

07th February 2007

COMPANY ANALYSIS

Coverage: Since Q1/2004



Sector:
Software / Technology

EVENT: Preview Results Q4

Rating (old): BUY

Rating: BUY

Fair Value (old) € 5,02

Fair Value (new) € 4,86

Last Price: € 3,70

Good Q4-Figures expected

- Expanding Sales Network in last 6 months
- Improvement of Ebit Margins expected
- Longer Sales cycles lead to sales deferment



Chart vom 6.Febr. 2006 bis 5. Febr. 2007

SWOT

- + Strong experienced Management
- + Fine Margins with Software Concepts and Tools
- + High Cash Reserves (\$ 13 mln)
- - Enterprise 3000 with limited Growth
- - High Demand on worldwide Sales

ANALYST

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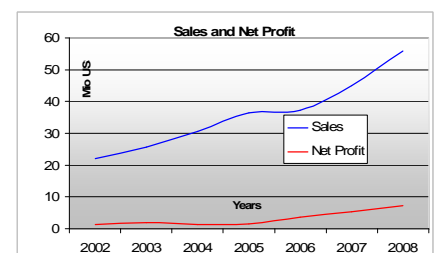
See also
Kalliwoda Recommendations
on Terminal: Bloomberg
Reuters
Thomson Financials
JCF Factset

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COMPANY DESCRIPTION

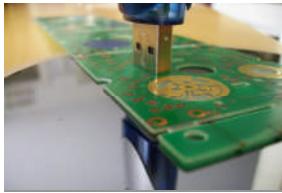
VALOR COMPUTERIZED SYSTEMS is one of the leading suppliers of productivity-increasing software solutions for the electronic industry. VALOR's solutions cover the development, production and monitoring. VALOR created an international standard for dataexchange on the highest level. The products help companies to increase their productivity and to minimize mistakes.

HISTORY & ESTIMATES



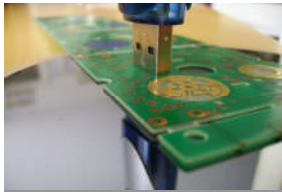
VALOR COMPUTERIZED SYSTEMS					
Figures in EUR	2002	2003	2004	2005	2006e
EPS Dr. Kalliwoda	0.07	0.11	0.07	0.08	0.19
EPS Consensus	-0.04	0.11	0.13	0.12	0.20
Revenues (mln)	22.1	25.6	30.7	36.3	37.3
Net Income (adj.)	1.3	1.9	1.2	1.4	3.5
Net Cash Per Share	0.7	1.5	1.4	1.6	1.6
Net Cash	14.0	29.9	27.6	32.0	32.0
Free Cashflow	5.1	8.8	11.9	10.4	2.6
P/E	-	37.5	58.7	51.5	20.3
P/S	-	2.8	2.3	2.0	1.9
ROE in %	2.38	3.4	5.5	3.5	9.8
EV/EBITDA	-	32.6	107.5	62.2	23.3
Price (curr)	3.7				19.41
52W high	3.9				16.5
52W low	2.62				39.2%
Market Cap (mln)	71.8				0.005%
Last Dividend	0.07				VCR
Sales CAGR 2001-2010	33%				VCR
Web Page	www.valor.com				928731
			Shares out (mln)		
			6M Avrg Vol (000s)		
			Free Float (in %)		
			Weight in Prime All Share		
			Reuters Code		
			Bloomberg		
			WKN		

Source: DR.KALLIWODA | RESEARCH © copyright 2007



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1. FINANCIALS: Q3/2006 AND PREVIEW FOR Q4/2006

1.1 Q3/2006 Results

In Q3/2006 the overall returns are a USD 9.164 mn. in a year-to-date comparison exactly the same result. Our conservative estimate was met (slightly above our estimate by USD 0.064 mn.).

Valor obtained EBIT of US\$ 0.714 mn and a net result of US\$ 0.754 mn and thereby exceeded our expectation slightly by US\$ 0.137 mn and/or US\$ 0.207 million.

The reason for the good Q3-results (+ 640% compared to the previous year quarter) was in particular the successful acquisition of new customers (electronics firm) for Valors TraceXpert solution and that Valor has increased its sales forces.

1.2 Q4/2006e-Preview

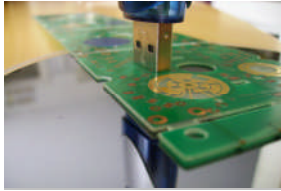
For Q4/2006e we expect revenues of US\$ 10.55 mn and EBIT of US\$ 0.996 mn and a net result of US\$ 1.064 mn. For the whole year the company expects a net result of between US\$ 2.75 million and US\$ 3.75 million. We estimate for the entire financial year 2006 revenues of US\$ 37.28 million. We forecast EBIT of 3,15 million and the net result on US\$ 3.56 million (due to the positive financial result). We assume Valor will continuously increase revenues and profits on the basis of the newly closed contracts.

Valor's optimized distribution activity is based on the restructuring process accomplished since Q4/2005 and the implicated Consultative Selling Approach (sales advisory approach), meaning the custom-made engineering of the customized production and testing equipments, which consist of Valor components. The sales advisory approach permits larger IT projects at customers and led to provable successes in Q3/2006.

