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NUR MACROPRINTERS RETURNS TO PROFITABILITY AFTER TWO YEARS

Will Offer New Market-Driven Products & Services

Completion of Restructuring Plan Leads to \$4.6M of Charge and Inventory Write-Off

LOD, Israel; February 26, 2004 — NUR Macroprinters (Nasdaq-SCM: NURM), a leading supplier of wide-format inkjet production printing systems, today announced that after more than two years, it has returned to profitability (on a non-GAAP basis) and a positive cash flow from operating activity in the fourth quarter ended December 31, 2003. The Company has also reported a positive cash flow from operating activity, such that in addition to an exercise of \$2.0 million of a convertible stand-by loans, has raised cash levels above \$11.0 million.

On a GAAP basis the Company reports a loss of \$4.8 million, which includes extraordinary charges and write-off of inventory of \$5.3 million. The Company believes that since the extraordinary charges and write-offs are related to its previously announced reorganization plan, they do not reflect the true current business of the Company.

The Company also reported that it had reached new agreements with its banks regarding loan covenants which better suits the Company's business plans going forward.

Revenues for the fourth quarter of 2003 were \$18.2 million, compared to \$19.5 million in the fourth quarter of 2002, and \$17.1 million during the prior quarter. Excluding extraordinary charges and write-off of inventory of \$5.3 million, operating profit in the fourth quarter of 2003 was \$0.9 million and net income was \$0.5 million or \$0.03 per basic share, compared to an operating loss of (\$1.1) million, excluding extraordinary charges and write-off of inventory of \$15.7 million, and a net loss of (\$1.4) million or (\$0.08) per basic share in the fourth quarter of last year. Taking into account extraordinary charges and inventory write-off, results for the fourth quarter were an operating loss of (\$3.7) million and a net loss of (\$4.8) million or (\$0.28) per basic share, compared to an operating loss of (\$16.8) million and a net loss of (\$17.1) million or (\$1.00) per basic share in the fourth quarter last year.

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Revenues for the full year 2003 were \$65.6 million compared to \$85.3 million in 2002. Excluding extraordinary charges and write-off of inventory of \$24.1 million, operating loss in 2003 was (\$1.6) million and net loss was (\$3.6) million, or (\$0.21) per basic share, compared to an operating loss of (\$4.5) million in prior year, excluding extraordinary charges and write-off of inventory of \$18.1 million compared to a net loss of (\$6.0) million, or (\$0.35) per basic share, in the prior year. Taking into account extraordinary charges and inventory write-off, results for 2003 included an operating loss of (\$25.0) million and a net loss of (\$27.7) million, or (\$1.60) per basic share, compared to an operating loss of (\$22.6) million and a net loss of (\$24.1) million, or (\$1.42) per share, in the fourth quarter 2002.

Dan Purjes, Chairman of the Board, commented, "In the past few months we brought in a new management team to NUR that has revitalized the Company. Led by CEO David Amir, the management team has tackled many difficult challenges and was able to complete the restructuring of the Company and to restore it to profitability. With improving business conditions the Company is well positioned to capitalize its energies on growth and profits. The Board is very pleased with NUR's progress and stands ready to provide it with whatever support is needed to ensure continued success."

David Seligman, Chief Financial Officer of NUR Macroprinters, commented, "The return to profitability and positive cash flow from ordinary business activities, as presented in our non-GAAP results, represents the completion of our transition and transformation period, and the return to our core mission of being the leading supplier of market-driven digital wide-format inkjet printing systems and services. We have completed the transfer of our U.S. headquarters from San Antonio Texas to the New-York metropolitan area; moved and integrated the U.S. based ink and machine production to Israel;; replaced six of the top seven senior management positions around the world; and carried out major cost cutting and rationalization programs."

Seligman continued, "We now believe that our assets better suit our reorganized operations. NUR has dramatically improved its manufacturing capacity and has stabilized operations, including logistics and services, quality control and excellent product development. We have also reached a new agreements with our banks, regarding new loan covenants that better suit our business plan."

"We are on track in our plan to improve our financial performance. Our fourth quarter results, on a non-GAAP basis, are even better than expected and as guided in our conference call last October. We have attained continuing improvement in our operating profit, on a non-GAAP basis, and expect this trend to continue. We are also reporting an extraordinary charge and an inventory write-off of \$5.3 million, resulting from the completion of the restructuring plan, including write-off of lease improvements to our former building in Boston and to a one-time non-cash charge of \$0.7 million for a beneficial conversion feature of the convertible loan. NUR now believes that its reorganization is behind it and that it can go forward with its business plans," concluded Seligman.

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David Amir, CEO and President of NUR Macroprinters, gave this assessment, “Since taking the position of CEO of NUR in April 2003, my emphasis has been on a return to positive cash flow, profitability and sales growth, in that order. We believe that we have achieved these objectives and we are now moving to the next stage: grow the business while improving cash flow and profitability.”

