

Elbit Imaging Ltd.: Investors Presentation Q2 2011

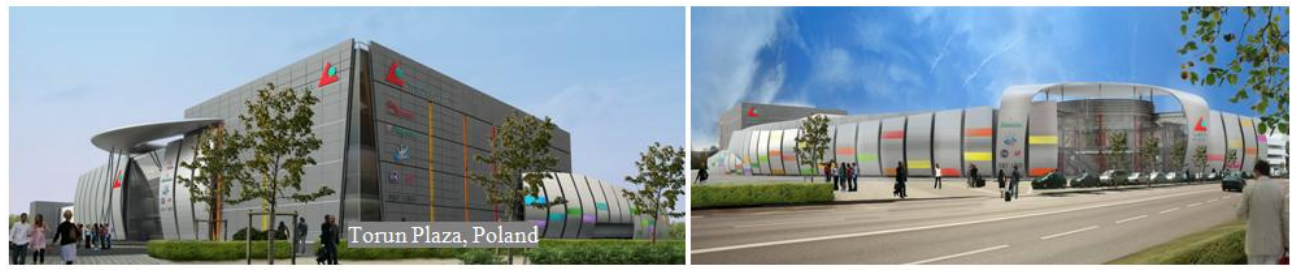
August 31st, 2011

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Legal Clarification:

The information contained in this presentation is subject to the provisions set forth at the end of the chapter "General Comments Concerning Information Contained in the Presentation".



Abbreviation / Definitions

Elbit or Company – Elbit Imaging Ltd.

Elbit Medical – Elbit Medical Technologies Ltd.

Elbit Plaza India – Elbit Plaza India Real Estate Holdings Ltd.

Plaza – Plaza Centers N.V.

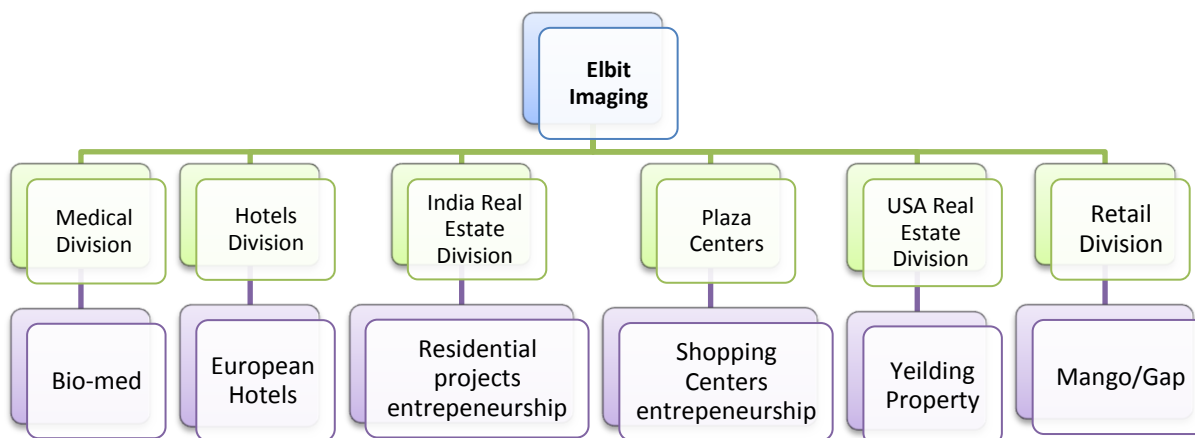
Insightec – Insightec Ltd.

Gamida – GamidaCell Ltd.

Chapter 1: Description of Business Activities

A. General

1. The Elbit group presently consists of a group of companies engaged in a variety of activities and holdings as indicated in the chart below (the "**Elbit Group**" or the "**Group**"). In the past few years, the Company has strengthened its main activity – (entrepreneurship in the field of commercial shopping centers), which rely on considerable profitability from asset realizations, with stable activities that generate a permanent, current cash flow to the Company, such as yield property and entrepreneurship of residential projects.
2. The Company's long term strategy is to develop real estate platforms, to improve them and realize them at a high profitability while generating significant cash flow. During the past few years, in light of the macro-economic conditions in countries in which the Company is active, the Company acted to expand and improve the quality of its assets for the purpose of generating the optimal conditions in order to realize its assets in due time.
3. The Company's divisions are as follows:





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4. The spread of the activities over a large number of countries enables the spread of risk while minimizing exposure to crises on a country level, and in addition, enables efficient choice and setting priorities for the core activities which the Company is interested in promoting, according, among other, to the market conditions in each state.
5. In the past two years, the Company has been active in the financing of projects and assets in different countries and the rearranging of the bank debt over a broad and convenient spread. The banking market enables financing of projects in Europe and India. The Company has obtained long term financing at low interest rates in the United States.



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B. Hotel Activities:

1. The Company's activities in the hotel division include seven 4-5 star hotels located in main cities in Europe, including Amsterdam and Schiphol (the Netherlands), Antwerp (Belgium), and Bucharest (Romania).
2. As part of the Company's strategy to realize assets whose improvement potential is exhausted, it was decided during 2010 to gradually realize the Western European hotel activities pursuant to which, at the end of 2010, the Company realized its assets in London, England. This strategic decision was based upon favorable data from the hotel industry in the past year and recent transactions that were consummated with respect to the hotel industry in Europe.
3. The Company's hotels, which are held by Elbit (solo) alone or with third parties, are recorded in the Company's books at amortized cost, and are not revaluated according to their economical market value. Realization of the hotels is expected to generate significant profits, an increase in the Company's equity and excess cash flow.
4. As a result of the recording of the hotels at their book value, the (accounting) leverage rates of that activity are high in comparison to the rest of the Company's holdings. Hence, realization of the company's holding in the hotels is expected to result in a decrease in the extent of the Group's overall debt and a reduction in its leverage.
5. By the end of 2010, the Company has commenced realizing its holdings in this division, by selling its London hotels to Park Plaza. The Company intends to continue with its exit/realization strategy in the upcoming two years, subject to the market conditions that will prevail in each country at which such activity is being conducted in the objective to generate profits for these assets.
6. One of the top-tier hotels in Elbit's hotels portfolio is the Radisson Blu Hotel in Bucharest, Romania which is a five-star hotel consisting 424 rooms located in the center of Bucharest. In addition, the complex (at an area of 84,500 sqm) includes a luxurious apartment hotel (with 294 apartments), and commercial areas. Since its opening in the second half of 2008, the hotel obtained a significant market share in the luxury hotels market in Bucharest, and is a market-leader in the main hotel's parameters. In addition,



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the hotel won the "Hotel of the Year" award in 2010 within the Carlson chain that includes 1,070 hotels worldwide.

7. The following table presents key figures of hotels held by the Company as of June 30, 2011:

30.6.2011	Stars rating	Owned by Elbit	Number of rooms	Million Euro	
				Hotels value 100%	Value for Elbit
Netherlands (4 hotels)	4	50%	768	178	89
Belgium (2 hotels)	4	100%	306	47	47
Romania (1 hotel complex)	5	77%	715	(*)170	131
Fair value				395	267
Total share of Elbit in debt(**)					111
Net asset value					156

* The hotel's fair value includes commercial areas and a casino. Out of the total number of the rooms, approximately 300 are suites which are part of the apartment hotel. Valuation of the hotel was carried out according to capitalization of cash flows when valuation assumes annual growth in NOI.

