

## Corporate News

### **Metis Capital Ltd.: Update on the law suits – Gmul erases claim**

**Tel Aviv/ Israel; June 26, 2008 – Metis Capital Ltd.** (Prime Standard: EIC; TASE: MTSC) gives an update on the law suits with Gmul, Shimon (Moni) Harel and Ofakim's claim against the Bank Mizrahi Tefahot Ltd.:

#### **1. Claim and motion to appoint a special manager filed by Gmul**

Metis received a motion filed in court by Gmul to erase the claim and the motion to appoint a special manager filed against Metis Capital Ltd., Ofakim, and the controlling shareholders of Ofakim, Amnon Barzilai, Moni Harel and private companies in their control. In the justifications for the motion Gmul mentioned that since the motion to appoint a special manager to the Company was filed, events occurred and facts and claims became clear to Gmul that caused it to change its position: The appointment of Dr. Simcha Sadan to the board of directors of the Company could help in preventing additional harm to the Company. Further the signature rights in Ofakim were modified and Metis is acting to sell the unprofitable activities in "Europcar". Furthermore, the Company is relating more seriously to the internal auditor's examination procedure and it became known to Gmul that Moni Harel's petition to liquidate Ofakim was erased.

#### **2. Claim filed by Shimon (Moni) Harel for dissolution of Ofakim Capital Ltd. and a remedy in respect of shareholder oppression**

On June 25, 2008, Amnon Barzilai, the Chairman of the Board of Directors and the controlling shareholder of Metis Capital, received a Motion for a Preliminary Injunction that had been filed in the Tel Aviv – Jaffa District Court on June 24, 2008. Shimon (Moni) Harel and a company in his control are requesting that the Court issue a preliminary injunction ordering Ofakim, Barzilai and companies in his control to refrain from making any irreversible disposition of the shares of the company held by Ofakim and also ordering the cancellation of any measures concerning a change of the signatory rights at Ofakim and the freezing of the situation according to the status quo which was in practice at the Company until the conflict broke out.

In the Motion, it was stated that concurrently to the Motion, a Statement of Claim was being filed for a remedy in respect of the oppression of the shareholders of Ofakim.

On June 25, 2008, the Court determined that because the *ex parte* Motion for the Injunction had already been brought before another judge, and the Court had determined that there was no justification for issuing an *ex parte* order, he did not deem it fit to continue with the hearing of the Motion, and that Ofakim, Barzilai and companies under his control could file their responses within ten days, after which, Harel would be able to respond, within five days.

### **3. Ofakim's claim against Bank Mizrahi Tefahot Ltd.**

On June 22, 2008, Ofakim filed a claim against Bank Mizrahi Tefahot Ltd. in which the Tel Aviv – Jaffa District Court was requested to declare and to order that the Bank is not entitled to declare its loan to Ofakim to be immediately due and payable and that it is not entitled to enforce the pledge on the shares of the Company held by Ofakim. At the same time as the filing of this motion, Ofakim filed an urgent motion for a preliminary injunction.

On June 23, 2008, the Court decided on the issuance of a preliminary injunction that would be in effect until another decision was made, and pursuant to the preliminary injunction, the Bank was prohibited from enforcing the pledge on the shares of the Company held by Ofakim. The Court also ordered the Bank to file its response to the Motion by June 26, 2008. On June 24, 2008, the Bank filed a motion to receive an extension until July 3, 2008, in order to file its response to the Motion.

Please find the complete immediate reports on the corporate website under:

[www.metis-capital.com](http://www.metis-capital.com)

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