

27 July 2011

Amiad Filtration Systems Ltd.
(“Amiad” or the “Company”)

Trading Update

Amiad, the producer and global supplier of water filters and filtration systems for the industrial, municipal and irrigation markets, provides the following trading update for the six months ended 30 June 2011 ahead of the Company’s interim results, which will be announced on 15 September 2011.

As stated at the time of the full year results on 14 April 2011, the Company entered 2011 with a higher backlog than at the corresponding time in 2010 as the market for Amiad’s products continued to expand with the resumption of investment in water infrastructure projects.

In the first half of 2011, as expected, the Company’s revenues increased in all territories. The growth in the industrial and municipal segments was particularly strong in Australia, Central America and Europe, including Eastern Europe. The irrigation segment experienced an increase in revenue across all territories, including a return to growth in the United States, demonstrating the strength of the merged Amiad and Arkal businesses. Additionally, the first products and projects combining Amiad and Arkal technology are showing good traction and are already contributing to revenues. Conversely, as stated at the time of the full year results, the Company has seen some pressure in raw materials prices and continues to see currency pressures. Despite this, Amiad expects to report first half revenues 45-50% higher than for the first half of 2010 (H1 2010: \$37.9m), giving the Company confidence of meeting market expectations for full year 2011.

The Company will provide further details on trading for the first half of 2011 at the time of its interim results in September.

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