

30 November 2009

**Amiad Filtration Systems Ltd.
("Amiad" or "the Company")**

Amiad acquires majority share in Indian distributor, JSK Engineering Co.

Amiad is pleased to announce that it has acquired a majority stake in JSK Engineering Co., an India-based supplier and manufacturer of products for the water filtration industry, from its owner Mr. Sudhir Mehta for an initial cash payment of USD 192,000, and further performance based payments of between USD 75,000 and USD 165,000.

As part of the agreement, the parties have incorporated in India two private limited companies:

- i.) Amiad Filtration Systems (India) Private Limited ("Amiad India") – which will engage in developing a filtration business in India, including marketing, distribution, sales and support of filtration products and solutions. Amiad holds 60% of the shares of Amiad India and Mr. Mehta holds 40% of the shares.
- ii.) JSK Engg. Private Limited ("JSK Engg") – which will engage in the development of the other business streams, such as the provision of equipment for the power and oil & gas industries. Amiad holds 40% of JSK and Mr. Mehta holds 60% of JSK.

Mr. Mehta has been appointed as CEO of Amiad India and JSK Engg.

Amiad has been making inroads in India since 2008 and has increased its penetration further in 2009. As stated at the time of the interim results on 21 September 2009, Amiad had targeted India as its main growth area in 2009. It secured its first large project in the municipal segment for its automatic self cleaning filters and AMF technology for drinking water, and has previously supplied products to power plants and steel mills. With industrial growth set to continue in India, and increased interest for Amiad's products in the irrigation market coming through, the Company expects this acquisition to enable it to continue to capitalise on the increased investment in water infrastructure in the country.

Commenting on the news, Arik Dayan, CEO of Amiad, said:

"We are pleased to sign this agreement as, through the local knowledge and expertise of Mr. Mehta and JSK, it will enable us to accelerate our growth and penetration in one of Amiad's largest global markets.

"As we have said before, our strategy is to become a leading international water filtration company that can address the filtration needs of, and provide solutions for, the irrigation sector, industry and municipalities worldwide. This acquisition is an important step in that direction and one that will help us deliver shareholder value."

Sudhir Mehta, CEO of JSK Engineering, added:

“Amiad has a strong brand presence in the Indian market as a worldwide leader in water filtration. With Amiad’s global experience and our local strengths, together we are well-placed to benefit from solid growth in India. We are proud to be a part of the Amiad team in India.”

Enquiries:

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