

PRINTRONIX®

GLOBAL PRINTING...ENABLED.



2003 ANNUAL REPORT

PRINTRONIX

**URNS PRINTERS
INTO**

BUSINESS

SOLUTIONS.

FELLOW STOCKHOLDERS:

Fiscal year 2003, ending March 28, resulted in sales of \$138 million and profit of 51 cents per share vs. sales of \$147 million and profit of 39 cents per share in the prior year. Printronix achieved these results by increasing profitability while operating in an uncertain market environment. During fiscal year 2003, Printronix continued to respond to the needs of users by investing in the development of new and improved industrial printing solutions designed to enhance supply-chain efficiency and increase bottom-line returns. This investment strengthened our ability to deliver and develop solutions globally while positioning Printronix for growth, despite an uncertain market.

In addition to focusing on engineering more productive products and solutions for users, Printronix is transitioning from being a printer company, in which our brand stood for the most reliable printers, to a printing solutions and services company. These advanced solutions add up to what the evolving Printronix brand stands for in our industry: Global Printing ... Enabled.

Printronix provides users with superior products and services that satisfy channel and strategic partners' global printing and network integration needs better than any other company. Printronix leads the industry already by adding value to enterprise industrial printing with three key solutions: printer management with PrintNet® Enterprise, open system architecture through PSA3™ and guaranteed printing of scannable bar codes through Online Data Validation (ODV™). These advanced solutions give users marked cost efficiencies and higher return on investment. This leadership enables Printronix to deliver the most reliable industrial printing for enterprise networks. Printronix solutions are the result of continuous investment in engineering and the development of advanced technologies and services to better meet customer needs. To categorize this investment, Printronix dedicates nearly 40 percent of the engineering budget toward leading in these solutions categories. The balance of Printronix's engineering investment is dedicated to maintaining a leadership position in the development and production of line matrix and high-performance thermal printers.

In addition, Printronix made other technology advancements to its solutions portfolio during fiscal year 2003, such as the addition of Web-enablement and printer alerts to PrintNet Enterprise. Printronix also introduced ODV Data Manager — making printer labels traceable — wireless network connection and remote management. The company also migrated to the open system architecture of PSA3, which enables applications written for other brands of printers to operate on Printronix thermal printers.

With the leading worldwide market share for line matrix printers, Printronix is focused on the development of user-centric solutions that can increase the use of line matrix printers. Printronix also is committed to growing its market share in the high-performance thermal market with new and improved solutions, delivered through an expanding network of channel and strategic partners.

These technologies — coupled with supplies, services and worldwide support — enable Printronix to deliver the industry's most reliable global enterprise printing solutions. With these solutions, customers can improve their response to market opportunities while cutting operational costs.

Printronix is embracing the future by delivering advancements in global industrial printing. Users will have access to solutions with local support — backed by a global organization that is designed to improve their businesses worldwide. As a result, this will enable Printronix to expand in both developed and emerging regional markets.



