FINAL

Grant Thornton

June 27, 2011

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RE: Couchsurfing International, Inc. – Final Valuation Report

Dear Mr. Crandlemire and Ms. Hall:

Enclosed is a copy of our report regarding the fair market value of a 100 percent equity interest in CouchSurfing International, Inc., as of December 31, 2010, for purposes of converting the Company from a non-profit corporation to a profit corporation.

Please do not hesitate to contact us with any questions or additional needs.

Sincerely,

Charlotte A. Connolly

Charlotte A. Connolly
Materials Editor, Advisory Services - Valuation

/cac
Enclosures
Cc: Copy to file

Grant Thornton

CouchSurfing International, Inc.

Fair Market Value
As of December 31, 2010

Report Issued: June 21, 2011

Grant Thornton

June 21, 2011

Mr. Dan Hoffer
CouchSurfing International, Inc.
1037 Almanor Avenue
Menlo Park, CA 94025

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Seattle, WA 98101-1389

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Re: Valuation Services

Dear Mr. Hoffer:

As requested, we have estimated the fair market value of a 100 percent equity interest in CouchSurfing International, Inc., as of December 31, 2010. Our work is intended to provide you with information that we understand will be used for purposes of converting the Company from a non-profit corporation to a profit corporation. Although CouchSurfing is a not-for-profit entity, the term "equity" as used in this engagement refers to the general ownership of the Company rather than the strict definition of "equity" as it applies to "for profit" companies. Our detailed analysis is in accordance with the standards for valuation services promulgated by the American Institute of Certified Public Accountants and the Uniform Standards of Professional Appraisal Practice. Accordingly, the Services do not constitute a rendering by Grant Thornton LLP or its partners or staff of any legal advice, nor do they include the compilation, review or audit of financial statements.

For purposes of this appraisal, fair market value is defined as: the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.[1] A going concern premise of value was utilized in this valuation assignment.

Based upon the information and financial data provided and management representations received, as well as the analyses performed, the fair market value of a 100 percent equity interest (on a non-marketable, going-concern basis) in CouchSurfing International, Inc., as of December 31, 2010, is $637,800, for use in converting the Company from a non-profit corporation to a profit corporation.

The conclusions and opinions expressed in this letter and the accompanying report are contingent upon the qualifying factors set forth in the *Assumptions and Limiting Conditions* attached to the completed report.

[1] *The International Glossary of Business Valuation, 2001.*

Grant Thornton

If you have any questions concerning this report and the conclusions it contains, please contact Neil J. Beaton at 206.398.2487.

Sincerely,

Neil J. Beaton

Neil J. Beaton, CPA/ABV/CFF, CFA, ASA
National Partner in Charge, Advisory Services

FAIR MARKET VALUE OF

100 PERCENT EQUITY INTEREST

In

CouchSurfing International, Inc.

As of

December 31, 2010

Grant Thornton LLP
Advisory Services - Valuation

Grant Thornton LLP
A US member firm of Grant Thornton International Limited

Contents

Introduction

PURPOSE OF ENGAGEMENT

Grant Thornton LLP was engaged by CouchSurfing International, Inc. to estimate the fair market value of a 100 percent equity interest in CouchSurfing International, Inc. ("CouchSurfing" and/or the "Company"), as of December 31, 2010. Our work is intended to provide management with information that we understand will be used for purposes of converting the Company from a non-profit corporation to a profit corporation. Although CouchSurfing is a not-for-profit entity, the term "equity" as used in this engagement refers to the general ownership of the Company rather than the strict definition of "equity" as it applies to "for profit" companies. Our detailed analysis is in accordance with the standards for valuation services promulgated by the American Institute of Certified Public Accountants and the Uniform Standards of Professional Appraisal Practice. Accordingly, the Services do not constitute a rendering by Grant Thornton LLP or its partners or staff of any legal advice, nor do they include the compilation, review or audit of financial statements.

For purposes of this appraisal, fair market value is defined as: the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.[1] A going concern premise of value was utilized in this valuation assignment.

