tel-Aviv, Israel 67023

(Name, Telephone, E-Mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class

Ordinary shares, nominal value 0.003 New Israeli Shekels per share

Name of each exchange on which registered

Nasdaq Global Select Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.
29,650,017

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

EXPLANATORY NOTE

This Form 20-F/A is being filed by Elron Electronic Industries Ltd. (the "Registrant") solely for the purpose of filing Exhibits 4.4, 4.5, 4.6 and 4.7 (the "Exhibits") to the Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 2008 (the "Form 20-F") filed with the Securities and Exchange Commission on June 29, 2009. Accordingly, this Form 20-F/A also includes Item 19 to the Form 20-F, in which the list of exhibits to the Form 20-F has been amended to reflect the filing of the Exhibits.

This Form 20-F/A consists of a cover page, this explanatory note, Item 19 (as amended) of the Form 20-F, the signature page, the Exhibits and the required certifications of the principal executive officer and principal financial officer of the Registrant.

Other than as expressly set forth above, this Form 20-F/A does not, and does not purport to, amend, update or restate the information in the Form 20-F or reflect any events that have occurred after the Form 20-F was filed.

PART III

Item 19. Exhibits

Exhibit No.	Exhibit
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| 1.1 | Articles of Association (English translation), consolidated version including amendments approved by the Company's shareholders on December 28, 2006, incorporated by reference to Exhibit 1.1 to the Company's Annual Report on Form 20-F for the year ended December 31, 2006, filed with SEC on June 27, 2007. |
| 1.2 | Memorandum of Association of Elron Electronic Industries Ltd., incorporated by reference to Exhibit 1.2 to the Company's Annual Report on Form 20-F for the year ended December 31, 2000, filed with the SEC on June 8, 2001. |
| 4.1 | Services Agreement dated as of March 19, 2009 by and between the registrant and Discount Investment Corporation Ltd., incorporated by reference to Exhibit 99.2 to Form 6-K, filed with the SEC on March 24, 2009. |
| 4.2 | Joint Venture Agreement, dated as of April 1993, among Discount Investment Corporation Ltd., PEC Israel Economic Corporation, Rafael Armament Development Authority Ltd. and Galram Technology Industries Limited ("Joint Venture Agreement"), incorporated by reference to Exhibit 10.4 to Amendment No. 5 to the Company's Registration Statement on Form F-4, filed with the SEC on March 14, 2002. |
| 4.3 | Amendment to Joint Venture Agreement, dated December 30, 2007, incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 20-F for the year ended December 31, 2007 filed with the SEC on June 30, 2008. |
| 4.4 | Credit Agreement dated May 15, 2008 with Israel Discount Bank Ltd., as amended (English summary).** |
| 4.5 | Loan Agreement dated October 30, 2008 with Discount Investment Corporation Ltd. (Translation to English).** |
| 4.6 | Loan Agreement dated January 15, 2009 with Discount Investment Corporation Ltd (Translation to English).** |
| 4.7 | Loan Agreement dated June 15, 2009 with Discount Investment Corporation Ltd (Translation to English).** |
| 8.1 | List of subsidiaries. |
| 11.1 | Code of Ethics, incorporated by reference to Exhibit 11.1 to the Company's Annual Report on Form 20-F, filed with the SEC on June 29, 2004. |
| 12.1 | Certification of the co-Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 12.2 | Certification of the co-Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 12.3 | Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 13.1 | Certification of the co-Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* |
| 13.2 | Certification of the co-Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* |
| 13.3 | Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* |
| 15.1 | Consent of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, for Elron Electronic Industries Ltd., dated June 25, 2009. |
| 15.2 | Consent of Somekh Chaikin, a member firm of KPMG International, for Given Imaging Ltd., dated June 25, 2009. |
| 15.3 | Consent of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, for NetVision Ltd., dated June 24, 2009. |

* This document is being furnished in accordance with SEC Release No. 33-8212 and 34-47551.

** Filed herewith.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Dated December 2, 2009

ELRON ELECTRONIC INDUSTRIES LTD.

By: /s/ Ari Bronshtein

Ari Bronshtein
Co-Chief Executive Officer

By: /s/ Zvi Slovin

Zvi Slovin
Co-Chief Executive Officer

By: /s/ Rinat Remler

Rinat Remler
Vice President & Chief Financial Officer

Summary of Material Terms of Credit Line Agreement with Israel Discount Bank Ltd and related Deed of Pledge

1. Credit Line Agreement

On May 15, 2008, Elron signed an agreement (the “**Credit Agreement**”) with Israel Discount Bank Ltd. (the “**Bank**”) to provide Elron Electronic Industries Ltd. (“**Elron**”) with a \$30 million credit line to be utilized within a period of 364 days from the date of the Agreement. During this period, Elron could draw down loans from the credit line for a three-year period bearing interest at a rate of three months LIBOR +1.3%. Elron agreed to pay the Bank during the term of the Agreement a fee equal to 0.24% per annum on all amounts not utilized under the credit line.

The full amount of the loans were drawn down in four installments, as follows: \$24 million on June 16, 2008, \$2 million on August 12, 2008, \$500,000 on September 9, 2008 and \$3.5 million on September 23, 2008. Each installment amount is required to be repaid within 36 months of the date of the applicable drawdown. The interest on each installment is payable in quarterly payments.

