

**Another Quarter of Record Revenues for Valor:
Revenues Maintain Growth Trend for Tenth Consecutive Quarter**

YAVNE, Israel – October 31st, 2005 - Valor Computerized Systems [Prime Standard: VCR], the leader in productivity-enhancing solutions for the Electronics Industry, shows continued growth during the nine-month period ending September 30, 2005.

Valor's revenues in the third quarter of 2005 reached \$9.2 Million, an increase of 17.5% as compared to \$7.8 Million in the third quarter of 2004. During the nine-month period between January and September 2005 Valor recorded revenues of \$26.9 Million, an increase of 20% as compared to \$22.4 Million in the same period of 2004.

The operating profit for the first nine months of 2005 was \$1.5 million, an increase of more than 150% as compared to \$567 thousand achieved during the parallel period of the previous year.

The net profit before expensing Share-Based Compensation according to IFRS2 Regulations was \$251 thousand in the third quarter of 2005 – a decrease of 57% compared to \$577 thousand in the parallel quarter of the previous year. Net profit for the nine-month period ending September 30, 2005 was \$1.7 Million, an increase of 57% compared to \$1.1 Million during the first nine months of 2004.

After expensing Share-Based Compensation, the net profit in the third quarter of 2005 was \$103 thousand, a decrease of 62% compared to the adjusted profit for the third quarter of 2004, and the net profit for the first nine months of 2005 was \$1.14 Million – an increase of 84% compared \$619 thousand during the same period last year. Earnings per share (diluted) for the first nine months of 2005 increased by 100%, from \$0.03 in 2004 to \$0.06 in 2005.

Summary of Financial Data:

	Q3 / 2005	Q3 / 2004	% Change	Jan-Sep 2005	Jan-Sep 2004	% Change
Product Sales	6,059	5,079	19.3%	17,792	14,465	23.0%
Maintenance	3,105	2,722	14.1%	9,080	7,942	14.3%
Total Revenues	9,165	7,801	17.5%	26,872	22,407	19.9%
Gross Profit	7,124	6,727	5.9%	22,365	19,856	12.6%
EBITDA	400	669	(40.2)%	1,934	1,240	56.0%
EBIT	215	493	(56.4)%	1,461	567	157.7%
Net Profit before Expenses on Share-Based Compensation	251	577	(56.5)%	1,684	1,071	57.2%
Expenses on Share-Based Compensation	148	309	(52.1)%	543	452	20.1%
Net Profit (Loss)	103	268	(61.6)%	1,141	619	84.3%
EPS in US\$ (diluted)	0.01	0.01	0.0%	0.06	0.03	100.0%
Shareholder's Equity	34,919	34,131	2.3%	34,919	34,131	2.3%
Total Assets	45,586	42,758	6.6%	45,586	42,758	6.6%
Research & Development	2,660	2,386	11.5%	8,295	7,561	9.7%
Employees (Period End)	223	222	0.5%	223	222	0.5%

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

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

Commenting on the quarterly results, Valor's president and CEO, Ofer Shofman, said: "I'm happy to see that we were able to meet our expectations. Traditionally, the third quarter is always a weaker one, yet during this quarter we were able to continue the expansion of our customer base, securing a significant number of deals with strategic customers in the assembly arena - customers, whom we expect will contribute to our future growth."

"As always, we see enormous potential in Far East", Shofman added. "Our penetration into that region is picking up momentum, and we continue to increase our investments there with full force, with the intention of seeing the results during next year".

During Q3 Valor has taken a series of steps intended to streamline its operation and business processes. "These steps will enable us to become a stronger company next year" -- explained Shofman -- "They will carry on until the end of Q4, and will set the foundations that will help us to continuously increase our revenues on a quarterly basis while at the same time significantly boost our bottom line results. The implementation of these steps affects our bottom line results for Q3 and may also have a certain affect on Q4, but nevertheless, being a profitable organization has been our declared policy for the last 3 years, and we fully intend to maintain that policy during Q4 and onwards."

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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