COMPANY UPDATE

DR. KALLIWODA EQUITY RESEARCH

August, 12, 2005

VALOR

Rating: BUY (Buy)
Ereignis: Update Q2-Figures
Coverage: Since Q1 2004

VALOR COMPUTERIZED SYSTEMS

Software / Technology

Last Price : € 2,71
Fair Value: € 4,45

Again Good Results !

- **Successful Cross-Selling to Important Clients**
- **Specialist f. Complex Productions with Realtime**
- **Strong Balance and High Cash Reserves**
- **Positive Longterm Prospects**

COMPANYDESCRIPTION

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

Figures in EUR	2002	2003	2004	2005e	2006e
EPS Dr. Kalliwoda	-0,04	0,11	0,09	0,15	0,19
EPS Consensus	-0,04	0,11	0,13	0,16	0,18
Revenues (mln)	22,1	25,6	30,7	35,5	48,0
net Income (adj.)	-0,8	1,9	1,6	2,8	3,4
net cash per share	0,8	1,6	1,5	1,7	1,7
net Cash	14,0	29,9	27,6	32,0	32,0
Free Cash Flow	3,0	8,8	12,3	2,3	1,9
P/E	-	25,6	30,2	17,7	14,3
P/S	-	1,9	1,6	1,4	1,0

Price (curr)	2,67	Shares out (mln)	18,33
52W high	3,45	6M Avrg Vol (000s)	15,5
52w low	1,87	Free Float (in %)	39,2%
Market Cap (mln)	48,9	Weight in Prime All Share	0,005%
Last Dividend	0,07	Reuters code	VCR
Sales CAGR 02-06	21%	Bloomberg	VCR
Web Page	www.valor.com	WKN	928731

Source: DR.KALLIWODA | RESEARCH

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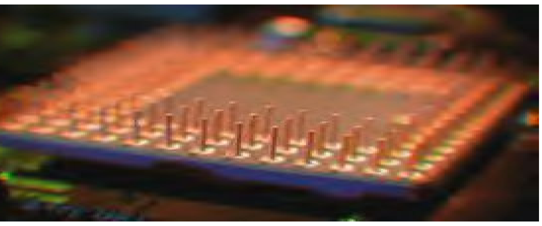
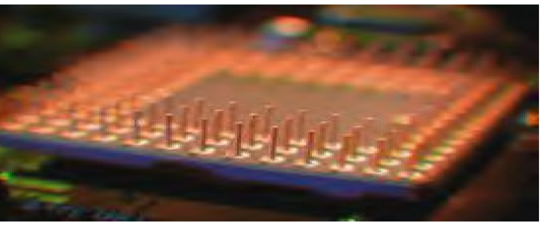


CONTENTS



1. FINANCIALS

1.1 Again Sales record in Q2/2005

Valor Computerized systems has continued its growth course also in the second quarter 2005. Sales and profit clearly increased. Valor exceeded its own expectations with an increase of 20% in revenues compared to the same quarter last year (US$ 9 million in Q2/2005 compared to US$ 7,45 million in Q1/2004). Sales rose by around 20%.Sales in the first six months 2005 reached US$ 17,7 million, an increase of more than 21% compared to the same period of time in 2004 (US$ 14,6 million).

Based on the new International Financial Reporting Standards (IFRS2 – "Share-Based Payments") the net profit before expensing Share-Based Compensation amounted to US$ 0,611 million in Q2/2005. This is double compared to the to first half figures in 2004. After expensing Share-Based Compensation, Valor reached a net profit in Q2/2005 of US$ 0,408 million which represents an increase of 133% compared to the similar time in 2004.

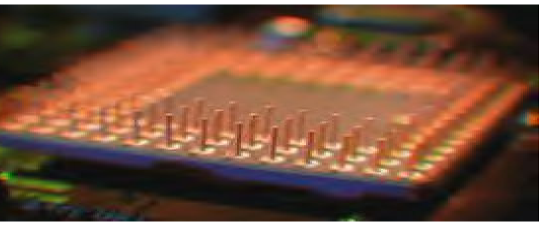
The Earnings Per Share (diluted) increased from US$ 0,01 in Q1/2004 to US$ 0,03 in Q1/2005. For the first six months the net profit reached US$ 1 million wich is an increase of almost 200% compared to 2004.

The following table shows the individual quarters of 2004 and 2005 with our estimates for the third and fourth quarter 2005.

