

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

AGM Trading Statement

26 July 2006, Speaking at its Annual General Meeting today, Avi Heifetz, the Chairman of Amiad, producer and global supplier of water filters and filtration systems for the industrial & municipal and the irrigation markets, will make the following statement:

"2005 was a significant year as the Company made good progress with revenues increasing by 15 per cent. to US\$42.4m and profit before tax increasing by 57 per cent. to US\$4.1m. Reflecting these results, the Directors recommended a dividend payment of 7.71 cents per share.

The Board is pleased to report that the Company has made further progress with a strong finish to the first half of 2006, reflecting the demand for its automatic filters in China, US and Far East. All operations of Amiad are now profitable.

As indicated at the time of the full year results on 29 March 2006, sales in the irrigation segment were affected by seasonality associated with farming patterns during the early part of this year.

The industrial and municipal segment made good progress as the Company focused on establishing itself in growth markets such as Brazil, China, Eastern Europe, Russia and US. The new thread filter product, introduced late last year, has attracted interest from major customers globally. There is also significant interest in the Company's filters for pre-filtration of membranes.

As a result, the Company expects to report revenues for the first half of 2006 broadly in line with those for the first half of 2005.

The Company has entered the second half of 2006 with good momentum and, if this is maintained until the end of the year, would expect to report higher revenues for this period than those for the equivalent period last year.

Finally, the Board notes the uncertainty surrounding events in the Middle East. At the present moment, the Company does not expect this to have any material impact upon its business. If this were to change, then the Company would inform the market accordingly."

Enquiries:

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