Our valuation included performing the following procedures:

1. Analysis of certain records and documents, including:
    a. Internal financial statements for the years ended December 31, 2006 through December 31, 2009 and audited financial statements for the year ended December 31, 2010;
    b. Financial budget for the year ending December 31, 2011;
    c. Tax returns for years ended December 31, 2007 through December 31, 2009;
    d. Articles of Agreement, dated March 31, 2003;
    e. Amended and Restated By-Laws, dated February 20, 2008;
    f. Presentations regarding the Company's operations;
    g. Demographic information about the users of CouchSurfing's Web site; and

[1] *The International Glossary of Business Valuation, 2001.*

h. Information related to the number of signups from 2003 through 2010 and a forecast of signups for 2011.

2. Direct inquiries of Company management.

3. Economic, industry, and stock market research.

Public information and industry and statistical information have been obtained from sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.

Company Information

COMPANY OVERVIEW[2]

CouchSurfing International, Inc. was founded in 2003 as a non-profit company focused on connecting travelers with local residents all around the world. The Company's goal is to enhance a traveler's experience by pairing the traveler with local residents who could provide a more thorough understanding of the area. As part of the Company's vision, a Web site was launched that allowed users in cities all around the world to "host" their couches for traveling "surfers" to sleep on when they came their cities. Surfers could search on the Web site using various filters such as country, region, state and city, and then contact the host through an online message system. From the Company's inception in 2003, the number of new users has increased every year. According to the Company's statistics, it has over 2.4 million surfers traveling in 245 unique countries and/or territories. The following table highlights CouchSurfing's top 10 countries and territories:

Country	Surfers	% of Total
United States	518,234	21.3%
Germany	231,232	9.5%
France	212,584	8.7%
Canada	110,026	4.5%
England	96,738	4.0%
Italy	72,670	3.0%
Spain	70,304	2.9%
Australia	66,770	2.7%
Brazil	65,606	2.7%
China	50,377	2.1%

Of the 2.4 million surfers, 38.8 percent are between the ages of 18 and 24. The age range of 25 to 29 year olds is the next largest group of surfers and accounts for 31.8 percent of all surfers. The average age of a CouchSurfing user is 28 years old and, as the age ranges increase, the number of surfers decreases.

[2] *Information generated from http://www.couchsurfing.org/statistics.html, as of January 6, 2011.*

BRIEF FINANCIAL STATEMENT ANALYSIS

An important step in the valuation of any company is an analysis of its performance over time. A historical analysis can provide insight into future growth potential, as well as place current performance in context. The following sections discuss CouchSurfing's balance sheets and income statements for the years ended December 31, 2006 through 2010.

Balance Sheets

As shown in Schedule 1, as of the valuation date, the majority of the Company's assets consisted of cash equivalents and investments. Total assets increased from $3,639 as of December 31, 2006 to $363,927 as of December 31, 2010. Cash equivalents and investments were the main drivers of the increase and accounted for over 90 percent of current assets in each year except 2007. There are no material fixed assets.

CouchSurfing has historically had minimal liabilities, primarily consisting of accounts payable and accrued expenses.

Total shareholders' equity increased from $3,639 as of December 31, 2006 to $284,003 as of December 31, 2010. The primary driver of this increase has been retained earnings over the period.

Income Statements

As shown in Schedule 2, the Company's total revenue grew considerably over the period, from $1,660 in 2006 to almost $2.0 million as of December 31, 2010. Revenue consists almost entirely of contributions made by users, and because of this, there is a direct correlation between the Company's growth in signups and revenue growth.

Net margins decreased over the period under review, from 29.4 percent in 2007 to a negative 1.3 percent as of December 31, 2010. This decrease can be attributed to increasing salary and contract service costs incurred over the period.

Forecast

Management provided an income and expense forecast for the years 2010 and 2011; however, management indicated that the forecast was over a year old as of the valuation date and that some of the goals assumed when creating the forecast have not been realized. Nonetheless, the 2011 forecast appears reasonable in light of the Company's historical success. A summary of management's expectations for 2011 is provided on Schedule 2.