VALOR Q2/2005 Figures in Mio. $ and Estimates for Q3/2005 and Q4/2005

	Q1 2005	Q1 2004	Change to Q1 2004	Q2 2005	Q2 2004	Change to Q2 2004	Q3 2005e	Q3 2004	Change to Q1 2004	Q4 2005e	Q4 2004	Change to Q1 2004	total 2005e	total 2004	Change to total 2004
Revenues															
Product Sales and Related Services	**5,840**	**4,61**	26,63%	**5,893**	**4,77**	23,47%	**6,100**	**5,08**	20,10%	**6,380**	**5,44**	17,39%	**24,213**	**19,899**	21,68%
% of revenues	67,1%	64,5%		65,5%	64,0%		65,6%	65,1%		66,3%	65,8%		66,1%	64,9%	
Maintenance	**2,865**	**2,54**	12,75%	**3,110**	**2,68**	16,09%	**3,200**	**2,72**	17,56%	**3,250**	**2,82**	15,21%	**12,425**	**10,763**	15,44%
% of revenues	32,9%	35,5%		34,5%	36,0%		34,4%	34,9%		33,7%	34,2%		33,9%	35,1%	
Total Revenues	**8,705**	**7,15**	**22%**	**9,003**	**7,45**	**21%**	**9,300**	**7,80**	**19%**	**9,630**	**8,26**	**17%**	**36,638**	**30,662**	**19%**
Cost of Revenues															
Product Sales	**0,849**	**0,28**	200,00%	**1,088**	**0,84**	29,37%	**1,050**	**0,86**	21,67%	**1,030**	**0,85**	21,75%	**4,017**	**2,83**	41,79%
% of revenues	9,8%	4,0%		12,1%	11,3%		11,3%	11,1%		10,7%	10,2%		11,0%	9,2%	
Maintenance	**0,299**	**0,20**	52,55%	**0,245**	**0,16**	57,05%	**0,299**	**0,21**	41,71%	**0,310**	**0,14**	118,31%	**1,153**	**0,705**	63,55%
% of revenues	3,4%	2,7%		2,7%	2,1%		3,2%	2,7%		3,2%	1,7%		3,1%	2,3%	
Total Costs of Revenues	**1,148**	**0,48**	**140%**	**1,333**	**1,11**	**20%**	**1,462**	**1,18**	**23%**	**1,447**	**1,09**	**33%**	**5,170**	**3,538**	**46%**
% of revenues	13,2%	6,7%		14,8%	14,9%		15,7%	15,2%		15,0%	13,2%		14,1%	11,5%	
Gross Profit	**7,557**	**6,67**	**13%**	**7,670**	**6,46**	**19%**	**7,951**	**6,73**	**18%**	**8,290**	**7,27**	**14%**	**31,468**	**27,124**	**16%**
% of revenues	86,8%	93,3%		85,2%	86,6%		85,5%	86,2%		86,1%	88,0%		85,9%	88,5%	
Research and Development Costs	**2,810**	**2,66**	5,72%	**2,825**	**2,46**	14,79%	**2,890**	**2,44**	18,35%	**2,850**	**2,74**	3,94%	**11,375**	**10,303**	10,40%
% of revenues	32,3%	37,2%		31,4%	33,0%		31,1%	31,3%		29,6%	33,2%		31,0%	33,6%	
Selling and Marketing Expenses	**3,617**	**3,34**	8,42%	**3,862**	**3,45**	11,88%	**3,900**	**3,49**	11,75%	**3,850**	**3,45**	11,56%	**15,229**	**13,729**	10,93%
% of revenues	41,6%	46,6%		42,9%	46,3%		41,9%	44,7%		40,0%	41,8%		41,6%	44,8%	
General and Administrative Expenses	**0,612**	**0,57**	7,75%	**0,650**	**0,43**	51,87%	**0,600**	**0,45**	32,16%	**0,620**	**0,47**	31,08%	**2,482**	**1,923**	29,07%
% of revenues	7,0%	7,9%		7,2%	5,7%		6,5%	5,8%		6,4%	5,7%		6,8%	6,3%	
Total Operating Costs and Expenses	**7,039**	**6,56**	**7%**	**7,337**	**7,13**	**3%**	**7,390**	**6,39**	**16%**	**7,320**	**6,67**	**10%**	**29,086**	**25,955**	**12%**
% of revenues	80,9%	91,7%		81,5%	95,7%		79,5%	81,9%		76,0%	80,7%		79,4%	84,6%	
Impairment (loss) earnings															
Profit from Operations	**0,518**	**0,11**	**363%**	**0,333**	**0,11**	**192%**	**0,448**	**0,23**	**95%**	**0,863**	**0,50**	**73%**	**2,382**	**1,169**	**104%**
% of revenues	6,0%	1,6%		3,7%	1,5%		4,8%	3,0%		9,0%	6,1%		6,5%	3,8%	
Financial Income, net	**0,113**	**0,24**	-52,92%	**0,075**	**0,22**	-66,22%	**0,113**	**0,10**	16,49%	**0,100**	**0,21**	-53,05%	**0,401**	**0,772**	-48,06%
% of revenues	1,3%	3,4%		0,8%	3,0%		1,2%	1,2%		1,0%	2,6%		1,1%	2,5%	
Profit before Taxes on Income	**0,631**	**0,35**	**79%**	**0,408**	**0,34**	**21%**	**0,561**	**0,33**	**71%**	**0,963**	**0,713**	**35%**	**2,783**	**1,941**	**43%**
% of revenues	7,2%	4,9%		4,5%	4,5%		6,0%	4,2%		10,0%	8,6%		7,6%	6,3%	
Taxes on Income	**0,000**	**0,06**	-100,00%	**0,000**	**0,04**	-100,00%	**0,200**	**0,04**	440,54%	**0,200**	**0,19**	5,26%	**0,400**	**0,319**	25,39%
% of revenues	0,0%	0,8%		0,0%	0,5%		2,2%	0,5%		2,1%	2,3%		1,1%	1,0%	
Profit bef.Inc.Tax due to Divid.Distribution	0,631	**0,30**	**114%**	0,408	**0,30**	**36%**	0,361	**0,29**	**24%**	0,763	0,523	**46%**	2,383	1,622	**47%**
% of revenues	7,2%	4,1%		4,5%	4,0%		3,9%	3,7%		7,9%	6,3%		6,5%	5,3%	
Income Tax due to Dividend Distribution		**0,00**			**0,00**			**0,00**			**0,00**		**0,000**	**0,000**	
% 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**	**114%**	**0,408**	**0,30**	**36%**	**0,361**	**0,29**	**24%**	**0,763**	**0,52**	**46%**	**2,383**	**1,622**	**47%**
% of revenues	7,2%	4,1%		4,5%	4,0%		3,9%	3,7%		7,9%	6,3%		6,5%	5,3%	
Basic Earnings (Losses) per Share	0,03	0,02	72,12%	0,02	0,02	33,42%	0,02	0,02	24,81%	0,04	0,03	46,58%	0,13	**0,09**	44,47%
Diluted Earnings (Losses) per Share	**0,03**	0,01	215,31%	**0,02**	0,01	104,15%	**0,02**	0,01	25,62%	**0,04**	0,03	47,40%	**0,12**	**0,081**	47,92%
Weighted Av. No. Of Shares Basic Earnings	**18,331**	**18,15**	1,00%	**18,541**	**18,26**	1,56%	**18,331**	**18,40**	-0,36%	**18,331**	**18,40**	-0,38%	**18,33**	**18,27**	0,29%
Weighted Av. No. Of Shares Diluted Earnings	**20,012**	**19,96**	0,24%	**19,985**	**20,60**	-2,97%	**20,012**	**20,22**	-1,01%	**20,012**	**20,20**	-0,93%	**20,00**	**20,14**	-0,68%

