

basis compared to 2001, as well as on a quarterly basis compared to the third quarter of 2002, but were similar to those of the second quarter of 2002 and higher than the fourth quarter of 2001.”

Mr. Agassi concluded: “As for 2003, while global economic conditions remain uncertain and markets are expected to stay tough, we will exert our primary efforts to increase our revenues, as well as to improve our gross margin and profitability. In sum, I believe that Scitex enters 2003 as a more efficient company, focused on its core business in the digital printing arena, and well positioned for the time when global economic and industry conditions recover”.

Scitex's Subsidiaries

Scitex Digital Printing, Inc. (SDP)

Revenues for the fourth quarter of 2002 were \$44.7 million, an increase of 15% from \$39 million in the fourth quarter of 2001. Operating income, before amortization of intangibles, for the fourth quarter of 2002, was \$1.3 million compared to \$2.5 million (excluding also restructuring costs) for the fourth quarter of 2001.

Revenues for 2002 were \$157.1 million compared to \$164.6 million for 2001, reflecting a 5% decrease. Operating income, before amortization of intangibles, for 2002, was \$6.1 million compared to \$11.2 million (excluding also restructuring costs) for 2001.

In the fourth quarter, SDP experienced a significant increase in demand in the commercial printing marketplace in North America after over two years of weakness in capital investments in this sector. In the Far East, SDP experienced a slow year in Japan, but made great strides in the Chinese marketplace. The Chinese market will continue to be a focus for SDP in 2003.

SDP also placed a full-color Scitex VersaMark Business Color Press system in Data One, a French customer that already uses a Scitex VersaMark solution to print black output. SDP expects this installation to be a valuable point of reference for other European customers who are looking to provide high-volume dynamic color output. The release of the solvent-based Liberty and drop-on-demand-based Passport products resulted in promising initial placements in America and Europe in the fourth quarter of 2002.

Recently, SDP announced a change in leadership for its European operations with the appointment of Karl Cerny as Vice President and Managing Director. Mr. Cerny is a long-time veteran in the printing industry, having served 19 years in Xerox, including an assignment as vice president of the Xerox Production Systems Group, Europe.

Scitex Vision Ltd.

On January 1, 2003, Aprion Digital Ltd. acquired from Scitex all of the outstanding share capital of Scitex Vision Ltd. in exchange for shares in Aprion. Following the consummation of the transaction, Scitex held approximately 75% of Aprion's outstanding share capital. As the transaction with Aprion closed after year-end, the financial results for the period ended December 31, 2002 do not reflect this transaction

Revenues for the fourth quarter of 2002 were \$20.9 million, an increase of 4% from \$20.1 million in the fourth quarter of 2001. Operating loss, before amortization of intangibles, for the fourth quarter of 2002, was \$0.3 million compared to operating loss of \$1.8 million (excluding also restructuring costs) for the fourth quarter of 2001.

Revenues for 2002 were \$85.7 million compared to \$91.6 million for 2001, reflecting a 6% decrease. Operating income, before amortization of intangibles, for 2002, was \$2.3 million compared to \$6.7 million (excluding also restructuring costs) for 2001.

The fourth quarter of 2002 was marked by the preparations of Scitex Vision for the planned transaction with Aprion Digital Ltd. The detailed planning contributed substantially to a smooth transition into a combined company. The combined company, which retained the Scitex Vision name, is now operating as one integrated unit in the graphic arts and packaging market, as well as in the textile market through its partnership programs.

The fourth quarter of 2002 also marks the end of a challenging year for Scitex Vision, having to cope with adverse global economic conditions. Nevertheless, Scitex Vision generally maintained its gross margins on an annual base on a slightly less than yearly average level of revenues.

Following the end of the year, Scitex Vision's VEEjet, a digital printer utilizing UV ink and a manual sheet-fed system for printing on rigid and flexible media, began its beta testing programs at customer sites.

Recently, Scitex Vision appointed Steve Zunde as President of Scitex Vision America. Mr. Zunde brings with him a wide global management experience in the graphic arts industry, including serving as President of the Digital Division of KBA North America. Prior thereto, Mr. Zunde was President of Anchor Chemicals, the printing chemicals division of International Paper Co.

Industrial Ink Jet Companies

Jemtex Ink Jet Printing Ltd.

Jemtex develops industrial digital printing systems, based on its novel Continuous Ink Jet technology. During 2002, Jemtex focused on the development of a printing bar for the heavy-duty digital textile printing market - the JemBar, as well as on the continuation of the project to develop a digital system for the decorative ceramic tile printing market, together with strategic partners. Jemtex began to recognize revenues in 2002.

In the fourth quarter of 2002, Scitex signed an agreement to invest \$2.4 million in Jemtex, coupled with options for Scitex to invest an additional \$1.6 million. Following the \$2.4 million investment, Scitex currently owns 49.8% of Jemtex.

