



ELBIT IMAGING ANNOUNCES TAX SETTLEMENT

Tel Aviv, Israel, August 1, 2013, Elbit Imaging Ltd. ("EI" or the "Company") (TASE, NASDAQ: EMITF) announced today that the Company and its subsidiaries have entered into a settlement agreement with the Israeli Tax Authority with regards to corporate income tax assessments received for the years 2004-2009 (the "Settlement"). The Settlement generally provides that the Company and its subsidiaries: (i) will pay taxes in the aggregate amount of NIS 8 million (approximately \$2.2); (ii) the Company's capital and business losses carry forward for tax purposes as of December 31, 2009 will amount to approximately NIS 306 million (approximately \$85.7); and (iii) the Company will capitalize expenses of NIS 450 million (approximately \$126). For further information with regards to the tax assessment, please see Note 23 B (5) of our Annual Consolidated Financial Statements as of December 31, 2012 filed as Exhibit 99.2 to our Report on Form 6-K filed with the SEC on March 21, 2013.

About Elbit Imaging Ltd.

Elbit Imaging Ltd. operates in the following principal fields of business: (i) Commercial and Entertainment Centers - Initiation, construction 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, primarily through its subsidiary Plaza Centers N.V. In certain circumstances and depending on market conditions, the Company operate and manage commercial and entertainment centers prior to their sale; (ii) Hotels - Hotel operation and management; (iii) Medical Industries - (a) research and development, production and marketing of magnetic resonance imaging guided focused ultrasound treatment equipment and (b) development of stem cell population expansion technologies and stem cell therapy products for transplantation and regenerative medicine; (iv) Residential Projects - Initiation, construction and sale of residential projects and other mixed-use real property projects, predominately residential, located primarily in India; and (v) Fashion Apparel - Distribution and marketing of fashion apparel and accessories in Israel.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

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 our relationship with our employees and the condition of our properties. Words such as "believe," "would," "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 risk that the Arrangement will not be approved by all the applicable stakeholders of the Company, the Court or others, that challenges by third parties or other events outside the control of the Company could delay the implementation of the Arrangement and result in its termination, that Bank Hapoalim will not agree to join the Arrangement on the terms proposed by the Company or at all, that the Company will be unable to refinance the loans owing to Bank Hapoalim, and 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, 2012, under the caption "Risk Factors." 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 in our releases will prove to be accurate. We undertake no obligation to update or revise any forward-looking statements.

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