Source: VALOR COMPUTERIZED SYSTEMS ; DR.KALLIWODA | RESEARCH



The growth path and the rising profitability continues. Valor is able to penetrate the niche markets worldwide for establishing the brand Valor.

1.2 Estimates for Q3/2005 and Q4/2005

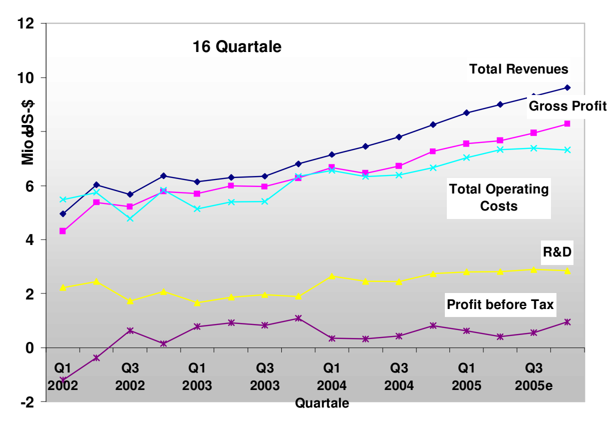
According to our estimations Valor depends less on the semiconductor cycles, since the enterprise acts in a niche market and offers software products, which save costs for the semiconductor manufacturers by increased productivity. For the second half-year 2005 we proceed from an increasing EBIT. For Q3/2005 we calculate sales of US$ 9.3 million and EBIT of US$ 0.45 million. For Q4/2005 we estimate sales of US$ 9.6 million and EBIT with US$ 0.86 million. We prognosticate sales for the whole year 2005 from US$ 36.64 million (+19.5% compared to 2004) and EBIT of US$ 2.4 million (+104% compared to 2004).

The reasons for our positive prognoses is the high acceptance of the software solutions for the productivity increase at the Design and Manufacturing processes in the electronic industry. Also German customers e.g. Continental Temic use core products of the Valor Computerized System. At Continentals location Nuernberg in Germany, the company could minimize call backs and wrong placements by electronic packages on semiconductor disks due to Valors software product TraceXpert.

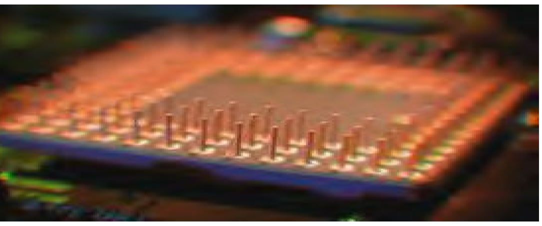
In addition Continental Temic is in a the position to attain detailed information about the product achievement in the production process in order to be able to recognize production failures. Valor obtains high margins, because they can charge its TraceXpert software product per production machine in a production line. A typical production line in a European manufacturing plant consists of four to five precision machines. In Asia there are on average almost twice as many. Larger units are produced in such electronics manufacturing companies (supported by smaller labour costs). The advantage for Valor is obvious: Both continents are important, but the margins and scale effects in Asia are still higher than in Europe. We assume strong scale effects to take effect in particular starting from 2006, if the market is still more strongly filled in Asia. A further sales trigger for Valor software solutions is that the electronics manufacturers want to fight for market shares. The more efficient their production is, the faster they can succeeds in this.

Valor knows how to bind customers by convincing them that already further worth-increasing applications are in the development phase. Already today a positive resume can be taken that the decision was correct to concentrate particularly on Asia as the most important market for Electronics Manufacturing services (EMS). Valor maintains branches in Asia (Hong Kong, Taiwan as well as in the North, the South and the East of China). The following graphics show the enterprise achievement of the last three and a half years with our estimation for the third and fourth quarter 2005. Sales, gross results as well as the respective results before taxes are pleasing, although the company has invested in the branches in Asia in the year 2004. Furthermore the products were improved and developed, in order to fulfill the requirements of Valors´ customers. Valor is able to serve clients the whole range of the product life cycle management (Product Lifecycle management, PLM).

VALOR Quarterly Trends
(Q1 2002 bis Q2 2005 und Q3 2005 und Q4 2005 Estimates)



Quelle: VALOR COMPUTERIZED SYSTEMS; DR. KALLIWODA | RESEARCH



2. STRATEGIC SUCCESS FACTORS AND GROWTH DRIVERS

Valor maintains selling addresses in 23 countries. Customers are accompanied world-wide with product implementations and product updates. 85% of the world-wide electronics companies are Valors customers. Valors customers profit from the following product characteristica:

- **Combination of Design and Production**

Valors´ software concepts contribute to clients production increase in the Design and Manufacturing electronic industry. The DFM technology (Design for Manufacturability) visualizes and ensures the production of semiconductor boards and proofs the CAD-Datas. Also the miniaturization of High speed boards is made possible. Electronics manufacturers can manufacture new products faster and with higher quality. The product Enterprise 3000 contains professional interfaces, which reduce adaptation processes, i.e. a validated virtual manufacturing simulation of the final product examines functionality before material production begins.