Objet Geometries Ltd.

Objet develops and manufactures rapid prototyping ink jet printers for the creation of three-dimensional models. During 2002, Objet installed tens of systems throughout the world, mainly in the Far East, and Objet recognized revenues for the first time in the fourth quarter. Scitex currently owns 17.4% of Objet.

Other Investments

Creo Inc.

For Creo's first fiscal quarter of 2003 (ended December 31, 2002), Creo reported revenues of \$142.8 million compared to revenues of \$139.5 million in the first fiscal quarter of 2002 and \$138.4 million in previous quarter. Creo's adjusted earnings for the first quarter were \$2.4 million or \$0.05 per share (diluted). The adjusted earnings exclude the effect of intangibles amortization, restructuring and business integration costs, the royalty arrangement with the Office of the Israeli chief Scientist, equity loss on investments, and their tax effects.

With effect from December 1, 2001, Scitex has accounted for the Creo investment as "available for sale" for which changes in its share price value are recorded to shareholders' equity. Gain or loss from this investment is recognized in the event of a sale or in the event of impairment in value, which has other-than temporary in nature. Due to the decrease in the market price of Creo's shares for some time, Scitex was required in the fourth quarter of 2002 to recognize a loss that amounted to \$22.3 million. Creo's share price in Scitex's books after recording the loss is \$8.17 per share (Creo's share price on NASDAQ at December 31, 2002). Following the release of Creo's financial results for the first fiscal quarter of 2003, Creo's share price fell significantly and as at February 14, 2003, Creo's share price on NASDAQ is \$6.58. Scitex holds 12.7% in Creo's outstanding share capital.

Balance Sheet and Cash Flow

Scitex's cash and cash equivalents as at the end of 2002, on a consolidated basis, remained the same compared to the third quarter of 2002. During the fourth quarter, receivables increased, mainly due to increased revenue level, extended payments terms, and VAT returns. Inventory was slightly increased.

Conference Call

Scitex will be holding a conference call to discuss its fourth quarter 2002 and full year results on Thursday, February 20, 2003 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 February 27, 2003) at the following numbers:

US: 1 800 475-6701
Intl: 1 320 365-3844
Access code: 672899

About Scitex Corporation Ltd.

Scitex Corporation Ltd., is a world leader in digital industrial inkjet printing solutions. Through its subsidiaries and strategic investments, Scitex strengthens its market position in this specialized sector. Scitex 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.

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” 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, and (7) 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)

SCITEX CORPORATION LTD. (AN ISRAELI COMPANY) AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME**

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

	Quarter ended Dec. 31,		Year ended Dec. 31,	
	2002	2001	2002	2001 (*)
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenues				
Sales	\$ 38,595	\$ 34,324	\$ 140,352	\$ 160,996
Service and supplies	27,009	24,793	102,420	95,218
Total revenues	<u>65,604</u>	<u>59,117</u>	<u>242,772</u>	<u>256,214</u>
Cost of revenues				
Cost of sales	19,037	17,316	71,034	77,190
Cost of service and supplies	19,153	18,385	73,460	70,363
Total cost of revenues	<u>38,190</u>	<u>35,701</u>	<u>144,494</u>	<u>147,553</u>
Gross profit	27,414	23,416	98,278	108,661
Expenses				
Sales and marketing	12,060	11,788	43,848	46,960
General & administrative	8,158	6,061	24,710	24,370
Research and development, net	6,799	6,109	24,292	25,471
Reorganization costs	0	1,719	0	1,719
Amortization of goodwill and other intangibles	887	18,099	3,319	26,974
Operating income (loss)	(490)	(20,360)	2,109	(16,833)
Financial income (expense) - net	(528)	(1,052)	(2,036)	(2,889)
Other income (expenses) - net	(25,626)	(6,497)	(26,453)	(13,034)
Writedown of equity investment				(149,704)
Income (loss) before taxes on income	(26,644)	(27,909)	(26,380)	(182,460)
Taxes on income	345	600	1,544	3,054
	(26,989)	(28,509)	(27,924)	(185,514)
Share in losses of equity investments	(1,036)	(8,093)	(4,106)	(67,506)
Income (loss) from continuing operations	(28,026)	(36,602)	(32,030)	(253,020)
Income from discontinued operations - disposal				
Net income (loss)	<u>(\$ 28,026)</u>	<u>(\$ 36,602)</u>	<u>(\$ 32,030)</u>	<u>(\$ 253,020)</u>
Earnings (loss) per share - basic:	<u>(\$0.65)</u>	<u>(\$0.85)</u>	<u>(\$0.74)</u>	<u>(\$5.88)</u>
Earnings (loss) per share - diluted:	<u>(\$0.65)</u>	<u>(\$0.85)</u>	<u>(\$0.74)</u>	<u>(\$5.88)</u>
Weighted average number of shares outstanding (in thousands) - basic and diluted	<u>43,018</u>	<u>43,018</u>	<u>43,018</u>	<u>43,018</u>

(*) In January 2002, the Company changed its method of accounting for an investment from cost to equity, as required by generally accepted accounting principles. The prior year financial statements reflect the retroactive adoption of the equity method.

