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NUR MACROPRINTERS ANNOUNCES THIRD QUARTER FINANCIAL RESULTS
Expect Operating Profitability and Net Income in Fourth Quarter 2003
Revaluation of Inventory Results in \$4.5m Write-Off

LOD, Israel; October 27, 2003 — NUR Macroprinters (Nasdaq-SCM: NURM), a leading supplier of wide-format inkjet production printing systems, today announced its consolidated financial results for the nine months and third quarter ended September 30, 2003.

Revenues for the third quarter of 2003 were \$17.1 million compared to \$20.9 million in the third quarter of 2002, where most of the decline is attributed to the discontinued substrate product line, and \$13.1 million during the prior quarter, where most of the increase is attributed to increase sales of printers. Taking into account a write-off of inventory of \$4.5 million, operating loss in the third quarter of 2003 was (\$4.8) million. Excluding this inventory write-off, the operating loss declined to (\$328,000) from an operating loss of (\$684,000) in the third quarter of last year and a (\$1.14) million operating loss in the prior quarter (excluding one-time charges and restructuring costs in previous quarter). Without such exclusion operating losses were (\$15.4) million in the second quarter. Taking into account the above mentioned inventory write-off, net loss for the third quarter was (\$5,460,000), or (\$0.32) per share. Excluding this write-off, net loss for the third quarter was (\$948,000), or (\$0.05) per share, compared to a net loss of (\$1.2) million, or (\$0.07) per share, in the third quarter last year and a prior quarter loss of (\$1.7) million, or (\$0.10) per share, (excluding one-time costs and write-offs in the previous quarter). Without such exclusions net losses in the previous quarter were (\$16.0) million.

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Revenues for the first nine months of 2003 were \$47.3 million, compared to \$65.7 million during the first nine months of 2002. Taking into account one-time costs and write-off of inventory operating loss for the first nine months of 2003 was approximately (\$21.3) million versus (\$5.8) million in the same period last year. Excluding one-time costs and write-offs, operating loss for the first nine months of 2003 was approximately (\$2.5) million versus (\$4.9) million in the same period last year. Taking into account the above mentioned one-time costs and write-offs net loss for the first nine months of 2003 was (\$22.9) million, or (\$1.33) per share, as compared to a net loss of (\$7.0) million, or (\$0.41) per share, in the comparable period last year. Excluding one-time costs and write-offs net losses in the first nine months 2003 and prior year were \$4.1 million, or (\$0.24) per share, and (\$6.1) million, or (\$0.36) per share, respectively.

The Company has reported that during the third quarter 2003 it had completed the previously announced consolidation of its production facilities in Israel, which involved a revaluation process of its inventory. As a result of the completion of the consolidation and in order to better reflect inventory value the Company decided on a write-off of inventory of \$4,512,000.

Based on the third quarter results, the Company does not meet certain of the financial covenants set forth in its loan agreements. The Company is currently in the process of obtaining a waiver from the banks for the above-mentioned non-compliance. Based on preliminary discussions with the banks, the Company believes that such waiver will be granted. Should the waiver not be obtained, the Company's long-term debt of \$30.7 million shall be reclassified as short term debt, resulting in a short term debt of \$42.6 million and not as presented herein.

David Seligman, Chief Financial Officer of NUR Macroprinters, commented, "We believe that the results that we are reporting today, clearly indicate that NUR is on the right path to return to growth and profitability. We've been successful in increasing the level of quality of our receivables while lowering our DSOs, as well as reducing our operating expenses. Going forward, we expect to return to profitability in the fourth quarter of 2003 and to continue to improve our balance sheet and financial performance."

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David Amir, CEO and President of NUR Macroprinters, commented, "During the third quarter we launched two new products – the NUR Tempo™ flatbed presses and the NUR Ultima™ mid-range volume inkjet production printers. The Ultima has been well received and has already been installed in several sites, including a U.S. site with two machines.. The Tempo flatbed presses completed a successful beta testing program and began shipping commercially in September. Seven units were sold during the third quarter and we anticipate a great potential market for this product. We feel confident of future sales of these two new products."

