



Elbit Imaging Ltd.

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ELBIT IMAGING ANNOUNCES GAMIDA CELL CLOSED OPTION AND INVESTMENT AGREEMENTS WITH A MAJOR PHARMACEUTICAL COMPANY

Tel Aviv, Israel, September 2, 2014, Elbit Imaging Ltd. ("EI" or the "**Company**") (TASE, NASDAQ: EMITF) announced today following the Company's announcement dated August 19, 2014 that Elbit Medical Technologies Ltd. ("**Elbit Medical**") (TASE: EMTC-M), a subsidiary of the Company in which it holds approximately 85% on a fully diluted basis, announced that on September 1, 2014 Gamida Cell Ltd., in which Elbit Medical holds approximately 30.8% of the voting power ("**Gamida Cell**") and vast majority of Gamida Cell's shareholders (including Elbit Medical), completed the execution of the Option and Investment Agreements (the "**Agreements**") with Novartis Pharma AG (Novartis).

Under the Agreements, Novartis invested \$35 million in Gamida Cell in exchange for approximately 15% of Gamida Cell's share capital and an option to purchase the holdings of the other shareholders in Gamida Cell, including Elbit Medical's holdings (the "**Option**").

The Option is exercisable, for a limited period of time, following Gamida Cell achieving certain milestones relating to the development of NiCord (the "**Product**"). Gamida Cell estimates that these milestones will be met during 2015. In any event, the Option, if not exercised, will expire in first half of 2016.

Upon exercising the Option, Novartis would pay other shareholders in Gamida Cell (the Sellers) an cash payments of approximately \$165 million, in accordance with the terms of the Agreements. In addition, the Sellers will be entitled to potential future payments which can reach a total of \$435 million, depending on certain development and regulatory milestones and on sales of Gamida Cell's products.

Gamida Cell is currently conducting two Phase I/II trials using the Product to treat patients suffering from hematologic malignancies and Sickle Cell Disease.

Following completion of the Investment Agreement (and prior to the exercise of the Option) Elbit Medical holds about 24.7% in Gamida Cell. Elbit Medical is evaluating the accounting implications of the Agreements on its financial statements.

At this point in time, there is no certainty that Novartis will exercise the Option and/or that the milestones will be achieved and/or the Product or any other of Gamida Cell's products will reach the market and generate earn-out payments from their sales.

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

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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 its relationship with its 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 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, 2013, 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 our releases will prove to be accurate. We undertake no obligation to update or revise any forward-looking statements.

For Further Information:

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