

- FOR IMMEDIATE RELEASE -

ELRON ANNOUNCES THAT GIVEN IMAGING HELD DIRECTLY AND INDIRECTLY 11.5% BY ELRON FILES REGISTRATION STATEMENT FOR PROPOSED PUBLIC OFFERING OF ORDINARY SHARES

Tel Aviv, January 29, 2002 – Elron Electronic Industries Ltd. (NASDAQ: ELRN) a leading multinational high technology holding company, announced that Given Imaging Ltd. (NASDAQ: GIVN), in which Elron holds directly and indirectly 11.5% of its outstanding shares, has filed a registration statement with the Securities and Exchange Commission for a proposed public offering of its ordinary shares.

Given Imaging expects to offer 3,000,000 ordinary shares, and certain selling shareholders, including Elron and RDC Rafael Development Corporation Ltd. (“RDC”) in which Elron indirectly holds 16% of its outstanding shares, expect to sell an additional 3,200,000 ordinary shares. In addition, certain selling shareholders, including Elron and RDC, will sell additional shares if the underwriters exercise their over-allotment option. Lehman Brothers Inc. and Bear, Stearns & Co. Inc. are acting as joint lead managers for the offering. Robertson Stephens, Inc. is co-manager.

Given Imaging has developed the Given System, a proprietary wireless imaging system that represents a fundamentally new approach to visual examination of the gastrointestinal tract. The Given System uses a miniaturized video camera contained in a capsule that is ingested by the patient and delivers high quality color images in a painless and noninvasive manner

A prospectus has been filed with but not approved by the Securities and Exchange Commission and there is no certainty that this approval will be given or that the public offering will take place.

Elron Electronic Industries Ltd. is a multinational high technology company based in Israel. Through affiliates, Elron is engaged with a group of high technology operating companies in the fields of advanced defense electronics, software, wireless broadband access, content and communication and medical devices. For further information, visit <http://www.elron.com>

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 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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