

2 February 2016

Amiad Water Systems Ltd.
 (“Amiad” or the “Company”)

Business and Trading Update

Amiad (AIM: AFS), a leading global producer of water treatment and filtration solutions, provides the following trading update ahead of announcing its annual results for the 12 months ended 31 December 2015 in March 2016.

As stated at the time of the Company’s interim results statement on 10 September 2015, the momentum in the Irrigation segment in H1 2015 was sustained into the second half of the year, largely driven by increased sales of the Company’s new Omega and Sigma products. The Oil & Gas segment continued to improve due to growth in sales in the US and EMEA territories. However, the Industrial and Municipal segments continued to face headwinds, mainly due to the global macroeconomic conditions. Consequently, the Company expects to report H2 2015 revenues broadly similar to H1 2015 resulting in full year 2015 revenues being marginally ahead of market expectations.

In 2015, the management team’s focus was on generating profits through expanding the business and maintaining tight cost control. The restructuring and cost cutting exercise that the Company commenced at the end of 2014 yielded better than expected results. The Company also saw gross margins improve due to efficiency gains in the manufacturing process and product mix. As a result, the Company expects to return to profitability for FY 2015 and report strong profit before tax above market expectations.

The impact of foreign currency exchange rates was broadly neutral as the benefit from the US Dollar (USD) improving against the New Israeli Shekel was offset by a decrease of the EURO and Australian Dollar compared with the USD.

Net income is also expected to be markedly improved, above market expectations, due to a change in the mix of income between the group entities and utilising losses in previous years resulting in a lower consolidated income tax rate.

Due to the improved performance of the Company and a decrease in working capital, Amiad expects to report solid reduction in net debt that is significantly better than market expectations.

The Company will provide fuller details at the time of its full year results.

Enquiries

Amiad Water Systems Ltd.	
Arik Dayan, Chief Executive Officer	+972 4 690 9500
Stifel Nicolaus Europe Ltd.	
Stewart Wallace, Ben Maddison	+44 20 7557 6030
Luther Pendragon Ltd.	
Harry Chathli, Claire Norbury, Oli Hibberd	+44 20 7618 9100

About Amiad

Amiad Water Systems (AIM: AFS) is a leading global producer of automatic, self-cleaning water treatment and filtration products and systems. Through its engineering skills and ability to innovate, Amiad provides cost-effective “green” solutions for the industrial, municipal, irrigation, oil & gas and ballast water markets. In these segments its patented products are being integrated into the core of systems for filtration and water treatment, micro irrigation and membrane protection, wastewater and potable water treatment, cooling systems and sea water filtration.

Headquartered in Israel, Amiad provides these solutions through nine subsidiaries and a comprehensive network of over 170 distributors to customers in more than 80 countries.

For additional information or product details, please visit www.amiad.com.