

Corporate News

Metis Capital Ltd.: METIS AUSTRIA purchases hotel in Vienna - Metis Real Estate sells further debentures

Tel Aviv/ Israel; March 6, 2008 – Metis Capital Ltd. (Prime Standard: EIC; TASE: MTSC) Following the Company's immediate report, dated November 27, 2007, the Company announces that fully-owned subsidiary METIS AUSTRIA Immobilien-und Beteiligungsgesellschaft m.b.H, executed on March 3, 2008, an agreement to purchase a hotel in Vienna, Austria. The Hotel is in the advanced stages of construction which is expected to be completed by June 30, 2008, and the Hotel is expected to open in September 2008. The handover of the hotel, ready for operation shall take place no later than August 31st, 2008.

METIS AUSTRIA should purchase the Hotel when it is fit and ready to operate including furniture and equipment, for €7,500,000 plus VAT, apportioned as follows:

- a) €4,900,000 to settle the seller debts with ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG
- b) €1,850,000 in consideration for the land.
- c) €750,000 in consideration for the furniture and equipment.

In addition, METIS AUSTRIA shall also pay 375,000 to a third party in respect of brokerage and agency fees as well as for assistance with getting a bank loan as well as 365,000 euros for Land Appreciation Tax and registration. The entire purchase of the seller's obligation to the bank in the amount of €4,900,000 and the payment of €365,000 in respect of Land Appreciation and Registration is due 5 days after the end of the Construction Date month. An additional payment of €600,000 shall be payed to the seller after registration of title in the land, €1.85 million after the handover date and another €150,000 will be held in Escrow for METIS AUSTRIA as seller collateral for 3 years from the Handover Date. The seller is entitled to receive this amount against a bank guarantee. The payment for the brokerage services will be completed after the Handover Date.

In parallel, METIS AUSTRIA approached the Bank to get a loan to finance the purchase of the Hotel up to €6,800,000 for a period of 12 years. In the first two years METIS AUSTRIA shall pay interest only. The remainder of the loan will be repaid in 40 quarterly installments in varying amounts. The first four payments will be in the amount of €50,000, 8 additional payments of €75,000, 27 additional payments of €100,000 and the last payment will be of €3.3 million Euro. The interest is EUROBOR for 3 months plus 1.4% annually.

In order to get the credit the hotel, shares in METIS AUSTRIA, bank accounts of METIS AUSTRIA and receivables of METIS AUSTRIA will be registered in favor of the Bank. The return of other loans and the interests thereon dividends and other payments, will be second to the bank's loan. The Financial conditions of the loan include a maximum ration of 75% between the loan and the value of the hotel and ratio EBITA to the interest and capital payments (DSCR) above 1.1.

The Company will sign a guarantee in favor of the bank for the loan. As well, the Company will raise a loan in the amount of €1.75 million for METIS AUSTRIA to finance the Private Capital required for the purchase of the hotel.

Against this amount, the bank will give a guarantee of €2.6 million in favor of the seller. The purchase was completed after a period of Due Diligence by a company of experts.

The Hotel is a 4-Star Hotel in the advanced stages of construction and is expected to open in September 2008. The Hotel will include 8 floors above entrance floor and underground parking area, and will contain 67 rooms. The Hotel with 2,700 square meters is built on land of 347 square meters located at LANDSTRASSE, Vienna, Austria.

METIS AUSTRIA is intending to execute an agreement to rent the hotel to a company specializing in operating hotels.

Further, in accordance with the Company's prospectus dated May 29, 2007, Metis hereby announces that on March 5, 2008, Metis Capital Real Estate Ltd., a fully owned subsidiary of the Company, sold NIS 20,077 worth of debentures (series A) of the Company at a price of 98.00 NIS per 100 debentures. The total sum received by the subsidiary is NIS 19,636 net of commissions.

For further information, please contact:

Metis Capital Ltd.
Yaakov Dovrat, CFO
Phone: +972-3-537 3000
E-mail: investor@metis-capital.com

Kirchhoff Consult AG
Janina Wismar
Phone: +49-40-609 186-50
E-mail: janina.wismar@kirchhoff.de