1.3 Estimates and Valuation

We will maintain our estimates and our rating as in our last study although Valor has a good chance that topline-growth is going to increase. Valor has doubled the number of sales agents and distributors in Asia within the last 6 months.

Valor has at present US\$ 13.23 million cash. We didn't changed our profit margin estimates for the years 2007 to 2010. On the basis of our 3-stage-discount cash-flow model we calculate a target price of EURO 4.92 on view of 12 months and maintain our purchase recommendation.



1.4 Quarterly Trends

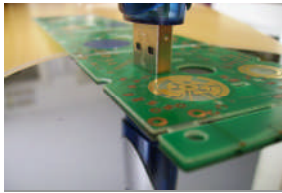
VALOR FY/2004, FY/2005 & Q1/2006 & Q2/2006 & Q3/2006: Estimates on Q4/2006e Figures in Mio. US\$

	Q1 2005	Q1 2004	Change	Q2 2005	Q2 2004	Change	Q3 2005	Q3 2004	Change	Q4 2005	Q4 2004	Change	total 2005	total 2004	Change
Revenues															
Product Sales and Related Services	5.840	4.61	26.63%	5.893	4.77	23.47%	6.059	5.08	19.30%	6.328	5.44	16.43%	24.120	19.90	21.21%
% of revenues	67.1%	64.5%		65.5%	64.0%		66.1%	65.1%		66.8%	65.8%		66.4%	64.9%	
Maintenance	2.865	2.54	12.75%	3.110	2.68	16.09%	3.105	2.72	14.07%	3.139	2.82	11.27%	12.219	10.76	13.53%
% of revenues	32.9%	35.5%		34.5%	36.0%		33.9%	34.9%		33.2%	34.2%		33.6%	35.1%	
Total Revenues	8.705	7.15	22%	9.003	7.45	21%	9.164	7.80	17%	9.467	8.26	15%	36.339	30.66	19%
Cost of Revenues															
Product Sales	0.849	0.28	200.00%	1.088	0.84	29.37%	1.838	0.86	112.98%	0.955	0.85	12.88%	4.730	2.83	66.96%
% of revenues	9.8%	4.0%		12.1%	11.3%		20.1%	11.1%		10.1%	10.2%		13.0%	9.2%	
Maintenance	0.299	0.20	52.55%	0.245	0.16	57.05%	0.205	0.21	-2.84%	0.267	0.14	88.03%	1.016	0.71	44.11%
% of revenues	3.4%	2.7%		2.7%	2.1%		2.2%	2.7%		2.8%	1.7%		2.8%	2.3%	
Total Costs of Revenues	1.148	0.48	140%	1.333	1.00	33%	2.043	1.07	91%	1.222	0.99	23%	5.746	3.54	62%
% of revenues	13.2%	6.7%		14.8%	14.9%		22.3%	15.2%		14.0%	13.2%		15.8%	11.5%	
Gross Profit	7.557	6.67	13%	7.670	6.46	19%	7.121	6.73	6%	8.245	7.27	13%	30.593	27.12	13%
% of revenues	86.8%	93.3%		85.2%	86.6%		77.7%	86.2%		87.1%	88.0%		84.2%	88.5%	
Research and Development Costs	2.810	2.66	5.72%	2.825	2.46	14.79%	2.660	2.44	8.93%	2.588	2.74	-5.62%	10.883	10.30	5.63%
% of revenues	32.3%	37.2%		31.4%	33.0%		29.0%	31.3%		27.3%	33.2%		29.9%	33.6%	
Selling and Marketing Expenses	3.617	3.34	8.42%	3.862	3.45	11.88%	3.780	3.49	8.31%	4.901	3.45	42.02%	16.160	13.73	17.71%
% of revenues	41.6%	46.6%		42.9%	46.3%		41.2%	44.7%		51.8%	41.8%		44.5%	44.8%	
General and Administrative Expenses	0.612	0.57	7.75%	0.650	0.43	51.87%	0.613	0.45	35.02%	0.482	0.47	1.90%	2.357	1.92	22.57%
% of revenues	7.0%	7.9%		7.2%	5.7%		6.7%	5.8%		5.1%	5.7%		6.5%	6.3%	
Total Operating Costs and Expenses	7.039	6.56	7%	7.337	7.13	3%	7.053	6.39	10%	7.971	6.47	20%	29.400	25.36	13%
% of revenues	80.9%	91.7%		81.5%	95.7%		77.0%	81.9%		84.2%	80.7%		80.9%	84.6%	
Impairment (loss) earnings															
Profit from Operations	0.518	0.11	363%	0.333	0.11	192%	0.068	0.23	-70%	0.173	0.50	-65%	1.193	1.17	2%
% of revenues	6.0%	1.6%		3.7%	1.5%		0.7%	3.0%		1.8%	6.1%		3.3%	3.8%	
Financial Income, net	0.113	0.24	-52.92%	0.075	0.22	-66.22%	0.144	0.10	48.45%	0.115	0.21	-46.01%	0.447	0.77	-42.10%
% of revenues	1.3%	3.4%		0.8%	3.0%		1.6%	1.2%		1.2%	2.6%		1.2%	2.5%	
Profit before Taxes on Income	0.631	0.352	79%	0.408	0.336	21%	0.212	0.327	-35%	0.288	0.713	-60%	1.640	1.941	-16%
% of revenues	7.2%	4.9%		4.5%	4.5%		2.3%	4.2%		3.0%	8.6%		4.5%	6.3%	
Taxes on Income	0.000	0.06	-100.00%	0.000	0.04	-100.00%	0.110	0.04	197.30%	0.136	0.19	-28.42%	0.246	0.32	-22.88%
% of revenues	0.0%	0.8%		0.0%	0.5%		1.2%	0.5%		1.4%	2.3%		0.7%	1.0%	
Profit bef.Inc.Tax due to Divid.Distribution	0.631	0.295	114%	0.408	0.301	36%	0.102	0.290	-65%	0.253	0.523	-52%	1.394	1.622	-14%
% of revenues	7.2%	4.1%		4.5%	4.0%		1.1%	3.7%		2.7%	6.3%		3.8%	5.3%	
Income Tax due to Dividend Distribution	0.000	0.00		0.000	0.00		0.000	0.00		0.000	0.00		0.000	0.00	
% of revenues	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%		0.0%	0.0%	
Net Profit (Loss)	0.631	0.30	110%	0.408	0.30	36%	0.102	0.29	-65%	0.253	0.52	-52%	1.394	1.62	-14%
% of revenues	7.2%	4.1%		4.5%	4.0%		1.1%	3.7%		2.7%	6.3%		3.8%	5.3%	
Basic Earnings (Losses) per Share	0.03	0.02	72.12%	0.02	0.02	33.42%	0.01	0.02	-65.19%	0.01	0.03	-52.10%	0.08	0.09	-16.51%
Diluted Earnings (Losses) per Share	0.03	0.01	215.31%	0.02	0.01	104.15%	0.01	0.01	-64.72%	0.02	0.03	-51.82%	0.071	0.08	-11.78%
Weighted Av. No. Of Shares Basic Earnings	18.331	18.15	1.00%	18.541	18.26	1.56%	18.665	18.40	0.91%	18.600	18.40	1.09%	18.592	18.27	1.52%
Weighted Av. No. Of Shares Diluted Earnings	20.012	19.96	0.24%	19.985	20.60	-2.97%	20.126	20.22	-0.44%	20.300	20.20	0.50%	19.618	20.14	-2.58%

