



-Press Release-

ELRON ELECTRONIC INDUSTRIES ANNOUNCES SALE OF KIT eLEARNING TO SYLVAN LEARNING SYSTEMS

Tel Aviv, April 1, 2004 - Elron Electronic Industries Ltd. ("Elron") (Nasdaq:ELRN), announced today the sale of KIT eLearning B.V. ("KIT"), 45% held by Elron, to Online Higher Education B.V, a subsidiary of Sylvan Learning Systems, Inc. (Nasdaq: SLVN), a global leader in higher education, for an immediate cash payment of \$9.4 million and a future payment of up to an additional \$10 million based on future earnings of KIT in 2006 and 2007. The other selling shareholders of KIT are Elron's controlling shareholder, Discount Investment Corporation and Kidum IT Ltd., a privately held Israeli company.

Elron will receive an amount of approximately \$5.7 million from the immediate proceeds of the sale and will record a gain of approximately \$5.3 million in the first quarter of 2004.

About KIT eLearning

KIT eLearning is a privately held Dutch company offering online academic programs for professionals in business administration and information technology, in cooperation with the University of Liverpool in England. Currently, KIT is serving professionals from more than 70 countries but mostly from the U.K., Netherlands, Germany, North America, Singapore and China.

About Sylvan Learning Systems

Sylvan Learning Systems, Inc. (NASDAQ:SLVN) is focused exclusively on providing a superior university experience to over 117,000 students through the leading global network of accredited campus-based and online universities. Addressing the rapidly growing global demand for higher education, Sylvan offers a broad range of career-oriented undergraduate and graduate programs through eight universities located in Latin America and Europe. Through two U.S. based and accredited universities, Sylvan offers the growing population of non-traditional, working-adult students the convenience and flexibility of distance learning to pursue undergraduate, master's and doctorate degree programs in major career fields including engineering, education, business, and healthcare.

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, semiconductors and Amorphous Metals. 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.)