

May 5, 2008

- Revenues reach record level of \$26 million for the first quarter -

Yahud, Israel, May 5, 2008 - Magal Security Systems Ltd. (Nasdaq GM: MAGS; TASE:MAGS) today announced its consolidated financial results for the three month period ended March 31, 2008.

Revenues for the first quarter of 2008 increased 86% reaching US\$26.3 million, compared to US\$14.1 million in the first quarter of 2007. Effective September 1, 2007, Magal's financial statements consolidate the results of the European integration company acquired in August 2007. Following the sale of Magal's U.S. based video monitoring business operated by Smart Interactive Systems Inc. in December 2007, the results of this business for the first quarter of 2007, were reclassified as discontinued operations.

Gross profit for the first quarter of 2008 increased by 52% over the first quarter of 2007, reaching US\$9.7 million, or 36.8% of revenues. Gross margin for the quarter was adversely affected by the ongoing weakening of the US dollar against the Israeli Shekel as well as the shift in revenue mix towards larger scale integration projects.

Operating expenses for the first quarter of 2008 totalled US\$8.4 million, compared to US\$5.5 million in the first quarter 2007. Operating expenses, as a percent of revenues, decreased to 31.9%, from 38.8% last year.

The operating expenses for the quarter included a US\$1.0 million amortization of intangible assets relating to the recently acquired European subsidiary. Operating expenses for the quarter were also adversely affected by the devaluation of the US dollar against the Israeli Shekel and the Canadian Dollar, increasing operating expenses by approximately US\$0.6 million for the quarter.

Operating income for the first quarter of 2008 increased 43% reaching US\$1.3 million, compared to US\$0.9 million in the first quarter of 2007.

Financial expenses for the first quarter of 2008 totalled US\$1.0 million, compared to \$0.3 million for the first quarter of 2007. Financial expenses for the quarter included \$0.6 million resulting from the ongoing weakening of the US dollar.

Net income from continued operation for the first quarter of 2008 was flat, compared to net income from continued operation of US\$0.5 million at the first quarter of 2007. Net loss, including discontinued operations, totalled US\$0.2 million, compared with net income of US\$0.3 million in the first quarter of 2007. Diluted loss per share for the first quarter totalled US\$0.02 per share compared to diluted earnings of US\$0.03 per share in the same quarter of last year.

"Once again we presented strong revenue growth this quarter. This is in line with our long term strategic plan of acquiring new complimentary companies and activities; penetrating new territories; and targeting larger scale projects. We expect this trend to continue in the quarters to come," commented Mr. Izhar Dekel, CEO of Magal. "Despite our strong revenue growth, our results this quarter were adversely affected by several items including the weakening of the US dollar, several one-time expenses and change in our revenue mix. Looking ahead we expect to continue generating growth in line with our long term plan and believe our results will better reflect this growth in quarters to come."

About Magal Security Systems, Ltd.:

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. 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.

Magal trades under the symbol MAGS in the U.S. on the Nasdaq Global Market and in Israel on the Tel-Aviv Stock Exchange (TASE).

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(All numbers except EPS expressed in thousands of US\$)

Quarter Ended March 31,

	<u>2008</u>	<u>% Of revenues</u>	<u>2007 (*</u>	<u>% Of revenues</u>	<u>% change</u>
Revenues	26,290	100%	14,113	100%	86.3%
Cost of revenues	<u>16,608</u>	63.2%	<u>7,732</u>	54.8%	114.8%
Gross profit	9,682	36.8%	6,381	45.2%	51.7%
Operating expenses:					
Research and development, net	1,625	6.2%	1,454	10.3%	11.8%
Selling and marketing	4,236	16.1%	2,709	19.2%	56.4%
General and administrative	2,095	8.0%	1,316	9.3%	59.2%
Special post employment benefit	438	1.7%	-		
Total operating expenses	<u>8,394</u>	31.9%	<u>5,479</u>	38.8%	53.2%
Operating income	1,288	4.9%	902	6.4%	42.8%
Financial expenses, net	<u>984</u>	3.7%	<u>303</u>	2.1%	224.8%
Income from continuing operations before income taxes	304	1.2%	599	4.2%	(49.2%)
Income tax net	<u>292</u>	1.1%	<u>148</u>	1.0%	97.3%
Net Income from continuing operations	12	0.0%	451	3.2%	62.1%
Net loss from discontinued operations	<u>248</u>	0.9%	<u>153</u>	1.1%	62.0%
Net income (loss)	<u>(236)</u>	(0.9%)	<u>298</u>	2.1%	
Basic and diluted net earnings per share from continuing operations	<u>0.00</u>		<u>0.05</u>		
Basic and diluted loss per share from discontinued operations	<u>(0.02)</u>		<u>(0.02)</u>		
Basic and diluted net earnings (loss) per share	<u>(0.02)</u>		<u>0.03</u>		

(*Reclassified)

MAGAL SECURITY SYSTEMS LTD.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(All numbers expressed in thousands of US\$)

	March 31, 2008	December 31, 2007
	<hr/>	<hr/>
CURRENT ASSETS:		
Cash and cash equivalents	15,559	9,814
Marketable securities	9,452	9,464
Short term bank deposits	11,243	11,220
Trade receivables	15,394	26,623
Unbilled accounts receivable	13,856	4,003
Other accounts receivable and prepaid expenses	5,371	6,976
Deferred income taxes	2,043	1,847
Inventories	19,633	23,816
Total current assets	<hr/> 92,551 <hr/>	<hr/> 93,763 <hr/>
 LONG TERM INVESTMENTS AND RECEIVABLES:		
Long-term trade receivables	2,012	2,019
Long-term loans	868	808
Long-term bank deposits	1,832	1,846
Escrow deposit	2,071	4,442
Severance pay fund	2,777	2,765
Total long-term investments and receivables	<hr/> 9,560 <hr/>	<hr/> 11,880 <hr/>
 PROPERTY AND EQUIPMENT, NET	<hr/> 8,640 <hr/>	<hr/> 8,429 <hr/>
 OTHER ASSETS, NET	<hr/> 19,191 <hr/>	<hr/> 13,755 <hr/>
 ASSETS ATTRIBUTED TO DISCONTINUED OPERATION	<hr/> 120 <hr/>	<hr/> 244 <hr/>
 TOTAL ASSETS	<hr/> 130,062 <hr/>	<hr/> 128,071 <hr/>
 CURRENT LIABILITIES:		
Short-term bank credit	19,419	16,434
Current maturities of long-term bank debt	4,303	4,303
Trade payables	7,154	7,344
Deferred income taxes	778	687
Other accounts payable, accrued expenses and customer advances	22,499	24,791
Total current liabilities	<hr/> 54,153 <hr/>	<hr/> 53,559 <hr/>
 LONG-TERM LIABILITIES:		
Long-term bank debt	2,895	3,095
Deferred income taxes	1,503	1,218
Accrued severance pay	4,005	3,873
Total long-term liabilities	<hr/> 8,403 <hr/>	<hr/> 8,186 <hr/>
 LIABILITIES ATTRIBUTED TO DISCONTINUED OPERATION	<hr/> 400 <hr/>	<hr/> 849 <hr/>
 SHAREHOLDERS' EQUITY	<hr/> 67,106 <hr/>	<hr/> 65,477 <hr/>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<hr/> 130,062 <hr/>	<hr/> 128,071 <hr/>
Total bank debt to total capitalization	0.40	0.36
Current ratio	1.71	1.75