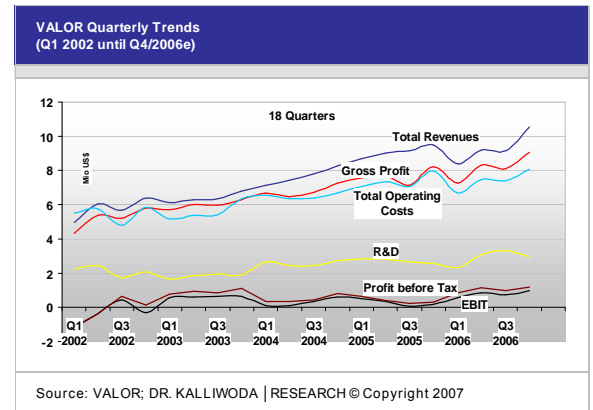
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VALOR FY/2004, FY/2005 & HY/2006 & Q3/2006 & Q4/2006e Figures in Mio. US\$

	Q1 2006	Q1 2005	Change	Q2 2006	Q2 2005	Change	Q3 2006	Q3 2005	Change	Q4 2006e	Q4 2005	Change	total 2006e	total 2005	Change
Revenues															
Product Sales and Related Services	5.152	5.84	-11.78%	5.745	5.893	-2.51%	5.679	6.059	-6.27%	6.700	6.328	5.88%	23.276	24.120	-3.50%
% of revenues	61.5%	67.1%		62.5%	65.5%		62.0%	66.1%		63.5%	66.8%		62.4%	66.4%	
Maintenance	3.230	2.87	12.74%	3.443	3.110	10.71%	3.485	3.105	12.24%	3.850	3.139	22.65%	14.008	12.219	14.64%
% of revenues	38.5%	32.9%		37.5%	34.5%		38.0%	33.9%		36.5%	33.2%		37.6%	33.6%	
Total Revenues	8.382	8.71	-4%	9.188	9.003	2%	9.164	9.164	0%	10.550	9.467	11%	37.284	36.339	3%
Cost of Revenues															
Product Sales	0.921	0.85	8.48%	0.656	1.088	-39.71%	0.889	1.838	-51.63%	1.100	0.955	15.18%	3.566	4.730	-24.61%
% of revenues	11.0%	9.8%		7.14%	12.1%		9.70%	20.1%		10.43%	10.1%		9.56%	13.0%	
Maintenance	0.195	0.30	-34.78%	0.215	0.245	-12.24%	0.177	0.205	-13.66%	0.300	0.267	12.36%	0.887	1.016	-12.70%
% of revenues	2.3%	3.4%		2.34%	2.7%		1.93%	2.2%		2.84%	2.8%		2.38%	2.8%	
Total Costs of Revenues	1.116	1.15	-3%	0.871	1.333	-35%	1.066	2.043	-48%	1.504	1.323	14%	4.459	5.746	-21%
% of revenues	13.3%	13.2%		9.48%	14.8%		11.63%	22.3%		14.26%	14.0%		12.20%	15.8%	
Gross Profit	7.266	7.56	-4%	8.317	7.670	8%	8.098	7.121	14%	9.046	8.245	10%	32.735	30.593	7%
% of revenues	86.7%	86.8%		90.22%	85.2%		88.37%	77.7%		85.74%	87.1%		87.80%	84.2%	
Research and Development Costs	2.905	2.81	17.97%	3.067	2.825	8.57%	3.332	2.660	25.26%	2.950	2.588	13.99%	11.654	10.883	7.08%
% of revenues	34.5%	37.2%		33.3%	31.4%		36.36%	29.0%		27.96%	33.2%		31.26%	29.9%	
Selling and Marketing Expenses	3.831	3.62	5.92%	3.819	3.862	-1.11%	3.448	3.780	-8.78%	4.400	4.901	-10.22%	15.498	16.160	-4.10%
% of revenues	45.7%	41.6%		41.57%	42.9%		37.63%	41.2%		41.71%	51.8%		41.57%	44.5%	
General and Administrative Expenses	0.559	0.61	-8.66%	0.575	0.650	-11.54%	0.604	0.613	-1.47%	0.700	0.482	45.23%	2.438	2.357	3.44%
% of revenues	6.7%	7.0%		6.26%	7.2%		6.59%	6.7%		6.64%	5.1%		6.54%	6.5%	
Total Operating Costs and Expenses	6.995	7.04	-5%	7.461	7.337	2%	7.384	7.053	5%	8.050	7.971	1%	29.590	29.400	1%
% of revenues	79.9%	80.9%		81.20%	81.5%		80.58%	77.0%		76.30%	84.2%		79.36%	80.9%	
Impairment (loss) earnings															
Profit from Operations	0.571	0.52	10%	0.856	0.333	157%	0.714	0.068	950%	0.996	0.173	475%	3.145	1.193	164%
% of revenues	6.8%	6.0%		9.32%	3.7%		7.79%	0.7%		9.44%	1.8%		8.44%	3.3%	