Salaries and related expense were expected to remain the highest operational expense, increasing from an estimated 36.2 percent of revenue in 2010 to 43.5 percent of revenue in 2011. Facility and equipment expenses were expected to decrease from a high of $251,851 in 2009 to $175,272 in 2011. Overall, operating expenses were expected to increase from $1.1 million in 2009 to $2.3 million in 2011.

Valuation Approaches

VALUATION OF THE EQUITY

Selection of Approach

In general, there are three approaches available when valuing the equity of a privately held business interest: the cost approach, the income approach, and the market approach. Each of these general approaches was considered in this valuation.

Cost Approach

The cost approach, which adjusts a company's assets to market value, was not utilized in our valuation of CouchSurfing, because the components of the Company's value are primarily intangible in nature and are therefore more appropriately valued using income or market based methods.

Income Approach

In the income approach, an economic benefit stream of the subject company is selected, usually based on historical or projected cash flow. The focus is to determine a benefit stream that is reasonably reflective of the Company's most likely future operations. This selected benefit stream is then discounted to present value with an appropriate risk-adjusted discount rate or capitalization rate. Management provided projections for the Company through 2011, and therefore, this approach was considered in valuing CouchSurfing.

Market Approach

The market approach consists of two primary methodologies: the guideline transaction method and the guideline public company method. The first methodology, the guideline transaction method, involves determining valuation multiples from sales of companies with similar financial and operating characteristics and applying the valuation multiples derived from these transactions to the subject company. We did not select the transaction method due to the lack of relevant transactions. The second method, commonly known as the guideline public company method, involves identifying and selecting publicly traded companies with financial and operating characteristics similar to the company being valued. Once companies are identified, valuation multiples can be synthesized, adjusted for comparability, and then applied to the subject company's economic basis to estimate the value of its equity or invested capital. We did not select the public company method due to the extreme size difference between the public companies and CouchSurfing.

Selected Approach and Conclusion

There are various methodologies under the income approach for valuing a business or business interest. We selected the capitalization of cash flow method since the historical financial data and the forecast for 2011 showed that earnings and revenue were beginning to stabilize. Utilizing the Company's historical results and estimated revenue for future operations, we estimated the Company's sustainable long-term cash flows that were subsequently capitalized.

To calculate "normalized" earning capacity, we used the 2011 revenue forecast and a pre-tax margin 7.0 percent. Even though CouchSurfing was still reporting strong signup growth that supports its revenue forecast in 2011, that growth was slowing considerably. To address the continued, albeit slowing signup growth, we estimated long-term earnings growth at 6.5 percent assuming higher growth in the near years and slower growth approaching 3 percent in the outer years.

In estimating CouchSurfing's pre-tax earnings level, we focused on pre-tax operating margins over the past few years. With a range of negative 1.3 percent to a positive 29.3 percent, we selected a stabilized operating margin of 7.0 percent. Applying this margin to the 2011 revenue forecast of $2.3 million resulted in a sustainable pre-tax earnings level of $163,204, rounded to $160,000. To capture the long-term earnings growth noted above, we applied a pre-tax growth rate of 6.5 percent to rounded sustainable earnings, resulting in concluded sustainable pre-tax earnings of $170,400. Applying standard corporate tax rates derives after-tax earnings of $120,700.

Corporate income taxes were applied to CouchSurfing's pre-tax earnings, as the fair market value standard of value requires the consideration of a hypothetical willing buyer and seller. Most companies that would consider acquiring CouchSurfing would be for-profit corporations. As such, any purchase decision would be based after-tax earnings or cash flows as determined above. Furthermore, the discount rate developed in the following section is based on after-tax returns for profit corporations.

Discount Rate

After sustainable cash flow was determined, the next step was to select an appropriate discount rate. Because CouchSurfing had no debt as of the valuation date, the cash flow we calculated above is direct to equity, which requires a required return to equity. As such, we determined that a "build-up" method was most appropriate. This method constructs a discount rate by "building up" the components of such a rate, starting with the risk-free rate prevalent at the valuation date, a generic equity risk premium of 5.75 percent, as well as a Company-specific risk premium.

The build-up method also incorporates a small stock premium based on a study published by Morningstar in *Stocks, Bonds, Bills & Inflation: 2010 Valuation Yearbook*. This study demonstrates that an investment in the smallest decile of stocks traded on the New York Stock Exchange provides yet another 6.3 percent return.