- **Manufacturing Support by Trilogy 5000 and TraceXpert**

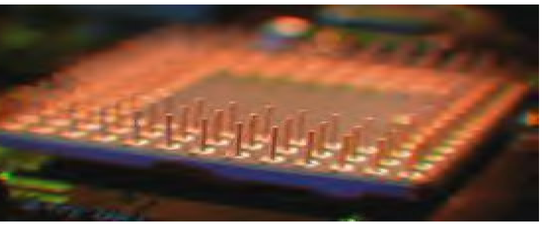
Existing production processes are again arranged and optimized. The productivity in the manufacturing and the entire CAD and pick-and-place-process is measurable. Valor´s software concepts accelerate NPDL (new Product development and Launch). For Customers it is made possible to further rationalize their technical and logistic data flow . Basis is the successful Trilogy 5000 solution. With Trilogy 5000 the production intensity is accelerated. Preparation and change times are reduced and the production performance rise. In particular in Asia, the most important market for Electronics Manufacturing services (EMS) Valors software product Trilogy 5000 is used by most important producers of PCs, notebook- and server-producers. Valors´most important software-products Trilogy 5000 (Pre Production range) and TraceXpert (real time monitoring of the assembly process) cause a synergy: The customers of Valor, which used so far only one of the solutions, could be convinced to integrate the other solution too. We proceed from a further inclination of electronics firms to invest into comprehensive concepts. Valor has the advantage that it is both: specialist for the introduction of new products (new Product Introduction, NPI) and specialist for mass production. As connoisseurs of the printed circuit board industry the future growth possibilities in the next years are high (see for this our sales and profit estimates until 2008 in chapter 5.2).

- **Mass production in Eastern Europe, Eastern Asia and South America**

The US-American and the Western European market remains geographically regard important for NPI (New Product Introduction) and DFM solutions (Design for Manufacturability), however mass production is increasingly shifted to Eastern Europe, South America and to Eastern Asia. Valor recognized this in time and we prognosticate continuous success. For 2008 we calculate sales of US$ 75 million and a EBIT of US$ 6.7 million.

- **M & A-Transaction**

A strong Free-cashflow and a high cash position of US$ 26.85 million permit M&A transactions. Purposeful enterprise purchases would improve the technology basis and would continue to strengthen the standing with existing customers and would facilitate new acquisitions.



3. VALUATION

3.1 Share price goal of US$ 5.6 and a market-capitalization of US$ 113 million

In this chapter we show our valuation of Valor Computerized Systems. For the detailed figures of the sales and earnings- and cashflow-estimates see chapter 5.1 to 5.3.
On the basis of our discount cash flow model with a weighted cost of capital (WACC) of 9.7% and a beta of 1.2 we calculate a fair value of US$ 5.6. With a present Euro/US$ exchange-rate of 1.26 we calculate a fair value of € 4.59 per share (unchanged compared to our last publication) and recommend the stock to buy.

3.2 Company valuation: DCF-Method

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 9.7%. On the basis of these capital costs we derive a fair value for the share of € 4.59. We set the assumption that the company grows on a long-term basis by 1,5% (terminal growth). A fair value of € 4.59 corresponds to an upward potential of approx. 64% compared to the present share price of € 2,71.

Sensitivity analysis

We did a sensitivity analysis in order to detect the variability of our deduced fair value under different economic scenarios. For this, see the following tables below.
The results show an valuation-range of US$ 4.62 to US$ 7.50. We consider a long-term growth of only 0.5% very unrealistic. Even with a long-term growth of only 1% the fair value would vary between US$ 4,71 and US$ 6.75 under the premise of a weighted cost of capital (WACC) between 8 % and 12%. Analogously, the market capitalization would vary between US$ 93 million and US$ 152 million. A long-term growth of 1.5% (Terminal Growth Rate) and a weighted cost of capital of 9.7% is realistic in our eyes. From these numbers, a market-capitalization of US$ 113 million, corresponding to a fair share price of US$ 5.6 for Valor Computerized Systems is calculated

DCF PARAMETER	
PARAMETERS	
Risk-free rate	**3,7%**
Risk premium	**5,0%**
Beta	**1,20**
Longterm growth rate	**1,5%**
Cost of equity	**9,7%**
Cost of debt (after Tax)	**4,2%**
WACC	**9,7%**
NET PRESENT VALUE OF FREE CASH FLOWS (Mio. US-DOLLAR)	
Phase 1 (2005-2006)	**14,7**
Phase 2 (2007-2009)	**33,5**
Phase 3 (2010...terminal value)	**34,4**
Net debt	**30,3**
Value of total equity	**112,9**
DCF value per share	**5,59**

Source: DR.KALLIWODA | RESEARCH 2005

SENSITIVITY ANALYSIS per Share

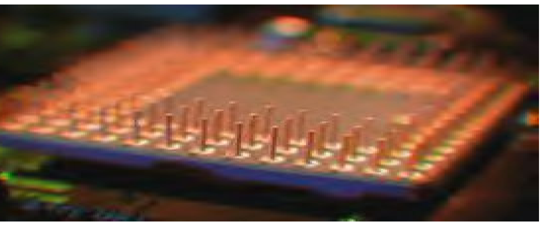
(US-DOLLAR)		Discount factor				
	ß = 1,2	0,08	0,09	0,097	0,11	0,12
	0,0%	6,41	5,80	5,32	4,94	4,62
CAGH of revenues in terminal phase	0,5%	6,57	5,91	5,40	4,99	**4,66**
	1,0%	6,75	6,03	5,49	**5,06**	4,71
	1,5%	6,96	6,17	**5,59**	5,13	4,76
	2,0%	7,20	**6,34**	5,70	5,21	4,82
	2,5%	**7,50**	6,52	5,82	5,29	4,88

