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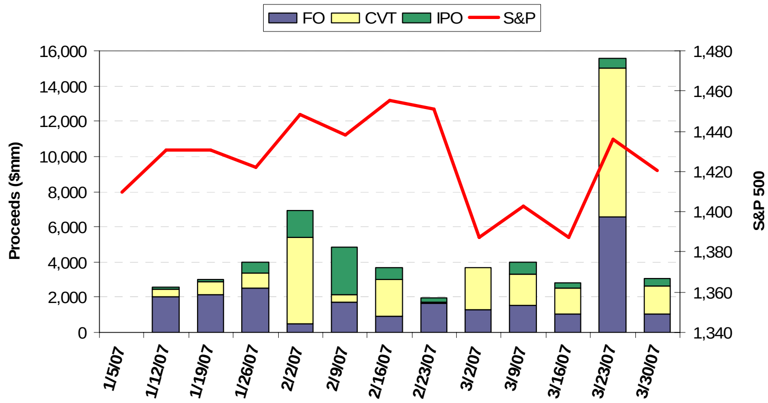
QUARTERLY EDITION

Quarter Ending March 31, 2007

The Markets in Review

Market Highlights



1st Quarter New Issuance		
	Proceeds ($mm)	# of Deals
IPOs	8,184.9	43
Follow-ons	18,108.8	77
Block Trades	4,813.3	29
Convertibles	25,154.9	59
Totals	**56,261.9**	**208**

- U.S. markets ended the quarter mixed and mostly flat following a strong start to the year, but then succumbed to a major sell-off at the end of February sparked by a significant drop in the Shanghai stock market, bearish comments from former Federal Reserve Chairman Alan Greenspan and subprime mortgage loan concerns. The markets rebounded as exemplified by a mid-March rally and a surge in new issuance volume the week of March 19. New issuance in the first quarter rose 20% versus the same period last year. The Dow, S&P and Nasdaq ended the quarter -0.9%, 0.2% and 0.3%, respectively.

- Crude oil futures closed at $65.87 per barrel, 3% higher for the quarter, amid increased tensions with Iran. May crude futures reached their lowest level of the quarter on January 18 after Saudi Arabia's oil minister said he saw no need to cut production. Amid the market's global sell-off in February, crude prices fell despite unexpectedly low supply levels. Prices later advanced as a steep decline in gasoline supplies on March 21 pushed crude to over $62 a barrel. Current tensions in Iran have further boosted crude prices to their highest level of the quarter.

- In economic news, the FOMC held interest rates steady at 5.25% during the quarter, noting inflation concerns and a slowing economy while mentioning "some tentative signs of stabilization" in the housing market. The inflation concerns were supported by stronger-than-expected CPI results throughout the quarter with January's core CPI marking its largest increase since June 2006. While December retail sales were above expectations, both January and February retail sales missed analysts' forecasts. Rising wages and an expanding job market helped the February consumer confidence index reach a 5½ year high; however, the March figure fell more-than-expected. The February unemployment rate fell to 4.5% and initial jobless claims finished the quarter at their lowest level in over two months. Housing data was mixed, with December existing home sales falling more than expected, and January and February existing home sales surpassing forecasts. January new home sales fell almost 17%, the most in 13 years, while February new home sales fell 3.9% to 848,000, its lowest level since June 2000.

- In corporate news, weakness in the housing market continued to impact earnings results as Lennar Corp. reported first quarter earnings down 73% from the year-ago period amid a 4% decrease in home deliveries. Similarly, Toll Brothers' first quarter home building revenue fell 19% from the year-ago period while net income dropped 67%, and KB Home incurred a fourth quarter net loss of $0.64 per share. Home Depot's fourth quarter results missed estimates and the company warned that earnings would miss expectations in 2007. HSBC sparked concerns in the subprime lender industry by announcing that bad-debt charges would be 20% higher than forecast. Subprime lender NovaStar reported a fourth-quarter net loss of $0.39 per share, 54% lower from the prior year's period. Meanwhile, increased delinquencies on subprime mortgages caused lenders such as New Century to stop offering loans.

