

ELECTRONICS LINE 3000 LTD.
(“Company”)
14 Hachoma Street, Rishon LeZion, Israel
Telephone: +972-3- 9637777, Fax: +972-3-9616584
www.electronics-line.com

NOTICE OF AN ANNUAL GENERAL MEETING OF SHAREHOLDERS

Rishon LeZion, Israel
May 11, 2011

Dear Shareholder,

You are hereby invited to attend the Annual General Meeting of Shareholders (“the Meeting”) of Electronics Line 3000 Ltd. (the “Company”) to be held at 14:30 on Thursday, June 16, 2011, at the Company’s offices at 14 Hachoma Street, Rishon LeZion, Israel.

The purpose of this Meeting is set forth in the accompanying “Statement of the Company” for voting by means of Proxy. For the reasons set forth in the Statement of the Company, the Company's Board of Directors recommends that you vote "FOR" the proposals set forth and specified on the enclosed form for voting by means of Proxy (Attachment B).

A copy of the Proxy is also available on the Company’s web site: www.electronics-line.com

The determining date with regard to the eligibility of shareholders to vote at the Meeting, as stated in Section 182 of the Israeli *Companies Law, 1999*, is the end of the day of trading in Frankfurt, Germany, the exchange on which the shares of the Company are traded, on May 18, 2011. If no trading of the Company’s shares takes place on such date the determining date shall be the last day of trading preceding such date (“Record Date”).

Shareholders, whose shares are securitized by a global share certificate deposited at Clearstream Banking AG, and who wish to exercise their voting rights, may choose one of the following two alternative voting procedures approved by a recognized financial institution:

1. To send their Ownership Certificate in the form attached hereto as Attachment A (“Ownership Certificate”) confirming their ownership of shares of the Company on the Record Date approved by a recognized financial institution together with the notice of appointment and instructions for voting by means of Proxy in the form attached hereto as Attachment B (“Proxy”) directly to the Company. The Ownership Certificate and the Proxy must be received by the Company at its offices no later than 48 hours before the Meeting, via the Company’s fax number, +972-3-9616584 or mail as an alternative, or
2. To send their Ownership Certificate approved by a recognized financial institution together with the notice of appointment and instructions for voting by means of Proxy via their depository bank to BANKHAUS NEELMEYER AG, Am Markt 14-16, 28195 Bremen, GERMANY, fax number +49-(0) 421-3603-153, no later than 48 hours before the Meeting. BANKHAUS NEELMEYER AG will forward the shareholders’ Proxies together with the Ownership Certificate to the Company.

Shareholders who wish to vote in person shall arrive the Meeting at the said time and place with their original Ownership Certificate, provided that they have delivered their Ownership Certificate approved by a recognized financial institution directly to the Company and that their Ownership Certificate was received by the Company at its offices no later than 48 hours before the Meeting, via the said Company’s fax number or mail as an alternative.

By Order of the Board,

Mr. Moshe Alkelai
Chairman of the Board

ELECTRONICS LINE 3000 LTD.
STATEMENT OF THE COMPANY

The enclosed Statement is solicited on behalf of the Board of Directors (the "Board") of Electronics Line 3000 Ltd. (the "Company") for use at the Company's Annual General Meeting of Shareholders (the "Meeting") to be held at 14:30 on Thursday, June 16, 2011, at the Company's offices at 14 Hachoma Street, Rishon LeZion, Israel or at any adjournment or postponement thereof, for the purposes set forth herein.

It is proposed that at the Meeting, the shareholders of the Company ("Shareholders") approve the following resolutions:

- (1) To re-appoint Mr. Moshe Alkelai, Mr. Yigal Fatran, Ms. Mazal Alkelai and Mr. Lior Meidan to continue to serve as directors of the Company until the next Annual General Meeting.
- (2) To re-appoint the accounting firm of Kost, Forer, Gabbay & Kasierer (Ernst & Young Group), as the Company's auditor until the next Annual Meeting, and to authorize the Board to determine the auditor's fees.
- (3) To enter into an Outsourcing Services Agreement ("OSA") for the provision of R&D services ("Services") by Sogodi Ltd. ("Sogodi"), a Bulgarian company controlled by Mr. Moshe Alkelai (as further detailed below), to the Company. Currently, the Company receives the Services of Sogodi through a non related third party with whom the Company has an agreement and which has a back-to-back agreement with Sogodi for this purpose. The Company wishes to simplify the contractual structure by entering a direct agreement with Sogodi. Whereas until recently Sogodi was owned by a trust company, the beneficiary shareholder of which was unknown, Mr. Moshe Alkelai, the Chairman of the Board of the Company, and also the Chairman and controlling shareholder of Risco Ltd. ("Risco"), the controlling shareholder of the Company, acquired 100% of the beneficiary shareholding in the trust company controlling Sogodi, by which becoming the beneficiary owner of Sogodi.

