



The International Society of Professional Valuers

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AMERICAN SOCIETY OF APPRAISERS RELEASES TOP FIVE REASONS WHY EVERY COMPANY SHOULD HAVE A CURRENT BUSINESS VALUATION

WASHINGTON, D.C. — As the top business valuation experts convene this week in Las Vegas to discuss emerging issues including a company's fair value, the ins and outs of determining the worth of private equity funds, the worth of intangibles and new regulations governing business, it is clear that many executives still don't know as much as they could about the field of business valuation.

"In this climate of corporate accounting scandals and quickly evolving corporate accounting legislation, it is very important for companies to be knowledgeable about regulations which mandate valuations," said Donna J. Walker, ASA, International President of the American Society of Appraisers and a principal with Columbia Financial Advisors Inc. in Portland, Ore. "Even if your company isn't required to have a business valuation, it is still important to your company's future to know exactly what it is worth."

The American Society of Appraisers (ASA), among the founding members of the field of business valuation, recommends that every company, whether publicly traded or not, have a current business valuation.

"Every CEO or President of a company should have a current business valuation in his or her desk drawer, says Bruce Bingham, ASA, senior managing director with Trenwith Valuation LLC in New York. "It is the only way to make informed decisions about the direction your company should take."

The following are the top reasons that companies benefit from having a business valuation.

- 1. Know what your company is worth.** Many business owners have no idea what their business is worth; and if they think they know, they are probably wrong. Sentiment often gets in the way of good judgment. For a fair and independent opinion, CEOs and owners should obtain a professional business valuation.
- 2. Understand where your company fits in the landscape.** A business valuation will research and provide an explanation of your specific industry and will place your company in the competitive landscape of your specialized market. It will also tell you the market price of publicly traded companies that are engaged in your line of business.
- 3. Learn the financial condition of your company.** Business owners may think they understand the financial health of their company, however having an independent review and analysis including intangible assets can confirm or deny the theories.

4. Make fast decisions on buying, selling, and mergers. If you are faced with the option to buy, sell, or attract capital for your business, you may not have time to wait to have a business valuation completed. Having a current valuation will enable you to strike while the iron is hot.

5. Stay current. The market is in constant flux. It is important to get regular business valuations because your company, your industry and the economy are continually changing. A business valuation report, completed by an accredited valuation expert who is a member of a professional society working in compliance with established professional standards, may be appropriate for use in courts, for financing and for tax challenges as needed.

To find a business valuation expert near you, log on to www.appraisers.org.

About ASA

The American Society of Appraisers is an international organization of appraisal professionals and others dedicated to the education, development and growth of the appraisal profession. ASA is the oldest and only major organization representing all disciplines of appraisal specialists, originating in 1936 and incorporating in 1952. ASA's headquarters is in the metropolitan Washington, D.C., area. To find an accredited appraiser near you, visit www.appraisers.org or call (800) 272-8258.