Elron may repay the loans early without penalty on any interest payment date.

The Credit Agreement contains events of default, upon the occurrence of which the Bank may demand immediate repayment of the outstanding balance of the loans. The events of default include a failure to repay one or more of the loan installments when due, upon liquidation or insolvency of Elron, the breach by Elron of its representations, warranties and covenants contained in the Agreement (upon the passage of applicable grace periods) and other customary events of default.

In the event of a breach of the Credit Agreement by Elron, in no way derogating from any other remedies available to the Bank, the interest will be increased by 2% per annum. In addition, the Bank shall be entitled to receive late payment interest in the event of a delay in payment of any amount owing to the Bank, in no way derogating from the Bank’s other rights or remedies.

As part of the Credit Agreement, Elron signed a written undertaking (“**Undertaking**”) committing to certain covenants including:

- (i) maintaining a ratio equal to the sum of (1) cash and cash equivalents, (2) the market value of holdings in public companies and (3) short term investments, to the total debt, as defined in the Credit Agreement (and which does not include loans from Elron’s largest shareholders, Discount Investment Corporation Ltd. (“**DIC**”)), which shall be not less than three; It should be noted that as of November 8, 2009, as a result of securing the loan with a pledge of shares held by Elron in Given Imaging Ltd. (see below under “Deed of Pledge”), Elron is no longer required to comply with this covenant.)
- (ii) obligating Elron to provide the Bank with any covenant, undertaking and/or lien of any kind, that may be provided to any other financial institution, all in equal parts, pari passu with such financial institution so that the Bank’s rights will not be harmed;
- (iii) obligating not to make, or agree to make, loans available to the Company’s shareholders and not to repay future loans to shareholders without the prior consent of the Bank, and moreover, any funds or loans granted or which may be granted to our shareholders shall be subordinated to any debt to or credit from the Bank; and
- (iv) obligating not to issue dividends to the Company’s shareholders without the prior written consent of the Bank.

Elron further covenanted in the Undertaking as follows:

- (i) the assets of Elron will always be owned free and clear except with the prior written consent of the Bank;
 - (ii) no pledge on all or part of the assets of Elron will be created without the Bank’s written consent;
 - (iii) no transaction or activity shall be conducted in connection with any assets of Elron and no rights to Elron’s assets shall be granted to any party and no assets of Elron shall be transferred or disposed of in any manner, without the prior consent of the Bank except for the sale of shares of Elron held companies in the ordinary course of business; and
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- (iv) In the event that Elron pledges or grants any other security of whatsoever nature or undertakes any financial condition not undertaken to the Bank, to any other financial institution, Elron will submit or obligate to the Bank, the same security or security having the same value or the same financial condition, to the satisfaction of the Bank in order to ensure the full repayment of Elron's liabilities to the Bank.

Elron further undertook to deliver quarterly and annual financial statements within five (5) business days of their publication as well as certain other reports and additional information in a format requested by the Bank.

In no way derogating from the events of default set forth in the Credit Agreement, the Undertaking also sets forth events of default entitling the Bank to demand immediate repayment, such as material breach by Elron of its representations, warranties and covenants contained in the Agreement or in the Undertaking.

The Undertaking is governed by Israeli law and the Tel Aviv Jaffa court has exclusive jurisdiction over all disputes arising in connection with the Undertaking.

All expenses, charges, taxes etc in connection with establishing the credit line will be on the account of Elron.

On February 4, 2009 further to the announcement by DIC that it was then examining different possibilities of going private transactions involving Elron, the Undertaking was amended to the effect that any transaction, decision, action relating to the foregoing shall not qualify as an event triggering immediate repayment of the loans provided that the IDB group of companies (IDB Development and its subsidiaries), directly and/or indirectly remains the "Controlling Person" as such term is defined in the Undertaking, after any such transaction.

On November 8, 2009, the Undertaking was further amended as follows:

- a. To guarantee the full and exact payment of all sums due and to be due the Bank from Elron in connection with the credit extended, Elron agreed to register a first ranking pledge to the Bank's benefit on 3,359,676 Given Imaging Ltd. shares held by Elron ("**Pledged Shares**") (See Deed of Pledge below).
 - b. Elron undertakes to maintain a ratio between the balance of the credit to the market value of the Pledged Shares of not more than 0.6 ("**minimum ratio**").
 - c. Notwithstanding the above, at such time as the minimum ratio exceeds 0.7 in relation to the credit balance ("**security irregularity**"), then Elron undertakes within 3 business days to pledge to the Bank's benefit such additional security as is satisfactory to the Bank to correct the minimum ratio or such other security as is acceptable to the Bank or immediate repayment of the loan, such that the security irregularity is removed.
 - d. If the security irregularity is not removed within such 3 business day period, the Bank shall have a claim to demand from Elron immediate repayment of the credit balance and Elron undertakes to act accordingly to repay such sum within 14 days from notice thereof.
 - e. In the event that the ratio between the credit balance and the market value of the Pledged Shares is less than 0.4 for a period of 30 consecutive business days, then the Bank shall agree to release such number of shares from the pledge such that the ratio shall be maintained at the minimum ratio.
 - f. Notwithstanding the above, Elron may provide, as an alternative security (in whole or in part) to the Pledged Shares, such other liquid assets, which are satisfactory to the Bank, and which are identical in value to the Pledged Shares and /or the value of the deviation from the securities amount, or in any other value as will be agreed with the Bank.
 - g. For the avoidance of doubt, Elron may sell or otherwise transact in the Pledged Shares at any time, provided it receives the Bank's prior written consent and provided further that the consideration received from any such sale will be utilized toward the repayment of the credit in proportion to the Pledged Shares sold or provided that Elron will provide an alternative liquid security equal in value to the Pledged Shares sold hereunder, or in any other value as will be agreed with the Bank.
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- h. Elron represented and covenanted throughout the period of the credit, to undertake and uphold the following conditions:
- (i) other than the Pledged Shares, Elron's assets shall remain unencumbered unless it obtains the prior written consent of the Bank;
 - (ii) unless it receives the prior written consent of the Bank, Elron will not create any lien or pledge on its assets, in whole or in part;
 - (iii) unless it receives the prior written consent of the Bank, Elron will not take any action regarding its assets and will not grant others rights in its assets, including to assign, sell, lease, rent or transfer any of its assets, other than the sale of shares of companies in its group in its ordinary course of business;
 - (iv) In the event that Elron places a lien or a charge or otherwise provides any financial covenants to any financial institution which it hasn't provided to the Bank under this letter of obligation, Elron will provide the same to the Bank, to the Bank's satisfaction, to guarantee the payment of all debt to the Bank.
- i. The failure of IDB Development Corporation Ltd to remain a "Controlling Person", as such term is defined in the Undertaking would constitute an event of default.

Sections omitted:

General miscellaneous provisions
LIBOR rate definition and general interest calculation provisions
Standard bank account conditions

2. Deed of Pledge:

The Deed of Pledge dated November 8, 2009 pertains to the Pledged Shares in favor of the Bank to secure the obligations of Elron under the Credit Agreement.

The Deed of Pledge sets forth the events of default upon which the pledge of the Pledged Shares may be enforced against Elron. The events of default include a failure to repay one or more of the loan installments when due, upon liquidation or insolvency of Elron, IDB Development Corporation Ltd no longer being a "Controlling Person", as such term is defined in the Undertaking, the breach by Elron of its representations, warranties and covenants contained in the Agreement (upon the passage of applicable grace periods), the passing of any resolution by the shareholders of Given Imaging which the Bank is of the opinion can adversely affect the ratio of the value of the Pledged Shares to the obligations of Elron under the Pledge Agreement, if the shares of Given Imaging cease to trade for seven consecutive days or are delisted from the stock exchange and other customary events of default

The Deed of Pledge sets forth customary representations and warranties of Elron in connection with the Pledged Shares.

In addition to the Pledge Shares, the Bank also has a lien over all moneys, assets, securities etc. due to Elron from the Bank or third parties, in connection with the Pledged Shares as security for all moneys owed by Elron to the Bank.

The Bank also has a right of set off of all moneys owed to Elron by the Bank.

Sections omitted:

Standard pledge terms
General miscellaneous provisions

Loan Agreement

Executed on October 30, 2008

Between:

Elron Electronic Industries Ltd.
Reg No. 520028036
3 Azrieli Center, Triangle Tower, 42nd Floor, Tel-Aviv, Israel
("the Borrower")

Of the first part;

And:

Discount Investment Corporation Ltd.
Reg No. 520023896
3 Azrieli Center, Triangle Tower, 44th Floor, Tel-Aviv, Israel
("the Lender")

Of the second part;

Whereas The Lender holds 49% of the issued and paid up share capital of the Borrower;

And whereas The Borrower has requested that the Lender provide the Borrower with a loan in an amount of the new Israeli shekels equivalent of six million US dollars (USD 6,000,000), under the terms set out in this Agreement;

And whereas The Lender is willing to provide such a loan to the Borrower.

Therefore the parties stipulated, agreed and declared the following:

1. Preamble, headings and definitions

- 1.1 The preamble to this agreement is an integral part thereof.
- 1.2 The division of this agreement into sections and the section headings are for purposes of convenience only and may not be used for purposes of interpretation.

2. Declaration of the Borrower

The Borrower hereby declares that:

- 2.1 The Borrower's authorized bodies have granted all of the approvals required under the Borrower's Articles of Association and according to law, to approve the Borrower's entering into this Agreement and to fulfill its obligations hereunder, all subject to the provisions of section 1C of the Companies Regulations (Relief in Transactions with Interested Parties), 5760-2000 ("the Relief Regulations").
- 2.2 The Borrower's entering into this agreement shall not constitute breach of any obligation or limitation in favor of any third party applicable to the Company.

3. Declaration of the Lender

The Lender hereby declares that the Lender's authorized entities have granted all of the approvals required, insofar as they are required, under the Lender's Articles of Association and in law, to approve the Lender's entering into this Agreement and to fulfill its obligations hereunder.

