



17 Altalef St. PO Box 70, Yahud
Industrial Zone 56100, Israel

FOR IMMEDIATE RELEASE

Magal Security Systems Reports Fourth Quarter 2009 and Year-End 2009 Financial Results

YAHUD, ISRAEL, April 12, 2010 -- Magal Security Systems Ltd. (NASDAQ GMS: MAGS, TASE: MAGS) today announced its consolidated financial results for the three and twelve month periods ended December 31, 2009. Management will hold an investors' conference call later today, at 9am ET Time, 4pm Israel time, to discuss the results.

In September 2009, Magal's Board of Directors resolved to discontinue the operation of the European integration subsidiary that was, acquired in September 2007. The subsidiary was sold in December 2009. The results for the three and the twelve month periods ended December 31, 2009 and 2008, as well as the capital gain resulting from the sale, were reclassified to disclose the results of that subsidiary as discontinued operations.

FOURTH QUARTER 2009 RESULTS

Revenues for the fourth quarter of 2009 totaled US\$15.0 million, a decrease of 10.1% compared to the fourth quarter of 2008. The revenue decrease is mostly attributable to revenue shortfall in the North and Latin American markets compared with the comparable period in 2008.

Gross profit for the fourth quarter of 2009 was US\$5.7 million, or 38.3% of revenues, compared to 35.4% of revenues as reported for the fourth quarter of 2008. Gross margin in the quarter increased despite the lower revenue, due to a more favorable mix of products and projects and a more favorable currency exchange rate environment for Magal in 2009 compared with 2008. Gross margin also benefited from the rationalization of costs and consolidation of the North American business into one unit.

Operating loss for the fourth quarter of 2009 was US\$0.9 million, compared with an operating loss of US\$8.3 million for the fourth quarter of 2008.

Financing expenses in the three months ended December 31, 2009 amounted to US\$0.5 million compared to financing income of US\$0.2 million in the fourth quarter of 2008.

Income from discontinued operations was US\$4.3 million in the fourth quarter of 2009 compared with a loss of US\$12.0 million in the same period last year.

Net income attributable to Magal's shareholders for the fourth quarter of 2009, was US\$2.0

million, compared with a net loss of US\$24 million for the fourth quarter of 2008. Net earnings per share in the fourth quarter of 2009 was US\$0.19, compared with a net loss per share of US\$(2.31) in the same period last year.

FULL YEAR 2009 RESULTS

Revenues for the year ended December 31, 2009 was US\$54.5 million, a 4.5% decrease compared with the previous year. The decrease is primarily attributable to the lower revenues generated by the Company's Canadian subsidiary and a reduction in revenues in the European market.

Gross profit for the year increased by 8.4% to US\$21.2 million, representing 38.9% of revenues, compared with US\$19.5 million, representing 34.2% of revenues in 2008. This increase is mainly attributable to the previously-mentioned more favorable currency exchange rate environment for Magal in 2009 compared with 2008 as well as a more favorable mix of products and projects. Gross margin also benefited from the rationalization of costs and consolidation of the North American business into one unit.

Operating loss for 2009 was US\$2.7 million, compared with an operating loss of US\$14.6 million in 2008. The operating loss in 2009 was primarily attributable to the lower volume of revenues resulting from the global economic crisis in 2009.

Net loss attributable to Magal's shareholders for 2009 was US\$0.9 million compared with a net loss of US\$32.6 million in 2008. Net loss per share for the year ended December 31, 2009 was US\$0.08, compared with a net loss per share of US\$3.14 in 2008.

MANAGEMENT COMMENT

Commenting on the results, Mr. Eitan Livneh, President and CEO of Magal, said, "2009 was a turnaround year for Magal. I believe that the changes initiated by the new management team provide a solid foundation for improvements in 2010 and beyond. Over the past year, we have focused on improving every area of the business. This has included making some key management changes, rationalizing all costs, as well as consolidating our North American business into one unit, realizing significant cost savings. The improvement in our margins over the past year, is a clear testament to our success in this regard."

"Looking ahead, in 2010 we intend to continue to develop and sell new advanced security sensors, continue to build on our success with Fortis in the Municipal Control and Command field, and improve our capabilities in the Intelligent Video Analytics space. While the past year has seen many changes for Magal, I believe that they were for the better and together with the whole management team at Magal, we remain enthusiastic about Magal's future," concluded Mr. Livneh.



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INVESTORS' CONFERENCE CALL INFORMATION:

The Company will host a conference call on April 12, 2010 at 9am ET. On the call, management will review and discuss the results and will be available to answer investor questions.

To participate, please call one of the following teleconferencing numbers. Please begin placing your calls at least 10 minutes before the conference call commences. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

US Dial-in Number: 1 888 668 9141

Israel Dial-in Number: 03 918 0609

UK Dial-in Number: 0 800 917 5108

International Dial-in Number: +972 3 918 0609

at 9:00 am Eastern Time; 6:00 am Pacific Time; 2:00pm UK Time; 4:00 pm Israel Time

A replay of the call will be available from the day after the call. The link to the replay will be accessible from Magal's website at: www.magal-s3.com.

About Magal S³

Magal S³ is a leading international provider of security, safety and site management solutions and products (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 of the world's most demanding locations and harshest climates. This portfolio covers the following three categories:

- **Perimeter Intrusion Detection Systems (PIDS)** - a variety of smart barriers and fences, fence mounted detectors, virtual gates, buried and concealed detection systems
- **Close 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.

