



מכתשים אגן תעשיות בע"מ

Makhteshim Agan Industries Ltd.

9 May, 2005

MAKHTESHIM AGAN REPORTS ITS RESULTS FOR THE FIRST QUARTER OF 2005

- **Quarterly revenues rose to \$517 million (an increase of 24.7%)**
- **Net profit for the quarter: \$63.1 million (an increase of 39.8%)**
- **Net profitability for the quarter: 12.2% of sales**
- **Strong growth in North America: sales increased by 95.8% to \$95.3 million**

* The cumulative impact for the beginning of the year of the first implementation of Accounting Standard 19 was a decrease of \$2 millions in net income

Makhteshim Agan, the world's leading generic company for agrochemical products and ranked seventh in the world in its field, today announced its financial results for the first quarter ended March 31, 2005.

The first quarter of 2005 was yet another one of success and solid business performance for the company, with a 25% increase in revenues and 40% increase in net income. Strong growth was mainly in the U.S.A. (95.8%) and in the rest of the world – mainly Australia (42.0%).

Key financial highlights (in millions of dollars):

	<u>1st quarter, 2005</u>	<u>1st quarter, 2004</u>	<u>Growth (%)</u>
Sales	517	414.5	24.7%
EBITDA	119.5	94.0	27.1%
EBIT	94.6	74.0	27.8%
Net income	63.1	45.2	39.8%
ROCE	18.4 %	14.6 %	
Key sales parameters			
New products	165.2	136.4	21.1%
Non-agro	50.8	42.4	19.8%
North America	95.3	48.7	95.8%
Rest of the world	46.1	32.5	41.8%
South America	77.6	73.2	6%
Europe	269.1	234.6	14.7%

Danny Biran, Chairman of Makhteshim Agan:

"Makhteshin Agan's very good performance in the first quarter is further testimony to the company's quality and its ability to consistently translate its strategic plans into profitable and systematic growth. I am encouraged by the considerable increase in the company's activities in North America, which is the largest and most important agrochemical market in the world."

Shlomo Yanai, CEO of Makhteshim Agan:

"The first quarter of 2005 is the ninth successive quarter of strong growth. This quarter we deepened our presence in strategic target markets, principally North America and Australia.

We continued the implementation of our growth strategy, received 34 new registrations worldwide and acquired additional distribution networks in important markets.

The multi-year supply agreements signed with Bayer for marketing tebuconazole in the U.S.A. and the insecticide imidacloprid all over the world, are an important step in strengthening our competitive status in the generic agrochemical market.

Looking into the future, we intend to continue focusing on achieving the long-term goals of our strategic plan."

Eli Assraf, CFO of Makhteshim Agan:

"Makhteshim Agan's net profit for the first quarter of 2005, \$63.1 million, and net profitability, 12.2%, reflect our ongoing success in combining worldwide growth with substantial profitability. Our unceasing efforts to improve our operations are also apparent from the increased return on capital employed, which this quarter reached annual level of 18.4%."

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