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## Valor Reports Revenues of \$9.2 Million and Net Profits of \$754 Thousand in the Third Quarter of 2006.

**YAVNE, Israel – November 6<sup>th</sup>, 2006** - Valor Computerized Systems [Prime Standard: VCR], the leader in productivity-enhancing solutions for the Electronics Industry, announces today its financial results for the nine-month period ending September 30, 2006.

Revenues in the third quarter of 2006 accumulated to \$9.2 Million, the same as in Q3-05. Revenues for the first nine months of 2006 were also similar to the revenues accumulated in the first nine months of 2005 - \$26.7 Million in 2006 vs. \$26.9 Million in 2005.

The net profit in the third quarter of 2006 was \$754 thousand – an increase of nearly 640% over the third quarter of 2005. The net profit in the first nine months of 2006 was \$2.5 Million – more than twice the profit of the parallel period of the previous year.

EBIT in Q3-06 was \$714 thousand - an increase of more than 10 times compared to \$68 thousand in Q3-05. In the first nine months of 2006, EBIT was \$2.1 Million – 133% more than in the parallel period of 2005.

Earnings per Share (diluted) in the first nine months of 2006 were \$0.12, as compared to \$0.06 in the first nine months of 2005.

### Summary of Financial Data (Unaudited):

	Q3 / 2006	Q3 / 2005	% Change	Jan-Sep / 2006	Jan-Sep / 2005	% Change
Product Sales	5,679	6,059	(6.3)%	16,576	17,792	(6.8)%
Maintenance	3,485	3,105	12.2%	10,158	9,080	11.9%
<b>Total Revenues</b>	<b>9,164</b>	<b>9,164</b>	0.0%	<b>26,734</b>	<b>26,872</b>	(0.5)%
Gross Profit	8,098	7,121	13.7%	23,681	22,348	6.0%
EBITDA	1,075	226	375.9%	2,965	1,392	112.9%
EBIT	714	68	950.9%	2,141	919	132.8%
<b>Net Profit (Loss)</b>	<b>754</b>	<b>102</b>	<b>639.2%</b>	<b>2,503</b>	<b>1,141</b>	<b>119.4%</b>
EPS in US\$ (diluted)	0.040	0.01	300.0%	0.12	0.06	100.0%
Shareholder's Equity	38,104	34,920	9.1%	38,104	34,920	9.1%
Total Assets	49,064	44,516	10.2%	49,064	44,516	10.2%
Research & Development	3,332	2,660	25.3%	8,704	8,295	4.9%
Employees (Period End)	249	224	11.4%	249	224	11.4%

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

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

Commenting on the quarterly results, Ofer Shofman, Valor's President and CEO said: "As previously reported, the results for the third quarter of 2006 were lower than originally expected due to a small

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number of significant orders by major customers that slipped from Q3 and are expected to materialize over the following quarters. At the same time, we remain optimistic about our future performance and continue to implement our development programs and business strategy across all regions.”

As an example, Shofman mentioned that the company has doubled the number of agents and distributors of its products in Asia over the past six months, and explained: “This increase comes to meet the growing demand for the type of solutions that we provide and will further support the consultative selling approach that we are implementing. The consultative sales process is a complex process, intended to achieve larger sales and bring higher revenues, and the steps that we are taking now are intended to ensure that our investments will bear fruit in the future.”

The complete financial report can be downloaded from the Investor Relations Section on the Valor corporate website: [www.valor.com](http://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]. Its customer base includes the majority of Tier I and Tier II companies in the electronics industry, most of which are fortune 500 companies. More information on Valor can be found on [www.valor.com](http://www.valor.com).

## Contact Information

### Valor Corporate:

Alon Erlich, Valor Computerized Systems, Ltd.; [IR@Valor.com](mailto:IR@Valor.com); Tel: +972-(0)8-943-2430

### IR Contact Germany:

Sönke Knop and Axel Mühlhaus, edicto GmbH; [sknop@edicto.de](mailto:sknop@edicto.de); Tel: +49-(0)-6084-94859-1

### Editor Contact:

Cathryn Hage, Anderson Burnbreck PR; [cathryn-h@andburn.co.uk](mailto:cathryn-h@andburn.co.uk); Tel: +44-1242-518399

## Risks Regarding Forward Looking Statements

*Certain statements included herein, containing forward looking terminology or the negative thereof or other variations thereof or comparable terminology, constitute "forward-looking statements". In addition, all information included herein with respect to projected or future results of operations, financial condition, financial performance or other financial or statistical matters constitute such forward-looking statements. The Company wishes to caution prospective investors not to rely on any such forward-looking statements as predictions of future events. The Company does not undertake, and specifically disclaims any obligation, to update any forward-looking statements, which speak only as of the date made.*

*For additional information, see our website at: [www.valor.com/Forward\\_Looking\\_Statements.jsp](http://www.valor.com/Forward_Looking_Statements.jsp)*