



NEWS

FOR IMMEDIATE RELEASE

Scitex Announces Fourth Quarter and Full Year 2003 Results

- Scitex Vision achieved record annual revenues in excess of \$100 million
- Net Income of \$1.4 million in 2003 compared to Net Loss of \$32 million in 2002

Tel Aviv, Israel – March 2, 2004. Scitex Corporation Ltd. (NASDAQ & TASE: SCIX) today announced financial results for the fourth quarter and full year ended December 31, 2003.

Explanatory Notes

Following the sale of the business of Scitex Digital Printing, Inc. (SDP) to Eastman Kodak Company (NYSE: EK) in January 2004, the results of operations of SDP have been reported as discontinued operations and the consolidated results from continuing operations no longer include revenues and expenses directly attributable to SDP. Similarly, in the Balance Sheet, assets and liabilities relating to SDP are presented separately as assets and liabilities of discontinued operations. Information for prior periods has been reclassified to reflect this change.

In January 2003, Scitex Vision Ltd. (formerly, Aprion Digital Ltd.) acquired from Scitex all of the outstanding share capital of Scitex Vision International Ltd. (formerly, Scitex Vision Ltd.) in exchange for shares in Scitex Vision. As a result, Scitex Vision became a majority owned subsidiary of Scitex. The reported results from operations for previous years do not include the results of Scitex Vision (former Aprion Digital), whereas the 2003 reported figures from operations include Scitex Vision (former Aprion Digital) and Scitex Vision International (former Scitex Vision) results jointly.

Results of Operations

For the fourth quarter of 2003, revenues from continuing operations were \$28.5 million, an increase of 36% from \$20.9 million in the fourth quarter of 2002. Operating loss was \$3.5 million compared to \$1.7 million in the fourth quarter of 2002. Loss from continuing operations was \$3.5 million, primarily associated with the write-down of intangibles (\$3 million) and restructuring costs (\$0.4 million), compared to a loss of \$27.3 million in 2002.

For fiscal year 2003, revenues from continuing operations were \$102.9 million, an increase of 20% from \$85.7 million in 2002. Operating loss in 2003 was \$12.3 million compared to \$3.7 million in 2002. Loss from continuing operations was \$18.7 million, compared to a loss of \$36.5 million in 2002.

Geographically, the Americas contributed 40% of 2003 revenues from continuing operations (Scitex Vision), followed by Europe with 36% of revenues, and the Far East and rest of the world with 24% of revenues.

Results from discontinued operations contributed income of \$11.5 million for the fourth quarter of 2003 and \$20 million for fiscal year 2003 (including \$8 million arising from tax benefit in respect of the sale of the operations of SDP). As previously announced, Scitex is expected to record a gain of approximately \$60 million as a result of the transaction for the sale of SDP's operations. Out of this sum, approximately \$52 million will be recorded in the first quarter of 2004, and approximately \$8 million was recognized in the fourth quarter of 2003 as a tax benefit related to the expected utilization of carry forward tax losses.

Net income (including from continuing and discontinuing operations) reported by Scitex for the fourth quarter of 2003 amounted to \$8 million compared to a net loss of \$28 million in the fourth quarter of 2002. Net income (including income from continuing and discontinuing operations) for fiscal year 2003 amounted to \$1.4 million compared to a net loss of \$32 million in 2002.

Balance Sheet and Cash Flow

Scitex's cash, cash equivalents and short-term investments at the end of 2003, on a consolidated basis, were \$61.1 million, a significant increase from \$17.8 million at the end of 2002, mainly due to the previously disclosed sale of Scitex's remaining shares in Creo Inc. in June and August of 2003. During the fourth quarter, receivables increased to \$46 million, mainly due to increased revenue level and extended payments terms. Inventory in the fourth quarter slightly increased to \$22.6 million. The figures above relate only to the continuing operations.

Management Comments

Ami Erel, Chairman of Scitex, commented: "In 2003, Scitex and its subsidiaries underwent tremendous changes, including the combination of Scitex Vision (former Aprion Digital) and Scitex Vision International, substantial changes in management and board of directors, sale of our remaining Creo shares, and the sale of SDP's business at the beginning of 2004. I have confidence in the management of Scitex and Scitex Vision, and trust they will lead Scitex to further prosperity for the benefit of the shareholders and employees of the company."

Raanan Cohen, the Interim President and CEO of Scitex, commented: "Scitex Vision's financial results in 2003, showing continuing growth and improvement quarter-by-quarter, demonstrate its leadership and strength in the digital printing markets in which it operates. At the Scitex Corporation level, I believe that our financial capabilities, following the sale of the SDP operations and the contemplated distribution to shareholders, will enable us to further support the development of Scitex and its affiliates."

Additional Information

Scitex Vision

2003 marked a substantial turning point for Scitex Vision, a majority owned subsidiary based in Netanya, Israel, with the combination with Aprion early in the year and the return to healthy growth in the course of the year. Scitex Vision has demonstrated consistent quarter-to-quarter growth throughout the year based on new product introductions, improved market share and emerging geographic regions.