** Consists of the debt in the financial statements of Elbit in the amount of 118 million Euros, neutralizing the minority share of the hotel's debt in Romania.

The depreciated cost of the hotels in the financial statements as of June 30, 2011 is NIS 1,011 million NIS (It should be noted that the above decreased cost is before neutralizing the minority's share in the hotel complex in Romania.

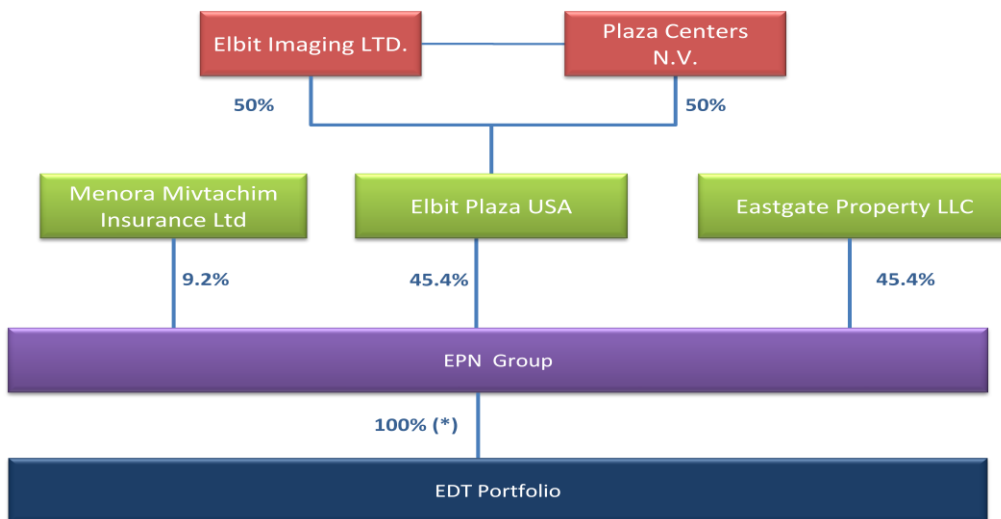




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C. Yield Property - United States (Elbit Plaza U.S.A):

1. The strategy of the Company with respect to the operation in the United States, is to take an advantage of the knowledge and experience that the Group accumulated in the area of commercial property, for generating value by investing in quality property that yields free cash flow from the day of its acquisition while generating value by improving assets in the intermediate term and realizing them at high profits as a result of a rise in the NOI and a decrease in Cap Rates.
2. EDT and the structure of holdings in the United States:



(*) As of the date of publishing this presentation EPN holds about 97.5% of EDT and is in the process of acquiring the remaining shares as part of a takeover bid offer (see further information below).

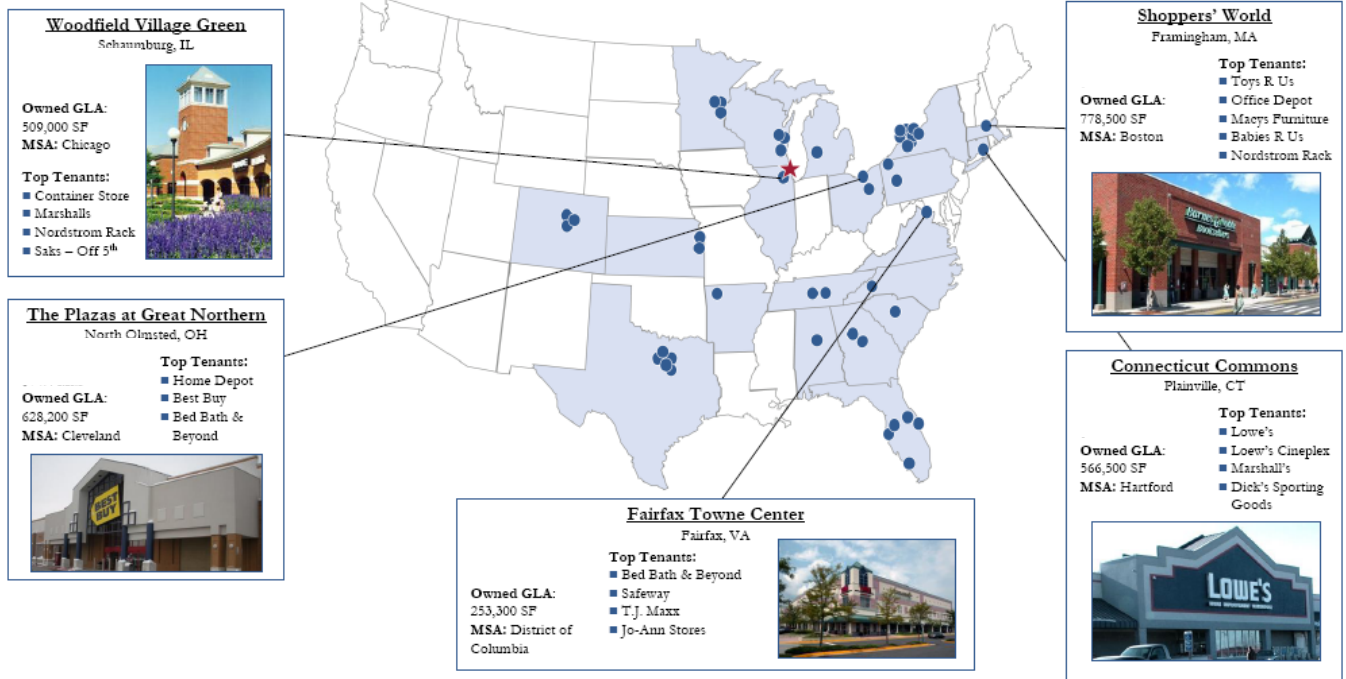
EDT is a commercial yield property investment fund that owns 48 commercial centers extending over an area of more than one million sqm (10.9 msqf), in more than 20 states throughout the United States. As of June 30, 2011 occupancy rate is 89.3% in the property with the majority of tenants being well known American chains and quality retail anchors which have signed long term leases. Among the chains leasing the properties are Wall-Mart, Home Depot, Best Buy, TJX Companies and others.



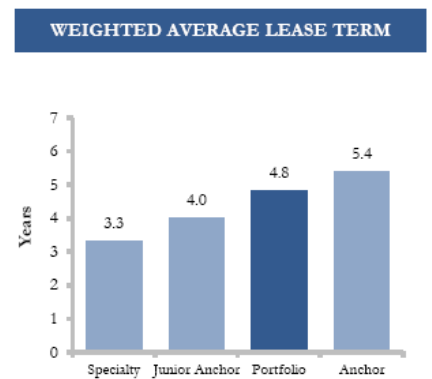
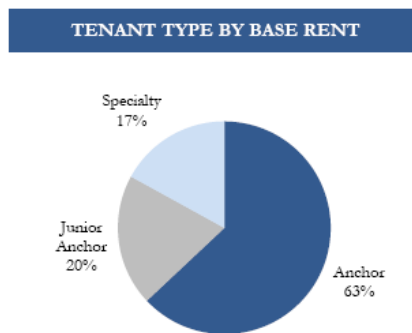
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EDT focuses on investment, holding and management of shopping centers in the United States, providing investors exposure to quality premium portfolios of retail real estate property through multiple states in the United States.

