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FOR IMMEDIATE RELEASE

Retalix Forms Alliance with Fujitsu Korea For Sales and Support in South Korea

*Partnership offers Retalix StoreLine, StorePoint, Fuel, PocketOffice,
Headquarters and DemandAnalytix solutions to Korean retailers*

Ra'anana, Israel, July 12, 2005 -- Retalix Ltd. (Nasdaq: RTLX) announced today that it has entered into an alliance with **Fujitsu Korea Limited (FKL)**, to market and support Retalix's StoreLine, StorePoint, PocketOffice, Fuel, Headquarters and DemandAnalytix products in South Korea.

Fujitsu Korea Limited, owned by Fujitsu in Japan, is a leading IT solution provider in South Korea. Established in 1974, the Company has annual revenues of over US\$300 Million. FKL provides both hardware (from servers and storage to POS terminals and PDAs), as well as business software and e-business solutions. FKL's customers include many of Korea's leading retail chains.

The Korean grocery market is highly competitive, and the country's leading retailers are looking to break away from the traditional legacy systems and deploy modern, flexible information systems that will enable more efficient operations and closer relationships with their customers. As part of the agreement, Fujitsu Korea has established a retail sales team focusing on enterprise accounts, and several retail chains are currently evaluating Retalix solutions.

Solutions that will be offered to Korean retailers under the agreement include:

- **Retalix StoreLine** is an advanced in-store solution that addresses grocery industry requirements by offering hardware-independent POS, back office and mobile functionality, ease of use, system robustness and the ability to process critical data in real time across multiple sales channels and formats.
- **Retalix StorePoint** is a comprehensive family of applications, which provide operators of convenience stores, fueling stations and quick service restaurants with the flexibility to support their multi-concept sites, combining various food service, fuel and retail formats, with one integrated solution.
- **Retalix PocketOffice (RPO)** is a suite of integrated mobile applications, which allow operators to perform many back-office and POS operations from anywhere around the store.
- **Retalix Fuel** is an application tightly integrated into StoreLine, StorePoint and Retalix PocketOffice products. Retalix Fuel can also be installed as a stand-alone product.

- **Retalix HQ** is a browser-based suite of applications for the retail enterprise and store management. Retalix HQ provides a shared environment for reusable layers like GUI, business logic, database architecture, synchronization engines, and security accessibility. Retalix HQ's modularity allows smooth migration towards a complete centralized headquarters solution.
- **Retalix DemandAnalytix (DAX)** is a Demand Forecasting and Computer Generated Ordering (CGO) solution, designed to improve the retailer's product availability, inventory management and overall supply chain efficiency. **DemandAnalytix** uses unique algorithms to interpret POS sales data and inventory data, forecast store-level demand and optimize replenishment orders.

Mr. Park Hyung Kyu, CEO of Fujitsu Korea, said, "We are very pleased to be bringing Retalix's integrated suite of software solutions to the Korean retail industry. Retalix's point-of-sale and enterprise-level applications have been proven in global implementations with a number of leading multi-national and multi-lingual retail organizations. Fujitsu Korea is committed to providing Korea's retailers with a competitive edge by combining proven retail technologies with world-class support and understanding of our customers' business priorities."

Yoni Stutzen, EVP International Business Division of Retalix Ltd., said: "For over 20 years Retalix and Fujitsu have had a solid relationship in the USA. Now, the formation of a partnership in Korea will provide both companies the opportunity to capture a significant share of the Grocery and Convenience Store market in this growing economy. Retalix's global reputation for technology leadership and our success implementing solutions in multi-lingual retail organizations, including Asian languages, provides a strategic advantage over local and foreign software vendors."

About Retalix Ltd.

Retalix Ltd. provides integrated enterprise-wide software solutions for the food and consumer goods retail and distribution industries worldwide. Retalix solutions are installed in supermarkets, convenience stores, fuel stations, and quick service restaurants, as well as foodservice, grocery, convenience products, and fast moving consumer goods distribution organizations. The Company offers a full portfolio of software applications that automate essential retailing, distribution and supply chain management operations. These applications enable users to increase operating efficiencies, while improving customer acquisition, retention and profitability. With more than 34,000 installations across 50 countries, Retalix develops and supports its software through more than 1,200 employees in its various subsidiaries and offices worldwide.

For further information, please visit the Company's web site at www.retalix.com

Safe Harbor for Forward-Looking Statements: Except for statements of historical fact, the information presented herein constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and U.S. federal securities law. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Retalix, including revenues, income and expenses, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include risks relating to Retalix's anticipated future financial performance and growth, continued roll-outs with existing customers, the potential benefits to food and fuel retailers and suppliers, expansion into new geographic markets, and other factors over which Retalix may have little or no control. This list is intended to identify only certain of the principal factors that could cause actual results to differ. Readers are referred to the reports and documents filed by Retalix with the Securities and Exchange Commission, including Retalix's Annual Report on Form 20-F for the year ended December 31, 2004, for a discussion of these and other important risk factors. Retalix undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

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