



Elbit Imaging Ltd.

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ELBIT IMAGING LTD. ANNOUNCES THIRD QUARTER RESULTS FOR 2007

Tel Aviv, Israel, November 29, 2007, Elbit Imaging Ltd. (NASDAQ: EMITF) ("EI" or the "Company") today announced its results for the third quarter of 2007.

Loss for the third quarter of 2007 amounted to NIS 66.0 million (approximately US\$ 16.4 million) compared with loss of NIS 7.8 million (approximately US\$ 1.94 million) in the corresponding period of 2006. Loss for the third quarter of 2007 excluding stock-base compensation expenses (Non GAAP measure) amounted to NIS 54.6 million (approximately US\$ 13.6 million) compared with loss of NIS 5.1 million (approximately US\$ 1.27 million) in the corresponding period of 2006.

Mr. Shimon Yitzhaki, President, commented: "By becoming a company specializing in development, construction and sale of real-estate projects, our quarterly results are influenced by sale of assets consummated in such respective quarters. Therefore, our results should be regarded as a reflection of our long term activities, rather than a single quarter results. We expect to recognize a gain of approximately NIS 900 million - NIS 1 billion (approximately US\$ 224.2 million - US\$ 249.2 million) from the sale of the Arena Plaza in Budapest, Hungary, which will be recorded in next upcoming quarters."

Mr. Yitzhaki also noted that the Company's financial expenses in the third quarter of 2007 were highly affected by the significant increase in the Customer Price Index into which the Company's notes are linked.

Mr. Yitzhaki further commented: "Our recent asset realization transactions together with the funds raised by our notes and the public offering of the shares of our subsidiary Plaza Centers N.V. have increased our liquidity and capital resources, and we intend to use such in order to accelerate our business plans both in Eastern and Central Europe as well as in India."

About Elbit Imaging Ltd.

Elbit Imaging Ltd. ("EI") is a subsidiary of Europe Israel (M.M.S.) Ltd. EI's activities are divided into the following principal fields: (i) Initiation, construction, operation, management and sale of shopping and entertainment centers in Israel, Central and Eastern Europe and India; (ii) Hotels ownership, primarily in major European cities, as well as operation, management and sale of same through its subsidiary, Elscint Ltd.; (iii) Investments in the research and development, production and marketing of magnetic resonance imaging guided focused ultrasound treatment equipment, through its subsidiary, InSightec Ltd.; and (iv) Other activities consisting of the distribution and marketing of women's fashion and accessories through our wholly-owned Israeli subsidiary, Elbit Trade & Retail Ltd., and venture-capital investments.

Any forward looking statements with respect to EI's business, financial condition and results of operations included in this release are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward

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looking statements, including, but not limited to, ability to find suitable locations, receipt of approvals and permits for zoning and construction, delays in construction, dependency on partners in the hotels business, competition, risks relating to operations in Eastern Europe and Asia (including India) and risks relating to our image guided treatment, economic conditions, as well as certain other risk factors which are detailed from time to time in EI's filings with the Securities and Exchange Commission including, without limitation, Annual Report on Form 20-F for the fiscal year ended December 31, 2006, filed with the Securities and Exchange Commission on July 3, 2007.

For Further Information:

