

- FOR IMMEDIATE RELEASE -

**ELRON ANNOUNCES SALE OF ADDITIONAL 1 MILLION SHARES OF
PARTNER COMMUNICATIONS COMPANY LTD.**

Tel Aviv, May 29, 2003 - Elron Electronic Industries Ltd. (NASDAQ; ELRN) has announced that, today, its wholly owned subsidiary, Elbit Ltd. has sold an additional amount of approximately 1 million shares of Partner Communications Company Ltd. (NASDAQ: PTNR) ("Partner") to Israeli institutional investors for approximately \$4.2 million. This follows Elron's announcement earlier today of the sale on May 28, 2003 of approximately 2.1 million shares of Partner to Israeli institutional investors for approximately \$9.1 million.

As a result of today's sale, Elron will record in the second quarter of this year, an estimated gain, after tax, of approximately \$0.9 million and together with the sale on May 28, 2003, an aggregate estimated gain, after tax, of approximately \$2.8 million. As a result of the above sales, Elron's beneficial holding in Partner will be reduced to approximately 10.5 %.

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.