PORTFOLIO OVERVIEW WITH DETAIL ON TOP 5 PROPERTIES BY APPRAISED VALUE



TOP 10 TENANTS			
NAME	% ABR	GLA (in 000's)	CR
1. TJX Companies	6.2%	655.4	A
2. Kohl's	4.6%	811.1	BBB+
3. PetsMart	4.6%	363.5	BB
4. Best Buy	3.2%	282.1	BBB-
5. Jo Ann Stores	2.8%	288.9	B
6. Dick's Sporting Goods	2.6%	254.9	n/a
7. Bed Bath & Beyond	2.6%	246.3	BBB+
8. Wal-Mart	2.2%	304.9	AA
9. Gap	2.1%	149.7	BB+
10. Home Depot	2.0%	219.0	BBB+
Total	32.4%	3,527.9	



For additional information about EDT see: www.edtetail.com



3. Financial and operational streamlining and improvement have taken place since the acquisition of EDT, resulting in a significant improvement of the results of the performance, including:
 - A. Increase of income as a result of leasing vacant areas, replacement of tenants and betterment of lease contracts that were renewed.
 - B. Transfer of management headquarters from Australia to the United States, thereby reducing the operational costs and improving the management operations.
 - C. Extending the maturities under most of the loan contracts for long terms and adjusting them to the expected cash flow from rent, while improving the debt conditions.

As a result of the aforesaid activities, the free cash flow has increased.

4. During July 2011, the subsidiary EPN finalized the binding takeover bid offer in the EDT investments fund which began in March 2011 following which its holdings of EDT increased to 97.5%. EPN intends to complete the acquisition of the remaining units of EDT in accordance with the takeover offer in the upcoming weeks.

The expected transformation of EDT into a private company and delisting it from trade, shall provide EPN a number of advantages including full control of EPN with respect to the free cash flow of EDT, an ability to examine further streamlining in the EDT management structure thereby leading to a significant reduction of its expenses. In addition, EDT can serve as a platform for making new investments in yield real estate property in the United States in order to better its asset portfolio.
5. The total amount of the investments of the EPN Group in the framework of the binding takeover offer that began in March 2011 amounted to US\$ 242 million. The total amount of investment by Elbit and Plaza in the framework of the binding takeover offer amounts to US\$ 57 million each. Till the date of 30.6.2011, Elbit Imaging and Plaza Centers have invested US\$ 14 million each, and following the date of the balance sheet, an additional amount of US\$ 43 million each.

6. The total overall investment of the EPN Group in the acquisition of EDT as of the first investment transaction in April 2010 amounts to US\$ 358 million. The contribution of each of Elbit and Plaza with respect to this amount is approximately US\$ 83 million each.
7. In continuation to the success in the acquisition of holdings in EDT, EPN will consider the realization of this asset portfolio, or a part thereof, in the future, while taking into account the trends and developments in the U.S. market. The transformation of EDT into a private company will allow, in this context, a quick response time to fluctuations in the market.
8. Elbit's share in EDT's equity:

	Rate	Equity according to financial statements as of 30/6/2011 Million Dollars (US)
Equity		555
EPN share	100%	555
Elbit + Plaza Share	45.4%	252
Elbit's share	50%	126
Plaza Centers' share	50%	126



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9. The LTV rate on EDT assets, according to EDT statements as of June 30, 2011, amounts to 61%, which can enable generation of excess cash flow from refinancing or realization:

	30/6/2011 Million dollars (US)
Book value of EDT assets	1,428
Extent of financial debt	927
Cash balance	(54)
Net debt	873
LTV	61%





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D. Plaza Centers:

1. Most of the properties that were acquired by Plaza Centers were financed by Plaza Centers from its own equity. In the past few years, Plaza was engaged in improving and diversifying its asset portfolio.
2. Major activities that were implemented in the past two years:
 - a) Completion of construction of four shopping malls: Suwalki Plaza and Zgorzelec Plaza in Poland, Liberec Plaza in Czechoslovakia and Riga Plaza in Latvia (50% holding).
 - b) At present, Plaza is engaged in the construction of three shopping centers and an office building:
 - i. Torun Plaza, Poland, expected opening in Q4/2011.
 - ii. Koregaon Park, India, expected opening in Q4/2011.
 - iii. Kragujevac Plaza, Serbia, expected opening in Q1/2012.
 - iv. Plaza also anticipates completing and selling by the year end the first stage of the Kharadi office building in Pune, India.
 - c) Investing in the activities of "Elbit-Plaza U.S.A" (50%) concurrent with investments made by Elbit (see separate chapter in this report regarding activities in the United States).
 - d) Promoting residential, office and commercial projects in India (see separate chapter in this report regarding residential activities in India).
3. In the past year, transactions were carried out in a number of countries where Plaza has been active and with respect to assets which are similar to assets held by the company; the yield generated by these transactions points to the continuation of the trend of a rise in the value of commercial centers. Plaza estimates that in the upcoming two years some of its holdings in its active assets in which the improvement potential is about to be exhausted are expected to be realized.



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4. Most of the plots were acquired by Plaza using equity and are not pledged. Plaza`s strategy is to initiate construction in new projects that comply with two main criteria:
 - a) Projects that are characterized by increased demand from tenants.
 - b) Projects based upon external funding and that demand minimum equity investment.
5. Elbit Imaging holds approximately 62.3% of Plaza Centers shares, which are traded in London and Warsaw stock exchanges. Elbit estimates that it will be able to generate cash flow from the realization of part of Plaza`s shares while maintaining control of Plaza, subject to the existence of comfortable market conditions for realizing such holdings.



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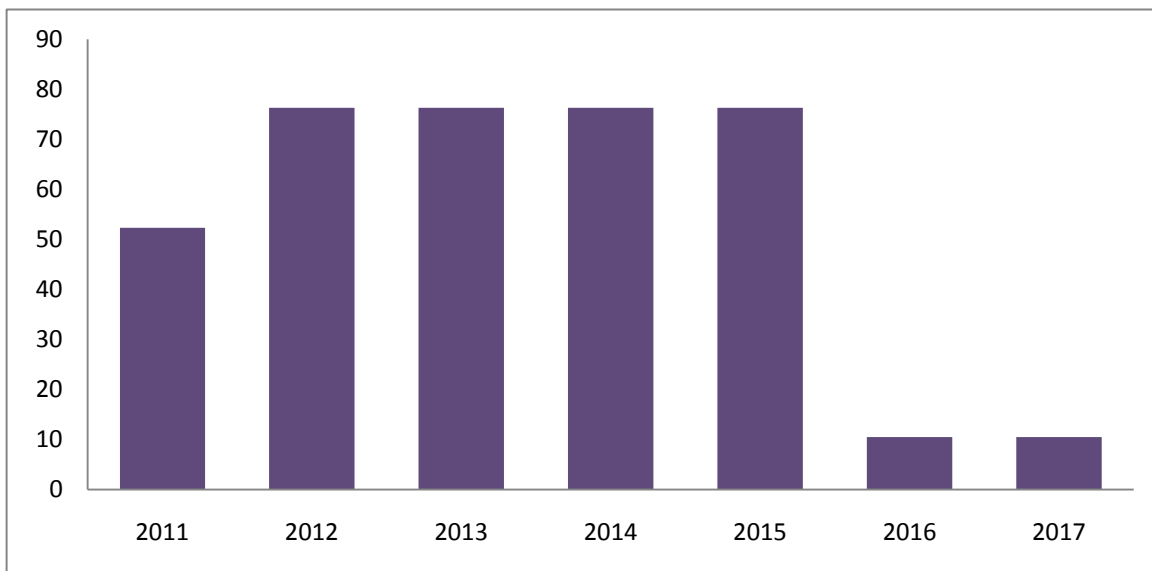
6. The following presents the current debt of Plaza as of June 30th, 2011:

Million Euro		
Composition of financial debt, net		Financial debt
Debtentures		403
Less financial hedge in related with debtentures		(41)
Total debtentures, net		362
India		30
United States		144
Europe	Active properties	112
	Properties under construction	60
Debt related to financial instruments		36
Total banks debt		382
Total debt (net debtentures + banks)		744
Cash and liquidity balances		230
Financial instruments and restricted cash balances in related		68
Total liquidity balances and financial instruments		298
Total financial debt, net		446
Equity (not adjusted)		631
Net debt to CAP ratio		41%
Net debt to total Assets (LTV) ratio		30%



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7. The following presents the maturities of Plasas` debentures in million of Euros, as of June 30, 2011:



8. In May 2011 Plaza Centers announced its plan to repurchase debentures in an overall financial extent of up to 150 million NIS. Until the date of publication of this presentation Plaza Centers purchased debentures in an amount of 20 million NIS debentures representing an amount of 25 million NIS adjusted value.



Koregaon Park, Pune, India



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E. The Group's Activities in India:

- a) As part of the Company's strategy to diversify its cash flow and with the intention to generate a permanent cash flow, the Company entered into entrepreneurial investments in residential projects in India. For that purpose, the Company established a headquarters in India which relies on a local and foreign workforce that supports different projects throughout the country.
- b) Most of the projects are implemented together with local partners who have experience in establishing large scale residential projects in India. The said cooperation combines extensive experience of the Elbit Group with Western construction standards, design and management of large scale projects, with the understanding and knowledge provided by the local partners with respect to the local population's tastes and preferences as well as the mechanisms for dealing with local bureaucracy.
- c) The Group completed the significant stage of acquisition of lands, in which it was required to invest significant amounts of equity without generating any short term income, and at present, the Company anticipates to begin enjoying the realization of its investments.

1. Bangalore project

A large scale residential project on a 667 dunam piece of land on which a luxurious residential neighborhood is planned, including 1,000 different types of detached houses in its first stage. In accordance with an updated framework agreement, the joint venture company of Elbit and Plaza, Elbit Plaza India, granted the right to the local partner to develop the residential project (under full control and supervision by the company) and in return Elbit Plaza India will receive 70% of the net cash flow (before tax) as of the first day of marketing until IRR of 20% on its total investment is achieved. The commencement of marketing of residential units is scheduled for the beginning of 2012.



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2. **Chennai Project (Elbit Plaza India - 80%, local partner - 20%)**

In Chennai, Elbit Plaza India (through its project company) was capable of consolidating and purchasing a unique contiguous piece of land for purposes of a residential project, comprising 360 dunam and situated close to a large technology park that is expected to accommodate more than 300,000 workers in the upcoming years. The project includes 5,500 residential units from saturated construction and villas. The project is expected to be carried out as a joint development (combination) transaction with a leading local construction company. In return, Elbit Plaza India is expected to receive at least 30% of the proceeds from the sale of the residential units in the project. In addition, Elbit Plaza India is expected to receive a down payment of approximately US\$ 40 million to be paid in a number of milestones. The negotiation for the conclusion of the joint development (combination) transaction is still going on. The project company intends to start marketing of the project during 2012.

Elbit estimates that it shall not be required to invest additional material equity in those two projects.

The cost of those two residential projects in the consolidated company financial statements amounts to approximately NIS 946 million as of June 30, 2011 (the share of Elbit solo amounts to NIS 489 million and the remaining amount constitutes the share of Plaza Centers). In addition, the Company does not have any debt which is attached to those assets against these costs.



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2. Elbit Medical:

1. Elbit Medical, whose shares are listed at the Tel-Aviv Stock Exchange, is a holding company which holds InSightec (65.9%) and Gamida (31.6%). Both companies are active in the bio-med market. Elbit is the largest shareholder in each of these companies
 - a) InSightec is active in the fields of oncology, gynecology and neurology and develops a non-invasive, imaging treatment - the ExAblate device. ExAblate enables treatment of benign and malignant tumors treated today by invasive treatment. This system is already being used for treatments of uterine myoma.
 - b) Gamida develops treatments for chronic, incurable diseases such as cancer, various blood diseases, and autoimmune diseases. Gamida is one of the worldwide leaders in cell-based products and technologies.
2. During 2010, as part of a strategy to consolidate the holding structure on tradable platforms and to increase the accessibility to specific resources of funds for each activity, the Company restructured the activities of Elbit Medical under its private ownership into a public company by the name of Enter Holdings Ltd and thereafter changed its name to Elbit Medical Technologies Ltd.
3. Elbit holds approximately 707 million shares of Elbit Medical in addition to 1,016 million options at a exercise price of 0 (zero) that can be exercised at all times. The rate of holding of Elbit in Elbit Medical is 93% on a fully diluted basis.

The following is the market value of Elbit Medical as of August 29, 2011 (according to a share price of NIS 00.20 per share):

	%	Million NIS
Market value as of 29.8.2011		345
Elbit's share (after realization of options)	93%	321

4. Elbit intends to continue raising capital in Elbit Medical upon the existence of favorable market terms, either by the dilution of its holdings in Elbit Medical and/or the realization thereof, with the intention to increase Elbit Medical's share tradability and generate higher



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exposure of Elbit Medical to investors specializing in bio-med. This strategy shall be enacted while simultaneously examining the possibility of realizing a portion of the holdings of Elbit Medical in Gamida and InSightec.

5. Elbit Medical's value is contingent upon the value of the portfolio companies under its ownership. The portfolio companies are engaged in research and development, and, therefore, the values of these companies is being determined, among other things, from the research & development progress and results. The compliance with certain milestones may result in an increase in the value of these companies.

6. **InSightec**

- a) InSightec is examining the possibility of marketing and commercializing its products.
- b) In the past few months, InSightec streamlined its operations to reduce its expenses while maintaining those core activities which constitute the primary source of the company's technological knowhow and while, at the same time, strengthening its business capabilities. As a result of these actions, InSightec has thus far reduced 20% of its workforce and its overall expenses. InSightec intends to further streamline its operations by further adjusting the amount of its expenses to its projected income in the upcoming months.



7. **Gamida Cell:**

- a) Gamida is in Phase III to approve its main product (StemEx) by the FDA.

