

-FOR IMMEDIATE RELEASE-

**WAVION, AN ELRON GROUP COMPANY, COMPLETES \$6 MILLION PRIVATE
PLACEMENT**

Tel Aviv, June 1, 2003 - Elron Electronic Industries Ltd. (NASDAQ:ELRN) today announced that Wavion, Inc., an Elron group company, announced that it has completed a financing round led by Sequoia Seed Capital, raising \$6 million out of which Elron invested \$2 million. Following the financing, Elron holds approximately 45% of Wavion, on a fully diluted basis.

Wavion, founded in 2000 by entrepreneurs together with Elron, specializes in the development of “smart antenna” technology to enhance the performance of wireless systems.

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>

Contact:

Tal Raz
Elron Electronic Industries Ltd.
Tel. 972-3-6075555
raz@elron.net

Marilena LaRosa
The Anne McBride Company
Tel: 212-983-1702
mlarosa@annemcbride.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.