

26 June 2007

**Amiad Filtration Systems Ltd.
AGM statement**

Amiad Filtration Systems Ltd. (“Amiad” or “the Company”), a producer and supplier of water filters and filtration systems for the industrial, municipal and the irrigation markets, will today provide the following trading statement at its annual general meeting:

“Global investment in water filtration and treatment systems continues to increase, driven by tightening environmental and public health standards as well as rising demand for clean water, a scarce resource.

The strong finish to 2006 has continued into the first half of this year leading to stronger trading in substantially all parts of the business compared with the corresponding period last year.

Order levels at the industrial & municipal segment have been good across all major territories. The Company’s thread filters are seeing increased interest and it also continues to make steady progress in desalination field and filtration of seawater for industrial use. In May, the Company supplied its automatic filters to one of Scandinavia’s largest Oil & Gas companies for mounted filtration solution to be used for oil drilling rig in the North Sea. It was also asked to supply a desalination system to convert sea water to potable water for Davis Research station in Antarctica. Additionally, trading conditions in the agricultural side have improved considerably after experiencing a downturn last year. As a result, revenues are expected to be around 15 per cent. higher for the first half of 2007 compared with the equivalent period last year.

Looking ahead, the Company is expecting to enter the second half with an order backlog much higher than last year and also better than management expectations at the time of the full year results announcement on 26 March 2007, which gives the Company the confidence of achieving double digit growth in the second half compared with the equivalent period last year.

With global investment in the world’s clean water infrastructure set to rise over the long term, Amiad plans to increase its involvement in delivering complete turnkey water treatment systems and the Company’s board looks forward to the future with confidence.”.

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