



FOR IMMEDIATE RELEASE

**MAGAL SECURITY SYSTEMS
REPORTS ITS FINANCIAL RESULTS FOR THE THIRD QUARTER 2009
AND NINE MONTH PERIOD ENDED SEPTEMBER 30, 2009**

YAHUD, ISRAEL, November 30, 2009 -- Magal Security Systems Ltd. (NASDAQ GMS: MAGS, TASE: MAGS) today announced its consolidated financial results for the three and nine month periods ended September 30, 2009.

In September 2009, Magal's Board of Directors resolved to discontinue the operations of the European integration subsidiary, acquired in September 2007. The results for the quarter and the nine months ended September 30, 2009 and 2008 were reclassified to disclose the results of that subsidiary as discontinued operations. The net assets of the subsidiary for the nine months ended September 30, 2009 and the year ended December 31, 2008 were reclassified accordingly.

RESULTS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2009

Revenues for the nine months ended September 30, 2009 were US\$39.5 million, a 2.2% decrease compared with the comparable period last year.

Gross profit for the nine months ended September 30, 2009 increased by 10.2% to US\$15.9 million, or 40.1% of revenue, compared with US\$14.4 million, or 35.6% of revenue, in the comparable period last year. The increase is attributable to the low gross margin generated by certain strategic, but low margin projects in 2008 and to more favorable currency exchange rates in 2009 compared with 2008.

Operating expenses for the nine months ended September 30, 2009 decreased by 14.5% from US\$20.5 million in 2008 to US\$17.6 million in 2009. The decrease is attributable to a decrease in operating expenses in North America following Magal's integration of its US operations into its Canadian subsidiary, a decrease in headcount and payroll expenses, as well as more favorable currency exchange rates in 2009 compared with 2008.

Operating loss in the nine months period ended September 30, 2009 was US\$1.7 million, compared with an operating loss of US\$6.1 million in the same period last year. The operating loss decreased as a result of the improvement in gross margins and the decrease in operating expenses.

Net loss for the nine months period ended September 30, 2009 was US\$2.8 million compared with a net loss of US\$8.6 million in the same period last year. Net loss per share

for the nine month period ended September 30, 2009 was US\$(0.27), compared with net loss per share of US\$(0.82) in the comparable period last year.

RESULTS FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2009

Revenues for the third quarter of 2009 totaled US\$17.7 million, an increase of 14.8% over the third quarter of 2008. The revenue increase is mostly attributable to revenue generated in Israel during the period.

Gross profit for the third quarter of 2009 increased to US\$6.8 million, or 38.2% of revenues, representing a 54.8% increase over US\$4.4 million, or 28.3% of revenues for the third quarter of 2008. Gross margin for the quarter increased due to the higher revenue volume, a more favorable mix of products and projects, as well as more favorable currency exchange rates in 2009 compared with 2008.

Operating income for the third quarter of 2009 was US\$0.5 million, compared with an operating loss of US\$2.4 million for the third quarter of 2008.

During the third quarter of 2009, the US Dollar decreased by 4.1% against the Israeli Shekel compared with an increase of 2.1% during the comparable period last year. Financing expenses in the three months ended September 30, 2009 increased from US\$0.3 million to US\$0.8 million as a result of the devaluation of the Company's US Dollar denominated assets.

Net loss for the third quarter of 2009, was US\$0.7 million, compared with a net loss of US\$3.4 million for the third quarter of 2008. Net loss per share for the third quarter of 2009 was US\$(0.07), compared with a net loss per share of US\$(0.33) in the same period last year.

MANAGEMENT COMMENT

Commenting on the results, Mr. Eitan Livneh, President and CEO of Magal, said, "We have gone through many changes in 2009 that have provided a foundation for better results in the future. The improvement in the results of our core business in the past nine months, and especially our operating profitability in the third quarter, is testimony to that. We rationalized costs across the board and consolidated our North American business into one unit, realizing significant cost savings."

