



מכתשים אגן תעשיות בע"מ

Makhteshim Agan Industries Ltd.

10 May, 2006

**MAKHTESHIM AGAN REPORTS ITS RESULTS
FOR THE FIRST QUARTER OF 2006:**

- **Quarterly sales: 493.9 million dollar**
- **Net income for the quarter: 57.7 million dollar**
- **Dividend for first quarter of 2006: 28.8 million dollar**

Makhteshim Agan (TASE: MAIN), the world's leading generic company for plant protection products and ranked 7th in the global agrochemical market, reported today its results for the first quarter of 2006, ended 31 March, 2006.

The first quarter was significantly influenced by several external factors, which include the late opening of the agricultural season in Europe, the depreciation of the euro against the US dollar, the rise in the prices of raw materials, energy and transportation following the climb in oil prices.

Sales in the first quarter of 2006 amounted to \$493.9 million, a decrease of 4.5% compared with \$517.0 million in the same period last year.

Gross margin in the quarter reached 36.1%, compared with 39.7% last year.

Operating and net margin in the quarter reached 16.9% and 11.7% of sales, respectively, compared with 21.2% and 11.8% last year.

Referring to the results, Makhteshim Agan Chairman Danny Biran said: "Makhteshim Agan has once again proved its impressive ability to generate significant profitability even in difficult and exceptional market conditions. I am confident that the company's management will continue to

post a strong financial performance, and to identify and utilize special opportunities for acquisitions and business development."

Shlomo Yanai, CEO of Makhteshim Agan: "As we said at the end of 2005, the long winter and currencies impacted the quarterly results. The decline in sales in the first quarter reflects the influence of the late opening of the agricultural season in Europe and the U.S.A., along with a weaker euro against the dollar.

"The effects of the ongoing rise in fuel prices have reached the agrochemical industry but are not yet reflected in selling prices, which explains the effect on the company's gross profitability. Inventory and customer debt collection have improved, and we intend to increase our efficiency and savings efforts in every aspect of the company's operations.

"Looking forward, we believe that some of the sales which were postponed because of the late start of the season will show up in the second quarter of the year and we are continuing our search for acquisition opportunities."

Eli Assraf, CFO of Makhteshim Agan: "Our net income in the first quarter of 2006, \$57.7 million, as well as net profitability of 11.7%, reflect yet again the successful business model implemented by Makhteshim Agan, which allows the Company to control cost components and to adjust efficiently to varying market conditions."

About Makhteshim-Agan:

Makhteshim-Agan is the world's leading generic manufacturer in the agrochemical market, with 2005 annual sales of \$1,740.7 Million and Net profit of \$207.5 million. The company is characterized by its high level of technological-chemical competencies, its adherence to the strictest environmental standards, and its global reach for the registration, marketing, and distribution of many products. Financial statements available at www.main.co.il

For further information, please contact:

Yaffa Cohen-Ifrah

Investor Relations Officer

Tel.: +972 3 6947965 Mobile: +972 52 7310002

E mail: yaffa@main.co.il