The material principals of the OSA and the mechanisms for remuneration for the services provided pursuant thereto are as follows:

- The Company, in its sole discretion shall have the right to receive from Sogodi the Services for the development of its current and future products. Remuneration for the Services shall be on Time and Material basis and in accordance with arm's length basis.
- Terms of payment will be current plus 15 days.
- The OSA shall be in effect for a term of 3 years. After the lapse of 12 months from its effectuation date, either party may terminate it on a 6 month notice.
- The OSA shall be governed by the Israeli Law and exclusive venue shall be of the competent courts of Tel Aviv.

The execution of the OSA shall be reviewed by the Company's Audit Committee periodically and no less than every 12 months.

- (4) To discuss the Company's 2010 financial reports and the Board's report on the annual business affairs of the Company for 2010.

The Board decided, after due consideration, for the benefit of the Company's growth, that for the fiscal year 2010, no dividends will be paid.

The approval of proposals 1 and 2 requires the affirmative vote of at least a majority of the votes of shareholders present and voting at the Meeting in person or by proxy.

The approval of proposal 3 requires the affirmative vote of at least a majority of the votes of shareholders who participate in the voting at the Meeting in person or by proxy. In addition, such majority must include one of the following:

- (a) At least one half (1/2) of shareholders present at the time of voting, who do not have personal interest in the resolution or representatives of such persons; in counting the total votes of such shareholders, abstentions shall not be taken into account;
- (b) The total number of votes of the shareholders mentioned in clause (a) above that vote against such proposal does not exceed two percent (2%) of the total voting rights in the Company.

Only shareholders of record at the close of business on the Record Date will be entitled to a notice of and to vote at the Meeting, provided that such shareholders sent their Ownership Certificate and Proxy to the offices of the Company, no later than 48 hours before the Meeting, as detailed in the notice.

Shareholders may revoke the authority granted by their execution of proxies at any time before the effective exercise thereof, by filing with the Company a written notice of revocation or a duly executed proxy bearing a later date, or by voting in person at the Meeting.

In order for there to be a legal quorum at the Meeting, there must be present, in person or by proxy, no less than two (2) shareholders holding or representing at least one-quarter (1/4) of the voting rights in the Company. If after half an hour of the commencement of the Meeting no legal quorum is present, the Meeting will automatically be adjourned for one week and shall reconvene at the same time and location, unless notified otherwise by the Board. At such adjourned Meeting the same agenda will be applicable and the legal quorum will be two (2) shareholders.

The share capital of the Company at the point of time of the notice of the Annual General Meeting of Shareholders is NIS (New Israeli Shekel) 68,564,240 and is divided into 13,712,848 ordinary shares. The total number of voting rights at the point of time of notice of the Annual General Meeting of Shareholders is 13,712,848.

The financial statements of the financial year 2010 can be downloaded from the web site of the Company (www.electronics-line.com). The financial statements are also available during business hours in the office of the Company at 14 Hachoma St., Rishon Lezion, Israel and can be reviewed by the shareholders during the annual general meeting. Copies of the financial statements will be made available to the shareholders on demand free of charge.

ITEM 1 –REAPPOINTMENT OF DIRECTORS

The Board has recommended re-appointing Mr. Moshe Alkelai, Mr. Yigal Fatran, Ms. Mazal Alkelai and Mr. Lior Meidan, as Directors on the Company's Board.

Proxies (other than those directing the proxy holders not to vote for all or certain of the listed nominees) will be voted for the election of each of the four (4) nominees, to hold office until the next Annual Meeting and until its successor shall have duly taken office, or such earlier time as it shall resign or be removed from the

Board pursuant to the terms of the Articles of Association of the Company or the Companies Law. The Company is unaware of any reason why any of the nominees, if elected, should not be able to serve as a Director.

It is proposed that at the Meeting, the following resolution be adopted:

1 “RESOLVED, that Mr. Moshe Alkelai, Mr. Yigal Fatran, Ms. Mazal Alkelai and Mr. Lior Meidan, be and hereby are, reappointed as Directors on the Company’s Board of Directors.”

