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Peering into VeriSign's Foolish \$12 Billion Bubble.

Today, Asensio & Company, Inc., an investment bank that conducts a specialty business in independent corporate valuations of excessively promoted companies, initiated research coverage on shares of VeriSign, Inc.'s publicly traded common stock (Nasdaq: VRSN; \$57) with a Strong Sell and Short Sell recommendation. Asensio publishes research on companies that are at least 80% overvalued and where it has found indication that the overvaluation exists as a result of the dissemination of incomplete, inaccurate or false information, or the failure to disclose material negative information.

Analysts are expecting operating income to grow 60% in the next nine months, even though during much better market conditions, and from a lower base, operating income grew only 24% in the last nine months. VeriSign's \$12 billion market capitalization has fully discounted the very high likelihood that VeriSign will meet or exceed this 60% growth. This 60% minimum target is not fact-based and does not reconcile with price performance or conditions in its product market. It is constructed without access to critical information. As a result, we believe that VeriSign's stock price is unreliable, ill founded and excessive, even under best-case scenario.

We believe that VeriSign has issued misleading statements concerning its historical and future revenue and income growth. VeriSign has also decided to combine its very separate Trust and Domain Name businesses for financial reporting purposes. VeriSign has refused to provide analysts and investors with the vital segment information required to generate any meaningful analysis.

VeriSign's revenues and income, pricing and market-share data all show well-established structural downtrends. Analysts continue to recommend purchase of VeriSign shares despite the fact that its current stock price fully reflects the highly uncertain event that it will meet or exceed their unreasonable projections. We feel these recommendations and projections are based not on independent analysis of complete and transparent data, but instead are based on incomplete, inaccurate, highly managed morsels of information provided by VeriSign.

John Wiley & Sons, Inc. has published a book about Asensio & Company's short selling, "Sold Short: Uncovering Deception in the Markets." The book will be available in bookstores nationwide on May 18, 2001, or can be ordered now through the Internet at <http://www.asensio.com>.