Housing and Subprime Lending Comments

- "In 2006…mortgage interest rates hit four-year highs, the volume of home sales declined and the rate of house price appreciation decelerated or in some cases home prices fell, leaving the most recent subprime borrowers vulnerable to payment difficulties… The Board believes they [subprime problems] need to be addressed in a way that preserves incentives for responsible subprime lenders so that borrowers with non-prime credit can become homeowners." - *Sandra Braunstein, Before the Subcommittee on Financial Institutions and Consumer Credit, U.S. House - March 27,2007*

- "At this juncture, however, the impact on the broader economy and financial markets of the problems in the subprime market seems likely to be contained. In particular, mortgages to prime borrowers and fixed-rate mortgages to all classes of borrowers continue to perform well, with low rates of delinquency." - *Ben Bernanke, Before the Joint Economic Committee, U.S. Congress - March 28,2007*

- "The housing market continues to demonstrate overall weakness. While some markets are performing better than others, the typically stronger spring selling season has not yet materialized. These soft market conditions have been exacerbated by the well-publicized problems in the subprime lending market." - *Stuart Miller, President and CEO of Lennar Corporation - March 27,2007*

Source: Ipreo Capital Markets

Note: Includes U.S. based SEC Deals and excludes CEFs and Blank Checks

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First Quarter Bookrunner League Tables & New Issuance Recap

U.S. Equity and Equity Related League Table

		2007 Q1			2006 Q1		
Rank	Manager	Proceeds ($mm)	Mkt. Share %	# of Deals	Proceeds ($mm)	Mkt. Share %	# of Deals
1	JP Morgan	10,774.4	19.2	43	3,417.9	7.3	19
2	Merrill Lynch & Co., Inc.	8,273.8	14.7	34	4,807.9	10.2	25
3	Deutsche Bank	4,806.7	8.5	13	1,848.9	3.9	16
4	Citigroup	4,420.3	7.9	26	5,969.9	12.7	24
5	Morgan Stanley	4,330.0	7.7	27	5,212.8	11.1	20
6	Goldman Sachs & Co.	4,321.4	7.7	26	7,275.0	15.5	14
7	Lehman Brothers	3,742.0	6.7	26	3,399.2	7.2	22
8	UBS AG	3,695.6	6.6	26	3,527.5	7.5	26
9	Credit Suisse	3,119.8	5.5	19	1,983.7	4.2	16
10	Banc of America Securities	2,204.4	3.9	16	1,626.8	3.5	18
	SubTotal	**49,688.4**	**88%**	**157**	**39,069.5**	**83%**	**133**
	Total	**56,261.9**		**208**	**47,062.9**		**192**

U.S. IPO League Table

		2007 Q1			2006 Q1		
Rank	Manager	Proceeds ($mm)	Mkt. Share %	# of Deals	Proceeds ($mm)	Mkt. Share %	# of Deals
1	Morgan Stanley	1,271.0	15.5	6	456.0	6.2	4
2	Goldman Sachs & Co.	939.3	11.5	7	648.5	8.8	4
3	JP Morgan	771.6	9.4	5	301.9	4.1	3
4	Merrill Lynch & Co., Inc.	699.2	8.5	7	327.3	4.4	3
5	Lehman Brothers	686.7	8.4	6	746.4	10.1	7
6	UBS AG	638.5	7.8	4	809.8	11.0	8
7	Citigroup	561.0	6.9	7	344.8	4.7	4
8	Credit Suisse	440.0	5.4	3	510.0	6.9	5
9	Friedman Billings Ramsey	404.7	4.9	3	156.2	2.1	3
10	Wachovia Corporation	313.2	3.8	4	478.3	6.5	3
	SubTotal	**6,725.3**	**82%**	**28**	**4,779.3**	**65%**	**26**
	Total	**8,184.9**		**43**	**7,361.1**		**46**

U.S. Follow-On League Table

		2007 Q1			2006 Q1		
Rank	Manager	Proceeds ($mm)	Mkt. Share %	# of Deals	Proceeds ($mm)	Mkt. Share %	# of Deals
1	JP Morgan	4,042.6	17.6	20	2,026.0	6.7	14
2	Merrill Lynch & Co., Inc.	3,639.2	15.9	14	2,194.4	7.3	14
3	Goldman Sachs & Co.	2,008.7	8.8	12	6,529.4	21.7	9
4	Morgan Stanley	1,966.1	8.6	17	3,382.3	11.2	13
5	UBS AG	1,824.1	8.0	15	1,987.7	6.6	14
6	Lehman Brothers	1,693.2	7.4	11	1,402.8	4.7	13
7	Citigroup	1,561.0	6.8	10	4,141.8	13.8	16
8	Bear Stearns & Co. Inc.	1,415.9	6.2	11	596.2	2.0	5
9	Credit Suisse	1,379.8	6.0	11	1,473.6	4.9	11
10	Banc of America Securities	844.5	3.7	6	815.6	2.7	9
	SubTotal	**20,375.2**	**89%**	**77**	**24,549.8**	**82%**	**88**
	Total	**22,922.1**		**106**	**30,089.6**		**128**

