



מכתשים אגן תעשיות בע"מ
Makhteshim Agan Industries Ltd.

November 8, 2006

Makhteshim Agan Reports its Results for the Third Quarter of 2006

- ***Sales in the quarter amounted to \$ 407.6 million.***
- ***Net profit in the quarter amounted to \$ 24.5 million.***
- ***Sales Growth of 22.7% and 13.8% to North America and Europe, respectively.***

Makhteshim Agan, the world's leading generic manufacturer of crop protection products, and ranked 7th in the global agrochemical market, today reported its results for the third quarter of 2006, which ended on September 30, 2006.

The third quarter was negatively impacted mainly by the difficult market conditions in Brazil, and the continuation of trends that have been in place since the beginning of the year, including increased cost of raw materials and product price erosion.

Makhteshim Agan's sales in the third quarter of 2006 amounted to \$ 407.6 million, an increase of 1.4% compared with \$ 402.1 million in the same quarter last year. In the first nine months of the year, the Company's sales increased by 1.8% and reached 1,359.7 million dollars, compared with 1,335.6 million dollars last year.

The increased sales in this quarter were recorded mainly in North America and in Europe. In North America, quarterly sales reached \$ 69.5 million, an increase of 22.7%. Sales in Europe amounted to 145.1, an increase of 13.8% compared with last year.

Avraham Bigger, Chairman of the Board of Directors of Makhteshim Agan said that "Makhteshim Agan has a very professional devoted and management team. I am looking forward to working with management and the company's employees, with the aim of bringing the company's significant potential to bear, and creating value for its shareholders." Referring to Shlomo Yanai's stepping down as CEO of the Company, Bigger noted that "the



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Board of Directors has commenced the process of appointing a new CEO, and we anticipate that this process will soon be over."

Shlomo Yanai, CEO of Makhteshim Agan said that "the decrease in profits this quarter is mainly a result of extraordinarily challenging market conditions in Brazil, as well as increased cost of raw materials, and reduction in product prices. Nevertheless, we have grown significantly in the important markets of North America and Europe. We are taking steps to further improve the Company's ability to compete, which should bring about increased profits. Thus far 2006 materializes as a low year in the business cycle experienced by the agrochemical industry every few years. Going forward the main trends upon which Makhteshim Agan's growth relies are still intact."

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