Source: Dr. Kalliwoda Research

SENSITIVITY ANALYSIS (Market-Capitalization)

(Mio. US-DOLLAR)		Discount factor				
	ß = 1,2	7,7%	8,7%	9,7%	10,7%	11,7%
	0,0%	130	117	108	100	93
CAGR of revenues in terminal phase	0,5%	133	120	109	101	**94**
	1,0%	136	122	111	**102**	95
	1,5%	141	125	**113**	104	96
	2,0%	146	**128**	115	105	97
	2,5%	**152**	132	118	107	99

Source: Dr. Kalliwoda Research



4. SWOT ANALYSIS

STRENGTHS

Client Penetration	Valor is strongly integrated in the vertical structures of important companies
Management	Competent Mananagement with strong know-how in the electronic segment; meaningful geographical distribution of Valors´ human resources
Cashflow	High operational cashflow: US$ 30.6 million sales in 2004 and US$ 3.44 million operational cash-flow
Cash	High cash reserves of US$ 26.8 million
Assembly Expertise	State-of-the-art technology; strong assembly process expertise: Know-how with high speed boards and with miniaturization of circuit boards
Trilogy 5000	Trilogy 5000 as the biggest growth driver (new documentations-editor and shape-manager-modul)
TraceXpert	Best in class product TraceXpert as growth driver: Expert-tool for real time monitoring and component traceability
ODB++	Professional open DATA format ODB++; full data portability; Real time production control leads to improved product quality higher production volume
Client basis	Huge client basis

OPPORTUNITIES

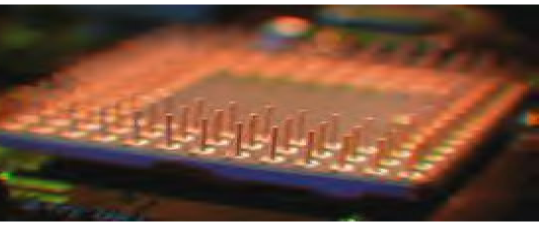
Asia and Japan	High turnover and profit potential in Asia and Japan
M&A	Lining up M&A transactions
Market trends	Market trends of the product innovations and the ever shorter product life cycles support Valors strategy and sales potential
Clients preferences	Customers need improved product quality and the possibility of efficient back tracing of all used product-components for the later comprehensibleness of the component supplier
Complex Semiconductors	Trend for more complex and more compact disks and electronic components Only professional and efficient production systems master the complexity
Profitability	High Investments in software development (R&D) provide good chances for Valor to penetrate blue chip customers more strongly

WEAKNESSES

Enterprise 3000	Enterprise 3000 with limited growth

THREATS

Semicond. Cycles	Operational presence in over 23 countries requires high distribution and efforts of organization.



5. APPENDIX:

5.1 Development Of Operative Cashflows

The following table shows the high level of cash and cash equivalents of US$ 26,85million (Q2/2005) as well as the positive development of the operational cash flows. Therefore Valor has very good possibilities to invest into new products which can strengthen the technological leadership and continue to increase the results in the next quarters.

In addition the high cash reserves should make acquisitions possible, which would strengthen Valors operational business altogether. We assume that Valor will take over small niche-companies, in order to be able to serve the large markets in particular in the USA, Asia and Japan purposefully.

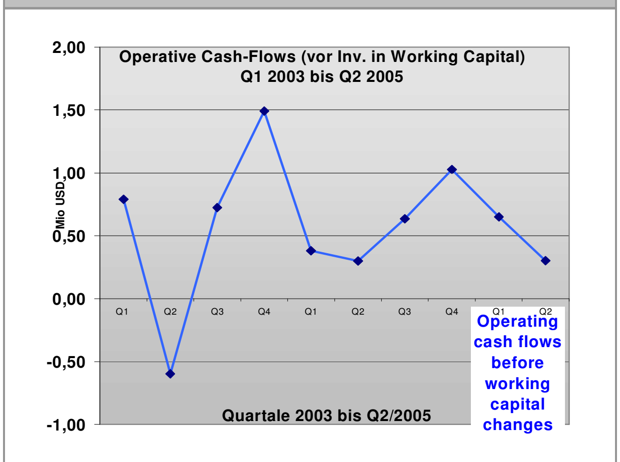
VALOR CONSOLIDATED STATEMENTS OF CASHFLOWS

