

## **ELBIT IMAGING EVALUATING ESTABLISHMENT OF A SUBSIDIARY TO HOLD ITS BIO-TECH AND MEDICAL INVESTMENTS**

### **AIMS TO FLOAT SUCH SUBSIDIARY ON TEL AVIV STOCK EXCHANGE**

**Tel Aviv, February 2, 2010, Elbit Imaging (NASDAQ: EMITF) (“Elbit Imaging” “Company”)** announced today that it intends to restructure its bio-tech and medical holdings (InSightec – 60%, and Gamida Cell – 28%; both on a fully diluted basis) under a wholly-owned Elbit Imaging subsidiary and to offer shares of such subsidiary in a public offering on the Tel Aviv Stock Exchange (“IPO”). The move is part of the Company's ongoing restructuring and the streamlining of business activities throughout the Company's divisions.

**Dudi Machluf, Chief Executive Officer (Co-CEO), commented:** “As part of the Company's restructuring, we intend to restructure our medical and bio-tech holdings, InSightec and Gamida Cell, under one wholly owned subsidiary. We intend to use the IPO's proceeds, should such be executed, to accelerate InSightec's development of several applications to treat major cancer diseases such as including, bone, prostate, breast, liver and brain. This will help InSightec to take rapid strides towards receiving both FDA and CE approvals for these cancer treatment technologies as well accelerating its efforts to obtain widely spread reimbursement coverage for its FDA and CE commercially treatment for Uterine Fibroids. Additionally, the IPO proceeds will help accelerate the FDA approval process for Gamida Cell's flagship product, StemEx®, which is currently in Phase III testing, as well as advance the product development of additional therapies.

The IPO is expected to add value to Elbit Imaging's existing shareholders and, for the first time, will provide the public with an opportunity to invest directly in the group's flagship bio-medical holdings.”

#### **About InSightec**

InSightec has developed Magnetic Resonance guided, high-powered Focused Ultrasound technology for non-invasive surgical treatment of cancerous growths inside the body. The belief is that in the future every hospital will establish a non-invasive surgery room next to the traditional invasive one. In light of this, the company decided to act and develop cancer related applications in a wide range of fields. The company is at advanced stages of research and development for a number of cancer related therapies, including brain, breast, liver and prostate. For more information, please visit: <http://www.insightec.com/>

#### **About Gamida Cell**

Gamida Cell Ltd. is a world leader in stem cell expansion technologies and therapeutic products. The company is developing a pipeline of products in stem cell transplantation and in tissue regeneration to effectively treat debilitating and often fatal illnesses such as cancer, hematological, autoimmune and ischemic diseases. Gamida Cell's therapeutic candidates contain populations of adult stem cells, selected from non-controversial sources such as umbilical cord blood, which are expanded in culture. Gamida Cell's flagship product, StemEx, is now being studied as a therapy, for patients with blood cancers who cannot find a family related matched bone marrow donor, in an international phase III trial at leading transplant centers in the U.S., Europe and Israel. StemEx has orphan drug designation in the U.S. and in Europe with 7-10 years market exclusivity, in addition to long term patent protection. For more information, please visit: [www.gamida-cell.com](http://www.gamida-cell.com). For information regarding the ExCell study: [www.stemexstudy.com](http://www.stemexstudy.com).

#### **About Elbit Imaging Ltd.**

The activities of Elbit Imaging Ltd. are divided into the following principal fields: (i) Shopping and Entertainment Centers - Initiation, construction, operation, management and sale of shopping and

entertainment centers and other mixed-use real property projects, predominantly in the retail sector, located in Central and Eastern Europe and in India; (ii) Hotels - Hotel ownership, operation, management and sale, primarily in major European cities; (iii) Image Guided Treatment - Investments in the research and development, production and marketing of magnetic resonance imaging guided focused ultrasound treatment equipment; (vi) Residential Projects - Initiation, construction and sale of residential projects and other mixed-use real projects, predominantly residential, located in Eastern Europe and in India; and (v) Other Activities - (a) The distribution and marketing of fashion apparel and accessories in Israel; (b) venture capital investments; and (c) investments in hospitals, and farm and dairy plants in India, which are in preliminary stages.

*Any forward-looking statements in our releases include statements regarding the intent, belief or current expectations of Elbit Imaging Ltd. and our management about our business, financial condition, results of operations, and its relationship with its employees and the condition of our properties. Words such as "believe," "expect," "intend," "estimate" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Actual results may differ materially from those projected, expressed or implied in the forward-looking statements as a result of various factors including, without limitation, the factors set forth in our filings with the Securities and Exchange Commission including, without limitation, Item 3.D of our annual report on Form 20-F for the fiscal year ended December 31, 2008, under the caption "Risk Factors." In addition, the IPO is subject to risks facing any initial public offering, including without limitation, general economic conditions, the conditions of the applicable capital markets, the interest level of underwriters and investors in the offering and the performance of the applicable businesses. Any forward-looking statements contained in our releases speak only as of the date of such release, and we caution existing and prospective investors not to place undue reliance on such statements. Such forward-looking statements do not purport to be predictions of future events or circumstances, and therefore, there can be no assurance that any forward-looking statement contained our releases will prove to be accurate. We undertake no obligation to update or revise any forward-looking statements. All subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth in our filings with the Securities and Exchange Commission including, without limitation, Item 3.D of our annual report on Form 20-F for the fiscal year ended December 31, 2008, under the caption "Risk Factors."*

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