The Board recommends a vote FOR the approval of this proposed resolution.

ITEM 2 - REAPPOINTMENT OF AN AUDITOR

The Board has recommended to reappoint Kost, Forer Gabbay & Kasierer as the auditor of the Company until the next Annual General Meeting and to authorize the Board to determine the auditor’s fees.

It is proposed that at the Meeting, the following resolution be adopted:

3 “RESOLVED, to reappoint Kost Forer Gabbay & Kasierer as the auditor of the Company until the next Annual General Meeting, and that the Board of Directors, hereby is, authorized to determine the fees of the said auditor.”

The Board recommends a vote FOR the approval of this proposed resolution.

ITEM 3 - APPROVAL OF OUTSOURCING SERVICES AGREEMENT WITH SOGODI LTD.

The Board has recommended to enter into Outsourcing Services Agreement with Sogodi Ltd., pursuant to which, Sogodi shall provide the Company R&D services, the details of which and the remuneration mechanism therefor are set forth hereinabove.

It is proposed that at the Annual Meeting, the following resolution be adopted:

5 “RESOLVED, to enter into Outsourcing Services Agreement with Sogodi Ltd., the details of which are as set forth in section 3 to the Statement of the Company and to authorize the Company's management to execute this Outsourcing Services Agreement.”

By Order of the Board of Directors,

Mr. Moshe Alkelai
Chairman of the Board
Dated: May 11, 2011

Attachment A

Electronics Line 3000 Ltd.

Ownership Certificate

Company Name: Electronics Line 3000 Ltd.

Company Registration Number: 51-3342535

We, the undersigned, hereby certify, as of May 18, 2011, as follows:

Details of Shareholder:

(If there are several joint owners of the shares, their details should all be included)

(1) Name of shareholder _____

(2) Nationality of shareholder _____

(3) I.D. No. _____

If shareholder does not hold an Israeli I.D. –

Passport No. _____ The Country of issuance _____

If shareholder is a corporation –

Corporate identity number _____

Country of incorporation _____

Details on the Shares:

(4) Name of the security – Ordinary Share;

Par value – N.I.S 5.00;

ISIN code – IL 0010905052

(5) Number of Share - _____

(6) Type of Shares: Ordinary

Approval by the recognized financial institution:

By: _____

Date: _____

Attachment B

**ELECTRONICS LINE 3000 LTD.
THIS NOTICE OF APPOINTMENT AND INSTRUCTIONS FOR VOTING BY
MEANS OF PROXY (“PROXY”) IS SOLICITED BY THE BOARD OF
DIRECTORS
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 16, 2011**

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned hereby constitutes Motty Schiff and Yaron Herman, each of them, the true and lawful attorneys, agents and proxies of the undersigned, with full power of substitution, to vote with respect to all the Ordinary Shares of ELECTRONICS LINE 3000 LTD. (the “**Company**”), standing in the name of the undersigned at the close of trading on Wednesday, May 18, 2011, at the Annual General meeting of Shareholders of the Company to be held at 14:30 on Thursday, June 16, 2011, at the Company’s offices at 14 Hachoma Street, Rishon LeZion, Israel and any and all adjournments thereof, with all power that the undersigned would possess if personally present and especially (but without limiting the general authorization and power hereby given) to vote as follows:

1. *To reappoint Mr. Moshe Alkelai, Mr. Yigal Fatran, Ms. Mazal Alkelai and Mr. Lior Meidan as Directors on the Company’s Board of Directors.*

FOR **AGAINST** **ABSTAIN**

2. *To reappoint Kost Forer Gabbay & Kasierer as the auditor of the Company until the next Annual General Meeting, and that the Board of Directors, hereby is, authorized to determine the fees of the said auditor.*

FOR **AGAINST** **ABSTAIN**

3. *To enter into Outsourcing Services Agreement with Sogodi Ltd., the details of which are as set forth in section 3 of the Statement of the Company and to authorize the Company's management to execute this Outsourcing Services Agreement.*

4. **FOR** **AGAINST** **ABSTAIN**
a personal interest of the shareholder in the approval of proposal 3
 YES **NO** |

The shares represented by the Proxy will be voted in the manner directed, and if no instructions to the contrary are indicated, will be voted “FOR” in all Proposals listed above.

Dated: _____, 2011

Name

Signature

Please sign exactly as name appears at the Ownership Certificate. Each joint owner should sign. Executors, administrators, trustees, etc. should indicate the capacity in which they sign.