U.S. Equity Related League Table

		2007 Q1			2006 Q1		
Rank	Manager	Proceeds ($mm)	Mkt. Share %	# of Deals	Proceeds ($mm)	Mkt. Share %	# of Deals
1	JP Morgan	5,960.2	23.7	18	1,090.0	11.3	2
2	Deutsche Bank	4,165.0	16.6	7	344.6	3.6	2
3	Merrill Lynch & Co., Inc.	3,935.4	15.6	13	2,286.2	23.8	8
4	Citigroup	2,298.3	9.1	9	1,483.3	15.4	4
5	Goldman Sachs & Co.	1,373.3	5.5	7	97.0	1.0	1
6	Lehman Brothers	1,362.1	5.4	9	1,250.0	13.0	2
7	Credit Suisse	1,300.0	5.2	5	0.0	0.0	
8	UBS AG	1,232.9	4.9	7	730.0	7.6	4
9	Banc of America Securities	1,121.7	4.5	7	487.0	5.1	5
10	Morgan Stanley	1,092.9	4.3	4	1,374.6	14.3	3
	SubTotal	**23,841.9**	**95%**	**51**	**9,142.7**	**95%**	**18**
	Total	**25,154.9**		**59**	**9,612.3**		**18**

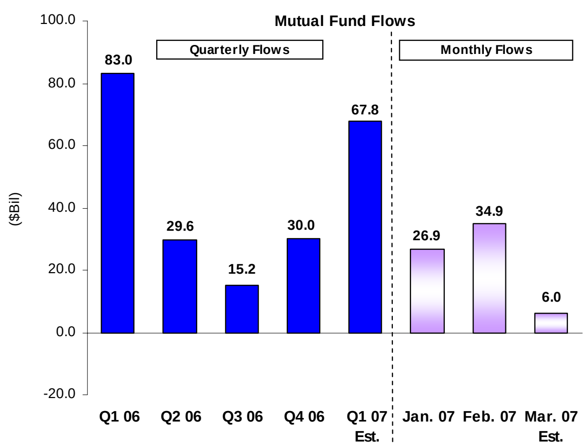
New Issuance Recap

• During the first quarter of 2007, total proceeds increased by approximately 20% or $9.2B compared to the year-ago quarter. The gains came amid strength from deals in the financials sector despite a volatile market.

• The week of March 19 accounted for the busiest deal week with proceeds of $15.6B raised, representing 28% of the quarter's total proceeds. During that week, a total of 32 deals priced as convertible offerings led the new issuance market with 12 offerings for $8.5B. Prologis and Vornado Realty Trust each raised over $1.0B through convertible offerings, while Freeport-McMoRan raised $5.8B in concurrent convertible and follow-on offerings.

• This quarter also saw a sharp increase in convertible activity with 41 more priced deals in the same period last year, resulting in a 162% increase in proceeds raised. The influx of convertible deals occurred amid high market volatility and represented a securer way for companies to raise capital in the new issuance market. Six convertibles raised $1.0B or more in proceeds, including Archer-Daniels-Midland, Xilinx and U.S. Bancorp, the largest deal during the quarter.

• Market volatility also caused an increase in withdrawn and postponed deals. Seven deals ($0.8B) were withdrawn or postponed for market conditions this quarter compared to 4 deals ($0.4B) in same period last year.



Source: AMG Data

• Mutual Fund flows are estimated to be more than double the fourth quarter level as the first quarter typically represents the highest flows of the year, with the investment of salary raises and bonus payments. However, levels remained lower than a year ago as flows decreased during March amid high market volatility.

