



FOR IMMEDIATE RELEASE

JUNE 4, 2009

PRIVATE PLACING AND OPEN OFFER AND ISSUE OF WARRANTS

Dori Media Group Ltd. (“DMG”, “Dori Media” or “the Company”), the international media company active in the field of television, with a focus on production, distribution, broadcasting and merchandising of Telenovela, today announces that it will raise gross proceeds of approximately £1.58 million by way of a Placing of 670,323 Placing Shares at 100 pence per share with Catalyst Private Equity Partners (Israel) II, L.P. (“Catalyst”) and through an Open Offer of 1,757,840 New Ordinary Shares at 52 pence per Ordinary Share. It is currently anticipated that a Circular with details of the Placing and the Open Offer will be sent to Shareholders on Friday 5 June 2009.

The net proceeds of the Placing and the Open Offer are expected to be approximately US\$ 2.45 million, the gross proceeds being approximately US\$ 2.6 million.

The net proceeds of the Placing and the Open Offer will be applied towards: i) the funding of productions to meet increasing global demand for cost effective and highly popular Telenovela programming; ii) the expansion of Dori Media’s business and further investment into the diversification of the Group’s revenues through the development of projects such as Novebox.com, a recently launched commercial website containing on-line Telenovela; iii) the strengthening of Dori Media’s general working capital and iv) reducing Dori Media’s liabilities by repaying a portion of its bank debt.

The Company will also issue to Catalyst 479,763 Warrants for a term of 5 years, exercisable at a price of 7 NIS as part of the Placing.

Details of the Placing and the Open Offer

The issue price for the Placing Shares of 100 pence per share represents a 77 per cent. premium to the Closing Price of 56.5 pence per share on 3 June 2009 (being the date on which the Board of Directors of the Company resolved to approve the Private Placing Agreement and to issue the Placing Shares, and the latest practicable date prior to this announcement). In addition, the issue price for the Open Offer of 52 pence per share represents a 8 per cent. discount to the Closing Price of 56.5 pence per share on 3 June 2009

The Placing Shares are expected to be admitted to trading to AIM with effect from 8.00 a.m. on 9 June 2009.

The Qualifying Shareholders may also apply for Open Offer Shares above their basic entitlement under the Open Offer if they so wish under an Excess Application Facility. Catalyst has undertaken to take up any Open Offer Shares not taken up by the Qualifying Shareholders in the Open Offer.

In addition, Mapal Communications Ltd., Mapal-Eden Telenobles Ltd., DTR-Direct to Retail Ltd. (a subsidiary of Mapal Communications Ltd.) (together “Mapal”) and Miella Venture Partners, Inc. (“Miella”) have agreed to accept their pro rata entitlements under the Open Offer representing, in the aggregate, approximately 66 per cent. of the issued share capital of the Company at the date of this announcement. Mapal and Miella have

also signed an agreement with Catalyst, such that Mapal and Miella will sell to Catalyst at the price of the issue price for the Open Offer such number of Open Offer Shares which are required in order that Catalyst receives a minimum of 650,000 Open Offer Shares when aggregated with those Open Offer Shares that it is subscribing for.

The Terms of the Proposed Open Offer

Subject to the terms and conditions set out in the Circular and in the Application Form, the Company will invite applications from Qualifying Shareholders to subscribe for New Ordinary Shares at a price of 52 pence per Ordinary Share payable in full in cash on application, free from all commissions and expenses. Qualifying Shareholders may apply for New Ordinary Shares calculated on the following basis:

1 New Ordinary Share for every 13.546 Existing Ordinary Shares

held on the Record Date and so in proportion for any other number of Ordinary Shares then held. Holdings in Ordinary Shares in Certificated and Uncertificated Form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer. Entitlements of Qualifying Holders will be rounded down to the nearest whole number of New Ordinary Shares. In addition to this entitlement, Qualifying Shareholders may apply for additional New Ordinary Shares in excess of their pro rata entitlement. Once subscriptions under the initial Open Offer entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess application in whole or in part.

Shareholders should be aware that the Open Offer is not a rights issue and that New Ordinary Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply for them under the Open Offer and that rights of Qualifying Shareholders to apply to take up New Ordinary Shares will lapse if they are not taken up. Any New Ordinary Shares not taken up pursuant to the Open Offer will be allocated to Catalyst pursuant to the terms of the Underwriting Agreement. The Application Form is not a document of title and cannot be traded.

Expected Timetable

Record Date for entitlement under the Open Offer	Close of business on 4 June 2009
Expected despatch of Circular and Application Forms	5 June 2009
Existing Ordinary Shares marked 'ex' by the London Stock Exchange	5 June 2009
Open Offer Entitlements credited to CREST stock accounts	8 June 2009
Admission to trading and commencement of dealings in the Placing Shares on AIM	9 June 2009
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST (i.e. if your Open Offer Entitlements are in CREST and you wish to convert them to certificated form)	2 July 2009
Latest time for depositing Open Offer Entitlements into Crest	6 July 2009
Latest time and date for splitting Application Forms	7 July 2009
Latest time and date for receipt of completed Application Forms and payment in full or settlement of relevant CREST instructions under the Open Offer	9 July 2009
Admission to trading and commencement of dealings in New Ordinary Shares on AIM	10 July 2009
Crediting of New Ordinary Shares to CREST Accounts	10 July 2009
Dispatch of definitive share certificates for the New Ordinary Shares in certificated form by no later than	23 July 2009

Recommendation

The Board of Directors of the Company has resolved that the Open Offer is in the best interest of Shareholders as a whole.