Combining the current long-term government bond, an equity-risk premium of 5.75 percent and small stock premium provides an estimate of the potential return that investors require for investing in a diversified portfolio of equities. With long-term government bond rates at 3.38 percent as of the valuation date, the implied return requirement for investing in a market basket of publicly traded equities is 15.4 percent. This estimated required return captures only systematic or market risk, and does not address the risk specific to the Company. For this reason, we have added an additional 12.5 percent specific company risk premium to address for the risks related to the Company's small size, less diversified revenue base and dependency on contributions for its revenue. Combining the variables discussed above indicates that a 27.9 percent discount rate is required. From that derived discount rate, the 6.5 percent long term growth rate is subtracted to arrive at a capitalization rate of 21.4 percent. The computation is as follows:

Cost of Equity Discount Rate	27.9%
Long-Term Sustainable Growth Rate	(6.5%)
Capitalization Rate	21.4%

Applying this 21.4 percent capitalization rate to after-tax cash flows (using a mid-year convention) results in an overall equity value of $637,800 (Schedule 3).

CONCLUSION OF VALUE

Based on our analysis described above, the fair market value of a 100 percent equity interest in CouchSurfing International, Inc., as of December 31, 2010, is estimated to be $637,800, for use in converting the Company from a non-profit corporation to a profit corporation. The analysis is summarized in Schedule 3.

We will be pleased to discuss the contents of our report or the conclusions reached with you at any time.

Appraiser Representation/Certification

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this summary appraisal report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, independent, unbiased, objective professional analyses, opinions, and conclusions.
- We have no present or prospective financial or other interest in the business or property that is the subject of this report, and we have no personal financial or other interest with respect to the business, property or parties involved.
- We have no bias with respect to the business or property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is fee-based and is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the outcome of this valuation, the amount of the value conclusion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The economic and industry data included in the valuation report have been obtained from various printed or electronic reference sources that the valuation analyst believes to be reliable. The valuation analyst has not performed any corroborating procedures to substantiate that data.
- Our analyses, opinions, conclusions and this summary appraisal report were developed in conformity with the 2008 American Institute of Certified Public Accountants' *Statement on Standards for Valuation Services No. 1* and the 2010-2011 Uniform Standards of Professional Appraisal Practice.

- The parties for which the information and use of the valuation report is restricted are identified; the valuation report is not intended to be and should not be used by anyone other than such parties.

- The valuation analyst has no obligation to update the report or the conclusion of value for information that comes to his/her attention after the date of the report.

- This report and analysis were prepared under the direction of Neil J. Beaton.

- No one other than the staff of Grant Thornton LLP provided significant professional assistance to the individual(s) signing this report. Biographies of the undersigned follow this certification.

Neil J. Beaton

Neil J. Beaton, CPA/ABV/CFF, CFA, ASA
National Partner-in-Charge, Advisory Services

CouchSurfing International, Inc.
Fair Market Value of 100 percent Equity Interest
As of December 31, 2010

Dated:
June 21, 2011

GrantThornton

Neil J. Beaton

CPA/ABV/CFF, CFA, ASA

Partner in Charge, Advisory Services – Valuation

As Partner in Charge of Grant Thornton LLP's Valuation Services Group, Mr. Beaton specializes in the valuation of public and privately held businesses and intangible assets for purposes of litigation support (marriage dissolutions, lost profits claims and others), acquisitions, sales, buy-sell agreements, ESOPs, incentive stock options, and estate planning and taxation. He also performs economic analysis for personal injury claims, wrongful termination and wrongful death actions.

Experience

Prior to joining Grant Thornton LLP, Mr. Beaton owned and operated a boutique valuation and litigation support firm in Seattle. He was also a National Business Analyst with Dun & Bradstreet Corporation, where he was responsible for analyzing large, publicly traded corporations and assisting in large-scale credit decisions. He specialized in the banking, insurance and financial services industries.