In July of this year, the joint venture of Gamida Cell and Teva announced that the independent Data Monitoring Committee examined data which was obtained from more than the first 70 patients treated in Phase III of the clinical trial, and recommended that the joint venture continue to recruit patients to the StemEx research.

- b) The joint venture of Gamida Cell and Teva expects to complete recruitment of 100 patients in the StemEx research in the fourth quarter of 2011 and submit an application to the FDA for approval in 2012. Shortly thereafter, an application for marketing the product will be submitted to the European Medicines Agency (EMA). The first launch of the product is expected in the year 2013.

StemEx was trialed as product for bone marrow transplant in patients suffering from leukemia and lymphoma who did not find a suitable bone marrow donor among their relatives.

Chapter 2: Q2/2011 Financial Performance Summary

Consolidated revenues for the three months period ended June 30, 2011 amounted to NIS 241 million (US\$ 71 million) compared to NIS 573 million reported in the corresponded period in 2010.

The decrease is mainly attributable to: (i) we reported non-recurring gain from the bargain purchase of EDT in the amount of NIS 397 million in the corresponded period in 2010; (ii) revenues for our hotel business increased during Q2 2011 nevertheless, due to the sale of our UK hotels in December 2010, we reported a decrease in the hotels revenue; offset by (iii) an increase from investment property attributable to EDT which was acquired in June 2010 and which contributed an amount of NIS 85 million to our total revenue in the current period.

Revenues from commercial centers in Q2 2011 and Q2 2010 amounted to NIS 27 million (US\$ 8 million).

Cost of commercial centers in Q2 2011 amounted to NIS 35 million (US\$ 10 million) compared to NIS 37 million reported in the corresponded period in 2010.

Gain from fair value adjustment of investment property in Q2 2011 amounted to NIS 25 million (US\$ 7 million) compared to nil in the corresponded period in 2010. The gain is attributable to the revaluation of EDT's retail properties.

Revenues from investment property rental income in Q2 2011 amounted to NIS 60 million (US\$ 18 million) compared to nil in the corresponded period in 2010. These revenues are attributable to EDT's retail properties.

Cost of Investment property in Q2 2011 amounted to NIS 25 million (US\$ 7 million) compared to nil in the corresponded period in 2010.

Revenues from hotels operations and management in Q2 2011 amounted to NIS 79 million (US\$ 23 million) compared to NIS 101 million reported in the corresponded period in 2010. Our revenue from hotels activity in Holland, Belgium and Romania were improved in Q2 2011 nevertheless, due to the sale of our UK hotels in December 2010, we reported a decrease in the hotels revenue.



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Costs and expenses from hotels operations and management in Q2 2011 amounted to NIS 64 million (US\$ 19 million) compared to NIS 83 million reported in the corresponded period in 2010. The decrease is mainly attributable to sale of our UK hotels, in December 2010.

Revenues from sale from medical systems in Q2 2011 amounted to NIS 5 million (US\$ 1 million) compared to NIS 8 million in the corresponded period in 2010. The decrease is mainly attributable to sale of systems for lower prices.

Costs and expenses from medical systems operations in Q2 2011 amounted to NIS 19 million (US\$ 5 million) compared to NIS 16 million reported in the corresponded period in 2010. The increase is mainly attributable to legal expenses as a result of two lawsuits against InSightec.

Research and development expenses in Q2 2011 amounted to NIS 16 million (US\$ 5 million) compared to NIS 14 million reported in the corresponded period in 2010. The increase is mainly attributable to increase in the number of clinic treatments acquired during the period.

Revenues from sale of fashion merchandise and others in Q2 2011 amounted to NIS 46 million (US\$ 13 million) compared to NIS 40 million reported in the corresponded period in 2010. The increase is mainly attributable to the opening of new GAP stores.

Cost and expenses of fashion merchandise and others in Q2 2011 amounted to NIS 52 million (US\$ 15 million) compared to NIS 41 million reported in the corresponded period of 2010. The increase is attributable mainly to the opening of new Gap stores; non-recurring write down of inventory, increase of wholesale's cost purchase and launching the CRM loyalty program.

General and administrative expenses in Q2 2011 amounted to NIS 18 million (US\$ 5 million) compared to NIS 16 million reported in the corresponded period in 2010. The stock based compensation expenses in Q2 2011 amounted to NIS 6 million (US\$ 2 million) compared to NIS 3 million in the corresponded period in 2010.

Financial expenses, net in Q2 2011 amounted to income of NIS 26 million (US\$ 7 million) compared to expenses in the amount of NIS 50 million reported in the corresponded period in 2010. The decrease in the expenses of NIS 76 million relates mainly to the following:



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- (I) An increase in the income amounted to NIS 58 million (US\$ 17 million), attributable mainly to non-cash income derived from changes in fair value of financial instruments (mainly Plaza Centers N.V. notes, currency and interest hedge transactions, derivatives and marketable securities) all measured at fair value through profit and loss.
- (II) A decrease in the amount of NIS 47 million (US\$ 14 million), in non-cash expenses related to exchange rate differences. The decrease is mainly attributable to exchange rate fluctuation in respect to Plaza Center N.V.'s notes and one of the loans in the hotel segment.

Offset by:

- (III) An increase in interest expenses, net in the amount of NIS 29 million (US\$ 8 million), (net of: (i) interest income; (ii) capitalization of financial expenses to qualified assets; and (iii) linkage differences in respect of bonds which are linked to the Israeli consumer price index). Such increase is mainly attributable to (i) interest expenses related to EDT operations; (ii) interest expenses on additional notes raised by us; offset by (iii) decrease in interest expenses related to our hotels operation due to the sale of the UK hotels.

Impairment charges and other expenses, net in Q2 2011 amounted to NIS 23 million (US\$ 7 million) compared to NIS 10 million reported in the corresponded period in 2010. These expenses are attributable mainly to impairment of Plaza Centers N.V. trading property and to initiation expenses attributable to our operations in India and in the USA.

Income in Q2 2011 amounted to NIS 14 million (US \$4 million) out of which loss in the amount of NIS 30 million (US\$ 9 million) is attributable to our equity.

Our shareholders' equity as of June 30, 2011 amounted to NIS 2.13 billion (US\$ 624 million) compared to NIS 2.17 billion in December 31, 2010.

Chapter 3: Sources and Uses Analysis

A. Composition of the Liquidity Balances and Debt of Elbit Group:

1. The total debt solo of the Company as of June 30, 2011 amounted to approximately NIS 3,141 million. Cash balances in the solo financial statements of the Company amounted to approximately NIS 583 million, such that the net debt of the Company, solo, at the balance sheet date, amounted to approximately NIS 2,558 million.
2. The Company strives to maintain, on a consistent basis, significant cash reserves as part of its overall business strategy, based, in part, on management's understanding that the nature of the Company's activities may generate fluctuations in the cash flow.
 - a) In the next two years, the Company expects to reduce its consolidated debt balance in approximately NIS 2.6 billion due to the repayment of debentures and realization in the Hotels Division and USA Real Estate Division.
 - b) In the next two years, Elbit and Plaza are expected to reduce the debt under the debentures in approximately NIS 1.1 billion.

