

Ad hoc release

Metis Capital Ltd.: Barzilay intends to acquire capital issued by Metis Capital Ltd. through private company

Tel Aviv/ Israel; January 10, 2008 – Metis Capital Ltd. (Prime Standard: EIC; TASE: MTSC) Pursuant to the immediate report dated August 2, 2007, the Company's controlling shareholder, Amnon Barzilay informed Metis Capital Ltd. that on January 9, 2008, he entered into an agreement personally and along with companies under his control, with Shimon Harel and a company controlled by him, S. Harmon Holdings and Properties Ltd. These are the major points of this agreement:

1. A private company controlled by Barzilay (with about 50.5% of company share capital held by Barzilay and about 49.5% by Harmon) will operate to acquire around 47.7% of the capital issued by Metis Capital Ltd. (before dilution) in accordance with the right assigned to Barzilay in his agreement with Eyal Yona, as stated in the immediate report dated August 2, 2007. The acquisition will be implemented according to the selling offer prospectus, which was published by Gmul Investment Company Ltd. and the Company on August 1, 2007.
2. In order to finance the acquisition, the private company shall take loans from a financial entity and from Harmon, as well as receive a complementary loan from Barzilay.
3. The parties agreed to exercise their voting power in the private company, and thereby in Metis Capital Ltd., so that after realizing the right to acquire Metis Capital Ltd. shares, according to the prospectus, the Company's board of directors shall include 8 directors: 2 independent directors, 4 directors to be recommended by Barzilay and 2 additional directors recommended by Harmon. The parties also undertake to exercise their voting power so that Barzilay will continue to serve as Company chairman of the board, Harel will be appointed as the vice chairman and stand-in, and Itsik Cohen, the present Company CEO, will continue to serve in his capacity for another 4 years.

For further information, please contact:

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