

NUR Sets the Tempo at FESPA

"We are back in business in a BIG way. Our company pulled together resources from R&D, marketing, NMS, support... all the departments... to produce a product line that is strong, feature-rich and right on target with market demand"

NUR was the talk of the town at FESPA in Madrid

NUR's booth at the FESPA exhibition, held this year, June, in Madrid, was a resounding success and far exceeded everyone's expectations in terms of exposure and feedback. And most important... orders!

The FESPA exhibition is the screen printing industry's premier event, held every three years with participants arriving from the four corners of the globe to see and be seen. The booth featured the Salsa Ultima 3200, the Fresco 1800 4C, and the new Fresco 3200 8C. The reactions to the Fresco 8C were especially exciting. Participants compared it to the Blueboard, saying that the Fresco 8C series would do for wide format printing what the Blueboard did for superwide printing.

But the real "buzz" from the NUR booth



The Tempo Machine

was the technology preview of the Tempo flatbed printer prototype. Under lock and key in a separate room, the Tempo technology preview was an invitation-only event—marked "VIPs ONLY."

The Tempo, designed to print on a wide variety of both rigid and flexible materials, has a lot to offer. Avi Feinschmidt, the Tempo Project Manager, was at the show and was amazed by the reaction. "The final touches of the prototype were completed soon before the show began," Avi says. "But it really performed, and those who saw it said this was the digital wide format printer of their dreams. Everyone was especially impressed with the printer's simplicity. People were trying to place orders with me."

The team from Europe did a fantastic job...planning the booth and hosting all the NUR employees. And they plan to reap the fruits of their labor very soon. "The reaction

to our newest models European debut was very positive. Especially the Fresco 8C, which was of special interest to screen printers," says Nachum Korman, NE President. "Europe is an important market for NUR, and the response at FESPA was very encouraging."

According to Ron Michael, VP Marketing, the show represented an important turning point for the industry and for NUR. "We think this is the beginning of a turnaround. People were optimistic, talking about the future and eager to invest in new equipment and technologies."

Our company pulled together resources from R&D, marketing, NMS, support... all the departments... to produce a product line that is strong, feature-rich and right on target with market demand. We have great service and great consumables. We have a great future. This is our message and it was heard loud and clear in Madrid."



On a personnel note... Congratulations to new parents Yaron Bartov (NMP);Sophie Fox (NMS) , Herve Theret (NE) and to Roberto Ferroli (NE)

ASK THE CEO...



Q: when will Nur see profits from the new products (Fresco, Tempo)?

A: Q2 2002 was a quarter of change in many aspects, both in the product offering and in our financial results.

In terms of the product offering we have started to feel the impact of the Fresco HiQ, and the introduction of the Fresco 8C. There is no question that the Fresco HiQ has taken the Fresco to new levels of performance and reliability. The launch of the Fresco HiQ and the announcement and demonstration of the Fresco 8C have had a dramatic impact on our sales of the Fresco, which practically doubled during Q2, compared to Q1 sales levels. With the commercialization of the Fresco 8C in Q3, we hope to see this trend continuing, we also expect to see our gross margins increase as a result of the higher profit margins we can generate from the Fresco 8C. The Tempo has been shown publicly in the FESPA show in Madrid, we are still in development of the product, and we still have a few quarters to go before the commercialization of the product. There is no question that the Tempo will have a dramatic effect on the financial results of the company. The Tempo addresses new markets and applications, which we can not address currently with our existing products, the market for rigid material printing. As a result, we expect the Tempo sales to be incremental to our existing business, and to contribute greatly to the financial results of the Company.

At least as important are the enhancements to the Salsa product line. We are currently in development of a set of upgrades and additions to the Salsa line which will improve the competitiveness of the Salsa line, and by that - the gross profits generated by its sales.

We have made significant progress in the last year in our product performance and the resulting market competitiveness. We have made the first major step with the Fresco line, we need to focus on the implementation in the field of the Fresco changes, and the continuing development of the Salsa and Tempo lines.



AROUND THE WORLD WITH NUR

NMP

Congratulations to Ariel Wisniak, newly appointed Director of R&D. Over the last 16 months, Ariel has been in charge of the Fresco product line, and as of last December, expanded his responsibilities to include the new Tempo project as well. Ariel has contributed a great deal to R&D methodology at NUR. With all the R&D engineering groups (SW, Electronics, Mechanics and Application) under his tutelage, NUR is sure to benefit from his vast experience.