Following is the debt maturities at headquarters level, solo, at Elbit and Plaza:

Million NIS	30.6-31.12.11	1.1-31.12.12	1.1-30.06.13	Total
Elbit's debentures	222	303	184	709
Plaza Centers debentures	257	112	-	369
Total	479	415	184	1,078



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3. Following is the composition of the liquidity balances and the consolidated debt of the Company as of June 30, 2011 in a breakdown of solo debt and the debt of its subsidiaries:

30/06/2011	Million NIS			
Liquidity balances	Cash and cash equivalent	Long term deposits	Short term deposits	Total
Elbit solo	162	23	398	583
Plaza Centers (including US activity, Plaza's share)	697	-	441	1,138
Hotels division	48	38	9	95
US division (Elbit's share)	43	8	7	58
Other	12	1	-	13
Intermediate summary	962	70	855	1,887
Plaza Centers (financial instruments and long term restricted cash)	-	498	42	540
Total	962	568	897	2,427
30/06/2011	Million NIS			
Debt balances	Short term credit	Short term credit attributed to trading property	Long term credit	Total
Elbit (headquarters)	314	-	2,827	3,141
Plaza Centers debentures	224	-	1,768	1,992
Plaza Centers (including US activity Plaza's share)	457	965	467	1,889
Hotels division	72	-	511	583
US division (Elbit's share)	90	-	571	661
Other	52	-	-	52
Total	1,209	965	6,144	8,318
Elbit solo debt, net				2,558



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B. Analysis of Sources and Uses Elbit Solo

1. In the analysis of the sources and uses report specified hereunder, the Company presents forecasts which do not include a possible refinancing of its debentures in the next two years.
2. The following is a forecast of the sources and uses of the Company solo (Elbit only) for the two years between June 30, 2011 and June 30, 2013:

Million NIS	Period	Year	Period
	30.6-31.12.11	1.1-31.12.12	1.1-30.06.13
Cash O.B.	582	383	411
Sources:			
Cash flow from realization Hotels/United States (1, 6)	16	281	311
Cash flow from refinancing (2)	229	40	0
Cash flow from dividend and realization of tradable shares (3, 5)	50	157	142
Current cash flow from activities (4)	65	160	75
Total sources	943	1,020	939
Uses:			
Debentures principal	222	303	184
Debenture interest	79	138	62
Bank principal	5	10	5
Bank interest	9	28	14
General & Administration expenses	24	40	20
Investments	221	89	27
Total uses	559	609	312
Cash C.B	383	411	627

- (1) Including realization of hotels in Holland and Belgium and realization of activities in the United States.
- (2) Including refinancing for hotel in Romania and intermediate financing in United States.



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- (3) Including dividends from Plaza (see footnote 5 below), realization of Elbit Medical tradable shares and Plaza Centers shares (the pricing estimates an increase in the shares' price of those companies).
 - (4) Including current cash flow from hotels, residential activities in India and activities in the United States. The main increase in 2012 stems from the increase of cash flow from India and the United States.
 - (5) With respect to dividends from Plaza - the aforesaid figure reflects the fact that Elbit holds approximately 62.3% while out of this amount 29% (including the proceeds that may be received with respect thereto) of the shares are pledged to a bank as security for bank debt of the Company's headquarters. Dividend from Plaza at the years 2012 and 2013 is in conjunction with the realization of assets by Plaza and in accordance with the cash balances which are available for distribution according to Plaza's financial statements.
 - (6) The assumption with respect to the realizations is based on the prices and values which the Company estimates it could obtain in a current sale, without future improvements.
3. The Company recently began streamlining its operations with an intention to decrease expenses of the Company's headquarters (administration and general) while adhering to the preservation of its business and entrepreneurial capabilities.
 4. The Company has been active in the international business market. Conditions and changes in the economic environment in Israel and worldwide may reflect adversely on the Company's business performance and its ability to realize assets in the planned price and timing.
 5. Repurchase of debentures - the Elbit Group announced in May 2011 its intention to repurchase debentures in an overall amount of up to NIS 300 million. As of the date of publication of this report, Elbit and Plaza together, have purchased debentures in a total amount of NIS 45 million, representing an amount of NIS 52 million adjusted value. The Group intends to purchase debentures in the future, according to conditions in the market, the Company's cash needs, its business plans and approval of the relevant corporate bodies of the Company.
 6. **The Group's Forward Looking Structure:**

At the conclusion of the two year period specified hereinabove, and subject to the realization of the business plan as well as profiting from the opportunities derived from the fluctuation in the markets in which the Company is active, the Company will continue to hold its primary divisions including:

 - a) Control in Plaza and continued development of shopping centers in central and Eastern Europe and India.

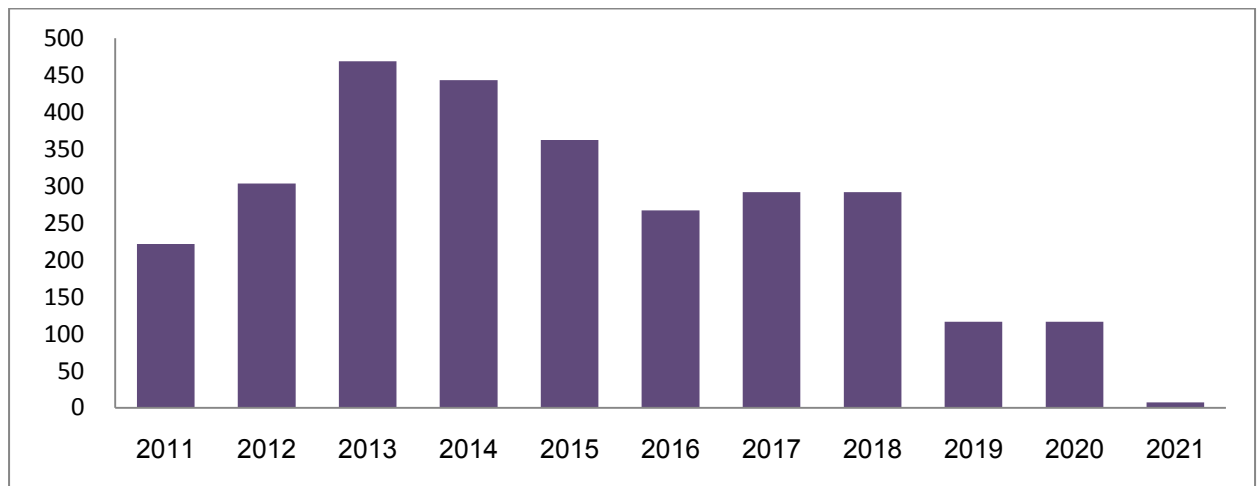


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- b) Maintaining its holdings in the Radisson hotel in Bucharest, Romania.
- c) Continued development of its real estate residential enterprises in India.
- d) Continued development and taking advantage of new opportunities in shopping centers in USA (such as EDT) through the existing EPN platform.
- e) Control of the medical activities of the Group through Elbit Medical.

2. The following is an amortization graph of principal of the Company's debentures (solo) in millions of NIS as of June 30, 2011:

3.





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General Comments Concerning Information Contained in the Presentation

This presentation does not constitute a proposal and/or an offer and/or invitation to acquire and/or to be issued shares by Elbit Imaging Ltd. (hereinafter: "**Elbit**" and/or the "**Company**") and/or its subsidiaries.

