

-FOR IMMEDIATE RELEASE-

**ELRON ANNOUNCES SPECIAL GENERAL MEETING OF
SHAREHOLDERS ON OCTOBER 21, 2004**

Tel Aviv, September 26, 2004 - Elron Electronic Industries Ltd. (NASDAQ:ELRN) today announced that it will hold a Special General Meeting of Shareholders at 10.00 am, Israel time, on October 21, 2004, at the Company's offices at 3 Azrieli Center, the Triangle Building, 42nd Floor, Tel Aviv, Israel.

At the shareholders meeting, the shareholders will be asked to approve the investment by the Company of \$6,666,667 in Jordan Valley Applied Radiation Ltd. and the execution, delivery and performance of the related shareholders agreement.

Shareholders on record at the close of business on September 27, 2004 shall be entitled to notice of and to vote at, the shareholders meeting. The Company expects to mail a detailed notice and proxy statement to the shareholders on or about September 28, 2004.

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 medical devices, communication, IT Software, semiconductors and advanced materials. 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.