Scitex Vision reported record revenues for the fourth quarter and for the year, driven by the strong sales level in the graphic arts market and increasing worldwide demand for ink. Revenues for the fourth quarter of 2003 were \$28.5 million, an increase of 36% from \$20.9 million in the corresponding quarter of 2002 and an increase of 7% from \$26.7 million in the third quarter of 2003. Scitex Vision had operating loss of \$2.4 million in the fourth quarter of 2003, compared to \$1.1 million in the fourth quarter of 2002, and an operating income of \$0.3 million in the third quarter of 2003.

For the fiscal year 2003, revenues were \$102.9 million, compared to \$85.7 million in 2002, reflecting a 20% increase. Scitex Vision had operating loss of \$8.3 million in 2003 compared to \$0.6 million in 2002.

As previously reported, in April 2003, Scitex Vision International received a notice from the Israeli tax authorities assessing approximately \$6.5 million of Israeli income taxes for the years 1995 through 2000. In January 2004, Scitex Vision International reached a settlement with the tax authorities whereby it will pay approximately \$1.8 million in 24 monthly instalments commencing April 2004 in full settlement of the audit (which also covers 2001).

Jemtex Ink Jet Printing Ltd.

Jemtex is a majority owned subsidiary of Scitex, based in Lod, Israel. During 2003, Jemtex continued developing its digital printing engines for the textile and ceramics markets.

In February 2004, Scitex concluded a \$1.5 million investment in Jemtex in consideration for convertible debentures of Jemtex, which may be repaid at the option of Jemtex by the end of June 2004. Following this investment, Scitex holds approximately 73% of Jemtex (80% assuming conversion of the debentures).

Objet Geometries Ltd.

Objet, located in Rehovot, Israel, develops and manufactures rapid prototyping ink jet printers for the creation of three-dimensional models. During 2003, Objet presented a new generation of its product, the Eden 330, and expanded its activities around the globe. In December 2003, Scitex invested approximately \$0.5 million in Objet in connection with a rights offering and currently holds approximately 23.5% of Objet's issued share capital.

Conference Call

Scitex will be holding a conference call to discuss its fourth quarter 2003 and full year results on Tuesday, March 2, 2004 at 10:00 a.m. EST (7:00 a.m. Pacific time, 3:00 p.m. GMT, 5:00 p.m. Israel time). All interested parties will have the opportunity to listen to a live simultaneous Webcast

of the conference call by connecting online through www.scitex.com. A replay of the conference call will be available shortly after the call during the seven days following the conference call (until midnight March 9, 2004) at the following numbers:

US: 1 800 475-6701
Intl: 1 320 365-3844
Access code: 721832

Scitex Corporation Ltd.

Scitex Corporation shares trade on Nasdaq and The Tel Aviv Stock Exchange under the symbol "SCIX". For more information, please visit our Web site at www.scitex.com.

Forward Looking Statements

Except for the historical information herein, the matters discussed in this news release include forward-looking statements within the meaning of the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements that are based on various assumptions (some of which are beyond the Company's control) may be identified by the use of forward-looking terminology, such as "may", "can be", "will", "expects", "anticipates", "intends", "believes", "projects", "potential", "are optimistic", "view" and similar words and phrases. Actual results could differ materially from those set forth in forward-looking statements due to a variety of factors, including, but not limited to, (1) risks in product and technology development, (2) market acceptance of new products and continuing product demand, (3) the impact of competitive products and pricing, (4) changes in domestic and foreign economic and market conditions, (5) timely development and release of new products by strategic suppliers, (6) the impact of the Company's accounting policies, (7) risks relating to the integration of new businesses, (8) uncertainty of outcome of shareholders litigation, and (9) the other risk factors detailed in the Company's most recent annual report and other filings with the US Securities and Exchange Commission. Except as may be required by law, the Company does not undertake, and specifically disclaims, any obligation to publicly release the results of any revisions which may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such forward-looking statements.

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(Tables to Follow)

(U.S. Dollars in thousands, except per share data)