Professional qualifications and memberships

- Certified Public Accountant (CPA)
- Accredited in Business Valuation (ABV)
- Certified in Financial Forensics (CFF)
- Chartered Financial Analyst (CFA)
- Accredited Senior Appraiser (ASA)
- American Institute of CPAs and Washington Society of CPAs
- Member of the *Business Valuation Update* Editorial Advisory Board
- Panel of Experts, Financial Valuation and Litigation Expert
- Member of the AICPA Merger & Acquisition Disputes Task Force
- Former Committee Member of AICPA Business Valuation Subcommittee
- Co-Chair of the AICPA Valuation of Private Equity Securities Task Force
- Former Chair of AICPA FASB 141/142 Task Force
- Past President and Trustee of Seattle Society of Financial Analysts
- Member of the CFA Institute
- Former Member of the AICPA National Accreditation Commission
- Former Member of the Financial Accounting Standards Board's Valuation Resource Group

Education

Mr. Beaton holds a Master of Business Administration in Finance from National University and a Bachelor of Arts Degree in Economics from Stanford University. He has also completed specific coursework covering the financial analysis of banks and insurance companies and numerous continuing education classes in the areas of accounting, taxation and business valuation. In addition, he has completed the American Society of Appraisers' Business Valuation Courses, Levels I–IV.

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Assumptions and Limiting Conditions

The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in this summary appraisal report (report) are summarized below. Other assumptions are cited elsewhere in this report.

1. The conclusion of value arrived at herein pertains only to the subject business, the stated value standard (fair market value), as of the stated valuation date, and only for the stated valuation purpose(s).

2. Financial statements and other related information provided by the Company or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. Grant Thornton has not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.

3. Public information and industry and statistical information have been obtained from sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.

4. If prospective financial information approved by management has been used in our work, we have not examined or compiled the prospective financial information and therefore, do not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions. Events and circumstances frequently do not occur as expected; achievement of the forecast results is dependent on actions, plans, and assumptions of management.

5. The conclusion of value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.

6. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. The report may be used internally by

Company management and may be made available to the Company's legal advisors, tax advisors, or regulatory authorities consistent with the purpose of this engagement. The report is not to be used for other purposes or be shared with other parties without our prior written consent.

7. Grant Thornton LLP will not provide consent to be a named expert in any filings, including, without limitation, any filings with the U.S. Securities and Exchange Commission under the Securities Act of 1933 or the Securities Exchange Act of 1934, as amended.

8. The report and conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of Grant Thornton, based on information furnished to them by the Company and other sources.

9. Neither all nor any part of the contents of this report (especially the conclusion of value, the identity of any valuation specialist(s), or the firm with which such valuation specialists are connected or any reference to any of their professional designations) should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal, or any other means of communication, including but not limited to the SEC or other governmental agency, without the prior written consent and approval of Grant Thornton.

10. Future services regarding the subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of Grant Thornton unless previous arrangements have been made in writing.

11. Grant Thornton is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. Grant Thornton does not conduct or provide environmental assessments and has not performed one for the subject property.

12. Grant Thornton has not determined independently whether the Company is subject to any present or future liability relating to environmental matters (including, but not limited to CERCLA/Superfund liability) or the scope of any such liabilities. Grant Thornton's valuation takes no such liabilities into account, except as they have been reported to Grant Thornton by the Company or by an environmental consultant working for the Company, and then only to the extent that the liability was reported to us in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to us, Grant Thornton has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

13. Grant Thornton has not made a specific compliance survey or analysis of the subject property to determine whether it is subject to, or in compliance with, the American Disabilities Act of 1990, and this valuation does not consider the effect, if any, of noncompliance.

14. No change of any item in this appraisal report shall be made by anyone other than Grant Thornton, and we shall have no responsibility for any such unauthorized change.

15. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the subject business due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.

16. We have conducted interviews with the current management of the Company concerning the past, present, and prospective operating results of the company.

17. Except as noted, we have relied on the representations of the owners, management, and other third parties concerning the value and useful condition of all equipment, real estate, investments used in the business, and any other assets or liabilities, except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.

18. Unless otherwise stated in the appraisal, the valuation of the business has not considered or incorporated the potential economic gain or loss resulting from contingent assets, liabilities or events existing as of the valuation date.

