



Makhteshim Agan Industries Ltd.

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Makhteshim Agan reports another Quarter of Record Revenue and Operating Profit

- **Third quarter of 2007 sales up 22% at \$496.2 million**
- **Operating profit up 42% at \$63 million**
- **Net profit up 60% at \$39 million**

Makhteshim Agan, the world's leader in branded off-patent crop protection products and ranked 7th in the world's agrochemical sector, has today reported its results for the third quarter of 2007.

Sales during the third quarter of 2007 were 21.7% higher at a record \$496.2 million, compared to \$407.6 million in 2006. First nine months sales were 18.1% higher at \$1,605.4 million, compared to \$1359.7 million in 2006.

Operating profit during the third quarter of 2007 were 41.8% higher at a record \$62.6 million (12.6% of sales), compared to \$44.1 million (10.8% of sales) in 2006. First nine months sales were 29.5% higher at \$251.0 million (15.6% of sales), compared to \$193.9 million (14.3% of sales) in 2006.

EBITDA during the third quarter of 2007 was 40.9% higher at a record \$84.0 million (16.9% of sales), compared to \$59.6 million (14.6% of sales) in 2006. First nine months EBITDA was 28.7% higher at \$303.8 million (18.9%), compared to \$236.1 million (17.4% of sales) in 2006.

Net profit during the third quarter of 2007 was 60.3% higher at \$39.2 million, compared to \$24.5 million in 2006. First nine months net profit was 29.1% higher at \$158.0 million, compared to \$122.4 million in 2006.

In Europe, sales which amounted to \$179.4 million compared to \$145.1 million in 2006, an increase of 23.6%. First nine months sales rose 20.6% to \$670.0 million, compared to \$555.3 million in 2006. In South America, sales amounted to \$159.0 million, compared to \$117.0 million in 2006, an increase of 35.9%. First nine months sales rose 30.3% to \$364.5 million, compared to \$279.8 million in 2006. The increase stems mainly from strong demand in Brazil as well as other countries in the region. In North America, sales amounted to \$79.3 million, compared to \$69.5 million in 2006, an increase of 14.1%. First nine months sales rose 13.6% to \$313.0 million, compared to \$275.5 million in 2006.

Avraham Bigger, Chairman and CEO of Makhteshim Agan, said that: "the positive trends of the agricultural market which were manifested in the first half of the year continued into the third quarter and resulted in strong demand for crop protection products in all regions and product groups."

Avraham Bigger added that "the Company's management has been unified with the managements of Makhteshim Chemical Works and Agan Chemical Manufacturers and relocated to a new location in Airport City. Assessing what has been achieved so far, I am confident in our ability to deliver on our plans whilst continuing to relentlessly focus on market growth opportunities."

Ran Maidan, the Company's Chief Financial Officer, said that: "the company reported good financial performance both in terms of revenues and operating profit. Our operating profit amounted to \$62.6 million, representing growth of 41.8% compared to 2006. Operating profitability increased to 12.6% compared to 10.8% in 2006, due to continued containment of operating expenses lower than the increase in sales. The increase in financing expenses in this quarter stemmed mainly from CPI-linked liabilities related to the company's bonds, which was mostly offset by our ongoing CPI hedging and therefore had a significantly smaller effect on the financial expenses than the increase in CPI."

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