4. The loan

- 4.1 The Lender shall provide the Borrower, and the Borrower shall receive from the Lender, a loan in an amount of new Israeli shekels equivalent to six million US dollars (USD 6,000,000) at the representative exchange rate of the US dollar set by the Bank of Israel prior to the loan being provided to the Borrower ("the Loan Principal").

- 4.2 The Lender shall provide the Borrower, and the Borrower shall receive from the Lender, the Loan Principal on the first business day after the end of the period for filing an objection by the Lender's shareholders under section 1C of the Relief Regulations, provided no such objection has been filed. Should a shareholder file an objection, the Lender shall provide the Loan Principal to the Borrower on the first business day after the Lender's general meeting approves the Lender's entering into this Agreement, insofar as such approval is received.
- 4.3 The Lender shall provide the Borrower with the Loan Principal in one payment, by bank transfer to the account in the Borrower's name at Israel Discount Bank Ltd., branch 070, account number [_____] .
- 4.4 Providing the Loan Principal to the Borrower as set out in this Agreement is subject to fulfillment of all the provisions below:
- 4.4.1 The Borrower shall receive the consent of Israel Discount Bank Ltd. ("Discount Bank"), insofar as the Borrower requires such consent in respect of the engagement in this Agreement and fulfillment of its obligations thereunder, by the end of the period for filing an objection by the Borrower's shareholders under section 1C of the Relief Regulations, as set out in section 4.2 above.
- 4.4.2 Immediately before the Loan Principal is provided to the Borrower, the Borrower shall furnish the Lender with a written declaration that fulfillment of the Borrower's obligations under this Agreement shall not constitute any breach of any obligation or limitation in favor of any third party applicable to the Borrower.

5. Interest and linkage

- 5.1 The loan principal shall bear annual interest of 5.95%, and a proportionate amount of this percentage for part of a year, for the unpaid balance of the loan principal, from time to time, for the period from the date the loan is provided to the Borrower until its actual repayment ("the Interest"). The Borrower shall pay the Interest to the Lender at the payment date of the Loan Principal. If, at any date, only part of the Loan Principal is paid, the Borrower shall pay the Lender, at that date, the Interest accrued up to that date for the part of the Loan Principal that was paid.

- 5.2 The Loan Principal and Interest shall be linked to the consumer price index as follows:

"Base index" – The known consumer price index at the time the loan is provided to the Borrower

"Payment index" – The known consumer price index at the time any payment is made on account of the Loan Principal and/or the Interest

If, at a date of payment on account of the loan principal or interest, the payment index is higher than the base index, the Company shall pay the Loan Principal or Interest, which will be increased pro rata to the rise in the payment index compared to the base index. However, if the payment index at that date is the same as or lower than the base index, then the payment index will be the same as the base index.

The Loan Principal and Interest, including linkage terms of the loan principal and interest, shall be referred to jointly as "the Loan".

- 5.3 Interest for delay

If the Borrower is in arrears in the payment of any amount due to the Lender, under this Agreement, beyond the payment date fixed in this Agreement, interest for delay shall be added to the amount in arrears at the maximum rate of interest for delay acceptable at Discount Bank, as it shall be from time to time, for loans linked to the consumer price index ("Interest for Delay").

6. Repayment of the loan

- 6.1 The Loan shall be repaid in one payment on September 24, 2011 (“the Payment Date of the Borrower’s Loans to Discount”) or on another date when the Borrower shall repay its loans from Discount Bank, whichever date is earlier. It is hereby clarified that should Discount Bank postpone the payment date of the Borrower’s loans to Discount Bank, the payment date of the loan in this Agreement shall be postponed accordingly.
- 6.2 The Borrower shall repay the Loan, as set out in section 6, by bank transfer, to the account in the Lender’s name at Discount Bank, Main Branch, Tel Aviv (10), account number [].
- 6.3 Prepayment

Notwithstanding the aforesaid in section 6.1 above, the Borrower may prepay all or part of the Loan, subject to irrevocable written notice to the Lender, submitted at least 14 days prior to the prepayment date, regarding the Borrower’s intention to prepay the Loan, stipulating the amount that will be prepaid and the payment date. Such prepayment requires prior written consent from Discount Bank.

7. Subordination

The Lender hereby agrees that the Loan in this Agreement shall be subordinate to the Borrower’s loans to Discount Bank.

8. Immediate payment

Without derogating from the generality of the provisions in this Agreement, the Lender may, in any of the events set out below and at its sole discretion, call for immediate payment of the Loan. In this case, the Borrower shall pay the Lender the entire outstanding balance of the loan (including interest and linkage differences accrued up to the actual payment date), provided the Lender provides the Borrower with 14 days written notice. The events are as follows:

