

21 July 2014

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 2014 in September 2014.

As stated in the Company’s full year 2013 results announcement on 2 April 2014, with an improving global economy, Amiad anticipates returning to growth for full year 2014.

In the first half of the year, the Company saw the Irrigation segment maintain slight growth, the Industrial segment remain flat and a resumption of demand in the Municipal segment after a downturn in the second half of 2013. The Oil & Gas segment continued to improve having entered 2014 with a higher backlog than in the previous year. As a result, the Company expects revenue in the first half of 2014 to be sequentially higher than the second half of 2013, at approximately \$60m.

As stated in the full year results, the strengthening of the New Israeli Shekel (NIS) against the US Dollar negatively impacted the Company’s profits in 2013. In the first half of 2014, the NIS maintained its strength against the US Dollar, which continued to impact the Company’s profitability in the same period.

Looking ahead, the Company entered the second half of 2014 with a higher backlog than at the equivalent period last year. The Company expects the Municipal and Oil & Gas segments to accelerate in the second half of the year. The Irrigation segment, particularly in the US, is expected to continue to show sustained momentum through the year. Hence, the Company is expecting to deliver revenue growth for full year 2014 compared with 2013. Despite the uncertainty surrounding the extent of the impact of the NIS strength against the US Dollar, the Company still expects to report a higher net profit than last year.

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

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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 ten 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.