Robert A. Kleist
President and Chief Executive Officer
July 1, 2003

HOW WE SEE THE WORLD... OUR BUSINESS VALUE AND OUR PROMISE

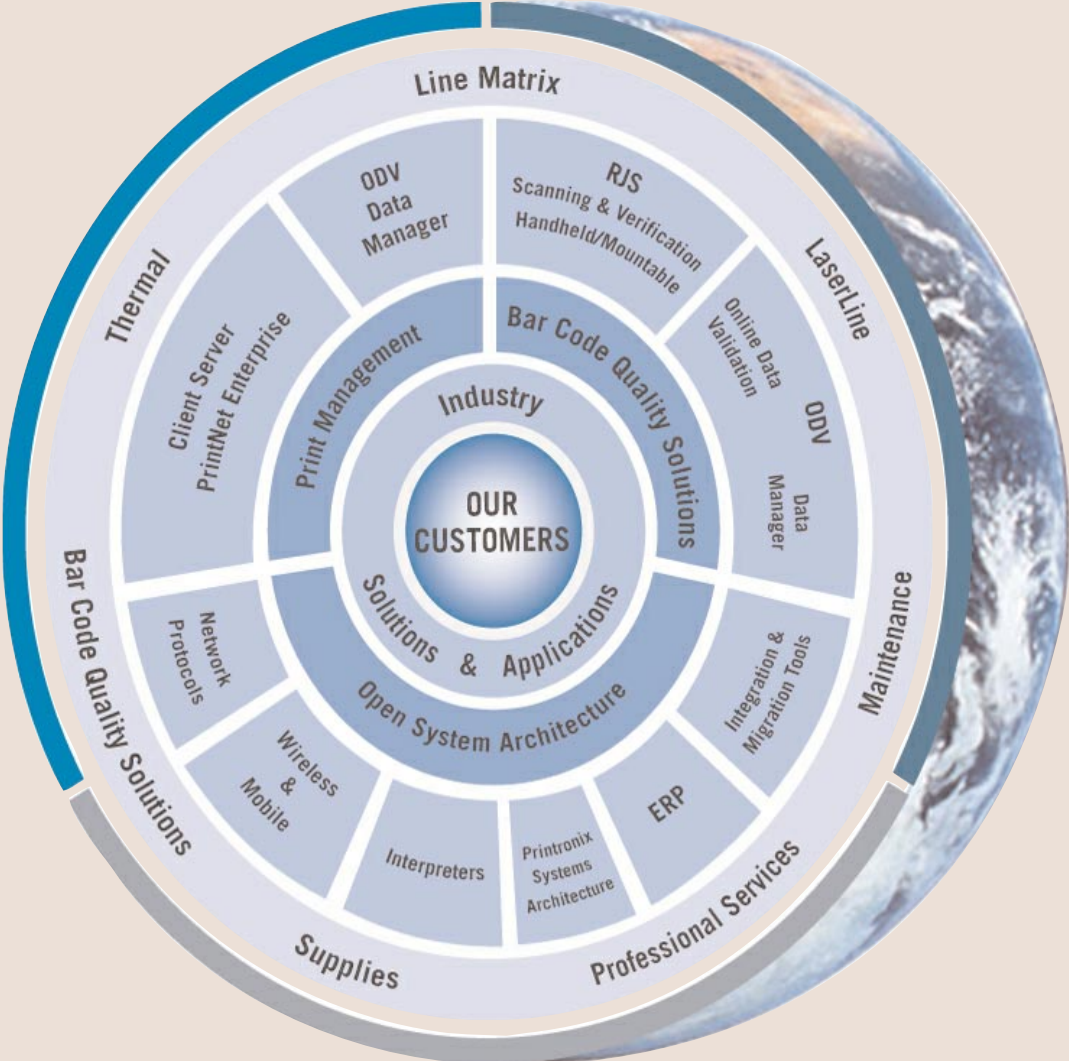
As the market leader in line matrix printers, Printronix delivers the broadest range of industrial printing technologies and also has earned an outstanding reputation for line matrix, high-performance thermal and fanfold laser printers as well as network solutions. We have accomplished this by placing customer needs at the center of our world.

The quality and breadth of Printronix products is key to our success as a global enterprise solutions provider. Printronix offers a range of products and services that address the needs of customers — not just one technology to which they must adapt. Printronix developed this range by listening to major account customers and channel partners, and developing technologies and solutions based on market need. In addition, Printronix creates solution sets for industry-specific applications. Printronix is dedicated to meeting customer needs with solutions that serve mission-critical applications.

Printronix is migrating from an already strong business model — as the manufacturer of the world's most reliable industrial printers — to one based on being the preeminent global printing solutions provider. Our evolving brand is the promise to continue to improve users' businesses by offering printing solutions that are:

- **Customer-Centric** — To do what is best for our customers.
- **Solutions-Oriented** — To create valued solutions for users' applications.
- **Unsurpassed Quality** — To set the standards for mission-critical applications.
- **Technologically Innovative** — To create technology enablers for enterprise printing.
- **Globally Focused** — To support the printing solution needs of both local and worldwide business needs.

In our industry, users must maximize supply-chain efficiency with solutions that have an immediate bottom-line return. They need global enterprise printing solutions that increase productivity and reliability.



LEADING THE INDUSTRY WITH GLOBAL ENTERPRISE SOLUTIONS

No one understands the mission-critical needs of the industrial and back office enterprise printing and distribution supply chain better than Printronix. Whether the application mandates forms, labels, bar codes or advanced verification technologies, Printronix has the solution. Printronix offers technologies that integrate seamlessly into networks by delivering unequaled control, unsurpassed diagnostic capabilities and marked cost efficiencies.

Customers are at the heart of Printronix's operations, and printers are at the heart of today's business operations. We offer technologies that improve receiving, manufacturing, inventory and shipping processes to lower production costs and enhance inventory management. This increases global control and enables a direct response to user needs.

