

**-FOR IMMEDIATE RELEASE -**

**Tel Aviv, Israel – February 11, 2010- Elron Electronic Industries Ltd. (TASE: ELRN)** today announced that Elron, together with other shareholders of Teledata Networks Ltd ("Teledata"), have commenced negotiations for the sale, by way of merger, of all of the outstanding shares of Teledata to a foreign (non-Israeli) publicly traded company. Elron holds 21% of Teledata.

If completed, the aggregate consideration from this transaction is estimated, at this stage, at approximately US\$50 million, payable partly in cash, partly in bonds and partly in stock of the acquirer. Elron's share of the consideration from the transaction will be determined following discussions with other Teledata shareholders.

The completion of the transaction is subject, inter alia, to due diligence regarding the acquirer to the sellers' satisfaction, the completion of negotiations, the execution of a definitive agreement and obtaining of the necessary regulatory and other approvals. Accordingly, there is no assurance that the negotiations will lead to the execution of a definitive agreement or that the transaction will be completed.

***Elron Electronic Industries Ltd. (TASE: ELRN), a member of the IDB Holding group, is a technology holding company listed on the Tel-Aviv Stock Exchange. Elron's group companies currently comprise public and privately held companies engaged in a diverse range of technological activities. These companies, at various levels of maturity and progress, are primarily in the fields of medical devices, information & communications technology and clean technology, and have the potential to be technology leaders, each in their respective fields. Elron focuses on identifying and developing unique technology companies. Current group companies include Given Imaging, Medingo, BrainsGate, NuLens, Aqwise and Starling, and in the past included Elbit Systems, NetVision and Partner Communications. For further information, please visit [www.elron.com](http://www.elron.com).***

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*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. These risks are detailed from time to time in the Company's Annual Report on Form 20-F and other periodic reports filed by the Company with the Securities and Exchange Commission and the Israeli Securities Authority, which the Company urges investors to consider. Elron assumes no obligation to update the information in this press release and disclaims any obligation to publicly update or revise any such forward-looking statements to reflect any change in its expectations or in events, conditions, or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements. Reference to Elron's website above does not constitute incorporation of any of the information thereon into this press release.*