

Report Filed with Israeli Securities Authority on March 18, 2010

Payment of a Bonus to Ari Bronshtein, the Company's Co-CEO, for the Year 2009

Payment of a special bonus in the amount of NIS492,000 (currently approximately \$132,000) to the Officer was approved for his intensive activities and special efforts for the benefit of the Company during the past year in his capacity as co-Chief Executive Officer, and mainly for his contribution to the significant decrease in the Company's losses, the sale of the Company's holdings in NetVision, and the advancement of Elron's group companies' businesses. The amount of the bonus is reasonable.

It should be noted that in accordance with the Services Agreement with Discount Investment Corporation Ltd. ("DIC") which was approved by the Company's shareholders on April 22, 2009 ("Services Agreement"), the Officer's salary is paid not by the Company, but rather by DIC. The bonus was approved and granted by the Company and actually paid through DIC in accordance with the Services Agreement

Payment of a Bonus to Zvi Slovin, the Company's Co-CEO, for the Year 2009

Payment of a special bonus in the amount of NIS552,000 (currently approximately \$148,000) to the Officer was approved for his intensive activities and special efforts for the benefit of the Company during the past year in his capacity as co-Chief Executive Officer, and mainly for his contribution to the significant decrease in the Company's losses, and the advancement of Elron's group companies' businesses. The amount of the bonus is reasonable.

It should be noted that in accordance with the Services Agreement with DIC, the Officer's salary is paid not by the Company, but rather by DIC. The bonus was approved and granted by the Company and actually paid through DIC in accordance with the Services Agreement.

Payment of a Bonus to Arie Mientkavich, the Company's Chairman of the Board of Directors, for the Year 2009

Payment of a special bonus in the amount of NIS950,000 (currently approximately \$255,000) to the Officer was approved, subject to the approval of the Company's shareholders, for his special contribution and activities during the past year in his capacity as Chairman of the Board of Directors, and mainly for leading the Company in its efforts to significantly decrease its losses, and in its efforts to sell the Company's holdings in NetVision. In addition, the Officer led the Company's intensive efforts to increase its managerial inputs and investment in certain of its group companies. Mr. Mientkavich also led the Company's efforts to reduce its corporate expenses as part of the implementation of the Services Agreement. The bonus is equivalent to 7.9 times the Officer's monthly salary during the year 2009. The amount of the bonus is reasonable.