An efficient enterprise network requires intelligent printer management solutions, and Printronix has created three solution sets: printer management, open system architecture, and scanning and verification.

VISION:

To Offer Complete Global Industrial Printing Solutions for the Enterprise Network

MISSION:

To Create and Maximize Business Possibilities Through Valued Solutions

COMMITMENT:

To Set the Industry Benchmark for Customer Service



From left to right:
C. Victor Fitzsimmons, Senior Vice President, Worldwide Manufacturing; **George L. Harwood**, Senior Vice President, Finance and IS, Chief Financial Officer and Corporate Secretary; **Andrei S. Hall**, Senior Vice President, Sales & Marketing; **Juli A. Mathews**, Vice President, Human Resources and Assistant Corporate Secretary; **Robert A. Kleist**, President and Chief Executive Officer; **Theodore A. Chapman**, Senior Vice President, Engineering and Chief Technical Officer

DISCOVER ALL THAT IS POSSIBLE IN INDUSTRIAL ENTERPRISE PRINTING ...

Printer Management: PrintNet Enterprise Enables Printer Management for Any Printer, Anywhere

To meet the demands of today's enterprise networks — which range in size from one distribution center to a global infrastructure comprised of hundreds of printers — Printronix has developed a unique, Web-based remote print management tool called PrintNet Enterprise. Featuring unparalleled remote printer management and combining remote diagnostics and help desk tools with a robust alerting system, PrintNet Enterprise gives complete control of all print operations to the IT network manager from a single computer located anywhere in the world. A first in the market, PrintNet Enterprise is the only system that provides instantaneous visibility to every network printer, anywhere.

Open System Architecture: PSA3 Promotes Consistency, Versatility and Efficiency

Previously, running thermal, line matrix and laser printers off the same network required specialized drivers and codes for each platform. Today, the Printronix System Architecture (PSA3) enables all printers in the Printronix family to use common software architecture. Using the same commands and drivers, regardless of platform or printer engine technology, PSA3 allows all of Printronix as well as other company's printer emulations, operator menus and configuration options to work in a similar way, resulting in greater consistency and versatility, higher printing efficiency and less training time.

Printronix's integrated network solutions improve the printing of bar codes, labels and forms, verify accuracy and offer unequaled diagnostic technology.

FROM THE ONE COMPANY THAT CAN SHOW YOU HOW

Scanning and Verification:

ODV Data Manager Delivers Improved

Return on Investment

Imagine a world in which bar code verification systems could integrate with enterprise networks, eliminating costly bar code rejection and capturing real-time data about printing applications. Imagine if customers could monitor and review all bar codes printed and then merge the data into custom reports, all while improving return on investment. With our exclusive ODV Data Manager integrated with PrintNet Enterprise, imagination is not needed. This is another example of Printronix's technology leadership. ODV Data Manager provides robust data capturing and reporting capabilities and the ability to evaluate data within each bar code.

It merges information into databases and ports it to any application, such as SAP or Oracle. Plus, it has the ability to produce defined custom reports. ODV Data Manager helps customers manage industrial network printer systems, while providing a safeguard against the high costs associated with bar code scanning and data accuracy failure.

Printronix's advanced solutions work with its industry-recognized line matrix, thermal and laser printers to deliver the most reliable printing available for enterprise networks.

THE WORLD'S MOST ADVANCED ENGINE PLANT USES PRINTRONIX PRINTERS WITH ONLINE DATA VALIDATION

The new, £400 million BMW plant at Hams Hall in the United Kingdom comprises 85 acres and employs about 700 people in the manufacture of four-cylinder petrol engines from 1.6 to 2.0 liter capacity. Plant Hams Hall, also known as the “world’s most advanced car engine production plant,” produces approximately 600 engines a day.

BUSINESS PROBLEM

Engines produced at Plant Hams Hall are labeled with a Code 39 bar code that holds each engine’s serial number. Code 39, or Code 3 of 9, is one of the most popular alphanumeric bar codes used for identification, inventory and tracking in the automotive industry. The finished engines are transported to BMW automotive assembly plants in Germany, North America and South Africa. When the engines are received at the production plants, the Code 39 bar codes are scanned in on the production line. If a bar code cannot be read properly, the production plant’s automated processes can be impacted significantly.