	Q1 2004	Q1 2003	Q2 2004	Q2 2003	Q3 2004	Q3 2003	Q4 2004	Q4 2003	total 2004	total 2003	Change to total2004	Q1 2005	Q1 2004	Change to Q1 2004	Q2 2005	Q2 2004	Change to Q2 2004
Cash flows from operating activities																	
Net profit	0,295	0,62	0,301	-0,54	0,401	0,85	0,625	0,975	1,62	1,91	-15%	0,63	0,30	114%	0,41	0,301	36%
Operating cash flows before working capital changes	0,38	0,79	0,301	-0,596	0,64	0,72	1,027	1,491	2,35	2,41	-3%	0,65	0,38	70%	0,30	0,301	1%
Net cash provided by (used in) operating activities	0,12	2,12	0,958	1,051	-0,22	-1,29	2,577	2,123	3,44	4,00	-14%	0,00	1,25	-100%	0,24	0,958	-75%
Cash flows from investing activities																	
Net cash provided by (used in) investing activities	-0,53	-0,59	0,222	-2,235	21,74	8,20	-12,587	-0,510	8,84	4,87	81%	9,97	-0,53	-1966%	-0,11	0,222	-149%
Cash flows from financing activities																	
Net cash used in financing activities	-2,40	-0,01	0,062	-0,017	0,14	-5,28	0,088	0,039	-2,11	-5,27	-60%	-1,30	-2,40	-46%	0,24	0,062	285%
Increase (decrease) in cash and cash equivalents	-1,68	1,53	1,24	-1,20	21,66	1,63	-11,046	1,65	10,173	3,60	182,27%	8,664	-1,68	-615%	0,37	1,242	-70,05%
Effect of exchange rate changes on opening cash	0,00	-0,004	-0,02	0,006	-0,02	0,06	0,087	0,02	0,047	0,08	-41,98%	-0,050	-0,001	4900%	-0,002	-0,022	-90,91%
Cash and cash equivalents at beginning of period	7,65	3,96	5,965	5,485	7,19	4,29	28,828	5,973	7,65	3,96	93%	17,87	7,65	134%	26,48	5,965	344%
Cash and cash equivalents at end of period	5,97	5,49	7,185	4,290	28,83	5,97	17,869	7,649	17,87	7,65	134%	26,48	5,97	344%	26,85	7,185	274%

Source: VALOR COMPUTERIZED SYSTEMS ; DR.KALLIWODA | RESEARCH

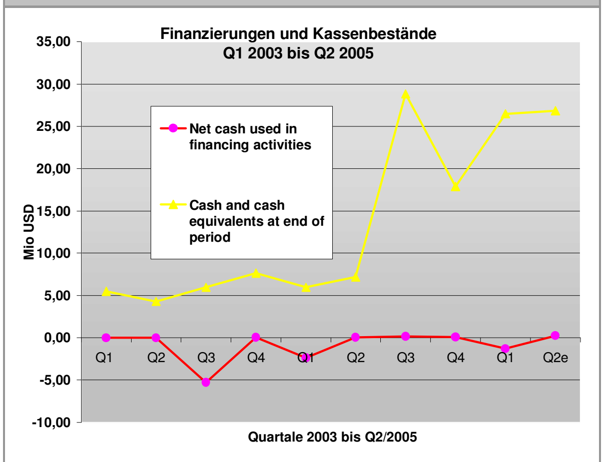
The following graph (left side) clarifies that the gross cash flows (operating cash flows before working capital changes) improved since Q2/2004 and vary afterwards between US$ 0,65 million and US$ 1 million.

VALOR COMPUTERIZED SYSTEMS



Quelle: VALOR COMPUTERIZED SYSTEMS; DR. KALLIWODA|RESEARCH

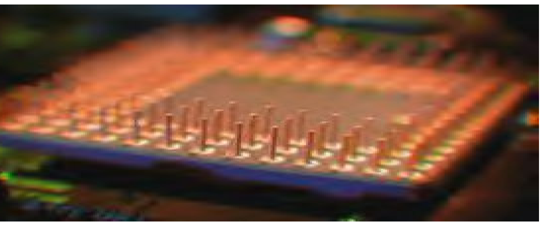
VALOR COMPUTERIZED SYSTEMS:



Quelle: VALOR COMPUTERIZED SYSTEMS; DR. KALLIWODA|RESEARCH

The graph on the right side "investments, financings and cash" shows the financing loads e.g. dividend payments.

Here again the high cash position of Valor an important basis for the further enterprise expansion becomes very clear.



5.2 Profit- and Loss-Accounting until 2008

The following graph shows the profit-and-loss-accounts with estimates up to 2008.

The figures are nearly unchanged since our last quarter update from 29. May 2005. We have increased our sales-estimates for 2005 by US$ 1,1 million.