Financial Income, net	0.291	0.11	157.52%	0.298	0.075	297.33%	0.267	0.144	85.42%	0.200	0.115	73.91%	1.056	0.075	1308.00%
% of revenues	3.5%	1.3%		3.24%	0.8%		2.91%	1.6%		1.90%	1.2%		2.83%	0.2%	
Profit before Taxes on Income	0.862	0.631	37%												



The following graphic shows the business-performance of the last four and a half years (incl. our estimated Q4-2006). The development of revenues and gross-profits as well as earnings before taxes is good news, although an increasing amount of money was invested into the development of the Asian market in the years 2004 and 2005.



2. VALUATION: DCF

On the basis of our discount cash flow model with a weighted cost of capital (WACC) of 9.5% and a beta of 1.2 we calculate a fair value of US\$ 6.28. With a present Euro/US\$ exchange-rate of 1.29 we calculate a fair value of € 4.86 per share (EUR 0,16 higher compared to our calculated fair value in our last publication on 03rd November) and recommend the stock to buy.

The valuation of the Valor was done through the three-staged discount-cash-flow model to calculate the inner value of the share. We made the following assumptions: We set the risk free interest rate at 3.7%. This corresponds to a 10 year bond. We calculated the risk premium with 5% and the beta factor in relation to the TecDax30 with 1.2. These parameters applied, we received a weighted average cost of capital (WACC) of 9.5%.

2.1 Sensitivityanalysis

The results show a valuation-range of US\$ 4.98 to US\$ 9,10. A long-term growth of 1.5% (Terminal Growth Rate) and a weighted cost of capital of 9.5% is realistic in our eyes. From these numbers, a market-capitalization of US\$ 123 million, corresponding to a fair share price of US\$ 6.28 for Valor Computerized Systems is calculated.

DCF PARAMETER	
PARAMETERS	
Risk-free rate	3.7%
Risk premium	4.8%
Beta	1.20
Longterm growth rate	1.5%
Cost of equity	9.5%
Cost of debt (after Tax)	5.2%
WACC	9.5%
NET PRESENT VALUE OF FREE CASH FLOWS (Mio. US-DOLLAR)	
Phase 1 (2005-2006)	0.0
Phase 2 (2007-2009)	55.9
Phase 3 (2010...terminal value)	53.4
Net debt	14.1
Value of total equity	123.4
DCF value per share	6.36

Source: DR.KALLIWODA | RESEARCH 2007 ©

SENSITIVITY ANALYSIS per Share

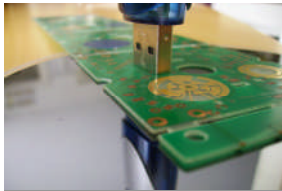
(US-DOLLAR)	Discount factor					
	$\beta = 1.2$	0.07	0.08	0.095	0.10	0.11
0.0%	7.27	6.47	5.84	5.33	4.90	
CAGR of revenues in terminal phase	0.5%	7.52	6.65	5.97	5.42	4.98
	1.0%	7.81	6.85	6.11	5.53	5.06
	1.5%	8.14	7.08	6.28	5.65	5.15
	2.0%	8.54	7.34	6.46	5.78	5.25
	2.5%	9.02	7.65	6.67	5.93	5.36

