



מכתשים אגן תעשיות בע"מ
Makhteshim Agan Industries Ltd.

November 14, 2005

Makhteshim Agan Reports its Results for the Third Quarter of 2005

- *Quarterly sales amounted to \$ 402.1 million (an increase of 10.8%), sales in the first nine months of the year amounted to \$ 1,335.6 million (an increase of 18.3%).*
- *Net profit for the quarter amounted to \$ 47.1 million (an increase of 26.3%*), profit in the first nine months of the year amounted to \$ 158.4 million (an increase of 28.7%*).*
- *Sales to North America in the third quarter increased by 34.6%, to \$ 56.7 million.*
- *During the course of the quarter, Makhteshim Agan obtained 31 new registrations.*
- *Dividend for the third quarter: \$ 14.2 million.*

** Net profit for the quarter including \$5.6 million, one-time effect of the reduction of tax rates.*

Israel, Tel Aviv, November 14, 2005: Makhteshim Agan (TASE – MAIN), the world's leading generic manufacturer of crop protection products, and ranked 7th in the world in the agrochemical market, today reported its results for the third quarter of 2005, which ended on September 30, 2005.



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The Company's sales in the third quarter of 2005 amounted to \$ 402.1 million, an increase of 10.8% compared with \$ 362.8 million in the third quarter of 2004. The principal increase was in North America, Europe and Australia. In the first nine months of 2005, the Company's sales amounted to \$ 1,335.6 million, an increase of 18.3% compared to \$ 1,129.3 million in the same period last year.

According to Shlomo Yanai, CEO of Makhteshim Agan, "Makhteshim Agan is showing yet another quarter of double-digit growth and despite difficult climactic conditions this year, we are continuing to grow at a faster rate than the market. Growth in the USA continues to be strong (34.6% in the third quarter, 66.8% since the beginning of the year). And the 31 registrations obtained in this quarter alone will assist us in maintaining this upward trend.

In Brazil, despite market conditions, we have increased our market share and we have optimistic expectations for a good agricultural season, and continued growth in the second largest agricultural market in the world."

Makhteshim Agan's gross profit in the third quarter of 2005 amounted to \$ 153.8 million, compared with \$ 144.2 million in the same quarter last year – an increase of 6.7%. Its gross profit in the first nine months of 2005 amounted to \$ 524.1 million, compared with \$ 435.6 million during the same period last year. The increase in gross profit stems from a quantitative increase, a first-time consolidation and the geographical mix.

Makhteshim Agan's net profit in the third quarter of 2005 increased by 26.3% and reached \$ 47.1 million, compared with a profit of \$ 37.3 million in the same quarter last year. Its net profit in the first nine months of 2005 amounted to \$ 158.4 million, compared with \$ 123.0 million during the same period last year.

Sales of new products in the third quarter amounted to \$ 121.0 million, an increase of 14.2%. And in the first nine months of the year, sales of new products amounted to \$ 409.4 million, an increase of 17.1% compared with the same period last year.



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A 20% increase was recorded in sales of non-agro products, which amounted, in the third quarter, to \$ 51.7 million. LycoRed recently acquired the assets and operations of Buckton Scott Nutrition, which operates in the field of health food supplements in the USA. This acquisition is yet another step in the realization of Makhteshim Agan's strategy of expanding its operations in the field of food supplements.

In the first nine months of the year, non-agro sales amounted to \$ 151.7 million, an increase of 17.6%. This increase mainly stemmed from an increase in the sales of LycoRed.

Referring to the results, Danny Biran, chairman of the board of directors of Makhteshim Agan said, "I am satisfied with the Company's ability to continue to grow, quarter after quarter, despite changing market conditions and greater challenges to growth. Makhteshim Agan is continuing to take significant steps to move forward in accordance with its strategic plan, and to establish its place as the world's leading generic manufacturer."

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