

Valor Announces ISO 9001 Certification For Its New Dedicated Parts Library Division (VPL) And Appoints Divisional Head

Divisional spin-off and ISO 9001 certification emphasizes Valor's dedication to increase the application range, content quality and customer service level for the Valor Parts Library

APEX, California – 01. April, 2003 – Valor Computerized Systems Ltd. [FSE/Prime Standard: VCR] initiates divisional spin-off for its Valor Parts Library (VPL) and appoints Mr. Ovadia Ovadia to head the new VPL Division. These organizational changes are accompanied by the announcement of the ISO 9001 certification for established operational standards and working procedures within the VPL division.

The VPL, established in 1999, was initially created as a supporting technology to deliver crucial geometric part data of electronic components to extend the scope of Valor's existing CAD/CAM product lines and to increase the value proposition for Valor's DFM engineering solutions. Through continuous and extensive investments in the technological infrastructure and human resources of the parts library service the VPL has transformed over the past three years into the industry's largest content delivery service for physical parts-modeling data, complementing Valor's own product lines in addition to providing stand-alone electronic part data services to leading OEM and EMS companies throughout the design-to-assembly arena.

Based on industry needs and the positive feedback from its VPL customer base for its content delivery service, Valor's management decided to establish a separate VPL product division to extend the application range for its unique content library and to utilize the acquired expertise to offer additional valuable and productivity-enhancing service offerings to the electronics industry. The VPL division will be managed as a profit center to enforce operational excellence, which will result in increased quality and customer service levels. As the initial step in the operational improvement process of the VPL division Valor received ISO 9001 certification for its parts library service thus adapting to internationally-popular and accepted industry standards and affirming to its customers the high quality and service value of the VPL.

The certificate (License Nr. 25706) was issued by the *Standards Institution of Israel*, a member of the worldwide IQNet organization and applies to the processes of updating, managing and servicing

Valor's electronic parts library. Within a relatively short period of six months Valor received the approval for ISO 9001 certification due to already well-established handling processes within the VPL operations department, which were in accordance to the required ISO standards. As part of the ISO 9001 certification Valor is obliged to send out periodically occurring customer satisfaction surveys to its entire VPL customer base, so assuring that all of the customer demands are met in a timely manner and to the highest standards.

Setting new standards

The VPL is a unique electronic components library, which holds accurate physical and geometric models of millions of commercially available components. The VPL information is highly valuable in Design For Manufacturability (DFM), PCB assembly processes, NPI (New Product Introduction) and inspection phases. VPL is fully compatible with Valor's respective CAD/CAM systems Enterprise 3000 for design verification and the Trilogy 5000 solution for pre-production assembly engineering. With VPL, accurate and timely components-data is easily made available to engineers around the world through Valor's online 24/7 service, saving valuable time and efforts throughout the product realization cycle.

Users of the VPL service usually experience a better than 80% average match rate on their bills of materials (BOMs) against the VPL. This can rise to 100% if they take advantage of Valor's premium data-building service, which enables them to fully populate the PCB with VPL packages and solve the problem of modelling proprietary and customized parts (ASICs, connectors etc.), which will not be available initially from any open-market library. Unlike other library vendors, Valor has placed critical importance in helping customers achieve the highest possible match rate against product-level BOMs. Missing data, left by a less than 100% result, is cost-effectively addressed by Valor's global focused service infrastructure to provide VPL users with a maximum hit rate ratio, in comparison to other smaller libraries, which achieve much lower match rates, typically around the 20%-30% mark, and then mainly deliver only PDF document files which require time consuming redrafting by the user into a format which is useable by their engineering applications.

Fast Return on Investment

Electronics companies are realizing the significant cost and time advantages of using a subscription-based data service rather than building and maintaining proprietary in-house libraries. Results show that significant economies of scale occur as the VPL broadens its scope to cover even more aspects of the product realization process, ranging from the pre-layout design phase through to the manufacturing execution level. Subscription rates amount to a few dollars per part/per year for access to a

continuously updated database. Typically, users are experiencing a 10x reduction in their internal costs for maintaining their libraries of physical component models. The business model of the VPL is to have a major centralized resource (through Valor) that delivers library content to multiple users across the network, as opposed to every company building its own physical library from scratch, in duplication with others, according to conflicting formats. Not only are internal costs minimized and quality levels raised, but also complete consistency of engineering data is achieved across distributed design through manufacturing supply chains.

The four largest CEMs (Contract Electronics Manufacturers) and other top-tier companies in the PCB design and assembly arena are already utilizing the advantages of Valor's VPL service to handle mission critical business processes covering aspects such as assembly line optimization including component placement accuracy and assembly line balancing as well as zero-defect first-time manufacturing verification for accelerated NPI cycles.

Looking into the future

Already the industry's largest and most robust machine-readable component physical model library with millions of electronic components represented, Valor continuously invests in expanding the parts coverage of the VPL, the quality of its content, as emphasized by the ISO 9001 certification, and the range of engineering processes it serves. Ongoing investments in R&D will result in solutions designed to improve and automate time-intensive industry processes such as CAD library footprint generation, assembly machine support, and pre-layout component engineering for the validation of equivalent physical form/fit between alternative parts. It is Valor's intention to make VPL content available through third-party EDA vendors and supply chain partners by integrating Web enabled services, innovative technologies and international standards.

The importance of the VPL as a contributor to Valor's future growth and focus on the value of the VPL content is further highlighted by the appointment of Mr. Ovadia Ovadia to the position of head of the VPL division within Valor. Mr. Ovadia held various senior managerial positions at IT companies and organizations, accumulating over 18 years of experience in system integration, sales and marketing. Mr. Ovadia joined Valor from Crystal System Solutions Ltd., (NASDAQ: CRY) a member of the Formula Group, prior to being responsible for the handling of customer support programs for large enterprises such as Ford Motor Corporation, IBM Europe and Ernst & Young.

Ofer Shofman, President & CEO of Valor commented on the recent developments: "Our ISO 9001 certification for the VPL demonstrates our emphasis on bringing higher value to our customers

worldwide in terms of high level of service and content utilization of VPL along with the high quality of our industry leading CAD/CAM software products. With better quality and availability of components-data content, and with new management of the VPL division, we are fulfilling our customer needs for a streamlined and optimized VPL content delivery, with high service quality and in a professional manner.”

About Valor

Valor Computerized Systems (FSE/Prime Standard: VCR) is a global leader in providing business productivity tools throughout the design-through-manufacturing electronics supply chain. Valor is a public company listed on the Prime Standard of the Frankfurt Stock Exchange. The company's powerful software tools, based on ODB++, the Valor-funded data format that has quickly become the format of choice for high-level data exchange, ensure the rapid transfer of optimized data from design through manufacturing. Enterprise 3000 DFM system for physical design verification, Trilogy 5000 for assembly and test engineering, and the unique Valor Parts Library on-line data service are utilized by designers and engineers to deliver enhanced productivity, higher yields, shorter cycle times and increased product quality. All Valor products are sold and supported by a worldwide network that includes global subsidiary offices, VARs and OEM channels. More information about the company can be found at <http://www.valor.com>.

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