PROFIT & LOSS **VALOR COMPUTERIZED SYSTEMS**

$ mln

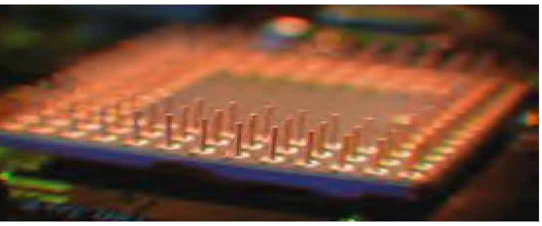
	2001	2002	2003	2004	2005e	2006e	2007e	2008e	CAGR 2001 bis 2008
Revenues	**24,8**	**22,1**	**25,6**	**30,66**	**36,6**	**48,0**	**63,0**	**75,0**	**31,9%**
% change	-15,4%	-11,0%	16,0%	19,7%	19,5%	31,0%	31,3%	19,0%	
COGS	-3,3	-2,2	-1,7	-3,5	-5,2	-5,5	-7,2	-8,6	
% of revenues	13%	10%	7%	12%	14%	11%	11%	-11%	
Gross income	**21,5**	**19,8**	**23,9**	**27,1**	**31,5**	**42,5**	**55,8**	**66,4**	**26,8%**
% change	-16,3%	-7,7%	20,7%	13,3%	16,0%	35,0%	31,3%	19,0%	
Gross margin	**87%**	**90%**	**93%**	**88%**	**86%**	**89%**	**89%**	**89%**	**89%**
R & D	-8,0	-6,8	-7,4	-10,3	-11,4	-13,7	-17,6	-20,5	
% of revenues	32%	31%	29%	-34%	-29%	-28%	-21%	17%	
S, S&A (Distr./Mark.)	-12,9	-10,5	-12,4	-13,7	-15,3	-20,0	-26,2	-31,2	
% of revenues	52%	47%	49%	-45%	-42%	-42%	-31%	19%	
Other op. Income	-1,8	-1,9	-1,7	-1,9	-2,5	-3,3	-4,3	-5,1	
EBITDA	**-1,2**	**0,7**	**2,4**	**1,2**	**2,4**	**5,5**	**7,7**	**9,3**	
% of revenues	-5%	3%	9%	4%	6%	11%	12%	12%	
EBITDA margin	**-4,7%**	**3,0%**	**9,4%**	**3,8%**	**6,4%**	**11,5%**	**12,2%**	**12,4%**	
EBIT	**-1,2**	**0,7**	**2,4**	**1,2**	**2,4**	**5,5**	**7,8**	**9,4**	**6,8%**
% of revenues	-5%	3%	9%	4%	6%	11%	12%	12%	
EBIT margin	**-4,7%**	**3,0%**	**9,4%**	**3,8%**	**6,4%**	**11,4%**	**12,3%**	**12,5%**	6,8%
Financial result	2,1	0,7	1,2	0,8	0,6	0,8	0,7	0,8	
Pre tax income	**0,9**	**-0,8**	**3,6**	**1,94**	**3,0**	**6,3**	**8,4**	**10,1**	**8,6%**
% of revenues	3,8%	-3,5%	14,2%	6,3%	8,1%	13,1%	13,4%	13,5%	
Taxes	0,0	0,0	-1,7	-0,3	-0,6	-1,6	-2,1	-2,5	
Tax rate	1,7%	-2,1%	47,3%	16,4%	20,0%	25,0%	25,0%	25,0%	
Minorities	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
Net income (Ex adj.)	**0,9**	**-0,8**	**1,9**	**1,62**	**2,4**	**4,7**	**6,3**	**7,6**	**29,6%**
% of revenues	4%	-4%	7%	5%	6%	10%	10%	10%	
Net margin	**4%**	**-4%**	**7%**	**5%**	**6%**	**10%**	**10%**	**10,1%**	
# shares out (mln)	18,54	18,07	18,05	18,27	18,40	18,40	18,40	18,40	
EPS	**0,05**	**-0,04**	**0,11**	**0,09**	**0,13**	**0,26**	**0,34**	**0,41**	**29,8%**

Source: DR. KALLIWODA | RESEARCH; VALOR COMPUTERIZED SYSTEMS

The P&L shows a strong sales development from 2001 to 2004 from US$ 24,9 million to US$ 30,66 million and expected sales of US$ 36,6 million to US$ 75 million for the years 2005 to 2008 and we calculate an average sales growth for the years 2005 to 2008 of 31,9% (CAGR)[1)] from this. For the EBIT we expect US$ 2,4 million in 2005, US$ 5,5 million in 2006, US$ 7,8 million in 2007 and US$ 9,4 million in 2008, which equals an average EBIT-margin of 8,3%.

The EBT-series is stronger. We expect pre-tax results from 2005 to 2008 to be US$ 3.0 million, US$ 6,3 million, US$ 8,4 million and US$ 10,1 million, which results in an EBT-margin of 10% on average with continuous growth. These result-series are positively influenced by a high stock of financial investments of US$ 26,85 million, even though this stock and the interest obtainable through it could be reduced by the acquisition of smaller companies.

[1] Compound Average Growthrate: Here the turnover growth rates were settled. From 2005 to 2008 on the year 2005 with the capital cost set of 9.7 % (WACC).



5.3 Balance and Cash Flow-Statement until 2008

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$ Millionen

	2001	in %	2002	in %	2003e	in %	2004e	in %	2005e	in %	2006e	in %	2007e	in %	2008e	in %
Intangible assets	0,8	2	0,4	1	0,3	0,645	0,5	1,238	0,5	1,13	0,5	0,992	0,5	0,869	0,5	1
(thereof goodwill)	0,8	2	0,4	1	0,3	4	0,4	4	0,4	0,91	0,4	0,819	0,4	0,73	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	3,2	8
Financial assets	1,7	4	18,5	42	1,8	4	3,2	7	3,2	7	3,2	6	3,2	6	3,2	5
Fixed assets	6,0	**11**	21,6	**48**	4,1	**9**	5,8	**12**	6,5	**13**	7,2	**13**	8,0	**13**	7,4	**14**
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
Trade debtors	3,9	9	4,9	11	4,6	11	5,5	13	6,2	13	7,4	14	9,0	15	10,1	16
Other current assets	0,8	2	3,2	7	2,0	5	2,3	5	2,6	5	3,1	6	3,7	6	4,2	7
Cash & marketable sec.	35,7	78	14,9	34	30,8	75	30,4	70	31,8	68	34,6	67	37,9	65	41,2	64
Current assets	40,4	**89**	23,1	**52**	37,4	**91**	38,1	**88**	40,6	**87**	45,1	**87**	50,7	**87**	55,5	**86**
Total assets	**45,59**	100	**44,24**	100	**41,26**	100	**43,31**	100	**46,59**	100	**51,88**	100	**58,20**	100	**64,36**	100
Share capital	35,6	76	38,7	87	35,4	86	34,9	81	34,9	75	34,9	67	34,9	60	34,9	54
Reserves	3,6	8	0,0	0	0,0	0	0,8	2	2,4	5	5,8	11	9,7	17	14,2	22
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
Provisions	2,5	5	1,8	4	2,2	5	2,3	5	2,6	6	3,1	6	3,7	6	4,2	7
Financial liabilities	1,6	4	0,9	2	0,9	2	2,8	6	3,1	7	3,8	7	4,6	8	5,2	8
Other liabilities	0,8	2	0,6	1	0,4	1	0,4	8	0,3	1	0,4	1	0,4	1	5,9	1
Total liabilities	7,4	16	5,5	13	5,8	14	-0,7	19	9,3	20	11,2	22	13,5	23	15,3	24
Total equity and liabilities	**46,59**	100	**44,23**	100	**41,26**	100	**43,32**	100	**46,59**	100	**51,88**	100	**58,20**	100	**64,36**	100
Working capital	4,7		5		5		5,5		6,2		7		9,0		10	
Net debt (u.a. Umlaufverm.)	-33,1		-14		-29		-26,8		-27,4		-28		-30,2		-32	
Gearing	-0,8		-0,4		-0,8		-0,8		-0,8		-0,7		0,0		0,0	