- 8.1 The Borrower or its wholly-owned subsidiary receives notice from any creditor that there is cause, under agreements between the creditor and the Borrower or its wholly-owned subsidiary, as the case may be, to demand early and/or immediate payment of the debt that the Borrower or its wholly-owned subsidiary owes the creditor, which is material to the Borrower.
- 8.2 The Borrower breaches any of its material obligations under this Agreement and/or it emerges that any of its declarations are incorrect.
- 8.3 A motion is filed in court against the Borrower or a company held by the Borrower, which is material to the Borrower (“the Material Company”), for a stay of proceedings under section 350 of the Companies Law or under any other law in its place, and this motion is not removed within 45 days after it was filed or there is a stay of proceedings against the Borrower or the Material Company.
- 8.4 An application is filed in court against the Borrower or the Material Company for liquidation or for the appointment of a temporary or permanent receiver and this application is not revoked within 45 days after it is filed, or the court appoints a receiver for the Borrower or the Material Company.
- 8.5 An application is filed in court against the Borrower or the Material Company for the appointment of a receiver or a temporary or permanent special administrator, for all of the assets, or for a material part of the assets of the Borrower or the Material Company and this application is not revoked within 45 days after it is filed, or the court appoints a receiver or special administrator for all of the assets, or for a material part of the assets, of the Borrower or the Material Company.
- 8.6 An application is filed in court to place an attachment on or to take possession of material property of the Borrower or the Material Company and this application is not revoked within 45 days after it is filed.

9. General

- 9.1 Any change and/or addition to this Agreement shall only be valid if made in writing, signed by all the parties to this Agreement and approved by the authorized entities of the parties as required under their articles of association and in law.
- 9.2 The Borrower shall pay the Lender the addition of VAT by law for any amount that the Borrower owes or shall owe the Lender under this Agreement, at least two business days prior to the last date for payment of VAT to the tax authorities. The Lender shall provide the Borrower with an appropriate tax invoice for any VAT due to be paid by the Borrower as set out above.
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- 9.3 Each of the parties undertakes to sign any document and/or form that may be required and to carry out any action that may be required to fulfill the provisions of this Agreement.
- 9.4 Notices according to or in respect of this Agreement shall be submitted in writing and signed by the submitter of the notice, or by any person certified to sign on their behalf. Written notice sent by one party to this Agreement to another (to the address set out in the preamble to this Agreement, or to another address in Israel as notified by one party to the other under the provisions of this section), shall be considered as having been received by the party to which the notice was sent, on the second regular working day after posting by registered mail, and on the first regular working day after sending the notice by fax (provided the sending party produces confirmation of transmission).
- 9.5 Should the date of any payment under this Agreement fall on a day other than a business day (a day when banks in Israel are open to the public for business), the payment date shall be postponed to the first business day following this date.
- 9.6 This Agreement, and everything contained herein shall be subject to the laws of the State of Israel and any dispute arising in respect of the implementation or consequences of this Agreement shall be presented and determined solely by the competent court in Tel Aviv, whose sole jurisdiction is agreed upon by the parties.

[The remainder of this page is intentionally blank. The signatures appear on the following page.]

In witness whereof, the parties affix their signatures below:

(signed)

Elron Electronic Industries Ltd.

(signed)

Discount Investment Corporation Ltd.

Loan Agreement

Executed on January 15, 2009

Between:

Elron Electronic Industries Ltd.
Reg No. 520028036
3 Azrieli Center, Triangle Tower, 42nd Floor, Tel-Aviv, Israel
("the Borrower")

Of the first part;

And:

Discount Investment Corporation Ltd.
Reg No. 520023896
3 Azrieli Center, Triangle Tower, 44th Floor, Tel-Aviv, Israel
("the Lender")

Of the second part;

Whereas The Lender holds 49% of the issued and paid up share capital of the Borrower;

And whereas The Lender has provided the Borrower with a loan in an amount of the new Israeli shekels equivalent of six million US dollars (USD 6,000,000), pursuant to the agreement entered into between the parties on October 30, 2008;

And whereas The Borrower has requested that the Lender provide the Borrower with an additional loan in an amount of the new Israeli shekels equivalent of two million US dollars (USD 2,000,000), under the terms set out in this Agreement;

And whereas The Lender is willing to provide such a loan to the Borrower.

Therefore the parties stipulated, agreed and declared the following:

1. Preamble, headings and definitions

1.1 The preamble to this agreement is an integral part thereof.

1.2 The division of this agreement into sections and the section headings are for purposes of convenience only and may not be used for purposes of interpretation.

2. Declaration of the Borrower

The Borrower hereby declares that:

2.1 The Borrower's authorized bodies have granted all of the approvals required under the Borrower's Articles of Association and according to law, to approve the Borrower's entering into this Agreement and to fulfill its obligations hereunder, all subject to the provisions of section 1C of the Companies Regulations (Relief in Transactions with Interested Parties), 5760-2000 ("the Relief Regulations").

2.2 The Borrower's entering into this agreement shall not constitute breach of any obligation or limitation in favor of any third party applicable to the Company.

3. Declaration of the Lender

The Lender hereby declares that the Lender's authorized entities have granted all of the approvals required, insofar as they are required, under the Lender's Articles of Association and in law, to approve the Lender's entering into this Agreement and to fulfill its obligations hereunder.