This presentation includes partial information that the Company deemed fit to present to the investors in its securities. This information might not be contained in the financial or other statements issued by the Company as published or that its manner of presentation in this presentation is different than the manner in which this information is included in the aforesaid publications. This presentation includes a summary of the issues addressed therein, in the context at which they appear, and not the full information that the Company has on those matters. This presentation does not include the entire results and financial information of the Company and/or the Company's business plans or its entire activities, and it is not intended to supersede and/or replace the need to review reports and statements published by the Company in Israel and the United States including, the Company's 20-F form for the year ending on December 31, 2010 (hereinafter, the "**20-F Form**" and jointly with other published reports, statements and announcements issued by the Company, the "**Reports**" and/or the "**Company's Reports**"), and the full financial statements of the Company included therein. In any event of discrepancy between the figures contained in this presentation and the figures contained in the Company's Reports and/or financial statements attached thereto, figures contained in the Company's Reports shall prevail.

This presentation includes forward-looking statements, estimates, evaluations, expectations, declarations and information (hereinafter, the "**Forward-Looking Statements**"). Such Forward-Looking Statements, including the realization of planned activities that are contingent upon third parties or external factors, the realization of work assumptions, plans, designs, estimates, evaluations, schedules, outcomes, the existence of prices, market conditions, etc., are based upon the Company's estimates, evaluations and expectations according to its understanding of the data it has at the time of preparing this presentation. There is no assurance or certainty that the Forward-Looking Statements will indeed materialize and these, in conjunction with the actual realization of each of the activities and/or occurrences specified in this presentation and/or consequences thereof, might change and/or be affected by external factors that Elbit does not have the ability to predict and/or control.

Information that does not fall under the category of Forward-Looking Statements is correct as of the date of preparing this presentation. The Company does not undertake to update the information contained in this presentation whether it is Forward-Looking Statements or not, following its publication.

Among other matters, the Company is exposed to risk factors as specified in the Company's Reports published in Israel and the United States, including the 20-F Form filed by the Company, Item 3.D, under the heading "Risk Factors" that may affect the outcome of its activities and/or its ability to realize its plans. In addition, and without derogating from the generality of the foregoing and/or the risk factors specified in the 20-F Form filed by the Company as aforesaid, the following factors may have material influence on the Company's activities and business performance: (a) Risk factors that are related to shopping and entertainment centers: finding a suitable location is critical to the success of a shopping and entertainment center; design limitations and local opposition may postpone or prevent the construction of a commercial center; reliance on contractors and subcontractors during the construction of shopping and entertainment centers may lead to high construction costs and loss of the Company's competitive edge; delay in the completion of projects of construction of shopping and entertainment centers might affect the success of the Company; the Company is dependent upon third parties for the purpose of entering lease contracts and especially agreements with anchor tenants for shopping and entertainment centers when, in the event that the Company cannot enter into the aforesaid agreements, it runs the risk of price reduction; the Company is exposed to a decrease in the prices of rent and/or sale prices of shopping and entertainment centers it owns; competition in its areas of activity becomes more intense; the Company may pay to tenants that were granted with protected tenancy rights, in the event that it wishes to evacuate the area, and this may lead to excess budget; there is no guarantee that the Company will be able to implement its strategy to successfully build shopping and entertainment centers and such circumstances may result in serious damage to the performance of the Company; some of the shopping and entertainment centers are jointly owned and control of investments is maintained through cooperation with third parties; transactions



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aimed at purchasing commercial centers, shopping and entertainment centers purchased by the Company are subject to inherent risks that are characteristic of real estate transactions such as, but not limited to, failure to discover flaws and defects in the framework of a due-diligence investigation or the ability to conduct due-diligence to a limited extent, flaws in the purchase rights, flaws and defects in the building or the ground, pollution and environmental nuisances; there might be dependency on business partners, cooperation and service providers; disputes with land owners and/or tenants and/or service providers, breach of agreements and/or insolvency by anchor tenants; failure to communicate that property management companies in general or under conditions that are desired by the Company; changes in the buying power or worsening of the economy of the relative state that harms the financial performance of the commercial centers; decrease in the value of assets; urban and/or demographic changes and/or changes in the mixture of the population constituting the primary target audience of the commercial center and affecting its profitability; changes in legislature or taxation limiting the activities of the commercial center and/or its profitability and/or the possibility of its realization; acquisition, development and renovation of commercial centers involves significant risks for the Company and lack of an option to predict the success of future projects; this sector is affected by changes in global economy, real estate and business environments that may have an adverse effect on the Company's line of business or financial performance. (b) Risk factors that are related to the hotel business: the hotel business might be affected by economic conditions, excess demand, tourism patterns, climate and additional circumstances that are beyond the Company's control; competition in the hotel sector; acquisition, development and renovation of hotels involves significant risks for the Company and lack of an option to predict the success of future projects; dependency on business partners, joint ventures and cooperations; reliance on management agreements with Park Plaza and Rezidor Group (Radisson) that may not yield the expected result and/or terminate. In addition, a significant decline in the reputation of Park Plaza and/or Rezidor (Radisson) or the performance of the hotels owned by the Company may have an adverse effect on the Company's performance; the Company is subject to agreements with Park Plaza and the Rezidor Hotel Group when undertakings by virtue of the aforesaid agreements may result in significant costs incurred by the Company; the value of investments in the Company's hotels is exposed to a variety of risks that derive from ownership and operation of the property; the Company's title in the Bucharest hotel was undermined and in the event that the process succeeds this shall have an adverse effect on the Company's performance. (c) Risk factors that are related to residential projects: the residential construction sector is characterized by cycles and is affected by changes in the global economy, real estate and business environment that may have an adverse effect on the Company's business or its financial performance; in the event that apartment buyers from the Company or apartment buyers from original buyers might encounter difficulties in financing the acquisition the Company's activities might be frustrated; the Company might accrue real estate areas in the event that it fails to complete construction of the projects and sell them for profit; it is possible that the Company cannot reach satisfactory quantities of stock for the purpose of completing construction according to the schedules that were set; the Company depends upon contractors, suppliers and service providers. (d) Risk factors that are common to the shopping and entertainment centers, hotel and residential projects: failure to comply with regulations might have an adverse effect on the Company's business performance; exposure to claims in connection with defective design and/or management caused by subcontractors; shortage of raw materials and workforce; projects intended for mixed use combining business and leisure complexes involve a number of risks when occurrence of risk in one part might affect other parts of the project; the fair value of the real estate properties owned by the Company might be affected by certain entities that will lead to losses as a result of decrease of value that was not taken into account in the past; environmental findings such as archaeological or ecological findings might have a serious effect on construction budget, schedules, feasibility and marketing of shopping and entertainment centers. (e) Risk factors that are related to Image Guided Treatment Business: the Company's subsidiary InSightec (hereinafter: "InSightec") depends upon sales of ExAblate 2000 device and this may have an adverse effect on InSightec business performance; in the event that ExAblate 2000 does not gain wide recognition as to treatment of uterine tumors, InSightec will not be able to sell a sufficient quantity to support its business activities; in the event that doctors, hospitals and HMOs cannot receive sufficient cover and reimbursement for their expenses by third parties to patients treated with ExAblate 2000, InSightec will not be able to sell a sufficient amount of devices to support