CONSOLIDATED BALANCE SHEETS
(U.S. Dollars in thousands)

	December 31 2002 (Audited)	December 31 2001 (*) (Audited)
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 30,969	\$ 61,592
Short-term investments	2,561	2,517
Restricted deposit	20,203	
	<hr/>	<hr/>
Total cash and short-term investments	53,733	64,109
Trade receivables - net	95,054	76,783
Other receivables	9,900	7,262
Inventories	51,561	52,911
Deferred income taxes	20,974	20,765
	<hr/>	<hr/>
	231,222	221,830
Investments and other non-current assets	67,012	99,044
Property and equipment - net	36,857	41,654
Goodwill and other intangible assets - net	34,465	35,262
	<hr/>	<hr/>
	\$ 369,556	\$ 397,790
	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Short term debt and current maturities	\$ 37,184	\$ 33,649
Current maturity of Creo note	18,523	
Trade payables	22,200	18,668
Accrued and other liabilities	57,011	55,804
	<hr/>	<hr/>
	134,918	108,121
	<hr/>	<hr/>
Long-term liabilities:		
Banks	5,493	4,500
Creo note		17,579
Deferred income taxes	5,033	4,835
Other	2,933	2,593
	<hr/>	<hr/>
	13,459	29,507
	<hr/>	<hr/>
Shareholders' equity:		
Share capital	6,205	6,205
Capital surplus	364,619	364,619
Accumulated other comprehensive income (loss)	801	7,754
Retained earnings (accumulated deficit)	(146,239)	(114,209)
Treasury stock at cost	(4,207)	(4,207)
	<hr/>	<hr/>
	221,179	260,162
	<hr/>	<hr/>
	\$ 369,556	\$ 397,790
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(*) In January 2002, the Company changed its method of accounting for an investment from cost to equity, as required by generally accepted accounting principles. The prior year financial statements reflect the retroactive adoption of the equity method.

Scitex Digital Printing, Inc.

US Dollar in Thousands

	Three months ended December 31		Twelve months ended December 31	
	2002 Unaudited	2001 Unaudited	2002 Audited	2001 Audited
Revenues				
Equipment	26,659	22,195	87,504	101,242
Service and Consumables	<u>18,090</u>	<u>16,839</u>	<u>69,606</u>	<u>63,354</u>
Total Revenues	<u>44,749</u>	<u>39,034</u>	<u>157,111</u>	<u>164,596</u>
Gross Profit	17,783	15,808	58,538	64,852
Expenses:				
S,G&A	11,715	8,403	35,165	34,217
Research and Development	4,720	4,873	17,232	19,389
Operating Income before Restructuring costs and Amortization of Intangibles	1,348	2,533	6,141	11,246
Restructuring costs		679		679
Amortization of and write-down of Intangibles	<u>155</u>	<u>882</u>	<u>375</u>	<u>3,528</u>
Operating Income	<u>1,193</u>	<u>972</u>	<u>5,767</u>	<u>7,039</u>

Scitex Vision Ltd.

US Dollar in Thousands

	Three months ended December 31		Twelve months ended December 31	
	2002 Unaudited	2001 Unaudited	2002 Audited	2001 Audited
Revenues				
Equipment	11,936	12,129	52,847	59,753
Service and Consumables	<u>8,919</u>	<u>7,954</u>	<u>32,814</u>	<u>31,865</u>
Total Revenues	<u>20,855</u>	<u>20,082</u>	<u>85,661</u>	<u>91,618</u>
Gross Profit	9,631	7,608	39,740	43,810
Expenses:				
S,G&A	7,897	8,273	30,357	31,285
Research and Development	2,079	1,182	7,033	5,866
Operating Income before Restructuring costs and Amortization of Intangibles	(345)	(1,846)	2,350	6,660
Restructuring costs		540		540
Amortization of and write-down of Intangibles	<u>732</u>	<u>17,217</u>	<u>2,944</u>	<u>23,447</u>
Operating (Loss) Income	<u>(1,077)</u>	<u>(19,603)</u>	<u>(594)</u>	<u>(17,327)</u>

Investments at December 31, 2002

US Dollars in Thousands

Company	Total Investment	Holding at December 31, 2002
Creo Inc.	196,915	12.7%
Aprion Digital Ltd.	3,238	42.5%
Jemtex Ink Jet Ltd.	7,800	49.8%
Objet Geometries Ltd.	8,667	17.4%
RealTimeImage Ltd.	5,300	14.9%
InfoBit Ltd.	1,000	21.3%
XMPie Inc.	500	19.4%
Dor Capital Ventures	2,400	