PRINTRONIX SOLUTION

Since initiating production a year ago, Plant Hams Hall has been using Printronix thermal printers — six T5306s and four T5308s — with Online Data Validation to print and

validate the Code 39 bar codes. The labels, which have a tough face coating and are applied using a strong adhesive, are affixed for the life of the engine. ODV performs 100 percent inspection for linear bar codes and conducts a complete print quality check on PDF417 bar codes to allow for dependable quality control in automotive supply-chain environments. This eliminates failures, which often translate into rejected items, the need for manual correction, productivity delays or heavy fines. If a label does not pass the validation check, it is fed back into the printer, voided and then reprinted and revalidated.

The automatic identification (auto-ID) system was supplied and installed by Newbury Data Recording, a value-added reseller and distributor of auto-ID equipment, based in Winsford, Cheshire.

CLIENT REACTION

“We have quality targets as part of our key performance indicators (KPIs), which could be adversely impacted by barcodes that don’t read properly. This is why Printronix’s ODV is so important to us — it has brought significant improvements.”

Steven Davis
Project Engineer



THE INDUSTRY'S CHOICE FOR PROVEN AND RELIABLE SOLUTIONS

How Printronix Began...

Printronix was established in 1974 to provide superior industrial and back-office enterprise printing solutions for the global marketplace. A publicly traded company, Printronix was among the first technology leaders listed on the NASDAQ exchange. It all started with a new printing technology, line matrix. Since then, Printronix has long been recognized as a provider of the most reliable printers.

Where Printronix Is Going...

As the market leader in line matrix printers, Printronix also has earned an outstanding reputation for the latest in high-performance thermal, laser and network solutions technologies.

PRINTRONIX'S CUSTOMER COMMITMENT AT-A-GLANCE

- Our market focus enables us to understand and build solutions for specific industries.
- Global solutions target industries utilizing technology to increase productivity.
- Printronix is adapting new technologies to create advanced solutions.
- We deliver the best customer service and applications to maximize productivity and return on investment.

CORPORATE PROFILE

Printronix is a global leader in printing technologies for the industrial marketplace and distribution supply chain. Its integrated network solutions improve the printing of bar codes, labels and forms, verify accuracy and offer unequaled diagnostic technology. Printronix's advanced solutions work with its industry-recognized line matrix, thermal and laser printers to deliver the most reliable printing available for enterprise networks. The company is headquartered in Irvine, Calif., and has operations around the world. Its common stock is traded on NASDAQ under the symbol PTNX.



SELECTED FINANCIAL DATA

The following results of operations, balance sheet and cash flow data have been derived from our consolidated financial statements. The information set forth below is not necessarily indicative of the results of future operations and should be read in conjunction with the consolidated financial statements and notes thereto appearing in our Annual Report on Form 10-K.

\$ in thousands, except per share data

Fiscal years ended March	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Results of Operations					
Net sales	\$ 138,229	\$ 146,683	\$ 158,091	\$ 190,240	\$ 179,702
Gross margin	48,850	47,570	43,007	62,849	58,900
Operating expenses	45,803	44,110	43,166	47,490	44,412
Restructuring charges	-	-	1,768	-	-
Income (loss) from operations	3,047	3,460	(1,927)	15,359	14,488
Other income (expense), taxes & minority interest	(10)	(1,155)	592	(4,887)	(2,124)
Net income (loss)	\$ 3,037	\$ 2,305	\$ (1,335)	\$ 10,472	\$ 12,364
Diluted net income (loss) per share	\$ 0.51	\$ 0.39	\$ (0.22)	\$ 1.56	\$ 1.71
Selected Balance Sheet Data					
Cash and cash equivalents	\$ 29,617	\$ 22,618	\$ 9,832	\$ 14,980	\$ 11,911
Accounts receivable, net	18,741	18,232	20,932	21,763	23,954
Inventories	12,678	15,063	20,703	17,691	15,453
Other assets	6,270	6,149	6,814	6,059	3,312
Property, plant and equipment, net	38,781	42,897	47,688	51,067	34,236
Total assets	\$ 106,087	\$ 104,959	\$ 105,969	\$ 111,560	\$ 88,866
Short-term debt	\$ 700	\$ 700	\$ 4,200	\$ 13,500	\$ -
Accounts payable & other current liabilities	19,408	20,083	18,071	26,659	20,564
Long-term note payable	14,875	15,575	16,275	-	-
Other non-current liabilities & minority interest	28	59	1,172	456	1,851
Common stock, paid in capital & retained earnings	71,076	68,542	66,251	70,945	66,451
Total liabilities and equity	\$ 106,087	\$ 104,959	\$ 105,969	\$ 111,560	\$ 88,866
Stockholders' equity per share	\$ 12.67	\$ 11.72	\$ 11.22	\$ 11.34	\$ 10.09
Selected Cash Flow Data					
Net cash provided by (used in) operating activities	\$ 11,965	\$ 20,726	\$ (1,699)	\$ 22,168	\$ 29,651
Purchase of property, buildings and equipment, net	\$ (3,627)	\$ (3,727)	\$ (6,734)	\$ (24,786)	\$ (10,603)
Proceeds from the issuance of seven-year note	-	-	17,500	-	-
Payments made on seven-year note	(700)	(700)	(525)	-	-
(Payments) borrowings on line of credit, net	-	(3,500)	(10,000)	13,500	-
Repurchase and retirement of common stock	(1,718)	(73)	(3,928)	(10,403)	(18,432)
Proceeds from exercise of stock options	1,079	60	238	2,590	864
Proceeds from issuance of subsidiary stock	-	-	-	-	167
Net cash (used in) provided by financing activities	\$ (1,339)	\$ (4,213)	\$ 3,285	\$ 5,687	\$ (17,401)
Net increase (decrease) in cash and cash equivalents	\$ 6,999	\$ 12,786	\$ (5,148)	\$ 3,069	\$ 1,647