For more information:

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

	Year Ended December 31,			Quarter Ended December 31,		
	2009	2008	% change	2009	2008	% change
Revenues	54,518	57,105	(4.5)	14,966	16,645	(10.1)
Cost of revenues	33,331	37,559	(11.3)	9,230	10,748	(14.1)
Gross profit	21,187	19,546	8.4	5,736	5,897	(2.7)
Operating expenses:						
Research and development, net	4,816	5,556	(13.3)	1,361	1,275	6.7
Selling and marketing	10,876	12,953	(16.0)	3,027	3,838	(21.1)
General and administrative	8,216	10,243	(19.8)	2,235	4,157	(46.2)
Impairment of goodwill and other intangible assets	-	2,772		-	2,772	
Post employment and termination benefits	-	2,582		-	2,144	
Total operating expenses	23,908	34,106	(29.9)	6,623	14,186	(53.3)
Operating loss	(2,721)	(14,560)		(887)	(8,289)	
Financial expenses, net	1,568	1,314	19.3	503	(228)	
Income (loss) from continuing operations before income taxes	(4,289)	(15,874)		(1,390)	(8,061)	
Income tax	728	3,066	(76.3)	877	3,988	(78.0)
Net Income from continuing operations	(5,017)	(18,940)		(2,267)	(12,049)	
Net Income (loss) from discontinued operations	4,216	(13,662)		4,313	(11,979)	
Net income (loss)	(801)	(32,602)		2,046	(24,028)	
Less: net income attributable to non-controlling interest	54	-		54	-	
Net income (loss) attributable to Magal Ltd. shareholders	(855)	(32,602)		1,992	(24,028)	
Basic net earnings per share from continuing operations	\$(0.49)	\$(1.82)		\$(0.22)	\$(1.16)	
Basic net earnings (loss) per share from discontinued operations	\$ 0.41	\$(1.32)		\$ 0.41	\$(1.15)	
Basic net earnings (loss) per share	\$(0.08)	\$(3.14)		\$ 0.19	\$(2.31)	
Weighted average number of shares outstanding used in computing basic net earnings per share	10,397	10,397		10,397	10,397	
Diluted net profit per share from discontinued operations	0.41	-		0.41	-	
Weighted average number of shares outstanding used in computing diluted net earnings per share	10,398	-		10,400	-	

**MAGAL SECURITY SYSTEMS LTD.
FINANCIAL RATIOS**

	Twelve Months Ended Dec. 31,		Three months Ended Dec. 31,	
	2009 %	2008 %	2009 %	2008 %
Gross margin	38.9	34.2	38.3	35.4
Research and development, net as a % of revenues	8.8	9.7	9.1	7.7
Selling and marketing as a % of revenues	19.9	22.7	20.2	23.1
General and administrative as a % of revenues	15.1	17.9	14.9	25.0
Special post employment benefit	-	4.5	-	12.9
Operating margin	(5.0)	(25.5)	(5.9)	(49.8)
Net margin before discontinued operations	(9.2)	(33.2)	(15.1)	(72.4)
Net income (loss) on discontinued operations as a % of revenues	7.7	(23.9)	28.8	(72.0)
Net margin after discontinued operations	(1.5)	(57.1)	13.7	(144.4)

CONDENSED CONSOLIDATED BALANCE SHEETS

(All numbers expressed in thousands of US\$)

	December 31, 2009	December 31, 2008
CURRENT ASSETS:		
Cash and cash equivalents	\$ 11,869	\$ 16,835
Marketable securities		1,000
Short term bank deposits	1,807	1,228
Restricted deposit		3,223
Trade receivables	12,328	15,800
Unbilled accounts receivable	5,892	5,055
Other accounts receivable and prepaid expenses	1,416	4,607
Deferred income taxes	272	1,321
Inventories	10,912	12,728
Cost incurred on long term contracts		7,646
Total current assets	44,496	69,443
LONG TERM INVESTMENTS AND RECEIVABLES:		
Long-term trade receivables	1,753	1,839
Long-term loan	200	519
Long-term deposits	40	1,826
Escrow deposit		860
Severance pay fund	2,476	2,763
Total long-term investments and receivables	4,469	7,807
PROPERTY AND EQUIPMENT, NET	9,178	8,441
OTHER ASSETS, NET	269	2,925
GOODWILL	2,053	1,874
ASSETS ATTRIBUTABLE TO DISCONTINUED OPERATIONS	28	47
TOTAL ASSETS	\$60,493	\$90,537
CURRENT LIABILITIES:		
Short-term bank credit	\$ 8,234	\$ 23,182
Current maturities of long-term bank debt	1,824	813
Trade payables	4,018	13,145
Other accounts payable and accrued expenses	9,918	15,924
Total current liabilities	23,994	53,064
LONG-TERM LIABILITIES:		
Long-term bank debt	548	2,282
Deferred income taxes	35	482
Accrued severance pay	3,562	3,823
Total long-term liabilities	4,145	6,587
LIABILITIES ATTRIBUTABLE TO DISCONTINUED OPERATIONS	45	168
SHAREHOLDERS' EQUITY	32,309	30,718
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$60,493	\$90,537
Total bank debt to total capitalization	0.33	0.86
Current ratio	1.85	1.31



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