Amir continued, “Our product lines have been streamlined and provide good answers to the variety our market requires: The Tempo is extremely well accepted worldwide, the Fresco has strengthened its position as the “industry workhorse” and the Ultima HiQ is being offered as a cost-effective production machine. We now manufacture all machines in one place, which provides reduced cost and greater flexibility.”

Mr. Amir concluded: “During 2004, we plan extensive marketing activities in which we will introduce new products that address market needs as well as include exciting innovations for long term breakthroughs. These new products will be unveiled at trade shows during the second quarter 2004. We will participate in the “Sign UK” show in March, “ISA” (International Sign Expo. U.S.) show in April and DRUPA show (Germany) in May.”

The Company also reported that it expect revenue in the first quarter 2004 to be \$17 to \$18 million, gross margins to be 40-41 percent and operating expenses to be \$7 to \$8 million. As a result it expects to show a nominal net profit or 0 cents per share in the first quarter 2004. For the full year 2004 it expect revenue to be \$80 to \$82 million, with similar gross margins and operating expenses of \$29 to \$32 million. As a result of financial and other expenses of \$2.0 to \$2.8 million it expects to report a net profit of \$2.0 to \$2.5 million, or \$0.08 to \$0.12 cents per share, for the full year 2004.

The Company will host a conference call to discuss these results on Thursday, February 26 at 10:00 am EST (17:00 Israel time). To participate, please call 1-888-858-4066 (U.S. toll free), 1-973-935-2401 (Israel toll free) or ++1-800-931-5196 (International), ID Code: "NUR MACROPRINTERS". A PowerPoint presentation highlighting key financial metrics will be available in the Investor Relations section of the Company's web site, www.nur.com through the First Quarter 2004. The conference call also will be available for replay for 14 days starting 12pm EST on the day of the call, by calling 877-519-4471 (U.S.) / +973-341-3080(International and Israel) and enter conference ID number NUR MACROPRINTERS".

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ABOUT NUR MACROPRINTERS LTD.

NUR Macroprinters (Nasdaq-SCM: NURM) is a leading supplier of wide-format inkjet printing systems used for the production of out-of-home advertising materials. From entry-level photo-realistic printers to high-throughput production presses, NUR's complete line of cost-effective, reliable printing solutions and companion inks are helping customers in over 100 countries worldwide address the full spectrum of wide-format printing requirements. NUR customers, including commercial printing companies, sign printers, screen printers, billboard and media companies, photo labs, and digital printing service providers, count on NUR to help them deliver the high quality and fast turnaround they need to meet their clients' exacting demands and succeed in today's competitive marketplace. More information about NUR Macroprinters is available at www.nur.com.

(TABLES TO FOLLOW)

SAFE HARBOR: Certain statements made herein that use the words "estimate," "project," "intend," "expect," "believe" and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks and uncertainties that could cause the actual results, performance or achievements of NUR Macroprinters Ltd. To be materially different from those which may be expressed or implied by such statements, including, among others, changes in general economic and business conditions and specifically, decline in demand for NUR Macroprinters Ltd's products, inability to timely develop and introduce new technologies, products and applications and loss of market share and pressure on prices resulting from competition. For additional information regarding these and other risks and uncertainties associated with the Company's business, reference is made to NUR Macroprinters Ltd.'s reports filed from time to time with the Securities and Exchange Commission. This press release is available at www.nur.com and www.portfoliopr.com/

NUR MACROPRINTERS LTD.
Condensed Balance Sheets, US\$ in thousands

	December 31, 2003	December 31, 2002	
	Un audited	Audited	
Current Assets :			
Cash and cash equivalents	10,929	10,505	4%
Short-term restricted cash	144	1,163	(98%)
Accounts receivable - trade	18,571	28,777	(35%)
Other receivables and prepaid expenses	5,800	5,531	5%
Inventories	15,947	24,297	(34%)
Total Current Assets	51,391	70,273	(27%)
<u>Long-term investments</u>			
Long-term accounts receivables - trade	758	1,760	(57%)
Investment in an affiliate	1,048	590	78%
Restricted long-term bank deposits	44	185	(76%)
Long-term prepaid expenses	84	152	(45%)
Severance pay funds	810	916	(12%)
	2,744	3,603	(24%)
Property, plant and equipment, net	6,084	11,576	(47%)
Other assets, net	736	854	(14%)
Deferred income taxes	989	1,589	(38%)
Total assets	61,944	87,895	(30%)
<u>Liabilities and Shareholders' Equity</u>			
Current Liabilities :			
Short - term bank credit and short-term bank loans	15,104	5,844	158%
Current maturities of long - term loans	862	2,020	(57%)
Trade payables	8,724	16,444	(47%)
Other accounts payable and accrued expenses	7,777	8,984	(13%)
Customer advances	54	270	(80%)
Total Current Liabilities	32,521	33,562	(3%)
Long -Term Liabilities :			
Long - Term loans, net of current maturities	29,981	30,051	0%
Accrued severance pay	945	1,122	(16%)
	30,926	31,173	(1%)
<u>Shareholders' Equity :</u>			
Share capital	4,261	4,202	1%
Additional paid in capital	46,962	45,697	3%
Receipt on account of shares	1,534	-	100%
Accumulated other comprehensive loss	(1,137)	(1,286)	(12%)
Accumulated Deficit	-53,123	(25,453)	109%
Total Shareholders' Equity	(1,503)	23,160	(106%)
Total Liabilities and Shareholders' Equity	61,944	87,895	(30%)

NUR earnings

NUR MACROPRINTERS LTD.