Source: DR. KALLIWODA RESEARCH © 2007

SENSITIVITY ANALYSIS (Market-Capitalization)

(Mio. US-DOLLAR)	Discount factor					
	$\beta = 1.2$	7.5%	8.5%	9.5%	10.5%	11.5%
0.0%	143	127	115	105	97	
CAGR of revenues in terminal phase	0.5%	148	131	117	107	98
	1.0%	153	135	120	109	100
	1.5%	160	139	123	111	101
	2.0%	167	144	127	114	103
	2.5%	177	150	131	117	106

Source: DR. KALLIWODA RESEARCH © 2007



3. STATEMENT OF CASHFLOWS

The following table shows the level of cash and cash equivalents of US\$ 13.28 million (Q3/2006) as well as the positive development of the operational cash flows.

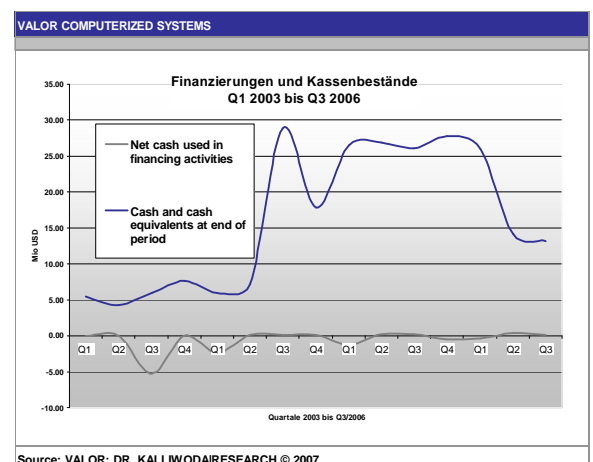
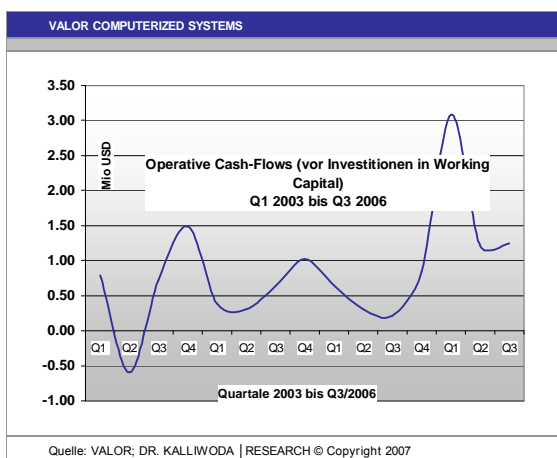
In addition the cash reserves should make acquisitions possible, which would strengthen Valors operational business altogether. But with the take over of TraceXpert a bigger step has already done.

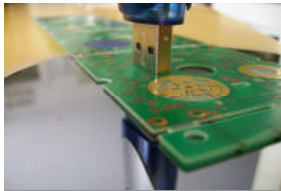
VALOR CONSOLIDATED STATEMENTS OF CASHFLOWS												
	Q4 2005	Q4 2004	Change to Q4 2004	Q1 2006	Q1 2005	Change to Q1 2005	Q2 2006	Q2 2005	Change to Q2 2005	Q3 2006	Q3 2005	Change to Q3 2005
Cash flows from operating activities												
Net profit	0.25	0.301	-16%	0.80	0.631	26%	1.00	0.408	146%	0.75	0.102	639%
Operating cash flows before working capital changes	0.84	0.301	180%	3.08	-0.653	-572%	1.22	0.303	301%	1.24	0.217	472%
Net cash provided by (used in) operating activities	0.37	0.958	-61%	3.88	0.190	1943%	1.67	0.241	593%	-0.93	0.163	-672%
Cash flows from investing activities												
Net cash provided by (used in) investing activities	-0.09	0.222	-141%	-5.19	9.965	-152%	-13.98	-0.108	12842%	1.11	0.766	44%
Cash flows from financing activities												
Net cash used in financing activities	-0.49	0.062	-895%	-0.40	-1.491	-73%	0.39	0.239	65%	0.12	0.207	-44%
Increase (decrease) in cash and cash equivalents	-9.41	1.242	-857.49%	-1.711	8.664	-119.75%	-11.913	0.372	-3302.42%	-1.92	-0.722	166%
Effect of exchange rate changes on opening cash	0.05	-0.022	-345.45%	0.010	-0.050	-120.00%	0.04	-0.002	-2050.00%	0.04	-0.034	-206%
Cash and cash equivalents at beginning of period	26.10	5.965	338%	27.73	17.869	55%	26.03	26.483	-2%	15.12	26.853	-44%
Cash and cash equivalents at end of period	27.73	7.185	286%	26.03	26.483	-2%	14.16	26.853	-47%	13.23	26.097	-49%

Source: VALOR; DR.KALLIWODA | RESEARCH © Copyright 2007

The following graph (below) clarifies that the gross cash flows (operating cash flows before working capital changes) improved since Q2/2004 and vary afterwards between US\$ 0,2 million and US\$ 3.1 million.

