

25 January 2010

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

**Amiad establishes Amiad Andina with its Chilean distributor, CIMA**

Amiad is pleased to announce that it has established Amiad Andina, a joint venture with its Chilean distributor, CIMA, a distribution company active in the irrigation and construction industries, to enhance the sale and marketing of Amiad's products and solutions in the industrial and municipal markets in Chile, Peru and Argentina. CIMA has been Amiad's distributor for the municipal and industrial markets in Chile since the end of 2007.

Under the terms of the agreement, Amiad holds 50% of the shares of Amiad Andina through the Company's subsidiary Amiad Chile, and CIMA holds the remaining 50% of shares. It is expected that each party will make an initial capital investment of US\$100,000 and an additional US\$100,000 from shareholder loans.

As stated in the Company's interim results on 21 September 2009, Amiad has been increasing its presence in South America and looking to expand further in the region. In Chile, during the first half of 2009 the Company built on its successes to date within the mining industry and secured two projects with a large engineering group for cooling water. The ongoing growth in Chile has been achieved in partnership with CIMA, and with growth in South America set to continue as economic development in the region progresses, the Company expects Amiad Andina to enhance its sales in the target countries.

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

"We are pleased to sign this agreement as a way to consolidate our relationship with CIMA, which started just over two years ago. Their local knowledge, expertise and presence in the region will enable us to accelerate our growth and penetration in the industrial and municipal markets.

"As we have stated, our strategy is to become a leading international water filtration company that can provide filtration solutions for the irrigation sector, industry and municipalities worldwide. This venture is an important step in that direction and one that will contribute to the Company's finances immediately."

**Sebastian Fuentes, Partner of CIMA, added:**

"Amiad has a growing presence in the South American market and is recognised as a worldwide leader in water filtration. This venture will enable us to further the gains of our partnership and build on the successes that we have achieved to date. With Amiad's global experience and our local strengths, together we are well-placed to benefit from solid growth as economic development in South America progresses. We are proud to be a part of the Amiad team in Chile."

**Enquiries:**

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