Source: Ipreo Capital Markets

Note: Includes U.S. based SEC Deals and excludes CEFs and Blank Checks

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QUARTERLY EDITION

Quarter Ending March 31, 2007

Pricing Environment, Trends & Backlog

U.S. IPO Pricing Performance

Month	Total: Proceeds ($mm)	Total: # of Deals	Pricing Range: Above	Pricing Range: Within	Pricing Range: Below	% Change: Offer / 1Day	% Change: Offer / 1 Mo
Jan/07	1,695.8	8	43%	43%	14%	11.7	9.0
Feb/07	3,487.3	15	20%	67%	13%	15.6	8.0
Mar/07	1,722.8	12	25%	50%	25%	10.5	N/A
Q1 07	**6,906.0**	**35**	26%	56%	18%	**13.1**	**8.3**

U.S. Follow-On Pricing Performance

Month	Total: Proceeds ($mm)	Total: # of Deals	Pricing Range: At/Above	Pricing Range: Below	% Change: Last / Offer	% Change: File / Offer	% Change: Offer / 1 Mo
Jan/07	5,013.9	25	48%	52%	(1.9)	(2.1)	8.2
Feb/07	2,602.5	15	33%	67%	(3.2)	(1.3)	3.6
Mar/07	9,742.3	29	41%	59%	(2.5)	(3.2)	N/A
Q1 07	**17,358.7**	**69**	42%	58%	**(2.4)**	**(2.4)**	**6.6**

Pricing Range % based on number of deals and revised file price price/range • Transactions greater than $20mm • Excludes closed-end funds, LPs, units, block trades and accelerated deals.

2007 Q1 Priced by Industry

Rank	Industry	Proceeds ($mm)	Market Share (%)	# of Deals
1	Financials	23,550.6	41.9	63
2	Materials	7,437.8	13.2	14
3	Technology	6,292.5	11.2	35
4	Healthcare	5,188.3	9.2	35
5	Industrials	2,953.2	5.2	14
6	Consumer Cyc.	2,934.9	5.2	12
7	Energy	1,828.2	3.2	14
8	Telecom Svcs	1,769.5	3.1	7
9	Consumer Non-Cyc.	1,746.9	3.1	3
10	Utilities	1,541.8	2.7	6
11	Transportation	1,018.2	1.8	5
	Total	**56,261.9**		**208**

Industry Highlights

• Financials led new issuance volume this quarter, raising over three times the proceeds of the second ranked industry. The top 5 Financials deals accounted for 32% of proceeds raised within the industry, led by U.S. Bancorp's $3.0B convertible offering. Within Financials, Real Estate accounted for 59% of total proceeds raised.

• Materials' offerings ranked second in proceeds, with 14 deals accounting for $7.4B versus only 4 deals pricing for $0.5B in the same period last year. Freeport-McRoRan led the industry with both a concurrent follow-on and convertible offering that raised a combined $5.8B in proceeds.

• New issuance in the Technology industry raised $6.3B in proceeds compared to $6.0B raised and 23 deals in the year-ago period. Semiconductor deals represented 60% of proceeds raised, led by Xilinx's $1.0B convertible offering.

Current Backlog

Rank	Manager	Proceeds ($mm)	Market Share (%)	# of Deals
1	Morgan Stanley	2,239.2	11.1	17
2	Merrill Lynch & Co., Inc.	2,131.6	10.6	16
3	Macquarie Bank	2,081.2	10.3	1
4	Lehman Brothers	1,986.2	9.8	15
5	Goldman Sachs & Co.	1,762.6	8.7	11
6	JP Morgan	1,666.6	8.3	17
7	Deutsche Bank	1,423.6	7.1	8
8	Credit Suisse	1,423.5	7.1	10
9	Citigroup	1,350.5	6.7	8
10	Banc of America Securities	1,077.3	5.3	9
	SubTotal	**17,142.4**	**84.9**	**69**
	Total	**20,189.3**		**106**

* Last 180 days

Backlog Highlights

• Morgan Stanley leads the street with expected proceeds of $2.2B, based on deals filed in the last 180 days; they are listed as the bookrunner on 3 out of the 5 largest filed deals. Private equity firm Blackstone Group tops the backlog with its $4.0 B IPO filing, driving the Financials industry to account for 33% of total filed proceeds.