The Directors are not making a recommendation to Qualifying Shareholders as to whether they should take up their entitlement under the Open Offer, such decision will depend on each Qualifying Shareholder's individual circumstance, accordingly, the Board of Directors of the Company strongly recommends that Qualifying Shareholders take their own independent financial advice before making a decision as to whether or not to take up their entitlement under the Open Offer.

Certain Directors intend to take up their aggregate maximum entitlement under the Open Offer in respect of a total of 13,126,740 Ordinary Shares representing 55.13 per cent. of the issued share capital of the Company.

For further information on Dori Media Group, please visit our website on www.dorimedia.com or contact:

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Dori Media Group is an international media group that produces, distributes and broadcasts telenovelas. The group owns approximately 4,300 television hours that it sells to a wide variety of audiences in more than 50 countries. In Israel, Dori Media is the owner of Dori Media Paran and Dori Media Darset, which produce daily series and telenovelas for the Israeli market. It also owns and operates two telenovela channels, Viva and Viva Platinum. In the Israeli market, Dori Media also packages, produces and operates all of the movie channels on HOT cable television and the series channel on HOT Extra. In Indonesia, the company operates the Televiva Vision 2 channel that is devoted to telenovelas and Baby TV Vision 3 for toddlers. The Dori Media Group is controlled by Mapal Communications Ltd. one of the largest media companies in the Israel. The group is traded on the London Stock Exchange where its symbol is DMG. For more information on Dori Media, visit our corporate website at <http://www.dorimedia.com/>.

This announcement is not intended to and does not constitute or form part of, an offer or invitation to sell or subscribe for or acquire or exchange securities in the Company or a solicitation of any vote or approval in any jurisdiction pursuant to the Open Offer or otherwise. The full terms and conditions of the Open Offer will be set out in the Circular. Existing Shareholders are advised to read carefully the formal documentation in relation to the Open Offer, once it is dispatched.

Daniel Stewart & Company plc, which is authorised and regulated in the UK by the Financial Services Authority, is acting as nominated adviser and broker in connection with the Placing and the Open Offer and no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Daniel Stewart & Company plc nor for providing advice in relation to the Placing and the Open Offer nor any other matter referred to in this announcement.

Definitions

“Admission”	admission of the New Ordinary Shares to AIM
“AIM”	AIM, a market operated by the London Stock Exchange;
“Application Form”	the personalised application form on which Qualifying non-CREST Shareholders may apply for New Ordinary Share under the Open Offer;
“AIM Rules”	the AIM Rules for Companies published by London Stock Exchange PLC governing admission to and operation of AIM (as amended from time to time);
“Catalyst”	Catalyst Private Equity Partners (Israel) II, L.P.;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is not in CREST);
“Circular”	the circular to Shareholders which is anticipated to be sent to shareholders on 5 June 2009 in connection with the Open Offer;
“Closing Price”	the closing, middle market quotation of an Existing Ordinary Share, as published in daily official list of the London Stock Exchange;
“Company”	Dori Media Group Ltd., a company incorporated and registered in the State of Israel under the laws of the State of Israel with registered number 512284589, whose registered office is at 2 Raul Wallenberg Street, Ramat Hachayal, Tel Aviv 69719, Israel;
“Daniel Stewart”	Daniel Stewart & Company PLC, the Company’s nominated adviser and broker for the purposes of the AIM Rules, a member of the London Stock Exchange and regulated in the UK by the Financial Services Authority;
“Dori Media Group”	the Company together with its subsidiaries and subsidiary undertakings;

“Existing Ordinary Shares”	23,812,050 Ordinary shares of NIS 0.10 each in the capital of the Company at the date of the Circular;
“Issue Price”	52 pence per Open Offer Share; 100 pence per Placing Share, as the case may be;
“New Ordinary Shares”	the ordinary shares of NIS 0.1 each in the capital of the Company pursuant to the Open Offer as the context requires;
“Open Offer”	the invitation by the company to Qualifying Shareholders to apply for Open Offer Shares on the terms and conditions set out in the Circular and summarised in this document and, in the case of Qualifying Non-CREST Shareholders, the Application Form;
“Open Offer Agreement”	the conditional agreement dated 4 June 2009 between the Company, and Daniel Stewart relating to the Open Offer;
“Open Offer Entitlements”	entitlements to apply to subscribe for Open Offer Shares pursuant to the Open Offer;
“Open Offer Shares”	the 1,757,840 New Ordinary Shares to be offered to Qualifying Shareholders pursuant to the Open Offer;
“Ordinary Shares”	existing Ordinary Shares and/or New Ordinary Shares, as the context requires;
“Placing”	the private placing by the Company of the Placing Shares and the Warrants pursuant to the Private Placing Agreement;
“Placing Shares”	the 670,323 Ordinary Shares issued to Catalyst and admitted to trading on AIM on 9 June 2009 pursuant to the Private Placing Agreement at an issue price of 100 pence raising gross proceeds of £670,323;
“Private Placing Agreement”	the agreement dated 3 June 2009 between the Company and Catalyst pursuant to which Catalyst agreed to subscribe for 670,323 Ordinary Shares at an issue price of 100 pence and in addition receive 479,763 Warrants with a conversion price of 7 NIS;

“Qualifying Shareholders”	holders of Existing Ordinary Shares on the register of members of the Company on the Record Date and holders of Placing Shares;
“Receiving Agent”	Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH;
“Record Date”	the close of business in London on 4 June 2009;
“Shareholder(s)”	holder(s) of Ordinary Shares;
“Underwriting Agreement”	the agreement dated 3 June 2009 between the Company and Catalyst pursuant to which Catalyst agree to take up any New Ordinary Shares not taken up in the Open Offer; and
“Warrants”	The issue of 479,763 Warrants to Catalyst under the terms of the Private Placing Agreement.