

July 21, 2010

FOR IMMEDIATE RELEASE

Magal Board Responds to Letter Received From Dissident Shareholders

YAHUD, Israel - July 21, 2010 -- Magal S³ (NASDAQ GM: MAGS; TASE: MAGS), Board of Directors met today to consider the letter it received from the dissident shareholders that represent 17.8% of the company's shareholders.

The Board found that the offers made by Mr. Kirsh, Plenus Fund and OPTEX, a Japanese company, to be non-comparable, as the OPTEX proposal was condition at on the replacement of the majority of the company's Board of Directors, while the Plenus proposal required a formal application to Plenus in order to negotiate all terms and conditions. As a result, Mr. Kirsh's proposal, as previously approved by the Board, which is unconditional and only subject to shareholder approval, is the only proposal which will be presented at the extraordinary general meeting called for August 12, 2010.

The Board, however, has instructed Magal's management to contact Plenus and obtain clarifications regarding its proposal. Similarly, the Board appointed its two external directors to serve as a committee to consider the details of all proposals received and to report back to the Board.

The Board discussed Mr. Yoav Stern's direct appeal to the company's employees worldwide and further noted that Mr. Stern had recorded conversations with the company's employees, shareholders and Board members, without their knowledge. The Board views Mr. Stern's conduct as an attempt to damage the company's proper management and operations. It has directed the company's management to take all steps necessary as a result of these actions and to report back to the Board as soon as possible. The Board views this conduct to be improper and is reviewing future actions with regard to his conduct.

About Magal S³:

Magal S³ is a leading international solution provider, in the business of Security, Safety, and Site Management (NASDAQ: MAGS). Over the past 40 years, Magal S³ has delivered tailor-made solutions to hundreds of satisfied customers in over 80 countries. Magal S³ offers a broad portfolio of unique products used to protect sensitive installations in some the the world's most demanding locations and harshest climates. This portfolio covers the following categories:

· **Perimeter Intrusion Detection Systems (PIDS)**

A variety of smart barriers and fences, fence mounted detectors, virtual gates, buried and concealed detection systems.

· **Closed Circuit TV (CCTV)**

A comprehensive management platform with a leading Intelligent Video Analysis (IVA) and Video Motion Detection (VMD) engine.

· **Physical Security Information Management (PSIM)**

A proprietary site management system that enhances command, control and decision making during both routine operations and crisis situations.

This press release contains forward-looking statements, which are subject to risks and uncertainties. Such statements are based on assumptions and expectations which may not be realized and are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial and otherwise, may differ from the results discussed in the forward-looking statements. A number of these risks and other factors that might cause differences, some of which could be material, along with additional discussion of forward-looking statements, are set forth in the Company's



Annual Report on Form 20-F filed with the Securities and Exchange Commission.

Magal S³

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