CORPORATE INFORMATION

Board of Directors

Bruce T. Coleman*
Chief Executive Officer, El Salto Advisors
(Advice & interim CEO services)

John R. Dougery*
Dougery Ventures
(Venture capital investments)

Chris Whitney Halliwell*
Principal, Chris Halliwell Technology
Consulting
(Marketing consulting)

Erwin A. Kelen*
President, Kelen Ventures
(Venture investments)

Robert A. Kleist
President and Chief Executive Officer,
Printronix, Inc.

**Member of the Audit and
Compensation/Stock Option committees*

CORPORATE OFFICERS

Robert A. Kleist
President and Chief Executive Officer

Theodore A. Chapman
Senior Vice President, Engineering and
Chief Technical Officer

C. Victor Fitzsimmons
Senior Vice President, Worldwide
Manufacturing

Andrei S. Hall
Senior Vice President, Sales & Marketing

George L. Harwood
Senior Vice President, Finance and IS,
Chief Financial Officer and Corporate
Secretary

Gordon B. Barrus
Vice President, Advanced Development

Claus Hinge
Vice President, European Sales & Marketing

Philip Low
Vice President, Asia Operations

William D. Mathewes
Vice President, Product Development

Juli A. Mathews
Vice President, Human Resources and
Assistant Corporate Secretary

James B. McWilson
Vice President, North American Sales

David A. Sakai
Vice President, Marketing

Corporate Directory

Printronix Corporate Office
14600 Myford Road
P.O. Box 19559
Irvine, Calif. 92623-9559
Tel: (714) 368-2300
Fax: (714) 368-2600
www.printronix.com

Legal Counsel
Kirshman & Harris
A Professional Corporation
General Counsel
315 S. Beverly Drive, Suite 315
Beverly Hills, Calif. 90212
Tel: (310) 277-2323

Independent Auditors
PricewaterhouseCoopers LLP
2020 Main Street, Suite 400
Irvine, Calif. 92614
Tel: (949) 437-5200

Registrar and Transfer Agent
Mellon Investor Services LLC
P.O. Box 3315
South Hackensack, New Jersey 07606
Tel: (800) 356-2017 U.S.
Tel: (201) 329-8660 International
TDD: (800) 231-5469 Hearing Impaired
www.melloninvestor.com

Annual Meeting
The Annual Meeting of Stockholders will
be held at 9:00 a.m., August 20, 2003,
at the Printronix corporate office, located
at 14600 Myford Road in Irvine, California.

Printronix Common Stock
Printronix's shares are traded on the
NASDAQ Stock Market® under the stock
symbol PTNX.

Stockholders
As of March 28, 2003, there were 1,577
holders of record of the company's common
stock and 5,611,480 shares outstanding.

Corporate and Investor Information
Additional copies of this annual report will
be furnished without charge by contacting
the Investor Relations Department at the
Printronix corporate office.

Trademark Acknowledgments
PrintNet is a registered trademark of
Printronix, Inc. ODV and PSA are
trademarks of Printronix, Inc.



Printronix, Inc.
14600 Myford Rd. • P.O. Box 19559 • Irvine, CA 92623-9559
www.primtronix.com