Amir continued, "As recently announced, we have completed the consolidation of all of NUR's equipment manufacturing operations in one facility in Israel. A second Israel based facility has become our ink production center, where we produce the inks for most of our printers. Last week we announced the relocation and consolidation of all of our North American activities to a new North American headquarters and training facility, located in the New York metro area. Following the successful model of NUR Europe, we have re-aligned NUR America and NUR Asia Pacific so that each region now has a local management team. This allows for a stronger market presence and greater customer responsiveness."

Mr. Amir concluded, "During the past few quarters, we have made major changes in operations and senior management designed to enhance our financial controls. We believe that this, together with the additions to our product offering, will enhance our ability to successfully compete in the wide-format digital printing arena."

The Company will host a conference call to discuss these results on Monday, October 27th at 12:00 pm EST. To participate, please call 1-877-356 9548 (U.S. toll free), 1-800-945-7877 (Israel toll free) or +1-706 679 0587 (International), ID Code: "3463428". 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 Fourth Quarter 2003. The conference call also will be available for replay for 14 days starting 2pm EDT on the day of the call, by calling 1-800 642 1687 (U.S.) / +1-706 645 9291 (International and Israel) and enter conference ID number "3463428".

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**

	<u>30-Sep-03</u>	<u>31-Dec-02</u>	<u>Change</u>
	Unaudited	Audited	
Current Assets :			
Cash and cash equivalents	\$ 9,292	\$ 11,668	(21%)
Accounts receivable - trade	21,460	28,777	(25%)
Other receivables and prepaid expenses	6,209	5,531	12%
Inventories	<u>15,907</u>	<u>24,297</u>	<u>(35%)</u>
Total Current Assets	<u>52,868</u>	<u>70,273</u>	<u>(25%)</u>
<u>Investments and other non-current assets</u>			
Long-term accounts receivables - trade	547	1,760	(69%)
Investments and other non-current assets	2,446	2,516	(3%)
Severance pay funds	<u>813</u>	<u>916</u>	<u>(11%)</u>
	<u>3,806</u>	<u>5,192</u>	<u>(27%)</u>
Property and Equipment, net	8,786	11,576	(24%)
Other assets, net	<u>776</u>	<u>854</u>	<u>(9%)</u>
Total assets	<u><u>66,236</u></u>	<u><u>87,895</u></u>	<u><u>(25%)</u></u>
<u>Liabilities and Shareholders' Equity</u>			
Current Liabilities :			
Short – term ¹ bank credit	11,908	5,844	104%
Current maturities of long - term loans	142	2,020	(93%)
Trade payables	8,735	16,444	(47%)
Accrued expenses and other liabilities	12,767	8,984	42%
Advances from customers	<u>501</u>	<u>270</u>	<u>86%</u>
Total Current Liabilities	<u>34,053</u>	<u>33,562</u>	<u>1%</u>
Long -Term Liabilities :			
Long - Term loans ¹	30,673	30,051	2%
Accrued severance pay	<u>944</u>	<u>1,122</u>	<u>(16%)</u>
	<u>31,617</u>	<u>31,173</u>	<u>1%</u>
<u>Shareholders' Equity :</u>			
Share capital	4,244	4,202	1%
Capital surplus	45,750	45,697	0%
Cumulative translation adjustment	(1,087)	(1,286)	(15%)
Accumulated Earnings (Deficit)	<u>(48,341)</u>	<u>(25,453)</u>	<u>90%</u>
Total Shareholders' Equity	<u>566</u>	<u>23,160</u>	<u>(98%)</u>
Total Liabilities and Shareholders' Equity	<u><u>66,236</u></u>	<u><u>87,895</u></u>	<u><u>(25%)</u></u>

¹ Based on the third quarter results, the Company does not meet certain of the financial covenants set forth in its long-term loan agreements. The Company is currently in the process of obtaining a waiver from the banks for the above-mentioned non-compliance and believes that such waiver will be granted. Should the waiver not be obtained, the Company's long-term debt of \$30.7 million shall be reclassified as short term debt, resulting in a short term debt of \$42.6 million and not as presented above.

