

-FOR IMMEDIATE RELEASE-

**ELRON ANNOUNCES COMPLETION OF SHARE PURCHASE AGREEMENT WITH
DISCOUNT INVESTMENT CORPORATION LTD**

Tel Aviv, May 6, 2002 - Elron Electronic Industries Ltd. (NASDAQ:ELRN), has announced the completion, yesterday evening, of the share purchase agreement with its controlling shareholder, Discount Investment Corporation Ltd (“DIC”) pursuant to which Elron has acquired the remainder of DIC’s shares held in DEP Technology Holdings Ltd. (“DEP”) and DIC’s rights under loans from DIC to a subsidiary of DEP in consideration for the issuance of 2,261, 843 shares of Elron (the “Share Purchase”). This follows the announcement of the approval of the Share Purchase by Elron shareholders at a special meeting held on April 28, 2002. DEP is a technology holding company which, prior to the Share Purchase, was held 33% by Elron and 67% by DIC. DEP will now become a wholly owned subsidiary of Elron.

Elron Electronic Industries Ltd. is a multinational high technology holding company based in Israel. Through affiliates, Elron is engaged with a group of high technology operating companies in the fields of advanced defense electronics, communication, software, information technology, Medical devices and semiconductors. For further information, visit <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. 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.

אלרון תעשייה אלקטרונית בע"מ

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