NA

Annual Picnic

NA bid outgoing President Rick Clarke a fond farewell at the annual company picnic in June. Attended by employees from NA, NUR Engineering and NMS staffers on assignment in the US, the picnic has become a NA tradition... and a great opportunity for everyone to rest, relax and enjoy each others company. There was something fun for everyone at the Greentree Tennis Club... a great lunch with all the fixings, sports and even a DJ. Ten lucky employees won valuable door prizes—from \$25 in cash to TVs and DVD players.

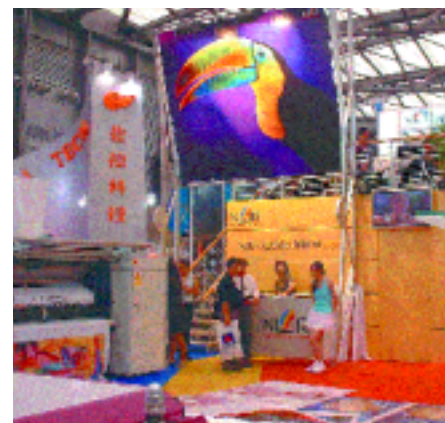
NUR FabriGraph South of the Border

In June Textiles Digitales became the first company in Mexico to install a NUR FabriGraph™ DS 1500 production printer, helping the company maintain its excellent reputation for artistry and high quality theatre settings, scenery and backdrops, as well as furniture fabrics, tapestries and point of purchase displays and promotional banners. Armed with the only digital, production-oriented machine specifically designed for dye sublimation textile work,

Textiles Digitales has BIG plans for this part of its business. Welcome aboard!

NAP

In May, NUR displayed at the international Advertising and Printing exhibition in Shanghai. This exhibition, together with the upcoming 9th International Advertising Show in Beijing scheduled for 14-17 August are considered to be the most important in our industry for the Chinese and Asian markets. The four-day exhibition attracted many visitors from China as well as from Indonesia, Malaysia, Vietnam, India, Korea and Australia. NAP employees were busy the entire time strengthening ties with customers, generating hot prospects and closing orders. The Asian premiere of the Fresco HiQ 8C and the NUR FabriGraph grabbed the spotlight though. Visitors to the booth were especially impressed with the Fresco HiQ running at 82 sq.m/h alongside the Fresco HiQ 8C producing the same images in photorealistic mode. With the Fresco HiQ 3200, there was no question we had the most impressive product line at the exhibition.



The booth at Shanghai Show

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If you have a story, anecdote or news, we want to hear it. Contact us, or your local HR manager.

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Errol Marravent, Sales Administrator, NE

NE Customer Support

At Your Service

NE has changed the face of its Customer Support Department, serving the entire Continent, the Middle East and Africa. Improving service and support is a cornerstone of the company's overall turnaround plan. The first place where established and formalized processes and procedures were initiated was at NE. Under the tutelage of Shmulik Lagziel, from NE's headquarters in Belgium, Shmulik oversees the Department's wide reach, and is responsible for overseeing the transformation of the Department into a full-fledged profit center—covering the entire gamut from contracts to collection. The Department's mission: to be available, accurate, efficient and equipped.

In order to accomplish this, the Department was reorganized on several fronts to bring everything together under one roof. This would not only help serve

customers and make everyone's job easier, it would reduce costs. According to Shmulik, these two issues were the driving force behind the move. "When we sat down to formulate our vision of NUR service and

when the new call response center is not able to handle the problem within a given time, the call is escalated to technical specialists and then on to regional Field Service Engineers

support at NE, our guiding principles were customer satisfaction and reducing costs. Accomplishing these would enable us to turn it into a real profit generator for the company."

The Department is now organized into five operational units: Logistics, managed by Bernard Devriendt; the Response Center and Training, managed by Adrian O'Sullivan; Business Administration, managed by Boaz Yehezkel; and two regional units, responsible for onsite visits. One region, which includes Spain, France, Portugal, Italy, UK, Ireland, Middle East & Africa, Greece, Cyprus, Turkey is managed Frank Martin, and the other region, which includes Benelux, Germany, Austria, Switzerland, Eastern Europe, Scandinavia and Iceland is managed by Franc de Vocht. "Five may seem like a relatively small number, but if you multiply it by the number of languages each unit head speaks... you would think that maybe they were presiding over the U.N.," says Shmulik with a smile. "We face an especially unique challenge serving such a diverse customer base... with so many different cultures, languages and mentalities."

