

Corporate News

Metis Capital Ltd.: Barzilay acquires Metis shares

Tel Aviv/ Israel; January 31, 2008 – Metis Capital Ltd. (Prime Standard: EIC; TASE: MTSC) Pursuant to the immediate Reports dated January 10, 2008, the Company hereby announces that the Company's controlling shareholder, Amnon Brazilay, has informed the Company that on January 30, 2008 he had delivered a "notice of consent" according to which a private company in his control as stated in the immediate report of January 10, 2008 will acquire from Gmul Investment Company Ltd 3,841,470 ordinary shares of the Company, which form approximately 47.7% of the general issued share capital of the Company, all in accordance with the Selling Offer prospectus of the Company and Gmul of August 1, 2007 in consideration for the amount of NIS 85,090,481. The date for completing the acquisition is January 31, 2008, as stipulated in the prospectus.

Amnon Brazilay further informed the Company, that for the purpose of this acquisition, the said private company has taken a loan from Mizrahi Tefahot Bank Ltd, that as part of the conditions of the loan, the private company has undertaken covenants, which if deviated from, grant the bank cause for immediate repayment of the credit and that among these covenants, the following are also included:

- If the Company's equity, as defined in the covenants, shall be, at any point in time, less than NIS 150,000,000 linked to the consumer price index of December 2007.
- If the Company does not maintain cash overplus in the amount of at least NIS 20,000,000 at all times.
- If the total of the net financial debt (namely, balance of the financial credit and debentures with the deduction of cash) of Japanauto Holdings Ltd. should exceed NIS 200,000,000 until the issuance of Japanauto Holdings.

- If the Company should hold less than 50% of Japanauto Holdings' shares, and in the event of Japanauto Holdings' issuance, if the Company should hold less than 50% of the control core of Japanauto Holdings.
- If the expected issuance outline of Japanauto Holdings will not be acceptable to the bank, and among others, the value of Japanauto Holdings for the purpose of issuance.
- If Japanauto Holdings should hold less than 100% of the shares of Japanauto Israeli Auto Company Ltd.

For further information, please contact:

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