

For Immediate Release

## **Valor Traceability Solution Delivers Brand Protection for Automotive Manufacturers**

**Israel – 5<sup>th</sup> September, 2006** – Valor Computerized Systems [FWB: VCR], the leader in productivity-enhancing solutions for the electronics industry, is witnessing rapid market share growth in the demanding automotive manufacturing industry with its flagship TraceXpert software solution. Worldwide, many automotive electronics manufacturers such as Continental-Temic, Denso, Magneti Marelli, Panasonic, Peiker Acoustic, Siemens VDO and others, are successfully using TraceXpert to dramatically minimize the costly vehicle recalls that plague this industry.

In 2005, the automotive industry paid out an estimated \$13 billion in warranty claims with more than 15 million cars being recalled, inevitably causing huge damage to brand and reputation that is sometimes irrecoverable.\* This situation will potentially get worse as the incorporation of technology in vehicles continues to increase. The solution lies in the implementation of a full traceability system that could dramatically reduce the tangible recall costs and thereby protect the immeasurable value of the brand. Such a system should address potential risks: before manufacturing by preventing wrong parts from being assembled in the wrong place; during manufacturing by detecting and preventing errors in real-time; and also in post-production by tracking all the components used in the end-vehicles.

Valor's TraceXpert production monitoring and control solution is proven to be effective in reducing the number of repairs and recalls for automotive companies by doing just that. Not only does the system result in improved end-product quality, but it also allows for better equipment utilization, improved inventory turns, and higher profit margins.

TraceXpert collects data in real-time and provides a precise 'as-built' bill of materials for the manufacturing of each PCB and variant. The system prevents wrong parts from being assembled, and further downstream it also provides the ability to quickly identify those products affected by these sub-standard components so that only defective products ever need to be recalled. Production processes from incoming material registration to production completion are monitored and controlled, including storage, verification, and dry component management.

Commenting on the success Valor is having in the automotive sector, Henning Maerkedahl, executive vice president at Valor Denmark, the R&D centre for TraceXpert, said, "Think of it as an insurance policy. TraceXpert protects against unnecessary and costly product recalls by detecting and preventing errors in real-time – before, during and after manufacturing. For management, traceability is successful in addressing areas of quality, operational efficiency, delivery performance, production flow, customer demands and legal compliance. For the production floor TraceXpert is critical in the areas of monitoring, verification, traceability, quality, materials management and work in progress.

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“Unlike most MES and ERP systems that are based on theoretical or inaccurate data, and often targeted at the mechanical vehicle components and not the electronics or embedded software\*, TraceXpert is based on real-time information,” Maerkedahl added. “So increasingly, automotive companies state that it is an absolute requirement to use traceability software in their production.”

## 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]. 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).

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