

PRESS RELEASE



Valor Shows Revenue Growth for the Ninth Consecutive Quarter: Revenues Increase by More Than 20%, Reaching a Record of \$9 Million in Q2 of 2005

YAVNE, Israel – August 1st, 2005 - Valor Computerized Systems [Prime Standard: VCR], the leader in productivity-enhancing solutions for the Electronics Industry, shows continued growth for the ninth quarter in a row as it reports its financial results for the six-month period ending June 30, 2005.

Valor recorded revenues of \$9 Million in the second quarter of 2005, representing an increase of more than 20% as compared to revenues of \$7.45 Million in the second quarter of 2004. Overall, Valor's revenues grew from \$14.6 Million in the first half of 2004 to \$17.7 Million in the first half of 2005 – an increase of more than 21%.

The net profit before expensing Share-Based Compensation according to IFRS2 Regulations was \$611 thousand in the second quarter of 2005 – almost twice as compared to \$326 thousand in the parallel quarter of the previous year. Net profit for the first half of the year increased by more than 120% - from \$644 thousand in 2004 to \$1.43 Million in 2005.

After expensing Share-Based Compensation, the net profit in the second quarter of 2005 was \$408 thousand, an increase of 133% compared to the adjusted profit for the second quarter of 2004, and the net profit for the first six months of 2005 was more than \$1 Million – an increase of nearly 200% compared to adjusted profit for the same period last year. Earnings per share (diluted) for the second quarter increased by 100%, from \$0.01 in 2004 to \$0.02 in 2005.

Summary of Financial Data:

	Q2 / 2005	Q2 / 2004	% Change	Jan-Jun 2005	Jan-Jun 2004	% Change
Product Sales	5,893	4,774	23.4%	11,733	9,386	25.0%
Maintenance	3,110	2,678	16.1%	5,975	5,220	14.5%
Total Revenues	9,003	7,452	20.8%	17,708	14,606	21.2%
Gross Profit	7,677	6,454	18.9%	15,241	13,129	16.1%
EBITDA	699	341	105.0%	1,561	670	133.0%
EBIT	536	113	374.5%	1,246	225	454.0%
Net Profit before Expenses on Share-Based Compensation	611	326	87.4%	1,434	644	122.7%
Expenses on Share-Based Compensation	203	151	34.4%	395	294	34.4%
Net Profit (Loss)	408	175	133.1%	1,039	350	196.9%
EPS in US\$ (diluted)	0.02	0.01	100.0%	0.05	0.02	150.0%
Shareholder's Equity	34,594	33,616	2.9%	34,594	33,616	2.9%
Total Assets	44,895	41,850	7.3%	44,895	41,850	7.3%
Research & Development	2,825	2,490	13.5%	5,635	5,175	8.9%
Employees (Period End)	223	215	3.7%	223	215	3.7%

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

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In the first half of 2005 Valor generated a positive operational cash flow of \$239 thousand. Research and Development expenses for that period were \$5.6 million – an increase of 9% as compared to \$5.2 million in the same period of 2004.

Some of the following statements are forward-looking in nature, and actual results may differ materially.

“I am very pleased to see that we are progressing as planned, meeting our short term as well as our longer term goals”, said Valor’s president and CEO Ofer Shofman, and added: “The Valor brand strengthens as we continue to penetrate global markets. Companies from all tiers are asking for Valor solutions, and our experts are there to answer the call, working to address the needs of the industry and provide the best solutions for high-productivity and quality in digital manufacturing.”

“With our current momentum and market position we expect to continue our growth trend and meet our goals during the upcoming quarters”, concluded Shofman.

The complete quarterly report can be downloaded from the Investor Relations Section on the Valor corporate website: www.valor.com

About Valor

Valor Computerized Systems develops compelling technologies for simulating and optimizing the manufacture of printed circuit boards. Valor's breakthrough technologies for product design analysis, simulation and optimization of PCB assembly, and Manufacturing Operations Management increase productivity, yield and quality, and help streamline and accelerate product innovation in a fast-paced global market. Valor is listed on the Prime Standard of the Frankfurt Stock Exchange [WKN 928731, ISIN IL0010845324]. More information on Valor can be found on www.valor.com.

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For additional information, see our website at: www.valor.com/Forward_Looking_Statements.jsp