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Elbit Imaging Ltd

	September 30, 2007	September 30, 2006	December 31, 2006	September 30, 2007
				Convenience translation
				US\$'000
	(in thousand NIS)			
Current Assets				
Cash and cash equivalents	2,319,622	762,763	2,150,871	578,027
Short-term deposits and investments	757,404	824,143	279,112	188,738
Trade accounts receivable	59,798	48,816	51,141	14,901
Receivables and other debit balances	186,262	156,508	122,341	46,415
Payment on account of trading property	241,026	-	-	60,061
Inventories	29,548	29,757	24,710	7,363
Trading property	2,148,138	(**) 675,105	910,493	535,294
	5,741,798	2,497,092	3,538,668	1,430,799
Long-Term Investments and Receivables				
Debentures, loans				
and other long-term balances	42,922	86,703	201,493	10,695
Investments in investees and other companies	66,759	60,406	61,680	16,636
	109,681	147,109	263,173	27,331
Real Estate and other Fixed Assets	1,689,508	(*)(**) 2,099,886	(*) 2,204,817	421,009
Investment Property	73,797	-	-	18,389
Long-Term Leasehold Rights	152,119	(*) 114,368	(*) 115,310	37,907
Other Assets and Deferred Expenses	16,870	20,079	(*) 22,810	4,204
Assets Related to Discontinuing Operation	11,164	12,436	12,483	2,782
	7,794,937	4,890,970	6,157,261	1,942,421
Current Liabilities				
Short-term credits	627,038	(**) 621,185	480,771	156,252
Suppliers and service providers	272,095	80,610	107,117	67,803
Payables and other credit balances	392,189	183,945	229,000	97,730
	1,291,322	885,740	816,888	321,785
Long-Term Liabilities	4,249,106	(**) 3,017,627	3,047,446	1,058,835
Liabilities Related to Discontinuing Operation	31,693	44,225	40,513	7,898
Minority Interest	695,868	5,437	630,187	173,403
Options of subsidiaries	78,768	8,755	22,280	19,628
Shareholders' Equity	1,448,180	929,186	1,599,947	360,872
	7,794,937	4,890,970	6,157,261	1,942,421

(*) Retrospective implementation of new accounting standard

(**) Reclassified

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	Nine months ended September 30		Three months ended September 30		Year ended Dec 31	Nine months ended September 30
	2007	2006	2007	2006	2006	2007
						Convenience translation US\$'000
	(in thousand NIS)					
Revenues						
Hotels operations and management	287,612	252,963	98,363	85,492	351,610	71,670
Sale of trading property and investment property operations	787,745	(**) 300,120	234,858	(**) 22,721	397,508	196,299
Sale of medical systems	35,361	65,807	8,322	27,032	85,824	8,812
Sale of fashion merchandise	44,531	38,074	16,317	12,143	58,035	11,097
Sale of real estate assets and investments,net	77,419	(**) 83,725	-	46,454	80,218	19,292
Realization of investments	-	29,387	-	-	697,358	-
	1,232,668	770,076	357,860	193,842	1,670,553	307,170
Costs and expenses						
Hotels operations and management	246,585	224,707	83,200	74,133	(*) 305,047	61,447
Sale of trading property and investment property operations	659,815	(**) 319,172	203,256	(**) 32,064	395,037	164,419
Medical systems operation	51,637	52,765	17,895	20,619	72,515	12,867
Cost of fashion merchandise	55,576	47,853	20,521	15,300	70,251	13,849
Research and development expenses, net	44,102	43,150	15,144	14,311	62,566	10,990
General and administrative expenses	50,208	42,287	15,676	10,238	67,161	12,511
Share in losses of associated companies, net	9,646	8,073	3,407	2,951	9,665	2,404
Financial expenses, net	104,154	117,578	59,367	38,225	129,127	25,954
Other expenses,net	26,239	8,817	9,047	2,526	36,836	6,538
	1,247,962	864,402	427,513	210,367	1,148,205	310,979
Profit (loss) before income taxes	(15,294)	(94,326)	(69,653)	(16,525)	522,348	(3,809)
Income taxes (benefits)	5,853	7,288	(3,185)	4,753	5,222	1,459
Profit (loss) after income taxes	(21,147)	(101,614)	(66,468)	(21,278)	517,126	(5,268)
Minority interest in results of subsidiaries, net	(32,470)	9,278	(5,622)	2,019	9,691	(8,091)
Profit (loss) from continuing operation	(53,617)	(92,336)	(72,090)	(19,259)	526,817	(13,359)
Profit from discontinuing operation, net	7,642	30,819	6,062	11,409	35,664	1,904
Net income (loss)	(45,975)	(61,517)	(66,028)	(7,850)	562,481	(11,455)