The graph (below) "investments and financings and cash in hand" shows the financing loads e.g. dividend payments. Here the reducing cash in hand of Valor becomes clear by the complete assumption of TraceXpert.





4. PROFIT & LOSS ACCOUNTING UNTIL 2010

The following graph shows the profit-and-loss-accounts with estimates up to 2010.

Our sales and earnings estimates are based on a conservative scenario 1 (estimates without acquisitions, see following table).

PROFIT & LOSS VALOR COMPUTERIZED SYSTEMS											
\$ mln											
	2001	2002	2003	2004	2005e	2006e	2007e	2008e	2009e	2010e	CAGR 2001 bis 2010
Revenues (Scenario 1*)	24.8	22.1	25.6	30.7	36.3	37.3	45.0	56.0	62.5	70.0	29.6%
Revenues (Scenario 2*)	24.8	22.1	25.6	30.7	36.5	46.0	57.0	67.0	74.0	82.0	34.8%
% change	-15.4%	-11.0%	16.0%	19.7%	18.5%	2.6%	20.7%	24.4%	11.6%	12.0%	
COGS	-3.3	-2.2	-1.7	-3.5	-5.7	-4.5	-5.5	-6.8	-7.6	-8.5	
% of revenues	13%	10%	7%	12%	16%	12%	12%	-12%	-12%	-12%	
Gross income	21.5	19.8	23.9	27.1	30.6	32.7	39.5	49.2	54.9	61.5	24.4%
% change	-16.3%	-7.7%	20.7%	13.3%	12.8%	7.0%	20.7%	24.4%	11.6%	12.0%	
Gross margin	87%	90%	93%	88%	84%	88%	88%	88%	88%	88%	88%
R & D	-8.0	-6.8	-7.4	-10.4	-10.9	-11.7	-13.2	-15.0	-16.2	-18.2	
% of revenues	-32%	-31%	-29%	-34%	-31%	-29%	-29%	-27%	-26%	-26%	
S, S&A (Distr./Mark.)	-12.9	-10.5	-12.4	-13.9	-16.2	-15.5	-16.7	-20.8	-22.0	-24.6	
% of revenues	52%	47%	49%	45%	42%	37%	37%	37%	35%	35%	
Other op. income	-1.8	-1.9	-1.7	-2.1	-2.4	-2.4	-2.9	-3.7	-4.1	-4.6	
EBITDA	-1.2	0.7	2.4	0.8	1.2	3.1	6.6	9.4	11.6	13.1	45.3%
% of revenues	-5%	3%	9%	3%	3%	8%	15%	17%	19%	19%	
EBITDA margin	-4.7%	3.0%	9.4%	2.5%	3.3%	8.4%	14.8%	16.8%	18.5%	18.7%	
EBIT	-1.2	0.7	2.4	0.8	1.2	3.1	6.7	9.5	10.6	12.1	42.5%
% of revenues	-5%	3%	9%	3%	3%	8%	15%	17%	17%	17%	
EBIT margin	-4.7%	3.0%	9.4%	2.5%	3.3%	8.4%	15.0%	17.0%	16.9%	17.2%	
Financial result	2.1	0.7	1.2	0.8	0.4	1.1	0.3	0.3	0.2	0.0	
Pre tax income	0.9	1.3	3.6	1.54	1.6	4.2	7.0	9.8	10.8	12.1	48.3%
% of revenues	3.8%	6.1%	14.2%	5.0%	4.5%	11.2%	15.6%	17.6%	17.2%	17.2%	
Taxes	0.0	0.0	-1.7	-0.3	-0.2	-0.6	-1.8	-2.5	-2.7	-3.0	
Tax rate	1.7%	1.2%	47.3%	20.7%	15.0%	15.4%	25.0%	25.0%	25.0%	25.0%	
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net income (Ex adj.)	0.9	1.3	1.9	1.22	1.4	3.5	5.3	7.4	8.1	9.1	28.6%
% of revenues	4%	6%	7%	4%	4%	10%	12%	13%	13%	13%	
Net margin	4%	6%	7%	4%	4%	10%	12%	13.2%	12.9%	12.9%	
# shares out (mln)	18.54	18.07	18.05	18.27	18.40	18.40	18.40	18.40	18.40	18.40	
EPS	0.05	0.07	0.11	0.07	0.08	0.19	0.28	0.40	0.44	0.48	28.6%

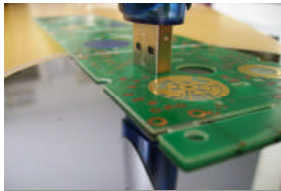
Scenario 1*) Schätzungen ohne Firmenakquisitionen; Unsere DCF-Analyse basiert auf diesem Szenario; Fairer Wert: US\$ 5,27 je Aktie.
 Scenario 2*) Schätzungen mit Firmenakquisitionen (Gewinn-Reihe ist etwas höher verglichen mit Szenario 1); 2006: US\$ 0,21; 2007: US\$ 0,30; 2008: US\$ 0,36; 2009: US\$ 0,37; 2010: US\$ 0,41).
 Fairer Wert: US\$ 5,47 je Aktie.

