

NEWS FOR IMMEDIATE RELEASE

Stock Options Vex Private Companies, Not Just Public Ones

Prediction Market Pioneer Numeria Offers Independent Valuation of Private Companies

PRINCETON, N.J., August 8, 2006 – While mispricing and backdating employee stock options raise serious questions about corporate governance in public companies, the challenge of estimating fair market value before issuing options vexes private firms, too. This is a particular concern for those companies funded with private equity or that are enroute to a possible IPO, and the nearly 10 million employees in the U.S. who have received options from private and public companies.

Before issuing employee stock options, private companies are required to have an independent valuation. With stock options most frequently found in firms that are fast-growing or have high potential, establishing the right value is critical. If the value of the firm is less than the true fair market value of the company, then the securities and tax authorities will require the firm to restate its earnings and the employees who received options to pay income taxes. Companies typically don't appreciate the magnitude of this issue until they undertake a financing, alliance or sale, when the stakes are very high.

Numeria, a revolutionary prediction market, offers private firms a market-based alternative for estimating their value. Using a global network of independent analysts, who each develop comprehensive valuation reports before submitting bids through a secure real-time platform, firms are quickly and objectively marked-to-market. Numeria enables firms to be dynamically priced, just like a real market, but without actually selling shares or assets. Each valuation is Numeria Certifiedsm, conveying to boards, investors, auditors, regulators and activists that it is reliable and bias-free.

“Numeria was designed expressly to mark-to-market companies that are private, and public firms with illiquid assets like subsidiaries and divisions, so that they can set a realistic fair market value for stock options, acquisitions, IPOs, capital raising and other strategic decisions,” said Peter J. Leitner, founder and CEO of Numeria. “As regulators and investors look even closer at how companies are valued, Numeria gives management, the board and investors the clearest view of this.”

About Numeria: Numeria Management LLC created the first marketplace for valuing private firms and other hard-to-value corporate assets. Based in Princeton, N.J. with a global network of independent analysts, Numeria harnesses the forces of price discovery to provide the clearest view of corporate value. For additional information, see www.numeria.com.

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