Consolidated Statements Of Operations

U.S. \$ in thousands, except per share data

	Three months ended December 31				Twelve months ended December 31			
	2003		2002		2003		2002	
	GAAP Un audited	non-GAAP (1) Un audited	GAAP Un audited	non-GAAP (2) Un audited	GAAP Un audited	non-GAAP (3) Un audited	GAAP Audited	non-GAAP (4) Un audited
Revenues								
Sales of printers and related products	\$ 18,242	\$ 18,242	\$ 19,520	\$ 19,520	\$ 65,574	\$ 65,574	\$ 85,255	\$ 85,255
	18,242	18,242	19,520	19,520	65,574	65,574	85,255	85,255
Cost of revenues								
Cost of sales of printers and related products	10,461	10,461	12,265	12,265	39,665	39,665	57,360	57,360
One time inventory write-offs	3,120	0	975	0	13,154	0	975	0
	13,581	10,461	13,240	12,265	52,819	39,665	58,335	57,360
Gross profit	4,661	7,781	6,280	7,255	12,755	25,909	26,920	27,895
	25.55%	42.65%	32.17%	37.17%	19.45%	39.51%	31.58%	32.72%
Research & Development expenses	1,703	1,703	2,337	2,337	7,233	7,233	9,191	9,191
Less-Grants	0	0	(339)	(339)	(687)	(687)	(1,449)	(1,449)
Research & Development expenses, net	1,703	1,703	1,998	1,998	6,546	6,546	7,742	7,742
Selling expenses, net	2,651	2,651	3,307	3,307	11,321	11,321	12,744	12,744
General and administrative expenses	2,548	2,548	3,061	3,061	9,690	9,690	11,953	11,953
Amortization of intangible assets	0	0	11,399	0	0	0	12,885	0
One time doubtful debts expenses	0	0	2,881	0	6,694	0	2,881	0
Restructuring and other extraordinary expenses	1,476	0	452	0	3,550	0	1,300	0
	6,675	5,199	21,100	6,368	31,255	21,011	41,763	24,697
Operating income (loss)	(3,717)	879	(16,818)	(1,111)	(25,046)	(1,648)	(22,585)	(4,544)
Financial expenses net	(231)	(231)	(393)	(393)	(1,481)	(1,481)	(1,322)	(1,322)
Other expense net	(162)	(162)	11	11	(265)	(265)	(124)	(124)
One Time Beneficial Conversion Feature (5)	(676)	0	0	0	(676)	0	0	0
Income/(loss) before taxes and equity losses	(4,786)	486	(17,200)	(1,493)	(27,468)	(3,394)	(24,031)	(5,990)
Taxes on income	4	4	93	93	(202)	(202)	(34)	(34)
Net Income/(Loss) for the period	\$(4,782)	\$ 490	\$(17,107)	\$(1,400)	\$(27,670)	\$(3,596)	\$(24,065)	\$(6,024)
	-26.21%	2.69%	-87.64%	-7.17%	-42.20%	-5.48%	-28.23%	-7.07%
Profit/(Loss) per basic share	\$(0.28)	\$ 0.03	\$(1.00)	\$(0.08)	\$(1.60)	\$(0.21)	\$(1.42)	\$(0.35)
Profit/(Loss) per diluted share	-	-	-	-	-	-	-	-
Weighted average number of shares outstanding during the period (6)	17,361,456	17,361,456	17,132,953	17,132,953	17,282,089	17,282,089	17,005,606	17,005,606
Weighted average number of shares outstanding during the period used for diluted loss per share	-	-	-	-	-	-	-	-

Non-GAAP results of operations excludes the following expenses:

- (1) Excluding \$1.5m of restructuring and other extraordinary expenses, inventory write-off of \$3.1m and \$0.7m for One Time Beneficial Conversion Feature (see 5)
- (2) Excluding \$3.3m of restructuring and other extraordinary expenses and inventory write-offs of \$1m, impairment of intangible assets of \$10.9m and current amortization of intangible assets of \$0.5ms
- (3) Excluding \$3.5m of restructuring and other extraordinary expenses, \$6.7m of doubtful debts expenses, inventory write-offs of \$8.7m ,inventory provision of \$4.5m and \$0.7m for One Time Beneficial Conversion Feature (see 5)
- (4) Excluding \$4.2m of restructuring and other extraordinary expenses, inventory write-offs of \$1m, impairment of intangible assets of \$10.9m and current amortization of intangible assets of \$2m
- (5) One time charge of \$0.7m for beneficial conversion feature related to the conversion of convertible loan
- (6) In return to \$2,000k investment received on December 2003, 3.2M shares were issued during January 2004. The number of shares does not include this amount