Source: DR. KALLIWODA | RESEARCH © Copyright 2007; VALOR

The P&L shows a strong sales development from 2001 to 2005 from US\$ 24,9 million to US\$ 36,66 million. In 2010 you see our estimates of US\$ 78 million having calculated an average sales growth for the years 2005 to 2010 of 29,6% (CAGR)¹ from this. For the EBIT we expect US\$ 3.1 million in 2006, US\$ 6.7 million in 2007, US\$ 9.5 million in 2008, US\$ 10.6 million in 2009 and US\$ 12.1 million in 2010, which equals an average EBIT-margin of 14.8%.

The EBT-series is slightly stronger. We expect pre-tax results from 2006 to 2010 to be US\$ 4.2 million, US\$ 7.0 million, US\$ 9.8 million, US\$ 10.8 million and US\$ 12.1 million. These result-series are positively influenced by the financial investments of US\$ 11.37 million (Q3-2006).

¹ Compound Average Growthrate: Here the turnover growth rates were settled. From 2005 to 2010 on the year 2005 with the capital cost set of 9.5 % (WACC).



5. BALANCE & CASHFLOWS

Our balance estimations consider continuous enterprise growth supported by stable cashflow growth. The balance grows, although we subordinated high

declarations of dividend in our cashflow analysis. See for this the also following cashflow statement in the connection of the following balance estimation.

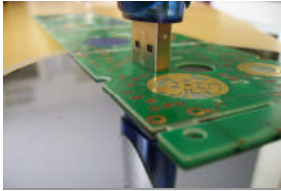
BALANCE SHEET VALOR COMPUTERIZED SYSTEMS																				
US\$ Million																				
	2001	in %	2002	in %	2003e	in %	2004e	in %	2005e	in %	2006e	in %	2007e	in %	2008e	in %	2009e	in %	2010e	in %
Intangible assets	0.8	2	0.4	1	0.3	0.64477	0.5	1.237589	0.5	1.16	0.5	1.0831036	0.5	0.967	0.5	1	0.5	1	0.5	1
(thereof goodwill)	0.8	2	0.4	1	0.3	4	0.4	4	0.4	0.94	0.4	0.8939796	0.4	0.812	0.4	1	0.4	1	0.4	1
Tangible assets	2.8	6	2.2	5	1.8	4	1.6	4	2.3	5	3.0	6	3.8	7	-6.2	9	-6.2	11	-6.2	12
Financial assets	1.7	4	18.5	42	1.8	4	3.2	7	-6.2	-14	-6.2	-13	-6.2	-12	-6.2	-11	-6.2	-10	-6.2	-9
Fixed assets	6.0	11	21.6	48	4.1	9	5.8	12	-3.0	-8	-2.3	-6	-1.5	-4	-11.6	-1	-11.6	2	-11.6	3
Inventories	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Trade debtors	3.9	9	4.9	11	4.6	11	5.5	13	6.1	14	6.2	13	7.1	14	8.3	14	8.9	14	14.8	21
Other current assets	0.8	2	3.2	7	2.0	5	2.3	5	2.5	6	2.6	5	2.9	6	3.4	6	3.7	6	6.1	9
Cash & marketable sec.	35.7	78	14.9	34	30.8	75	30.4	70	39.9	88	41.4	87	44.3	85	47.8	81	50.3	78	45.8	66
Current assets	40.4	89	23.1	52	37.4	91	38.1	88	48.6	108	50.3	106	54.3	104	59.5	101	62.8	98	66.7	97
Total assets	45.59	100	44.24	100	41.26	100	43.31	100	45.16	100	47.54	100	52.34	100	58.82	100	64.17	100	69.06	100
Share capital	35.6	76	38.7	87	35.4	86	34.9	81	34.9	77	34.9	73	34.9	67	34.9	59	34.9	54	34.9	51
Reserves	3.6	8	0.0	0	0.0	0	0.4	1	1.0	2	3.2	7	6.7	13	11.5	20	15.9	25	11.8	17
Minority interests	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Provisions	2.5	5	1.8	4	2.2	5	2.3	5	2.6	6	2.6	5	3.0	6	3.4	6	3.7	6	6.2	9
Financial liabilities	1.6	4	0.9	2	0.9	2	2.8	6	3.1	7	3.2	7	3.6	7	4.2	7	4.5	7	7.6	11
Other liabilities	0.8	2	0.6	1	0.4	1	0.4	8	0.3	1	0.3	1	0.3	1	4.8	1	5.2	1	8.6	1
Total liabilities	7.4	16	5.5	13	5.8	14	-0.7	20	9.2	20	9.4	20	10.7	20	12.4	21	13.4	21	22.3	32
Total equity + liabilities	46.59	100	44.23	100	41.26	100	42.92	100	45.16	100	47.54	100	52.34	100	58.82	100	64.17	64	69.06	100
Working capital	4.7		5		5		5.5		6.1		6		7.1		8		9		15	
Gearing *)	-0.8		-0.4		-0.8		-0.8		-1.0		-1.0		-1.0		-0.9		-0.9		-0.8	

*) Gearing: The further in positives, the more unfavorably the indebtedness quotient "Gearing" (net indebtedness/ capital funds);
 With Valor below 0; very positive balance strength.

Source: DR.KALLIWODA | RESEARCH © Copyright 2007, VALOR.

