

## **Metis Capital Ltd.: Metis acquires another Hotel in Vienna**

**Tel Aviv/ Israel; July 28, 2008 – Metis Capital Ltd.** (Prime Standard: EIC; TASE: MTSC) announces that on July 27, 2008, the board of directors of Metis approved the acquisition of 99.9% of the shares of a company by the name of WALLAGASSE 23 (hereinafter referred to as "the Company Acquired") through a company fully controlled by Metis, Amorazur Holdings Limited. The Company Acquired owns a hotel in Vienna, which is located in the sixth district of Vienna.

Pursuant to the agreement, Amorazur Holdings Limited shall acquire the Company Acquired at a cost of about 1.3 million Euros. The price is based upon the value of the hotel in the amount of 6,920 thousand Euros, less liabilities plus the assets as those appear in the draft of the financial statements of the Company Acquired as of February 29, 2008.

Additionally, Amorazur Holdings Limited shall pay a total of about 100 thousand Euros to a third party for brokerage in the deal, as well as about 200 thousand Euros on account of the acquisition consulting, taxes to do with the land registry and other expenses bound up with said purchase. Metis Capital Ltd. gave an undertaking, to the effect that Amorazur Holdings Limited would meet its obligations pursuant to the agreement.

Pursuant to the agreement, as well as in accordance with the above decision of the board of directors, Amorazur Holdings Limited notified the Seller, on July 27th, 2008, about the board of directors' approval of its entry into the agreement as stated.

The Company Acquired rents the hotel out to the company GOLDEN TULIP HOSPITALITY MANAGEMENT LTD. pursuant to a tenancy agreement that is in effect up until November 30, 2024. Pursuant to the tenancy agreement, the annual rent for the year 2008 amounts to 430 thousand Euros, and starting from the year 2009, the annual rent shall stand at 500 thousand Euros which shall be index linked. But the Company considers revoking this tenancy agreement. Metis is concurrently engaged in negotiations with several entities, including Golden Tulip, for an upgraded tenancy agreement, whose terms shall represent an advance over the existing rent.

As part of the purchase, Metis entered into a financing agreement with HYPO BANK VORARLBERG.

The 4-star hotel was built in the year 1970 and renovated in the year 2005. The hotel has 8 floors above an entrance floor and an underground parking. The hotel houses 77 rooms, and features a dining room along with a convention hall. The hotel is built on a plot spanning the area of 857 sq.m., and is located on Wallagasse. The Company considers doing a renovation in the hotel totaling up to 1.5 million Euros.

According to the business strategy of Metis this transaction follows an earlier purchase of another hotel in Vienna and for the purchase of a hotel in Rumania.

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