(*) Retrospective implementation of new accounting standard

(**) Reclassified

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	Share Capital	Capital reserves	Cumulative foreign currency translation adjustments	Retained earnings	Gross Amount	Treasury stock	Loans to employees to acquire Company Shares	Dividend declared after balance sheet date	Total
(In thousand NIS)									
Balance -									
December 31, 2005 (reported amounts) (*)	37,480	789,164	67,872	213,788	1,108,304	(162,383)	(19,034)	124,160	1,051,047
Gain for the period (*)	-	-	-	562,481	562,481	-	-	-	562,481
Exercise of warrants	28	1,105	-	-	1,133	-	-	-	1,133
Differences from translation of autonomous foreign entities' financial statements	-	-	31,553	-	31,553	-	-	-	31,553
Dividend paid	-	-	-	-	-	-	-	(124,160)	(124,160)
Repayment of loans as a result of the realization by employees of rights to shares	-	-	-	-	-	-	16,970	-	16,970
Sale of treasury stocks	524	23,055	-	-	23,579	23,864	-	-	47,443
Stock base compensation expenses	-	13,480	-	-	13,480	-	-	-	13,480
Employee shares premium	-	1,789	-	-	1,789	-	(1,789)	-	-
Declared Dividend	-	-	-	(159,767)	(159,767)	-	-	159,767	-
December 31, 2006 (reported amounts) (*)	38,032	828,593	99,425	616,502	1,582,552	(138,519)	(3,853)	159,767	1,599,947
Loss for the period	-	-	-	(45,975)	(45,975)	-	-	-	(45,975)
Differences from translation of autonomous foreign entities' financial statements	-	-	26,625	-	26,625	-	-	-	26,625
Dividend payable	-	-	-	-	-	-	-	(159,767)	(159,767)
Repayment of loans as a result of the realization by employees of rights to shares	-	-	-	-	-	-	215	-	215
Stock base compensation expenses	-	15,235	-	-	15,235	-	-	-	15,235
Employee shares premium	-	85	-	-	85	-	(85)	-	-
	38,032	843,913	126,050	570,527	1,578,522	(138,519)	(3,723)	-	1,436,280
Cumulative effect due to adjustment of real-estate assets to their market value at the beginning of the year	-	-	-	11,900	11,900	-	-	-	11,900
September 30, 2007 (reported amounts)	38,032	843,913	126,050	582,427	1,590,422	(138,519)	(3,723)	-	1,448,180

	Share Capital	Capital reserves	Cumulative foreign currency translation adjustments	Retained earnings	Gross Amount	Treasury stock	Loans to employees to acquire Company Shares	Dividend declared after balance sheet date	Total
Convenience translation US\$'000									
Balance -									
December 31, 2006 (reported amounts) (*)	9,477	206,477	24,776	153,626	394,356	(34,518)	(960)	39,812	398,690
Loss for the period	-	-	-	(11,455)	(11,455)	-	-	-	(11,455)
Differences from translation of autonomous foreign entities' financial statements	-	-	6,634	-	6,634	-	-	-	6,634
Dividend payable	-	-	-	-	-	-	-	(39,812)	(39,812)
Repayment of loans as a result of the realization by employees of rights to shares	-	-	-	-	-	-	54	-	54
Stock base compensation expenses	-	3,796	-	-	3,796	-	-	-	3,796
Employee shares premium	-	21	-	-	21	-	(21)	-	-
	9,477	210,294	31,410	142,171	393,352	(34,518)	(927)	-	357,907
Cumulative effect due to adjustment of real-estate assets to their market value at the beginning of the year	-	-	-	2,965	2,965	-	-	-	2,965
September 30, 2007 (reported amounts)	9,477	210,294	31,410	145,136	396,317	(34,518)	(927)	-	360,872

(*) Retrospective implementation of new accounting standard