NUR earnings

NUR MACROPRINTERS LTD.
Consolidated Statements Of Operations
U.S. \$ in thousands, except per share data

	Nine Months ended				Three Months ended		
	9/30/2003	9/30/2003	9/30/2002	9/30/2002	9/30/2003	9/30/2003	9/30/2002
	GAAP	Non GAAP ⁽¹⁾	GAAP	Non GAAP ⁽²⁾	GAAP	Non GAAP ⁽³⁾	GAAP
	Unaudited	Performa Unaudited	Unaudited	Performa Unaudited	Unaudited	Performa Unaudited	Unaudited
Revenues							
Sales of printers and related products	\$ 47,332	\$ 47,332	\$ 65,734	\$ 65,734	\$ 17,136	\$ 17,136	\$ 20,925
Cost of revenues							
Cost of sales of printers and related products	29,204	29,204	45,094	45,094	9,979	9,979	13,357
inventory write-off	10,034	0	0	0	4,512	0	0
	<u>39,238</u>	<u>29,204</u>	<u>45,094</u>	<u>45,094</u>	<u>14,491</u>	<u>9,979</u>	<u>13,357</u>
Gross profit	8,094	18,128	20,640	20,640	2,645	7,157	7,568
	17.10%	38.30	31.40%	31.40%	15.44%	41.77%	36.17%
Research & Development expenses	5,530	5,530	6,854	6,854	1,696	1,696	2,257
Less-Grants	(687)	(687)	(1,110)	(1,110)	(89)	(89)	(546)
Research & Development expenses, net	4,843	4,843	5,744	5,744	1,607	1,711	1,711
Selling expenses, net	8,670	8,670	9,437	9,437	2,786	2,786	2,937
General and administrative expenses	7,142	7,142	8,873	8,873	3,092	3,092	3,101
Amortization of intangible assets	0	0	1,505	1,505	0	0	503
One time doubtful debts expenses	6,694	0	0	0	0	0	0
Restructuring and other one time expenses	2,074	0	848	0	0	0	0
	<u>24,580</u>	<u>15,812</u>	<u>20,663</u>	<u>19,815</u>	<u>5,878</u>	<u>5,878</u>	<u>6,541</u>
Operating income (loss)	(21,329)	(2,527)	(5,767)	(4,919)	(4,840)	(328)	(684)
Financial expenses net	(1,250)	(1,250)	(929)	(929)	(313)	(313)	(473)
Other expense net	(103)	(103)	(135)	(135)	(259)	(259)	(27)
Loss before taxes on income and equity losses	(22,682)	(3,880)	(6,831)	(5,983)	(5,412)	(900)	(1,184)
Taxes on income	(206)	(206)	(127)	(127)	(48)	(48)	(52)
Equity in profits (losses) of affiliates, net of taxes	0	0	0	0	0	0	0
Net loss for the period	<u>(\$22,888)</u>	<u>(\$4,086)</u>	<u>(6,958)</u>	<u>(6,110)</u>	<u>(\$5,460)</u>	<u>(\$948)</u>	<u>\$(1,236)</u>
	(48.36%)	(8.63%)	(10.59%)	(9.30%)	(31.86%)	(5.53%)	(5.91%)
Loss per share	<u>(\$1.33)</u>	<u>(\$0.24)</u>	<u>(\$0.41)</u>	<u>(\$0.36)</u>	<u>(\$0.32)</u>	<u>(\$0.05)</u>	<u>(\$0.07)</u>
Loss per share	<u>(\$1.33)</u>	<u>(\$0.24)</u>	<u>(\$0.41)</u>	<u>(\$0.36)</u>	<u>(\$0.32)</u>	<u>(\$0.05)</u>	<u>(\$0.07)</u>
Weighted average number of shares							
outstanding during the period	<u>17,206,280</u>	<u>17,206,280</u>	<u>16,898,965</u>	<u>16,898,965</u>	<u>17,276,506</u>	<u>17,276,506</u>	<u>17,099,010</u>
Weighted average number of shares outstanding during the period used for diluted loss per share	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Non GAAP Performa results of operations excludes the following expenses:

- (1) Excluding \$2.1 million of restructuring expenses and \$6.7 million of one time doubtful debts expenses and one time inventory write-offs of \$5.5 million in the first quarter and \$4.5 million in the third quarter
- (2) Excluding restructuring and other one time expenses of \$ 0.8 million
- (3) Excluding restructuring and other one time expenses of \$ 4,512 thousand