

March 6, 2008

- Record Annual Revenues, up 14% over 2006 -

Yahud, Israel, March 6, 2008 - Magal Security Systems Ltd. (Nasdaq GM: MAGS; TASE:MAGS) today announced its consolidated financial results for the three and twelve month periods ended December 31, 2007.

Effective September 1, 2007, Magal's financial statements include the consolidation of its recently acquired European integration subsidiary. Furthermore, following the sale of Magal's U.S. based video monitoring business operated by Smart Interactive Systems Inc., the results of this business, for the fourth quarter and the years ended December 31, 2006 and 2007, were reclassified as discontinued operations.

FOURTH QUARTER RESULTS

Revenues for the fourth quarter of 2007 increased 7.0 percent over the fourth quarter 2006, reaching US\$23.2 million.

Gross profit for the fourth quarter of 2007 increased 4.1 percent over the fourth quarter of 2006, reaching US\$8.3 million, or 35.9 percent of revenues. Gross margin for the quarter was negatively affected by a strategic and prestigious project performed for the Israeli government. The majority of this project was completed by the end of 2007.

Operating income in the fourth quarter of 2007, reached US\$826,000 compared with US\$877,000 for the fourth quarter of 2006.

Net income from continuing operations in the fourth quarter of 2007 increased 157 percent over the fourth quarter of 2006, reaching US\$857,000.

Net income in the fourth quarter of 2007, reached US\$2.9 million, compared with a net loss of US\$231,000 in the fourth quarter of 2006.

Net income for the quarter includes the discontinued operations of Magal's U.S. based video monitoring business operated by Smart Interactive Systems Inc., which business was sold in the fourth quarter 2007 to iVerify US, Inc. for \$8.5 million. The sale follows Magal's strategy to focus on its core business of perimeter security projects and products.

Diluted earnings per share from continuing operations for the fourth quarter of 2007 was US\$0.08, compared with US\$0.03 in the same period last year. Diluted net earnings per share for the fourth quarter of 2007 was US\$0.28, compared with diluted loss per share of US\$0.02 in the same period last year.

FULL YEAR RESULTS

Revenues for the year ended December 31, 2007 increased 13.8 percent compared with 2006, reaching US\$72.4 million.

Gross profit for the year ended December 31, 2007 increased 9.5 percent, reaching US\$28.9 million, or 39.9 percent of revenues, compared with US\$26.4 million for 2006, or 41.5 percent of revenue.

Operating income for the year ended December 31, 2007, including a one-time charge of \$904,000, totalled US\$2.8 million, compared with US\$3.8 million for 2006. The one-time charge relates to contractual post employment benefits for the Company's founder and former chairman who retired at the end of the fourth quarter of 2007.

Financial expenses for the full year of 2007 totalled US\$2.3 million and includes approximately US\$1.5 million of foreign exchange losses resulting from the devaluation of the US dollar against both the new Israeli Shekel and the Canadian dollar.

Net income from continuing operations for 2007 totalled US\$196,000 compared with \$2 million in 2006. Net income for the year totalled US\$1.9 million, compared to US\$0.8 million for full year 2006.

Diluted earnings per share from continuing operations for the year ended December 31, 2007 was US\$0.02, compared with diluted earnings per share of US\$0.20 in the year 2006.

Diluted net earnings per share for the year ended December 31, 2007 was US\$0.18, compared with diluted earnings per share of US\$0.08 in the year 2006.



Commenting on the results, **Mr. Izhar Dekel, CEO of Magal**, said, "2007 was very much a year of meeting strategic milestones. This included targeting larger scale integration projects, expanding our global presence and acquiring complementary businesses. During the year we acquired a European integrator, offering us access to new markets, while expanding our capabilities to target larger projects."

Mr. Dekel added, "We are pleased that we had another year of revenue growth in 2007. During the fourth quarter we continued to focus our efforts and resources to maximize our synergies and the integration of the capabilities of our recent and accretive European acquisition. Furthermore, we continued to focus on our core competencies, and, as such, sold our US-based video monitoring systems' business. Looking ahead, and based on the significant new orders that we received in recent months, we believe that Magal will generate increased revenues and improved results in 2008."