No matter what language they come in, all service calls are routed efficiently through this framework. Call escalation

procedures have been implemented, so that when the new call response center is not able to handle the problem within a given time, the call is escalated to technical specialists and then on to regional Field Service Engineers. Logistics ensures spare parts inventories are up-to-date and because they are operating from within the department itself, they are more in tune with the field's requirements and very responsive to delivery issues. Administration makes sure that correct invoices are sent, and follows up right up to collection.

So far there have been big improvements in every measured segment in the service cycle. Collection has gone up from 400,000 Euros in the second quarter of 2001 to almost 900,000 Euros in the second quarter of 2002. Moreover, this quarter will be the first in which collections exceed revenues. In addition, invoices are more accurate. Last year, the rate of inaccuracy was 15%; this

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year it has reached only around 7% so far.

According to Shmulik, the results have been extraordinary. "Now we have more time to concentrate on pushing the top line, and focus on generating new service and support contracts. With our costs under control, we are well on the way to becoming a full-fledged profit center that will contribute to NUR's growth as market trends improve."



Eddy Lallemand, Salsa product Leader, NE



NE Customer Support team at the Teambuilding activity which took place in March 02. From left to right: Shmulik, Veronique, Manuel, Sarja, Philippe and Errol.

ABOUT TOWN

São Paulo, Brazil

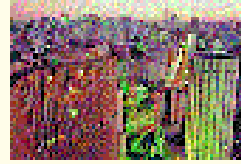
The biggest city in South America, São Paulo is a city of immigrants and ethnic neighborhoods. With a population of 17 million people, this plateau megalopolis is the cultural capital of Brazil. São Paulo natives are lively and well informed and while they may complain about the traffic and pollution, they

wouldn't dream of living anywhere else.

São Paulo offers the excitement and nightlife of one of the world's most dynamic cities. Attractions include the baroque Teatro Municipal, Old São Paulo, Ibirapuera Park, the Museu de Arte de São Paulo (MASP), the 16th-century Patió do Colégio and the Simba Safari, where you can see wild lions, camels, zebras, and monkeys in their natural

environment. And if the city's hectic pace starts to wear you down... there are beautiful just 40 miles away.

From the mad passion of Carnaval to the immensity of the dark Amazon, to the thrill of having the best soccer team in the world, Brazil is a country of energy, fantasy and joy. "TCHAU" — or see you soon — in São Paulo.



EVENTS & EXHIBITIONS

Full three days of informative sessions were enjoyed by the participants at the July annual sales kickoff meeting held in Genval, Belgium. Erez, Ron, Nachum, Alon, Yariv, Itay, Eiran, Jan and Mike Englander led session on NUR's strategic plans, commercial strategies, marketing tools, competitive analysis, consumables and a special simulation session on dealing with "price wars." The breakout sessions were efficient and productive, enabling groups from each territory to focus on internal territorial issues and discuss them freely, while the overall general sessions provided opportunities for the participants to learn from each other and share experiences.



Fun and Barbeque evening:

Katie Zhou, Marketing Executive, NAP (left)

Antonio Castano, Sales Director, NEMA (Down)



Sales Kick-off Meeting in Brussels

Mauro Oliva of Vertical Vision and Jonathan Hughes from Optima made presentations to the forum. There were particularly inspiring, and helped everyone understand their dedication to the Fresco and to NUR. The "Fresco Connection" was also made to the entire forum, and was successful in building confidence in the new Fresco 8C and Fresco HIQ offerings.

Although the meeting schedule was very intense, there was time for fun as well, with enjoyable entertainment each night and a

great evening of fun & games with a BBQ on the second day. NUR sales and marketing staff from China, Japan, and India to America, Israel, Italy and Belgium all participated in the games and contests and a fun time was had by all.

And for our American colleagues who were so far away from home on their Independence Day, there was huge cake, decorated as the American flag. Even if it wasn't traditional Fourth of July firecrackers... the sparklers on the cake lit

up the meeting room with a taste of American Independence Day pride.

Of course, there was plenty to talk about when it came to room assignments... and "tales from the shared hotel room" kept everyone laughing throughout the three days (and nights!) of the meeting.

We hope the kickoff meeting will prove to be a great motivator and unifying factor for the sales and marketing staff. It certainly was a great way to kick off the third quarter of 2002.