

Valor Corporate

Alon Levitan

Valor Computerized Systems, Ltd.

alonl@valor.com

Tel: +972-8 -943-2430 ext. 159

Valor PR North America

Bob Robson

Alan Weinkrantz And Company

bobr@weinkrantz.com

Tel: +210-820-3070 ext. 106

Valor Computerized Systems reports Q3 2004 results; Revenues rise 23% setting new record level

YAVNE, Israel - November 02, 2004 - Valor Computerized Systems [Prime Standard: VCR, WKN 928 731], a leader in productivity increasing software solutions to the electronics industry, reports an improvement in its revenue and profit line for the third quarter of 2004. Revenue increased in the reporting period to \$7.8 million in comparison to \$6.35 million achieved in Q3 of 2003 equalling a rise of 23%.

Net profit results for Q3-04 reached \$0.4 million as compared to \$0.85 million achieved for the same quarter of previous year. The decrease in net profit stems from the large increase in R&D investments targeted at new product developments. EBIT was \$0.34 million in comparison to \$0.63 million generated in Q3-03.

Ofer Shofman, President & CEO at Valor, commented on the quarterly results: "This quarter marks the sixth consecutive quarter of revenue growth. We are showing exceptional growth quarter after quarter and we anticipate to continue with a strong growth rate in Q4 2004."

Summary Financial Data:

	Q3 2004	Q3 2003	% Change	Jan-Sep 2004	Jan-Sep 2003	% Change
Product Sales	5,079	3,951	28.55	14,465	11,798	22.61
Maintenance	2,722	2,400	13.42	7,942	7,010	13.30
Total Revenues	7,801	6,351	22.83	22,407	18,808	19.14
Gross Profit	6,727	5,968	12.72	19,856	17,660	12.43
EBIT	341	627	(45.61)	567	1,778	(68.11)
EBITDA	570	873	(34.71)	1,240	2,527	(50.93)
Net Profit (Loss)	401	854	(53.04)	997	938	6.29
EpS in US\$ (basic)	0.02	0.05		0.06	0.05	
EpS in US\$ (diluted)	0.02	0.04		0.05	0.05	
Shareholder's Equity	34,131	34,532	(1.16)	34,131	34,532	(1.16)
Total Assets	41,971	40,139	4.56	41,971	40,139	4.56
Capital Investments	24	n/a		n/a	n/a	
Research & Development	2,442	1,961	24.53	7,561	5,501	37.45
Employees (Period End)	222	188	18.09	222	188	18.09

(all figures are in US\$ 1000, unless otherwise noted)

Nine months revenues accumulated to \$22.4 million an increase of 19% compared to the first three quarters of previous year. Net profits for the nine-month reporting period reached close to \$1 million an increase of 6% compared to the same period of 2003.

R&D expenses for Q3-04 increased by 25% to \$2,4 million as compared to Q3-03 and increased by 38% to \$7,6 million for this year's nine months period compared to the nine months reporting period of 2003.

Shofman elaborates: "We are continuing to successfully invest in R&D for new products, which will secure our future growth and strengthen our leadership position in the marketplace," says Shofman and continues:

"We have completed an intense restructuring process in our Far East subsidiary and as a result have doubled our Asian work force led by a new management team. In the past six months we experienced a significant growth in our Asian business volume and over the next year we will continue to further expand our Asian subsidiary. I am confident that we now have the resources in place to grow our Asian business substantially and as a result to positively impact our overall top and bottom line results."

Worldwide headcount reached 222 employees in Q3-04 an increase of 18% as compared to Q3 of the previous year.

In Q3-04 the company generated a negative cash flow resulting from operating activities in the amount of \$221 thousand and a positive cash flow amounting to \$2,4 million for the nine months period of 2004.

The company has added this quarter new major clients to its customer base and has increased its presence in the worldwide PCB assembly market. With over \$30 million in liquid assets the company's financial situation is strong, positioning the company for potential M&A activities.

Shofman concludes: "I am happy with the large increase in product sales. With a growth factor of nearly 30% as compared to last year, we have surpassed our own predictions. This increase is also attributed to the fast and seamless integration of the TraceXpert solution into the Valor product family and emphasizes our ability to successfully incorporate M&A strategies into our corporate growth plan."

The complete quarterly report can be downloaded from the company's website at www.valor.com / investor relations.

About Valor

Valor Computerized Systems [FSE: VCR, WKN 928 731] is a global leader in vertically integrated manufacturing productivity solutions to the electronics industry. Valor is publicly listed on the Frankfurt Stock Exchange. The company's powerful software tools, based on ODB++, the Valor-funded data format which forms the main structure of the new IPC 2851 standard for high-level data exchange, ensure the rapid transfer of optimized data from the design through manufacturing stages. Enterprise 3000 DFM system for physical design verification, Trilogy 5000 for assembly and test engineering, TraceXpert for real-time SMT production monitoring, exact traceability and materials management 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 www.valor.com.

Reader Contact Information:

North America

Valor Computerized Systems, Inc., 25341 Commercentre Drive, Suite 200, Lake Forest, CA 92630, Tel: (+1) 949-586 5969, Fax: (+1) 949-586 1343

Valor Corporate

Valor Computerized Systems, Ltd., Faran St. 4, P.O.Box 152, 70600 Yavne, Israel, Tel +(972) 8-943 2430, Fax +(972) 8-943 2429

###

Valor, Trilogy 5000, Enterprise 3000, Valor Parts Library, VPL and the Valor Logo are trademarks or registered trademarks of Valor Computerized Systems, Ltd.

All other trade names mentioned herein are believed to be the property of their respective owners.