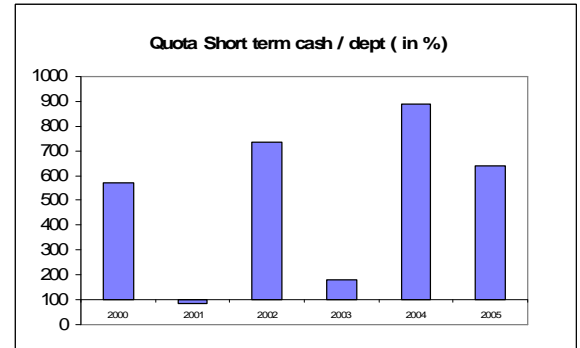
CASH FLOW STATEMENT VALOR COMPUTERIZED SYSTEMS										
US\$ Million										
	2001e	2002e	2003e	2004	2005e	2006e	2007e	2008e	2009e	2010e
Operating cash flow	0.5	2.5	3.5	3.0	1.6	3.3	4.6	6.8	8.8	7.6
Cash flow from investments	5.8	2.4	5.3	8.8	8.8	-0.7	-0.7	-1.0	-1.0	-1.0
Dividend payments	0.0	0.0	-5.3	-2.6	-1.6	-1.6	-2.4	-3.3	-2.8	-2.8
Cash flow Financ. (e.g. buy back)	-4.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	6.4	4.9	8.8	11.9	10.4	2.6	3.9	5.8	7.8	6.6

Source: DR.KALLIWODA | RESEARCH © Copyright 2007, VALOR. CAGR 2005 bis 2010 : 25,3%



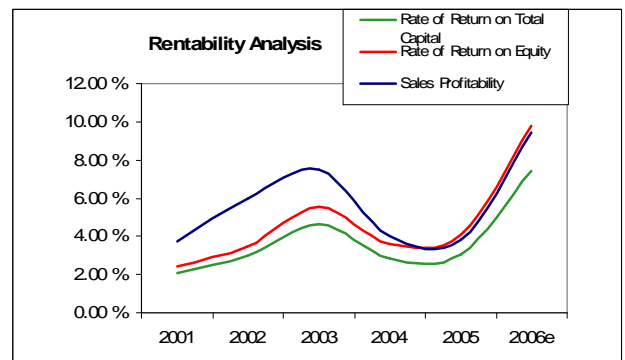
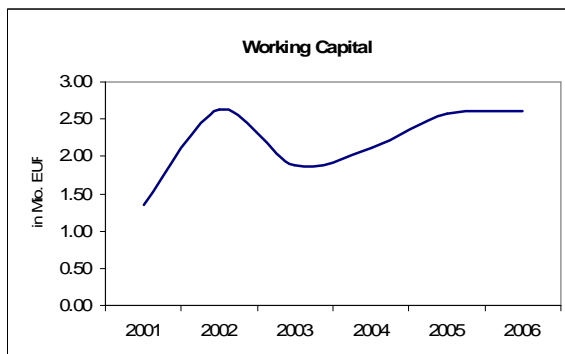
6. BALANCE SHEET ANALYSIS

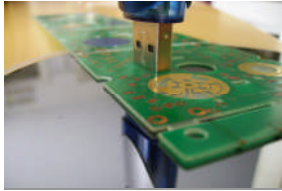
Considering the company's report the liquid means that have so far not influenced the company's operative business catch the eye. Excess liquid means is a positive index for risk securities and repayment of short term debt, however, rentability is down due to the excess cash. Long-term investment capital is very low. Consequently, the company can be flexible in the market due to the rather low fixed cost.



Valor AG's own capital quota is above average at 80%. This gives Valor a competitive advantage with its solid capital structure. It is the predominant reason that Valor will be a competitor for a long time to come. The annual result is not going to be depressed by new investment cost unlike many of Valor's competitors. Within the leverage analysis, optimization indexes show that the company has a near to perfect capital structure.

The company's debt can be repaid for the most part with short-term available means such as stocks held and cash. Rentability key numbers show that there is a downturn tendency. There are no extra gains. There are extra gains as far as overall capital rentability remains above the index for capital cost.





7. CONTACT



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Also view Sales and Earnings Estimates:

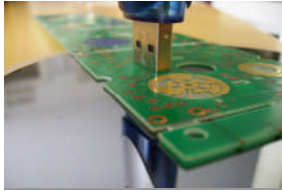
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 Multex.net**

Analyst of this analysis :

Dr. Norbert Kalliwoda; CEFA





8. DISCLAIMER

Rating Key:

BUY	On a basis of our prognoses the stock should have a performance of at least 20% in the following 12 months.	
ACCUMULATE	On a basis of our prognoses the stock should have a performance of between 10% and 20% in the following 12 months.	
HOLD	On a basis of our prognoses the stock should have a performance of between minus 10% and plus 10% in the following 12 months.	
REDUCE	On a basis of our prognoses the stock should have an underperformance of between minus 10% and minus 20%.	
SELL	On a basis of our prognoses the stock should have an underperformance of at least minus 20%	

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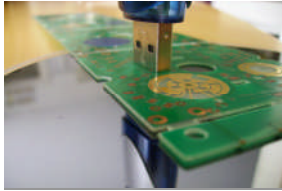
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