



Elbit Imaging Ltd.

ELBIT IMAGING LTD. ANNOUNCES A TRANSACTION AMONG CERTAIN SHAREHOLDERS OF INSIGHTEC WITH RESPECT TO ITS SHARES

Tel Aviv, Israel, March 31, 2015, Elbit Imaging Ltd. ("**EI**" or the "**Company**") (TASE, NASDAQ: EMITF) announced today, that it was informed by InSightec Ltd. ("**InSightec**"), an associated company (30%) of Elbit Medical Technologies Ltd. ("**Elbit Medical**") (TASE: EMTC-M) at which the Company holds approximately 82.7% on fully diluted basis, that General Electric Company, Healthcare Division ("**GE**"), of the first part, and York Global Finance II S.à.r.l (a company owned by York Capital, an interested party in of the Company), other shareholders of InSightec and certain other purchasers, of the second part (the "**Purchasers**"), have signed and executed an agreement for the sale of 6 million Series C Preferred Shares of InSightec held by GE, which constitutes approx. 4.2% of InSightec's issued and outstanding share capital on a fully diluted basis, at a price of \$1.50 per share. Furthermore, the agreement grants the Purchasers an option to purchase 12 million additional Series C Preferred Shares from GE, which represent approx. 8.5% of InSightec's issued and outstanding share capital on a fully diluted basis, for the same price (\$1.50) (collectively: the "**Sold Shares**"), within one year of the closing date of the transaction, subject to the conditions stipulated in the agreement (the "**Sale Transaction**"), and that the Sale Transaction had been closed and consumed.

As part of the Sale Transaction, Elbit Medical waived a preemptive right granted thereto to purchase a *pro rata* share of the Sold Shares.

As part of the conditions precedent of the agreement, on March 30, 2015, a meeting of the shareholders of InSightec approved an amendment to the articles of association of InSightec and an amendment to the Technology, Co-Operation and Distribution Agreement of October 17, 2012 between InSightec and GE, as amended on June 26, 2014 (the "**Cooperation Agreement**").

The principal amendments to the articles of association of InSightec were: removal of various restrictions on the performance of transactions in InSightec shares and on the initiation of a Qualified IPO of InSightec; revocation of some of certain excess rights granted to GE in InSightec's articles of association and change of the majority of Series C Preferred Shares required for certain resolutions under InSightec's articles of association with respect to such shares; furthermore, Elbit Medical was granted the right to appoint an observer to the board of directors of InSightec (in addition to its right to appoint Designated Directors on its behalf).

The principal amendments to the Cooperation Agreement were: removal of restrictions on the performance of transactions in InSightec shares with a party competing with GE; amendment of InSightec's right to make an advance one-time payment of royalties to GE, such that instead of a one-time \$10 million payment, such one-time payment would amount to \$10 million prior to a Qualified IPO and \$7.5 million after a Qualified IPO (within the definition of such terms in the articles of association of InSightec) less the amounts of royalties already paid to GE, all subject to the terms of the Cooperation Agreement; and termination of GE's Right of First Negotiation for Sale of InSightec with respect to any Company Sale (as such terms are defined in the Cooperation Agreement) and the extension of the term of the Cooperation Agreement until the fifth anniversary of the closing date.

About Elbit Imaging Ltd.

Elbit Imaging Ltd. operates in the following principal fields of business: We operate primarily in the following principal fields of business: (i) Commercial Centers - Initiation, construction and sale of commercial centers and other mixed-use real property projects, predominantly in the retail sector, located in Central and Eastern Europe and in India, primarily through Plaza Centers N.V. ("PC"), of which we own approximately 62.5% of its share capital. In certain circumstances and depending on market conditions, we operate and manage commercial and entertainment centers prior to their sale; (ii) Hotels - Hotel operation and management primarily in major European cities; (iii) Medical Industries - through our investee entities we are dealing with (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; and (vi) Residential Projects - Initiation, construction and sale of residential units or plots designated for residential, located primarily in India.

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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