4. The loan

- 4.1 The Lender shall provide the Borrower, and the Borrower shall receive from the Lender, a loan in an amount of new Israeli shekels equivalent to two million US dollars (USD 2,000,000) at the representative exchange rate of the US dollar set by the Bank of Israel prior to the loan being provided to the Borrower ("the Loan Principal").
- 4.2 The Lender shall provide the Borrower, and the Borrower shall receive from the Lender, the Loan Principal on the first business day after the end of the period for filing an objection by the Lender's shareholders under section 1C of the Relief Regulations, provided no such objection has been filed. Should a shareholder file an objection, the Lender shall provide the Loan Principal to the Borrower on the first business day after the Lender's general meeting approves the Lender's entering into this Agreement, insofar as such approval is received.
- 4.3 The Lender shall provide the Borrower with the Loan Principal in one payment, by bank transfer to the account in the Borrower's name at Israel Discount Bank Ltd., branch 070, account number [_____] .
- 4.4 Providing the Loan Principal to the Borrower as set out in this Agreement is subject to fulfillment of all the provisions below:
 - 4.4.1 Immediately before the Loan Principal is provided to the Borrower, the Borrower shall furnish the Lender with a written declaration that fulfillment of the Borrower's obligations under this Agreement shall not constitute any breach of any obligation or limitation in favor of any third party applicable to the Borrower.

5. Interest and linkage

- 5.1 The loan principal shall bear annual interest of 5.50%, and a proportionate amount of this percentage for part of a year, for the unpaid balance of the loan principal, from time to time, for the period from the date the loan is provided to the Borrower until its actual repayment ("the Interest"). The Borrower shall pay the Interest to the Lender at the payment date of the Loan Principal. If, at any date, only part of the Loan Principal is paid, the Borrower shall pay the Lender, at that date, the Interest accrued up to that date for the part of the Loan Principal that was paid.
- 5.2 The Loan Principal and Interest shall be linked to the consumer price index as follows:

"**Base index**" – The known consumer price index at the time the loan is provided to the Borrower

"**Payment index**" – The known consumer price index at the time any payment is made on account of the Loan Principal and/or the Interest

If, at a date of payment on account of the loan principal or interest, the payment index is higher than the base index, the Company shall pay the Loan Principal or Interest, which will be increased pro rata to the rise in the payment index compared to the base index. However, if the payment index at that date is the same as or lower than the base index, then the payment index will be the same as the base index.

The Loan Principal and Interest, including linkage terms of the loan principal and interest, shall be referred to jointly as "the Loan".

- 5.3 Interest for delay

If the Borrower is in arrears in the payment of any amount due to the Lender, under this Agreement, beyond the payment date fixed in this Agreement, interest for delay shall be added to the amount in arrears at the maximum rate of interest for delay acceptable at Discount Bank, as it shall be from time to time, for loans linked to the consumer price index ("Interest for Delay").

9. General

- 9.1 Any change and/or addition to this Agreement shall only be valid if made in writing, signed by all the parties to this Agreement and approved by the authorized entities of the parties as required under their Articles of Association and in law.
- 9.2 The Borrower shall pay the Lender the addition of VAT by law for any amount that the Borrower owes or shall owe the Lender under this Agreement, at least two business days prior to the last date for payment of VAT to the tax authorities. The Lender shall provide the Borrower with an appropriate tax invoice for any VAT due to be paid by the Borrower as set out above.
- 9.3 Each of the parties undertakes to sign any document and/or form that may be required and to carry out any action that may be required to fulfill the provisions of this Agreement.
- 9.4 Notices according to or in respect of this Agreement shall be submitted in writing and signed by the submitter of the notice, or by any person certified to sign on their behalf. Written notice sent by one party to this Agreement to another (to the address set out in the preamble to this Agreement, or to another address in Israel as notified by one party to the other under the provisions of this section), shall be considered as having been received by the party to which the notice was sent, on the second regular working day after posting by registered mail, and on the first regular working day after sending the notice by fax (provided the sending party produces confirmation of transmission).
- 9.5 Should the date of any payment under this Agreement fall on a day other than a business day (a day when banks in Israel are open to the public for business), the payment date shall be postponed to the first business day following this date.
- 9.6 This Agreement, and everything contained herein shall be subject to the laws of the State of Israel and any dispute arising in respect of the implementation or consequences of this Agreement shall be presented and determined solely by the competent court in Tel Aviv, whose sole jurisdiction is agreed upon by the parties.

[The remainder of this page is intentionally blank. The signatures appear on the following page.]

In witness whereof, the parties affix their signatures below:

(signed)

Elron Electronic Industries Ltd.

(signed)

Discount Investment Corporation Ltd.

Loan Agreement

Executed on June 15, 2009

Between:

Elron Electronic Industries Ltd.
Reg No. 520028036
3 Azrieli Center, Triangle Tower, 42nd Floor, Tel-Aviv, Israel
("the Borrower")

Of the first part;

And:

Discount Investment Corporation Ltd.
Reg No. 520023896
3 Azrieli Center, Triangle Tower, 44th Floor, Tel-Aviv, Israel
("the Lender")

Of the second part;

Whereas The Lender holds 49% of the issued and paid up share capital of the Borrower;

And whereas The Lender has provided the Borrower with a loan in an amount of the new Israeli shekels equivalent of six million US dollars (USD 6,000,000), pursuant to the agreement entered into between the parties on October 30, 2008, and a second loan in an amount of the new Israeli shekels equivalent of two million US dollars (USD 2,000,000), pursuant to the agreement entered into between the parties on January 15, 2009;

And whereas The Borrower has requested that the Lender provide the Borrower with an additional loan in an amount of the new Israeli shekels equivalent of seven million US dollars (USD 7,000,000), under the terms set out in this Agreement;

And whereas The Lender is willing to provide such a loan to the Borrower.