19. We have no responsibility or obligation to update this report for events or circumstances occurring subsequent to the date of this report.

20. Unless stated otherwise in this report, we express no opinion as to: 1) the tax consequences of any transaction which may result, 2) the effect of the tax consequences of any net value received or to be received as a result of a transaction, and 3) the possible impact on the market value resulting from any need to effect a transaction to pay taxes.

21. Our work was performed and this report is in compliance with the reporting standards under the AICPA's *Statement on Standards for Valuation Services No. 1.*

Schedules

CouchSurfing International, Inc.

Schedule 1

Business Valuation

Final

Historical Balance Sheets

Valuation Date: December 31, 2010

US$

	Dec 31, '06	Dec 31, '07	Dec 31, '08	Dec 31, '09	Dec 31, '10
Assets					
Cash & Equivalents	$ 1,979	$ 87,547	$ 78,183	$ 153,545	$ 192,295
Security Deposit	-	2,410	15,000	14,000	8,527
Investments	-	-	130,000	131,092	135,063
Total Current Assets	1,979	89,957	223,183	298,636	335,885
Long-term Assets - Equipment and Patents	1,660	5,963	3,080	-	28,042
Total Assets	**$ 3,639**	**$ 95,920**	**$ 226,263**	**$ 298,636**	**$ 363,927**
Liabilities & Equity					
Accounts Payable	$ -	$ 902	$ 902	$ 5,346	$ 20,800
Accrued Expenses	-	-	-	902	59,124
Total Liabilities	**-**	**902**	**902**	**6,248**	**79,924**
Shareholders' Equity					
Unrestricted Net Assets	1,979	4,471	96,165	225,053	292,388
Net Income	1,660	91,756	128,888	67,335	(8,385)
Total Shareholders' Equity	3,639	96,227	225,053	292,388	284,003
Total Liabilities & Equity	**$ 3,639**	**$ 97,129**	**$ 225,955**	**$ 298,636**	**$ 363,927**

The historical information presented above is included solely to assist in the development of the conclusion of value presented in this report, and it should not be used to obtain credit or for any other purpose. Because of the limited purpose of this presentation, it may contain departures from generally accepted accounting principles. We have not audited, reviewed, or compiled this presentation and express no assurance on it.

	Dec 31, '06	Dec 31, '07	Dec 31, '08	Dec 31, '09	Dec 31, '10
Assets					
Cash & Equivalents	54.4%	91.3%	34.6%	51.4%	52.8%
Security Deposit	0.0%	2.5%	6.6%	4.7%	2.3%
Investments	0.0%	0.0%	57.5%	43.9%	37.1%
Total Current Assets	54.4%	93.8%	98.6%	100.0%	92.3%
Long-term Assets - Equipment and Patents	45.6%	6.2%	1.4%	0.0%	7.7%
Total Assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Liabilities & Equity					
Accounts Payable	0.0%	0.9%	0.4%	1.8%	5.7%
Accrued Expenses	0.0%	0.0%	0.0%	0.3%	16.2%
Total Liabilities	**0.0%**	**0.9%**	**0.4%**	**2.1%**	**22.0%**
Shareholders' Equity					
Unrestricted Net Assets	54.4%	4.7%	42.5%	75.4%	80.3%
Net Income	45.6%	95.7%	57.0%	22.5%	(2.3%)
Total Shareholders' Equity	100.0%	100.3%	99.5%	97.9%	78.0%
Total Liabilities & Equity	**100.0%**	**101.3%**	**99.9%**	**100.0%**	**100.0%**

The historical information presented above is included solely to assist in the development of the conclusion of value presented in this report, and it should not be used to obtain credit or for any other purpose. Because of the limited purpose of this presentation, it may contain departures from generally accepted accounting principles. We have not audited, reviewed, or compiled this presentation and express no assurance on it.

CouchSurfing International, Inc.

