

METIS CAPITAL LTD.

("THE COMPANY")

IMMEDIATE REPORT

Further to the immediate reports of the Company dated May 15, 2008 and dated June 2, 2008, the Company hereby wishes to announce the following:

1. **Notice of Shimon (Moni) Harel of the striking out of the claim for the dissolution of Ofakim Capital Ltd., and the filing of a claim against Amnon Barzilai and a company in his control, which concerns a remedy in respect of shareholder oppression**

On June 25, 2008, the Chairman of the Board of Directors of the Company and the controlling shareholder thereof, Amnon Barzilai (hereinafter: "Barzilai") gave notice to the Company of a Motion for a Preliminary Injunction that had been filed in the Tel Aviv – Jaffa District Court on June 24, 2008, pursuant to which Shimon (Moni) Harel (hereinafter: "Harel") and a private company in his control, which holds a minority of the shares of Ofakim Capital Ltd. (hereinafter: "Ofakim"), S. Harmon Holdings & Properties Ltd. (hereinafter: "S. Harmon"), are requesting that the Court issue a preliminary injunction ordering Ofakim, Barzilai and S.M.S. (Sachifor Marketing Services) – Investments Ltd. (hereinafter: "SMS"), a private company controlled by Barzilai, which holds most of the shares of Ofakim, to refrain from making any irreversible disposition of the shares of the company held by Ofakim, and also ordering the cancellation of any measures that were taken and/or that would be taken in the future, 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.

Harel also gave notice, in the Motion, that in view of the comment made by the District Court, which was hearing another motion that he had filed in the case for the dissolution of Ofakim, pursuant to which it was doubtful whether a dissolution court was the appropriate legal instance for the hearing, Harel and the company S. Harmon had chosen to

strike out the Motion for the dissolution and to request their remedies in the said new claim file.

On June 25, 2008, the Court determined (the Honorable Vice President Yehuda Zaft) 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 SMS could file their responses within ten days, after which, Harel would be able to respond, within five days.

2. **Ofakim's Claim Against Bank Mizrahi Tefahot Ltd.**

Further to the immediate report of the Company dated June 4, 2008, Ofakim filed, on June 22, 2008, a claim by way of an originating motion against Bank Mizrahi Tefahot Ltd. (hereinafter: the "Bank") 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 the originating motion, Ofakim filed an urgent motion for a preliminary injunction ordering the Bank to refrain from enforcing the pledge on the shares of the Company held by Ofakim until a decision was handed down in the action.

On June 23, 2008, the Court decided (the Honorable Judge Ruth Ronen) 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.

Sincerely yours,

METIS CAPITAL LTD.