Continued Mr. Livneh, "Our European subsidiary required us to invest extensive time and effort, which management felt were not justified in light of its overall performance. We therefore took the decision to cease the operations of this subsidiary. This will enable us to increase our focus on our core business and on what we do best."

“Our current results represent the beginning of an improvement in performance which I expect will continue into the future. We intend to cement our lead in the sensor space by marketing new advanced security sensors, build and advance on our success with Fortis in the Municipal Control and Command field, and improve our capabilities in the Intelligent Video Analytics space. Our achievements in 2009 and goals for 2010 make me and the rest of management enthusiastic about Magal’s future,” concluded Mr. Livneh.

INVESTORS’ CONFERENCE CALL INFORMATION:

The Company will host a conference call today, November 30, 2009, at 9:00am EST.

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: 1 888 407 2553
Israel: 03 918 0664
UK: 0 800 917 9141
International: +972 3 918 0664

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-ssl.com.

ABOUT MAGAL S3

Magal S3 is a leading international solution provider, in the business of Security, Safety and Site Management. Based on 35 years of experience and interaction with customers, the company has developed a unique set of solutions and products, optimized for perimeter, outdoor and general security applications. Magal S3's turnkey solutions are typically integrated and managed by a single sophisticated modular command and control software, supported by expert systems for real-time decision support. Magal S3's broad portfolio of critical infrastructure and site protection management technologies includes a variety of smart barriers and fences, fence mounted detectors, virtual gates, buried and concealed detection systems as well as a sophisticated protection package for sub-surface intrusion. A world innovator in the development of CCTV, IVA and motion detection technology for outdoor operation, Magal S3 has successfully installed customized solutions and products in more than 75 countries worldwide.

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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MAGAL SECURITY SYSTEMS LTD.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(All numbers except EPS expressed in thousands of US\$)

	Nine Months Ended Sept. 30,			Three months Ended Sept. 30,		
	<u>2009</u>	<u>2008</u>	<u>% change</u>	<u>2009</u>	<u>2008</u>	<u>% change</u>
Revenue	39,552	40,460	(2.2)	17,682	15,406	14.8
Cost of revenue	<u>23,677</u>	<u>26,048</u>	(9.1)	<u>10,924</u>	<u>11,039</u>	(1.0)
Gross profit	15,875	14,412	10.2	6,758	4,367	54.8
Operating expenses:						
Research and development, net	3,199	3,992	(19.9)	1,163	1,359	(14.4)
Selling and marketing	7,992	9,757	(18.1)	2,891	3,448	(16.2)
General and administrative	6,379	6,353	0.4	2,182	1,976	10.4
Special post-employment benefit		438		-	-	
Total operating expenses	<u>17,570</u>	<u>20,540</u>	(14.5)	<u>6,236</u>	<u>6,783</u>	(8.1)
Operating income (loss)	(1,695)	(6,128)		522	(2,416)	
Financial expense, net	<u>1,065</u>	<u>1,542</u>	(30.9)	<u>839</u>	<u>297</u>	
Loss from continuing operations before income taxes	(2,760)	(7,670)		(317)	(2,713)	
Income tax	<u>10</u>	<u>778</u>	(98.7)	<u>244</u>	<u>257</u>	(5.1)
Net loss from continuing operations	(2,750)	(6,892)		(561)	(2,970)	
Loss on discontinued operations, net	<u>(97)</u>	<u>(1,683)</u>		<u>(160)</u>	<u>(461)</u>	
Net loss	<u>(2,847)</u>	<u>(8,575)</u>	(66.8)	<u>(721)</u>	<u>(3,431)</u>	(79.0)
Basic and diluted loss per share from continuing operations	<u>(0.26)\$</u>	<u>(0.66)\$</u>		<u>(0.05)\$</u>	<u>(0.29)\$</u>	
Basic and diluted loss per share from discontinued operations, net	<u>(0.01)\$</u>	<u>(0.16)\$</u>		<u>(0.02)\$</u>	<u>(0.04)\$</u>	
Basic and diluted net loss per share	<u>(0.27)\$</u>	<u>(0.82)\$</u>		<u>(0.07)\$</u>	<u>(0.33)\$</u>	

