

23 August 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 interim results for the six months ended 30 June 2016 on 8 September 2016.

The Company has continued to demonstrate underlying progress and maintain tight cost control. In the six months to 30 June 2016, the Irrigation segment was, again, the main contributor to revenue, and the Municipal segment showed meaningful signs of recovery. In the Oil & Gas segment, as stated at the time of the Company’s full year results statement on 24 March 2016, Amiad saw a reduction in projects, due to the effect on the industry from the continuing low oil price environment, compared with an exceptionally good year experienced in 2015. As expected, this resulted in reduced revenue contribution from this segment during the first half of 2016. The Company also received significantly lower revenues from China, as well as Turkey, in H1 2016 compared with the same period last year due to a decline in the Industrial segment, albeit orders secured in the first half should support this segment’s revenues in the second half. As a result of the above, the Company expects to report revenues of approximately \$52m for H1 2016 compared with \$59.2m in H1 2015. While the Company has taken some cost actions in the first half, these are not expected to offset the impact of the reduction in revenue in the first half.

The Company expects to report increased revenues in the second half of the year compared with H1 2016 as it delivers on, and revenue is recognised under, contracted projects, however the full year outcome will depend on how trading develops throughout the rest of the year. The Company will provide further details at the time of its interim results.

This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

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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.