	Quarter ended Dec. 31, 2003 (Unaudited)	2002* (Unaudited)	Year ended Dec. 31, 2003 (Audited)	2002* (Audited)
Revenues				
Sales and service	\$ 18,521	\$ 13,386	\$ 66,291	\$ 57,945
Supplies	10,020	7,469	36,589	27,716
Total revenues	28,541	20,855	102,880	85,661
Cost of revenues				
Cost of sales and service	13,202	8,808	46,204	37,359
Cost of supplies	2,478	2,416	12,138	8,562
Total cost of revenues	15,680	11,224	58,342	45,921
Gross profit	12,861	9,631	44,538	39,740
Expenses				
Sales and marketing	4,685	4,902	20,192	19,812
General and administrative	3,927	3,602	15,147	13,581
Research and development, net	2,936	2,079	11,070	7,060
Amortization of other intangibles	1,434	732	5,871	2,944
Write-down of other intangible assets	2,967		2,967	
Restructuring charges	392		1,590	
Operating income (loss)	(3,480)	(1,684)	(12,299)	(3,657)
Financial expense- net	329	(477)	(2,651)	(3,139)
Other income (expenses) - net	(58)	(25,323)	787	(26,270)
Income (loss) before taxes on income	(3,209)	(27,484)	(14,163)	(33,066)
Taxes on income	811	(1,184)	(2,402)	648
	(2,398)	(26,300)	(16,565)	(32,418)
Share in losses of equity investments	(1,520)	(1,037)	(5,637)	(4,106)
Minority interests in losses of a subsidiary	440		3,546	
Income (loss) from continuing operations	(3,477)	(27,337)	(18,656)	(36,524)
Income (loss) from discontinued operation	11,494	(690)	20,043	4,494
Net income (loss)	\$ 8,016	(\$ 28,027)	\$ 1,387	(\$ 32,030)
Earnings (loss) per share - basic:				
Continuing operations	(\$0.08)	(\$0.63)	(\$0.43)	(\$0.84)
Discontinued operations	\$0.27	(\$0.02)	\$0.46	\$0.10
	\$0.19	(\$0.65)	\$0.03	(\$0.74)
Earnings (loss) per share - diluted:				
Continuing operations	(\$0.08)	(\$0.63)	(\$0.43)	(\$0.84)
Discontinued operation	\$0.27	(\$0.02)	\$0.46	\$0.10
	\$0.19	(\$0.65)	\$0.03	(\$0.74)
Weighted average number of shares outstanding (in thousands) - basic and diluted	43,018	43,018	43,018	43,018

* Certain comparative figures have been reclassified to conform to the current year presentation.

CONSOLIDATED BALANCE SHEETS

(U.S. Dollars in thousands)

	December 31 2003 (Audited)	December 31 2002(*) (Audited)
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 52,861	\$ 17,814
Short-term investments	8,235	
Restricted deposit	18,262	20,203
Total cash and short-term investments	<u>79,358</u>	<u>38,017</u>
Trade receivables - net	36,002	30,555
Other receivables	9,995	7,321
Inventories	22,575	20,060
Current assets of discontinued operation	<u>161,602</u>	<u>135,269</u>
Total current assets	<u>309,532</u>	<u>231,222</u>
Investments and other non-current assets	6,781	65,427
Property and equipment - net	9,204	6,074
Goodwill and other intangible assets - net	23,499	13,538
Non-current assets of discontinued operation	48,897	53,295
	<u><u>\$ 397,913</u></u>	<u><u>\$ 369,556</u></u>
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Short term bank credit and loans	\$ 45,351	\$ 31,888
Current maturities of long -term loan	2,602	5,248
Note payable issued to an investee company		18,523
Trade payables	14,505	14,834
Accrued and other liabilities	55,194	43,037
Current liabilities related to discontinued operation	<u>31,935</u>	<u>21,388</u>
Total current liabilities	<u>149,587</u>	<u>134,918</u>
Long-term liabilities:		
Loans from banks, net of current maturities	6,623	5,493
Other	6,645	1,607
Long-term liabilities related to discontinued operation	5,431	6,359
Total long-term liabilities	<u>18,699</u>	<u>13,459</u>
Convertible long-term loans from related parties	756	
Minority interest	4,173	
Shareholders' equity:		
Share capital	6,205	6,205
Capital surplus	368,104	364,619
Accumulated other comprehensive income (loss)	(552)	801
Retained earnings (accumulated deficit)	(144,852)	(146,239)
Treasury stock at cost	(4,207)	(4,207)
	<u>224,698</u>	<u>221,179</u>
	<u><u>\$ 397,913</u></u>	<u><u>\$ 369,556</u></u>

* Certain comparative figures have been reclassified to conform to the current year presentation.

Scitex Vision Ltd.

US Dollar in Thousands

	Three months ended December 31		Year ended December 31	
	2003 Unaudited	2002* Unaudited	2003 Audited	2002* Audited
Revenues				
Equipment and Service	18,520	13,386	66,291	57,945
Consumables	10,020	7,469	36,589	27,716
Total Revenues	28,540	20,855	102,880	85,661
Gross Profit	12,860	9,631	44,538	39,740
Expenses:				
S,G&A	7,817	7,897	32,449	30,357
Research and Development	2,935	2,079	11,070	7,033
Operating Income before Amortization of Intangibles and Restructuring Costs	2,108	(345)	1,019	2,350
Amortization of Intangibles	1,147	732	4,725	2,946
Write-down of Intangible assets	2,967		2,967	
Restructuring Costs	392		1,590	
Operating (Loss) Income	<u>(2,398)</u>	<u>(1,077)</u>	<u>(8,263)</u>	<u>(596)</u>

* Actual results of Scitex Vision International.