

**FOR IMMEDIATE RELEASE**

## **Magal's DreamBox to Safeguard Water Supply in Multiple Sites from Hazardous Threats and Malicious Activity**

**Yahud, Israel - December 21, 2006 – Magal (NASDAQ, TASE: MAGS)** today announced that a major water authority based on the east coast of the US has selected Magal's **DreamBox** solution to safeguard the utility's multiple-sites from hazardous threats and malicious activity. The order was placed by a nationwide system integrator, which will also install and provide full support for the product.

**DreamBox** is a state-of-the-art, intelligent video, audio and sensors management platform. As an integrated solution of hardware and software products that performs multiple critical security functions in one box, **DreamBox** offers local and networked digital video and audio recording (DVR/NVR), intelligent video analysis (IVA), virtual video matrix switching, two-way audio and site security management.

**DreamBox** helps high-security facilities – such as airports, seaports, train stations, refinery facilities and utility companies – increase safety and security, streamline operations and maintenance, improve productivity and reduce overall expenditures.

“Water supplies are particularly vulnerable to hazardous threats - ranging from terrorist attacks to accidental contamination. While traditional perimeter protection measures, such as fence and ground sensors, are not viable in this environment, risk can still be mitigated by leveraging advanced Intelligent Video for perimeter protection,” said Izhar Dekel, CEO of Magal. “We are very excited that our **DreamBox** solution was recently selected by this major US water utility. The utility will benefit from the full capabilities of our advanced solution, including intelligent video analysis, digital recording, security management and seamless integration with other security technologies, such as radar-based sensors.”

Dekel continued, “**DreamBox** is widely accepted and utilized in international markets and this new order demonstrates that our solution is gaining traction in the US. The type of project that is ideally suited for **DreamBox** tends to have a long sales cycle, and after selling in the US market for over a year now, we are beginning to see the fruits of our labor pay off with a number of new projects. We are equally encouraged by the positive feedback we have received from prospective customers who have field-tested our product and by our pipeline for **DreamBox** sales in 2007. We look forward to the coming year and to continuing helping clients leverage our advanced video security solution to meet their demanding security needs and requirements.”

## About Magal Security Systems, Ltd.

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Magal Security Systems Ltd. (Magal) is engaged in the development, manufacturing and marketing of computerized security systems, which automatically detect, locate and identify the nature of unauthorized intrusions. Magal also supplies video monitoring services through Smart Interactive Systems, Inc., a subsidiary in the U.S. The Company's products are currently used in more than 70 countries worldwide to protect national borders, airports, correctional facilities, nuclear power stations and other sensitive facilities from terrorism, theft and other threats. Israeli-based Magal has subsidiaries in the U.S., Canada, the U.K., Germany, Romania, Mexico and an office in China.

Magal trades under the symbol MAGS in the U.S. on the Nasdaq National Market since 1993 and in Israel on the Tel-Aviv Stock Exchange (TASE) since July 2001.

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.

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