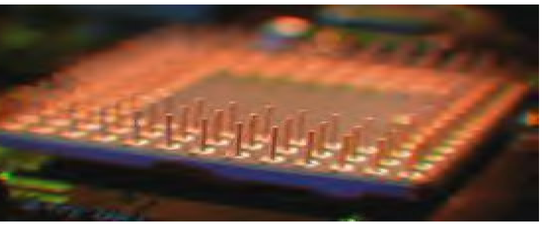
Source: DR.KALLIWODA | RESEARCH, VALOR COMPUTERIZED SYSTEMS

CASH FLOW STATEMENT VALOR COMPUTERIZED SYSTEMS

US$ Millionen

	2001e	in %	2002e	in %	2003e	in %	2004	in %	2005e	in %	2006e	in %	2007e	in %	2008e	in %	CAGR 00-08
Operating cash flow	**0,5**		**0,4**		**3,5**		**3,4**		**2,6**		**4,0**		**5,3**		**7,0**		32,7%
Cash flow from investments	5,8		2,4	-51	5,3		8,8		-0,7		-0,7		-0,7		-1,0		
Dividend payments	0,0		0,0		-5,3		-2,6		-1,6		-2,1		-2,8		-3,4		
Cash flow Financ. (e.g. buy back shares)	-4,7		0,0		0,0		0,0		0,0		0,0		0,0		0,0		
Free cash flow	**6,4**		**2,8**		**8,8**		**12,3**		**1,9**		**3,3**		**4,6**		**6,0**		

Source: DR.KALLIWODA| Research, VALOR COMPUTERIZED SYSTEMS

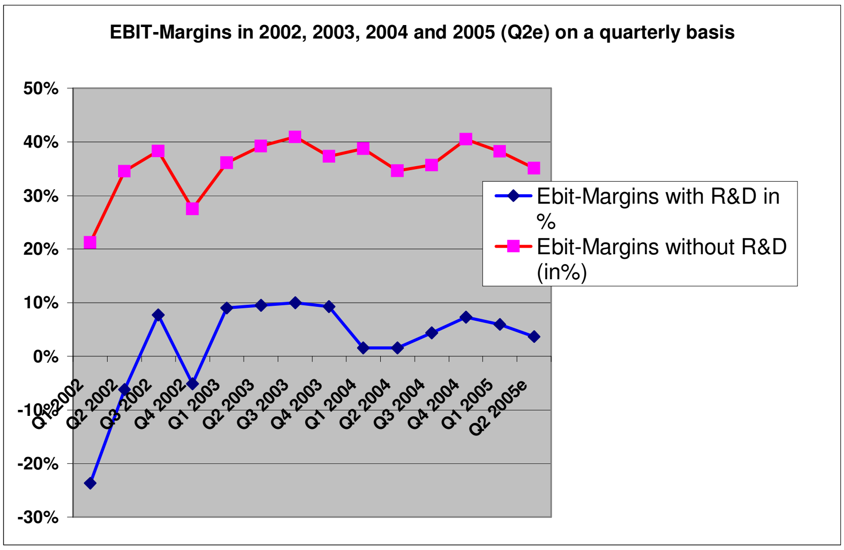


5.4 EBITRaD: Earnings before interest, tax and Research & Development

The following graph shows that Valor is a profitable enterprise. The curve above shows a hypothetical EBIT-margin computation that does not account for R&D expenditures. We call it EBITRaD-margin (Earnings before Interest, Tax and R&D). Here, Valor exhibits an impressive margin of 37.4% on average for the financial year 2004, 38.4% for 2003 and 30.4% for 2002. For Q2/2005 we derive an EBITRaD of 35%.[2]

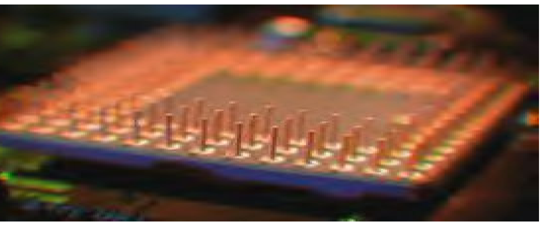
VALOR Quarterly Trends (2002 bis Q2 2005e)

Relevant R&D-activities: Hypothetical EBIT without R&D-activities



Quelle: VALOR COMPUTERIZED SYSTEMS; DR. KALLIWODA | RESEARCH

[2] Valor obtained US$ 9 million in Q2/2005 and EBIT of US$ 0,33 million and invested US$ 2,825 million in R&D.



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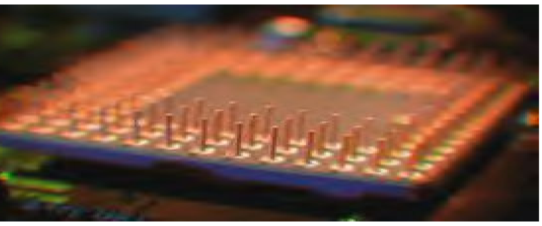

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