



March 12, 2008

Makhteshim Agan reports Record 2007 Sales and a strong increase of Operating Profit

- **Sales up 17% reaching \$2.1 billion**
- **Operating profit up 41% reaching \$288 million**
- **Net profit up 112% reaching \$178 million**
- **Declared dividend of \$120 million and share buyback of up to \$100 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 2007 annual results.

Sales in 2007 were 17% higher reaching a record \$2.08 billion, compared to \$1.78 billion in 2006. Agro sales were 20% higher reaching \$1.89 billion, compared to \$1.58 billion in 2006. The growth in sales stemmed primarily from sales in Europe which amounted to \$817.7 million compared to \$690.0 million in 2006, an increase of 18.5%, and growth in South America which amounted to \$542.8 million, an increase of 26.1%.

Gross profit in 2007 totaled \$697.4 million (33.5% of sales), compared with \$606.7 million (34.1%) in 2006. The slight erosion in gross profitability stems mainly from the increase in oil prices, resulting in an increase both in the prices of raw materials and in energy costs. The increase in prices of raw materials was partially offset by the efficiencies plan which included, among other things, the operational combination of

Golan St., Airport City 70151, Israel

Tel/fax: 972-73-232 1913

Web site: www.ma-industries.com E-mail: office@ma-industries.com



subsidiaries Makhteshim and Agan, leading to consolidation of procurement, manufacturing and supply chain operations. In addition, the increase in prices of raw materials and energy was partially offset by increased prices charged for the Company products affected mainly during the fourth quarter of 2007.

Operating profit of 2007 was 41.1% higher reaching \$287.6 million (13.8% of sales), compared to \$203.8 million (11.5%) in 2006. Operating expenses as percentage of sales dropped and amounted to 19.7%, compared to 22.7% in 2006. These expenses amounted, in 2007, to \$409.7 million, compared to \$402.9 million in 2006. The reduction in operating expenses as percentage of sales, stemmed, on the one, hand from increased sales and, on the other, from the Company's efficiencies plan.

EBITDA in 2007 totaled \$354.5 million (17.0% of sales), compared with \$229.7 million (12.9%) in 2006.

Net profit in 2007 totaled \$178.2 million (8.6% of sales), compared with \$83.9 million (4.7%) in 2006. Excluding the one-time provisions made by the Company in the fourth quarter of 2006, the net profit that year amounted to \$139.2 million (7.8% of sales). The increase in net profit, excluding the provisions made by the Company in 2006, is mainly the result of: (1) an increase in sales; (2) a decrease in operating expenses as a percentage of sales, as a result of increased sales and the efficiencies plan.

In Europe, sales amounted to \$817.7 million compared to \$690.0 million in 2006, an increase of 18.5%. In South America, sales amounted to \$542.8 million, compared to \$430.0 million in 2006, an increase of 26.2%. The increase stems mainly from strong demand in Brazil as well as other countries in the region. In North America, sales amounted to \$390.8 million, compared to \$349.4 million in 2006, an increase of 11.8%.

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Avraham Bigger, Chairman and CEO of Makhteshim Agan, said that: "in 2007 Makhteshim Agan has continued to demonstrate its engrained growth capabilities in all business areas, capitalizing on strong demand in the crop protection sector stemming from the rise in global standards of living and an upward trend in prices of soft commodities and increased planted acreage.

Avraham Bigger added: "I am very pleased with the progress of implementation of the Company's change and efficiency improvement plan. We have empowered the regional managers in order to increase the commercial latitude of the Company's main regions of Europe, North America, Brazil and the Rest of the World. Regional managers were made part of our Global Leadership Group which meets regularly to review the group's strategic aspects. The group's management has been unified with the managements of Makhteshim and Agan and relocated to a new location in Airport City. In addition, we have achieved savings from reduction of purchasing spend and increased throughput." Mr. Bigger also stated that "the dividend and share buyback declared by the Company are underpinned by continued strong collection and cash flow generation of the Company."

Ran Maidan, the Company's Chief Financial Officer, said that: "the company reported good financial performance both in terms of sales and operating profit. Our operating profit amounted to \$287.6 million, representing growth of 41.1% compared to 2006. Operating profitability increased to 13.8% compared to 11.5% in 2006, due to continued reduction and containment of operating expenses lower than the increase in sales. The small decline in gross profitability stems mainly from increases both in the prices of raw materials and energy costs. The increase in prices of raw materials was partially offset by the efficiencies plan which included, among other things, the operational unification of subsidiaries Makhteshim and Agan and the beginning of price increases during the fourth quarter of 2007."

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For further information:

Ron Zakai

Investor Relations Manager

Office: 972-7-32321910; Cell: 972-52-7310002

email: ron.zakai@ma-industries.com

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Invitation

INAUGURAL CAPITAL MARKETS DAY



MAKHTESHIM
A G A N

Either of - April 15 London | April 16 New York



The management team of Makhteshim Agan Industries, led by Chairman and CEO Avraham Bigger, will host the company's first capital markets day in London and New York on April 15 and 16.

Makhteshim Agan Group is the world's leading manufacturer and distributor of branded off-patent crop protection products. With over 60 years of field-proven experience and an impeccable reputation for quality, value and attentive service, the Group ranks among a handful of the world's largest makers of crop protection products.

AGENDA

Time	Event	Speaker
09:00 AM	Registration and coffee	
09:30 AM	Introduction, management structure and strategic objectives	Avraham Bigger, Chairman & CEO
10:00 AM	Market structure, positioning and outlook	Chen Lichtenstein, Director - M&A and Corporate Development
10:30 AM	The registration process, R&D and portfolio management	Yoav Zeif, Director - Development & Registration
11:00 AM	Financial overview and trends	Ran Maidan, Director - Finance
12:00 PM	Lunch	
1:00 PM	Global sales and regional overviews	Shaul Friedland, Director - Global Sales and Rest of World Ignacio Dominguez, Director - Europe Luiz Barone, Director - Brazil John Rabby, Director - North America
03:00 PM	Q&A	

April 15 London, Andaz (formerly Great Eastern Hotel)
Liverpool Street, London EC2M 7QN

April 16 NYC, The Omni Berkshire Hotel
21 East 52nd St. at Madison Ave., New York 10022