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its business activities; the growth of InSightec is contingent upon the ability to develop and comply with regulatory requirements for additional treatments and additional applications to the ExAblate 2000; InSightec depends on General Electric; in the event that InSightec is incapable of protecting its intellectual property its competitive edge might be harmed; third party claims for violation of copyright might force InSightec to redesign its products, obtain licenses or enter future and costly litigation on the subject of intellectual property; treatment of humans might result in bodily damage to patients if, as a result of faulty treatment or faulty process that could not have been discovered or that was not discovered during clinical trials. Such damage, if and to the extent that it occurs, may result in the filing of claims against InSightec, which may jeopardize its existence. (f) Risk factors that are related to additional activities conducted by the Company: each of the brands held by the Company in the field of retail fashion is contingent upon a single franchiser and supplier and consequently delays and interruptions might occur in the shipment of products; an increase of wages in Israel might have an adverse effect on the business performance of Elbit Trade & Retail Ltd. (hereinafter: "Elbit Trade"); the fashion industry is affected by changes in the taste of consumers and/or entry of competition into local markets. In the event that the manufacturer of products marketed by Elbit Trade is unable to identify current trends or if Elbit Trade errs in its acquisitions and does not purchase products that comply the consumer's preferences, Elbit Trade's sales might be affected adversely; a change in the customs rate and strikes in ports might have an adverse effect on the Company's business performance; Elbit Trade might not be able to meet the intense competition in the fashion industry and its competitors might overpower it financially, geographically or otherwise; fluctuations and/or an increase in the price of raw materials may have an adverse effect on the profitability of Elbit Trade; devaluation of the Shekel in comparison to foreign currencies may have an adverse effect on the performance of Elbit Trade; the Company's investments in venture capital are speculative by nature and may never yield income or profits. (g) Risk factors related to Israel: the security and economic conditions in Israel may affect the Company's performance; many directors, office holders and employees are obligated to serve in military reserve duty; management and enforcement of legal proceedings outside Israel might give rise to difficulties; certain provisions in Israeli company laws in connection with acquisition or takeover of a company might have an adverse effect on the Company's shareholders. (h) Risk factors related to Eastern Europe: in the framework of the Company's activities in Eastern Europe, the Company is subject to a variety of risks such as economic risks, political instability and corruption. (i) Risk factors related to India: Hostility in India and other Asian countries might have an adverse effect on the Company's performance and financial condition; changes in the economic policy implemented by the Indian government or political instability might have an adverse effect on the Company's business; the Company is new in the Indian market and there is no certainty that its skills or experience will suffice in these areas; limitations imposed by the Indian government concerning investments in India might have an adverse effect on the Company's business performance; uncertainty concerning ownership of lands in India might expose the Company to third party claims in connection with the acquisition of lands by the Company; regulatory limitations in India in connection with repatriating capital from the country might have an adverse effect on the Company's cash flow. (j) Risk factors related to Australia: geographic distance and time differences might present difficulties in control, monitoring and management of the activities conducted in Australia; provisions set forth in the Australian corporate laws in connection with the acquisition or takeover of companies might have an adverse effect on the Company as being an (indirect) shareholder. (k) Risk factors related to the United States: the Company indirectly holds EDT Retail Trust which is owns shopping centers throughout the US. In addition to the risk factors that are related to shopping and entertainment centers which are detailed above, Elbit's holdings are sensitive and exposed to the fluctuation, changes and trends in the US markets, including the possible implications of the downgrade of the US credit rating by Standard & Poor's, if any. Among others, the above might impact the financial and economical parameters of the US market, the continuation of growth, financing and the possibility to realize assets at the expected returns and timing. (l) Risks factors relating to the holdings structure of the Company: The Company has one shareholder that holds a significant amount of the Company's shares and this enables him, in effect, to elect the members of our board of directors and to effectively control the outcome of shareholder votes, subject to limitations under the Companies Law; Any loss of the services of members of our senior management team, and in particular Mr. Mordechay Zisser, could result in the loss of expertise necessary for us



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to succeed, which could cause our revenues to decline and impair our ability to meet our objectives; Change and/or transfer of control in the Company, either voluntarily as a result from a willful event or as a result from a compulsory foreclosure event with respect to shares that are pledged as security to lending banks, may result in a violation of contractual undertakings made by the Company towards third parties and/or vest third parties with rights to cancel agreements concluded by these third parties and the Company, including immediate prepayment of loans and/or credits taken by the Company; As the Company has reported, a dispute has arisen between Bank Hapoalim Ltd. (hereinafter, the "Bank") and the controlling shareholder in the Company, Europe-Israel (M.M.S.) Ltd. (hereinafter, "Europe Israel") which is controlled by Mr. Mordechai Zisser ("Zisser" jointly and severally with Europe Israel – the "Controlling Shareholder") concerning loans and credits of the Controlling Shareholder to the Bank that were secured, *inter alia*, through pledging some of the Company's shares held by the Controlling Shareholder. Following the above, it should be noted that the Company is not a party to the negotiations and/or communications between the disputing parties and is not familiar with their contents. It is hereby clarified that the foregoing does not constitute an opinion and/or take a position in relation to alleged claims that can be raised by the Bank in the framework of the aforementioned dispute. (m) General risk factors: conditions and changes in the economic environment in Israel and worldwide may have an adverse effect on the Company's business performance; in the event that the Company is categorized as a passive foreign investment company (PFIC) in the United States, holders of ordinary shares of the Company might be affected adversely due to tax results; the Company is a party to a legal proceeding submitted against it; the Company encounters a significant need to finance its activities, nevertheless the Company might not be able to achieve additional financing; the high leverage of the Company might have an adverse effect on the Company's ability to operate its business; changes in the global economy, real estate and/or the business environment in which the Company operates, and/or a negative trend in the capital markets and/or a decrease in the rating of the Company or the Company's securities, if and to the extent that this should happen, might have an adverse effect on the Company's capital raising abilities; the Company's business performance is affected by seasonal changes in the different business activities conducted by the Company; Macro or micro economic changes as described above, may affect the Company's compliance with covenants it took upon itself in financing agreements, including but not limited to, as a result of the decrease of its collateral (LTV) (including the decrease in the value of real estate or securities which are pledged to banks). For additional information on pledged assets as stated above, please see our 20-F Form, Item 5.B under "Liquidity and Capital Resources". Following the release of 20-F Form, part of the Company's financing agreements were replaced, while 29% of Plaza Center's shares were pledged, and according to such financing agreement the Company is required to maintain a ratio between the net debt and the market value of such pledged share; Results in quarterly and annual statements of the Company might fluctuate - this may result in a decrease in the price of the Company's ordinary shares; the Company might fail to maintain successful an internal audit mechanisms in accordance with Section 404 of the Sarbanes-Oxley Law dated of 2002. Additional information is contained in the 20-F Form of the Company, Item 3.D under the heading "Risk Factors". It is clarified that this list is not an exhaustive list including all the risks to which the Company is exposed. Future risks might arise that the Company did not predict and that are not included hereinabove and/or in the Company's Reports published from time to time.

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