Business Valuation | **Final**

Historical & Forecast Income Statements | **Valuation Date: December 31, 2010**

US$

	Internal	Internal				Forecast 12 Months
	Dec 31, '06	Dec 31, '07	Dec 31, '08	Dec 31, '09	Dec 31, '10	Dec 31, '11
% Revenue Growth	*NA*	*18753.1%*	*152.0%*	*48.6%*	*66.1%*	*19.2%*
Net Revenue	**$ 1,660**	**$ 312,961**	**$ 788,597**	**$ 1,171,843**	**$ 1,946,538**	**$ 2,319,799**
Operating Expenses:						
Salaries & Related Expenses	-	57,175	112,698	171,571	703,706	1,009,938
Contract Services	-	22,821	51,409	144,301	$681,149	972,432
Non-Personnel Expenses	-	27,029	108,289	196,510	262,030	-
Facility & Equipment	-	65,126	168,214	251,851	102,743	175,272
Travel & Meetings	-	25,584	96,367	143,199	90,328	121,200
Project Occupancy	-	11,053	42,982	82,983	25,854	-
Other	-	12,418	79,752	114,093	105,080	-
Total Operating Expenses	-	221,205	659,709	1,104,507	1,970,890	2,278,842
Pre-Tax Net Income	**$ 1,660**	**$ 91,756**	**$ 128,888**	**$ 67,336**	**$ (24,352)**	**$ 40,957**

The historical information presented above is included solely to assist in the development of the conclusion of value presented in this report, and it should not be used to obtain credit or for any other purpose. Because of the limited purpose of this presentation, it may contain departures from generally accepted accounting principles. We have not audited, reviewed, or compiled this presentation and express no assurance on it.

CouchSurfing International, Inc.

Schedule 2

Business Valuation

Final

Historical & Forecast Income Statements: Common Size

Valuation Date: December 31, 2010

	Dec 31, '06	Dec 31, '07	Dec 31, '08	Dec 31, '09	Dec 31, '10	Dec 31, '11
Net Revenue	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***
Operating Expenses:						
Salaries & Related Expenses	*0.0%*	*18.3%*	*14.3%*	*14.6%*	*36.2%*	*43.5%*
Contract Services	*0.0%*	*7.3%*	*6.5%*	*12.3%*	*35.0%*	*41.9%*
Non-Personnel Expenses	*0.0%*	*8.6%*	*13.7%*	*16.8%*	*13.5%*	*0.0%*
Facility & Equipment	*0.0%*	*20.8%*	*21.3%*	*21.5%*	*5.3%*	*7.6%*
Travel & Meetings	*0.0%*	*8.2%*	*12.2%*	*12.2%*	*4.6%*	*5.2%*
Project Occupancy	*0.0%*	*3.5%*	*5.5%*	*7.1%*	*1.3%*	*0.0%*
Other	*0.0%*	*4.0%*	*10.1%*	*9.7%*	*5.4%*	*0.0%*
Total Operating Expenses	*0.0%*	*70.7%*	*83.7%*	*94.3%*	*101.3%*	*98.2%*
Pre-Tax Net Income	***100.0%***	***29.3%***	***16.3%***	***5.7%***	***(1.3%)***	***1.8%***

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CouchSurfing International, Inc. **Schedule 3**
Business Valuation **Final**
Income Approach - Capitalization of Cash Flow Method **Valuation Date: December 31, 2010**
US$

			Forecast
	Dec 31, '09	**Dec 31, '10**	**Dec 31, '11**
Net Revenue	**$ 1,171,843**	**$ 1,946,538**	**$ 2,319,799**
Reported Pre-Tax Earnings	67,336	(24,352)	162,386
Reported Pre-Tax Earnings Margin	*5.7%*	*(1.3%)*	*7.0%*
Concluded Sustainable Pre-Tax Earnings	**$ 160,000**		
Estimated Pre-Tax Earnings Growth	6.5%		
Concluded Expected Pre-Tax Earnings	**170,400**		
Blended Income Taxes	(49,706)		
Adjusted After-Tax Earnings	120,694		
Cost of Equity Discount Rate	*27.9%*		
Sustainable Growth Rate	*6.5%*		
Capitalization Rate (1)	21.4%		
Indicated Value Of Equity (Rounded)	**$ 637,800**		

Footnote:
(1) Midyear discounting convention