**MAGAL SECURITY SYSTEMS LTD.
FINANCIAL RATIOS**

	Nine Months Ended Sep. 30,		Three months Ended Sep. 30,	
	2009 %	2008 %	2009 %	2008 %
Gross margin	40.1	35.6	38.2	28.3
Research and development, net as a % of revenues	8.1	9.9	6.6	8.8
Selling and marketing as a % of revenues	20.2	24.1	16.3	22.4
General and administrative as a % of revenues	16.1	15.7	12.3	12.8
Special post employment benefit	-	1.1	-	-
Operating margin	(4.3)	(15.1)	3.0	(15.7)
Net margin before discontinued operation	(7.0)	(17.0)	(3.2)	(19.3)
Loss on discontinued operation as a % of revenues	(0.2)	(4.2)	(0.9)	(3.0)
Net margin after discontinued operation	(7.2)	(21.2)	(4.1)	(22.3)

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

	Sept. 30, 2009	December 31, 2008
	<hr/>	<hr/>
CURRENT ASSETS:		
Cash and cash equivalents	17,128	14,185
Marketable securities	-	1,000
Short term bank deposits	-	1,228
Trade receivables	13,931	15,800
Unbilled accounts receivable	2,862	5,055
Other accounts receivable and prepaid expenses	3,866	4,145
Deferred income taxes	377	362
Inventories	12,358	14,031
Total current assets	<hr/> 50,522 <hr/>	<hr/> 55,806 <hr/>
 LONG TERM INVESTMENTS AND RECEIVABLES:		
Long-term trade receivables	1,784	1,839
Long-term loans	200	519
Long-term bank deposits	1,838	1,826
Escrow deposit	905	860
Severance pay fund	2,346	2,763
Total long-term investments and receivables	<hr/> 7,073 <hr/>	<hr/> 7,807 <hr/>
 PROPERTY AND EQUIPMENT, NET	<hr/> 9,066 <hr/>	<hr/> 8,061 <hr/>
 DEFERRED INCOME TAXES	<hr/> 42 <hr/>	<hr/> 37 <hr/>
 OTHER INTANGIBLE ASSETS, NET	<hr/> 369 <hr/>	<hr/> 404 <hr/>
 GOODWILL	<hr/> 2,047 <hr/>	<hr/> 1,874 <hr/>
 ASSETS ATTRIBUTED TO DISCONTINUED OPERATION	<hr/> 1,454 <hr/>	<hr/> 2,276 <hr/>
 TOTAL ASSETS	<hr/> 70,573 <hr/>	<hr/> 76,265 <hr/>
 CURRENT LIABILITIES:		
Short-term bank credit	21,611	23,182
Current maturities of long-term bank debt	813	813
Trade payables	4,692	4,759
Other accounts payable, accrued expenses and customer advances	7,916	10,751
Total current liabilities	<hr/> 35,032 <hr/>	<hr/> 39,505 <hr/>
 LONG-TERM LIABILITIES:		
Long-term bank debt	1,747	2,282
Deferred income taxes	157	138
Accrued severance pay	3,088	3,451
Total long-term liabilities	<hr/> 4,992 <hr/>	<hr/> 5,871 <hr/>
 LIABILITIES ATTRIBUTED TO DISCONTINUED OPERATION	<hr/> 100 <hr/>	<hr/> 171 <hr/>
 SHAREHOLDERS' EQUITY	<hr/> 30,449 <hr/>	<hr/> 30,718 <hr/>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<hr/> 70,573 <hr/>	<hr/> 76,265 <hr/>
Total bank debt to total capitalization	0.79	0.86
Current ratio	1.44	1.41