

**-FOR IMMEDIATE RELEASE-**

**ELRON ANNOUNCES NEW \$2 MILLION INVESTMENT IN**  
**NOTAL VISION**

**Tel Aviv, January 27, 2003 - Elron Electronic Industries Ltd. (NASDAQ:ELRN)** today announced a new investment of \$2 million in Notal Vision ("Notal"), an Israeli medical device company operating in the field of early detection of Age Related Macular Deterioration (AMD). This follows the recent signing of a distribution agreement by Notal with a strategic partner, Carl Zeiss Meditec, Inc.

Elron's investment is part of an aggregate round of financing of approximately \$4 million, including an investment by an existing shareholder, Innomed Ventures L.P., a venture capital fund focused on the medical field. Elron is also invested directly in Innomed. Following the transaction, Elron will hold directly approximately 25 percent of Notal.

*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.*