Therefore the parties stipulated, agreed and declared the following:

1. Preamble, headings and definitions

1.1 The preamble to this agreement is an integral part thereof.

1.2 The division of this agreement into sections and the section headings are for purposes of convenience only and may not be used for purposes of interpretation.

2. Declaration of the Borrower

The Borrower hereby declares that:

2.1 The Borrower's authorized bodies have granted all of the approvals required under the Borrower's Articles of Association and according to law, to approve the Borrower's entering into this Agreement and to fulfill its obligations hereunder, all subject to the provisions of section 1C of the Companies Regulations (Relief in Transactions with Interested Parties), 5760-2000 ("the Relief Regulations").

2.2 The Borrower's entering into this agreement shall not constitute breach of any obligation or limitation in favor of any third party applicable to the Borrower.

3. Declaration of the Lender

The Lender hereby declares that the Lender's authorized entities have granted all of the approvals required, insofar as they are required, under the Lender's Articles of Association and in law, to approve the Lender's entering into this Agreement and to fulfill its obligations hereunder.

4. The loan

- 4.1 The Lender shall provide the Borrower, and the Borrower shall receive from the Lender, a loan in an amount of new Israeli shekels equivalent to seven million US dollars (USD 7,000,000) at the representative exchange rate of the US dollar set by the Bank of Israel prior to the loan being provided to the Borrower ("the Loan Principal").
- 4.2 The Lender shall provide the Borrower, and the Borrower shall receive from the Lender, the Loan Principal on the first business day after the end of the period for filing an objection by the Lender's shareholders under section 1C of the Relief Regulations, provided no such objection has been filed. Should a shareholder file an objection, the Lender shall provide the Loan Principal to the Borrower on the first business day after the Lender's general meeting approves, according to law, the Lender's entering into this Agreement, insofar as such approval is received.
- 4.3 The Lender shall provide the Borrower with the Loan Principal in one payment, by bank transfer to the account in the Borrower's name at Israel Discount Bank Ltd. ("Discount Bank"), branch 070, account number [_____].
- 4.4 Providing the Loan Principal to the Borrower as set out in this Agreement is subject to fulfillment of the provision below:

Immediately before the Loan Principal is provided to the Borrower, the Borrower shall furnish the Lender with a written declaration that fulfillment of the Borrower's obligations under this Agreement shall not constitute any breach of any obligation or limitation in favor of any third party applicable to the Borrower.

5. Interest and linkage

- 5.1 The loan principal shall bear annual interest of 3.23%, and a proportionate amount of this percentage for part of a year, for the unpaid balance of the loan principal, from time to time, for the period from the date the loan is provided to the Borrower until its actual repayment ("the Interest"). The Borrower shall pay the Interest to the Lender at the payment date of the Loan Principal. If, at any date, only part of the Loan Principal is paid, the Borrower shall pay the Lender, at that date, the Interest accrued up to that date for the part of the Loan Principal that was paid.
- 5.2 The Loan Principal and Interest shall be linked to the consumer price index as follows:

"Base index" – The known consumer price index at the time the loan is actually provided to the Borrower

"Payment index" – The known consumer price index at the time any payment is made on account of the Loan Principal and/or the Interest

If, at a date of payment on account of the loan principal or interest, the payment index is higher than the base index, the Company shall pay the Loan Principal or Interest, which will be increased pro rata to the rise in the payment index compared to the base index. However, if the payment index at that date is the same as or lower than the base index, then the payment index will be the same as the base index.

The Loan Principal and Interest, including linkage terms of the loan principal and interest, shall be referred to jointly as "the Loan".

- 5.3. Interest for delay

If the Borrower is in arrears in the payment of any amount due to the Lender, under this Agreement, beyond the payment date fixed in this Agreement, interest for delay shall be added to the amount in arrears at the maximum rate of interest for delay acceptable at Discount Bank, as it shall be from time to time during the period of the delay as aforesaid, for loans linked to the consumer price index ("Interest for Delay").

6. Repayment of the loan

- 6.1 The Loan shall be repaid in one payment on September 24, 2011 (“the Payment Date of the Borrower’s Loans to Discount”) or on another date when the Borrower shall repay its loans from Discount Bank, whichever date is earlier. It is hereby clarified that should Discount Bank postpone the payment date of the Borrower’s loans to Discount Bank, the payment date of the loan in this Agreement shall be postponed accordingly.
- 6.2 The Borrower shall repay the Loan, as set out in section 6, by bank transfer, to the account in the Lender’s name at Discount Bank, Main Branch, Tel Aviv (10), account number [].
- 6.3 Prepayment

Notwithstanding the aforesaid in section 6.1 above, the Borrower may prepay all or part of the Loan, subject to irrevocable written notice to the Lender, submitted at least 14 days prior to the prepayment date, regarding the Borrower’s intention to prepay the Loan, stipulating the amount that will be prepaid and the payment date. Such prepayment requires prior written consent from Discount Bank.

