

Ad hoc Release

Metis Capital Ltd: Statement of Claim filed by Gmul

Tel Aviv/ Israel; June 16, 2008 – Metis Capital Ltd. (Prime Standard: EIC; TASE: MTSC) announces that:

1. On June 12 2008, it was delivered a statement of claim and a request to appoint a special manager, filed by Gmul Investments Ltd ("Gmul") against the Company, its controlling party – Ofakim Capital Ltd., Ofakim's controlling parties – private companies controlled by Mr. Amnon Barzilai and Mr. Shimon Har'el and against the Israeli Securities Authority. The Company was not approached by Gmul prior to said claim.
2. In the above claim and request, the court is asked to state that the Company's affairs are managed in a manner so as to deprive Gmul of its rights as a shareholder and those of its shareholders among the general public and to appoint a special manager for the Company to seize the powers of the Board of Directors.
3. The Company has passed the claim and the request on to its legal counsel for treatment.
4. The Company estimates that this claim does not hold water and that the plaintiff shows no basis for the relief demanded thereof. The plaintiff's points are primarily based upon claims made by Har'el and the company under his control before the court in the liquidation suit he pressed against Ofakim Capital Ltd. and against Mr. Amnon Barzilai and a company under his control in relation to the dispute between them, and the suit and the request have various documents taken from the Har'el suit attached.
5. The Company possesses an active Board of Directors with 7 members. The Company intends to appoint Dr. Simcha Sadan, a former senior professor at the Tel Aviv University School of Business Administration, as a Company Director with special accounting and financial skills, starting June 19 2008.
6. The Company has summoned a general shareholders' assembly for July 10 2008, on the itinerary of which, among other things, shall be the appointment of external directors to replace external directors the tenures of whom have concluded.
7. The Company's financial status is strong and it continues to meet all its obligations towards its bond (Series A) holders and towards financial institutions.
8. The Company wishes to express its sorrow for the hasty and irresponsible step taken by Gmul in the very fact of its filing of a baseless claim, which is obviously related to the Company's shareholders' dispute, and will act to present the full extent of its claims before the court.

For further information, please contact:

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