



Media release
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WHAT CEOs DON'T KNOW ABOUT VALUE COULD COST THEM
Star employees, ideas and brands often under reported

(HALIFAX– JUNE 05, 2006) – According to The Canadian Institute of Chartered Business Valuators (CICBV), when it comes to assigning a price tag to value, many CEOs and other business leaders are short-changing themselves.

Unlike traditional accounting, assessing the true value of a company is as much about predicting future potential as analyzing past performance. And, in many cases, intangible assets, like patents or contracts, are among a company's most valuable, especially in emerging fields where there are no benchmarks.

“Most CEOs are aware that value goes far beyond bricks and mortar, but when it comes to putting a dollar figure on it, they get stuck because they, and many times their CFOs, don't have the training and experience in this field,” said Jeannine Brooks, Executive Vice-President of the CICBV. “This is a highly specialized area within financial advisory services and it is often not until value is being questioned that CEOs become aware that there is an entire group of professionals called Chartered Business Valuators (CBVs).”

CBVs are often recruited to help companies navigate their way through the process of buying or selling a business, resolving shareholder disputes, determining fair value for financial reporting and litigation support.

“We often say that the business of valuation is more of an art than a science,” said Mary Jane Andrews, a Halifax-based Chartered Business Valuator, and Partner in Charge of the Advisory Practice in Atlantic Canada for KPMG LLP. “If I buy a building for \$1 million, I can show that on my financial statements, but if I hire an employee who is brilliant and helps me to build better products for my customers, then how do I record that as an asset on my books? That's where a CBV's expertise comes in.”

Currently, there are only 1,100 Chartered Business Valuators across Canada who have passed a rigorous set of courses and exams and met lengthy professional experience requirements. The designation is managed by The Canadian Institute of Chartered Business Valuators, which also regulates its members with Practice Standards and a Code of Ethics.

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For more information contact:

Brown & Cohen Communications & Public Affairs Inc. 416-484-1132

Lindsay Mattick ext. 5 or lindsay@brown-cohen.com or

Wendy Kauffman ext. 3 or wendy@brown-cohen.com