7. Subordination

The Lender hereby agrees that the Loan in this Agreement shall be subordinate to the Borrower’s loans to Discount Bank.

8. Immediate payment

Without derogating from the generality of the provisions in this Agreement, the Lender may, in any of the events set out below and at its sole discretion, call for immediate payment of the Loan. In this case, the Borrower shall pay the Lender the entire outstanding balance of the Loan (including interest and linkage differences accrued up to the actual payment date), as well as all amounts whose payment date has not yet arrived which the Borrower owes at the time with respect to any other loan which the Borrower has received and/or will receive from the Lender, provided the Lender provides the Borrower with 14 days written notice. The events are as follows:

- 8.1 The Borrower or its wholly-owned subsidiary receives notice from any creditor that there is cause, under agreements between the creditor and the Borrower or its wholly-owned subsidiary, as the case may be, to demand early and/or immediate payment of the debt that the Borrower or its wholly-owned subsidiary owes the creditor, which is material to the Borrower.
- 8.2 The Borrower breaches any of its material obligations under this Agreement and/or it emerges that any of its declarations are incorrect.
- 8.3 A motion is filed in court against the Borrower or a company held by the Borrower, which is material to the Borrower (“the Material Company”), for a stay of proceedings under section 350 of the Companies Law or under any other law in its place, and this motion is not removed within 45 days after it was filed or there is a stay of proceedings against the Borrower or the Material Company.
- 8.4 An application is filed in court against the Borrower or the Material Company for liquidation or for the appointment of a temporary or permanent receiver and this application is not revoked within 45 days after it is filed, or the court appoints a receiver for the Borrower or the Material Company.
- 8.5 An application is filed in court against the Borrower or the Material Company for the appointment of a receiver or a temporary or permanent special administrator, for all of the assets, or for a material part of the assets of the Borrower or the Material Company and this application is not revoked within 45 days after it is filed, or the court appoints a receiver or special administrator for all of the assets, or for a material part of the assets, of the Borrower or the Material Company.
- 8.6 An application is filed in court to place an attachment on or to take possession of material property of the Borrower or the Material Company and this application is not revoked within 45 days after it is filed, or an authorized authority places an attachment order on or authorizes taking possession of material property of the Borrower as aforesaid.
- 8.7 The Borrower ceases to be controlled by the Lender: “Controlled” as such term is defined by the Companies Law 5759-1999.
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9. General

- 9.1 Any change and/or addition to this Agreement shall only be valid if made in writing, signed by all the parties to this Agreement and approved by the authorized entities of the parties as required under their articles of association and in law.
- 9.2 The Borrower shall pay the Lender the addition of VAT by law for any amount that the Borrower owes or shall owe the Lender under this Agreement, at least two business days prior to the last date for payment of VAT to the tax authorities. The Lender shall provide the Borrower with an appropriate tax invoice for any VAT due to be paid by the Borrower as set out above.
- 9.3 Each of the parties undertakes to sign any document and/or form that may be required and to carry out any action that may be required to fulfill the provisions of this Agreement.
- 9.4 Notices according to or in respect of this Agreement shall be submitted in writing and signed by the submitter of the notice, or by any person certified to sign on their behalf. Written notice sent by one party to this Agreement to another (to the address set out in the preamble to this Agreement, or to another address in Israel as notified by one party to the other under the provisions of this section), shall be considered as having been received by the party to which the notice was sent, on the second regular working day after posting by registered mail, and on the first regular working day after sending the notice by fax (provided the sending party produces confirmation of transmission), or if hand delivered to the party's address, as aforesaid.
- 9.5 Should the date of any payment under this Agreement fall on a day other than a business day (a day when banks in Israel are open to the public for business), the payment date shall be postponed to the first business day following this date.
- 9.6 This Agreement, and everything contained herein shall be subject to the laws of the State of Israel and any dispute arising in respect of the implementation or consequences of this Agreement shall be deliberated and determined solely by the competent court in Tel Aviv, whose sole jurisdiction is agreed upon by the parties.

[The remainder of this page is intentionally blank. The signatures appear on the following page.]

In witness whereof, the parties affix their signatures below:

(signed)

Elron Electronic Industries Ltd.

(signed)

Discount Investment Corporation Ltd.

**CERTIFICATION OF THE CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ari Bronshtein, certify that:

1. I have reviewed this annual report on Form 20-F/A of Elron Electronic Industries Ltd. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: December 2, 2009

/s/ Ari Bronshtein

Ari Bronshtein
Co-Chief Executive Officer
(principal executive officer)

**CERTIFICATION OF THE CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Zvi Slovin, certify that:

1. I have reviewed this annual report on Form 20-F of Elron Electronic Industries Ltd. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: December 2, 2009

/s/ Zvi Slovin

Zvi Slovin
Co-Chief Executive Officer
(principal executive officer)

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Rinat Remler, certify that:

1. I have reviewed this annual report on Form 20-F of Elron Electronic Industries Ltd. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: December 2, 2009

/s/ Rinat Remler

Rinat Remler
Vice President and Chief Financial Officer
(principal financial officer)