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NumeriX Unveils Another First - New Model for Pricing Volatile Credit Products

*Model based on Markovian projection technique captures market volatility,
enables accurate modeling of exotic CDOs*

NEW YORK, November 26, 2007 – NumeriX, the award-winning, independent leader in pricing and risk analytics for fixed income, credit, foreign exchange, hybrids, cross currency, inflation rate and equity derivatives, today announced the release of the first commercially available pricing model for exotic credit products. The new two-dimensional Markovian model is the first to enable traders to quickly and accurately capture the impact of the dynamics of aggregate credit portfolio default loss.

This makes the new model the industry's most sophisticated tool for the valuation of complex Collateralized Debt Obligations (CDOs) and derivatives, including options on tranches, forward starting CDOs and other credit instruments. As a result, traders gain increased insight into fast moving credit markets with highly volatile spreads, with reduced risk and higher profits.

The model is integrated into the standard NumeriX solution framework, allowing for easy deployment across a customer's entire organization, including front office trading, operations and risk management. It is available for use in NumeriX 6 for Microsoft Excel, NumeriX Portfolio, software development kits and plug-ins for popular third-party trading platforms and leading risk management systems.

“As the increased volatility of the credit crunch continues to wreak havoc on the market, the importance of sophisticated analytics that help traders make sense of complex, credit-backed products is becoming clearer each day. The ability to deploy accurate and fast software pricing solutions is an incredibly powerful tool – one that increases transparency into the valuation of risky investments,” said Steven R. O’Hanlon, president and COO of NumeriX. “NumeriX is firmly established as the clear-cut leader in pricing and risk analytics, and this model is another validation of the hard work our 40+ Ph.D.s put into developing solutions that encapsulate more industry knowledge and best practices than any other solution on the market.”

The new model, developed by Andrei Lopatin, a quantitative analyst at NumeriX, is the first two-dimensional, intensity-based Markovian model of the stochastic loss. It can be easily and quickly calibrated to the market of synthetic CDOs, which contains a transparent and liquid source of quotes, which is necessary as a foundation for pricing complex instruments.

“Complex CDOs are among the most difficult products for financial professionals to accurately price – a fact made clear by the recent credit crunch and sub-prime crisis,” said Lopatin. ““The dynamic credit modeling incorporates the market risk related to the volatile spread movements that typically occur even in the absence of defaults. This feature is absolutely necessary to model sophisticated credit products.”

On November 6, Lopatin delivered a presentation outlining the model and its potential applications at the Risk USA conference in New York City. For more information or to download a paper on the new model written by Lopatin, please go to <http://www.numerix.com>.

About NumeriX

NumeriX is the award-winning, independent leader in pricing and risk analytics for fixed income, credit, foreign exchange, hybrids, cross currency, inflation rate and equity derivatives. NumeriX has a financial engineering and quantitative team composed largely of Ph.D.'s on the same scale as the very largest of financial institutions. More than 200 clients across 25 countries rely on NumeriX risk analytic software for speed and accuracy in valuing their structured products and derivatives. Trading and risk platform vendors leverage NumeriX analytics to gain a time-to-market advantage by embedding the power of NumeriX into their systems. Founded in 1996, the company is privately held with offices in New York, Chicago, Santa Fe, Toronto, London, Paris, Singapore and Tokyo. For more information visit www.numerix.com.