TOP 10 FILED DEALS

Issue Name	Issue Type	Amount Filed ($mm)	Bookrunner Codes
The Blackstone Group L.P.	IPO	4,000.0	MS, CITI, ML, CS, LEH, DB
Boart Longyear Ltd.	IPO	2,081.2	MACQUARI
MetroPCS Communications, Inc.	IPO	1,125.0	BEAR, BOA, ML, MS
AMC Entertainment Inc.	IPO	750.0	GS
EnergySolutions, Inc.	IPO	500.0	CS, JPM, MS
ACE Ltd.	CVT	500.0	BOA, DB
BGC Partners, Inc.	IPO	460.0	CANTOR, DB
Solera Holdings LLC	IPO	460.0	GS, JPM
Cinemark Holdings, Inc.	IPO	400.0	LEH
Polypore International, Inc.	IPO	362.3	JPM

Source: Ipreo Capital Markets

Note: Includes U.S. based SEC Deals and excludes CEFs and Blank Checks

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QUARTERLY EDITION

Quarter Ending March 31, 2007

Top Deals

Largest Deals by Proceeds

Top 5 IPOs

Offer Date	Issuer	Ticker	Amt + Ovl ($mm)	Shares Offered Inc Ovl	Offer Price	Original File Range	Price Performance % Change: Initial Midpoint / Offer	Price Performance % Change: Offer / 1 Day	Price Performance % Change: Offer / 3/30/07	Bookrunner(s)	Industry
02/07/07	National CineMedia, Inc.	NCMI	882.0	42,000,000	21.00	18 - 20	10.5	22.2	27.1	CS, JPM, LEH, MS	Consumer Cyc.
02/08/07	Fortress Investment Group LLC	FIG	729.4	39,428,900	18.50	16.50 - 18.50	5.7	67.6	55.0	GS, LEH, BOA, CITI, DB	Financials
03/07/07	Clearwire Corp.	CLWR	600.0	24,000,000	25.00	23 - 25	4.2	(1.5)	(18.1)	ML, MS, JPM	Telecom. Svcs
01/30/07	Employers Holdings, Inc.	EIG	523.0	30,762,500	17.00	14 - 16	13.3	17.5	17.8	MS	Financials
01/24/07	Meruelo Maddux Properties, Inc.	MMPI	455.5	45,550,000	10.00	12 - 14	(23.1)	6.0	(12.5)	FRIED, UBS	Financials
	Total ($mm):		**3,189.9**			**Mean:**	**2.1**	**22.4**	**13.9**		
	% of Total IPOs:		**38.97**								

Top 5 Follow-Ons

Offer Date	Issuer	Ticker	Amt + Ovl ($mm)	Shares Offered Inc Ovl	Offer Price	Price Performance % Change: Current File / Offer	Price Performance % Change: Last Trade / Offer	Price Performance % Change: Offer / 3/30/07	Bookrunner(s)	Industry
03/22/07	Freeport-McMoRan Copper & Gold Inc.	FCX	2,887.9	47,150,000	61.25	0.9	(1.1)	8.1	ML, JPM	Materials
03/21/07	NYMEX Holdings, Inc.	NMX	955.5	7,000,000	136.50	8.4	(0.1)	(0.5)	JPM, BOA, ML	Financials
03/07/07	Annaly Capital Management, Inc.	NLY	776.3	57,500,000	13.50	(3.4)	(1.0)	14.7	ML	Financials
02/07/07	Aircastle Ltd.	AYR	512.3	15,525,000	33.00	9.8	(0.7)	7.2	JPM, BEAR, CITI	Financials
03/01/07	Mylan Laboratories Inc.	MYL	510.2	26,162,500	19.50	(11.6)	(3.8)	8.4	ML, JPM	Healthcare
	Total ($mm):		**5,642.2**		**Mean:**	**0.8**	**(1.3)**	**7.6**		
	% of Total Follow-Ons:		**31.16**							

* Fully Marketed and Accelerated Offerings

Top 5 Block Trades

Offer Date	Issuer	Ticker	Amt + Ovl ($mm)	Shares Offered Inc Ovl	Offer Price	# Trading Days Deal Size Represents	Price Performance % Change: Last Trade / Offer	Price Performance % Change: Offer/ 1 Day	Price Performance % Change: Offer / 3/30/07	Bookrunner(s)	Industry
01/09/07	AvalonBay Communities, Inc.	AVB	594.8	4,600,000	129.30	8	(0.1)	1.6	0.5	JPM, MS	Financials
01/23/07	AMR Corp.	AMR	497.9	13,000,000	38.30	2	(4.5)	(4.2)	(20.5)	CS, ML, UBS	Transportation
02/12/07	Nalco Holding Co.	NLC	420.5	18,126,192	23.20	30	(3.5)	0.7	3.0	CITI	Industrials
02/06/07	ON Semiconductor Corp.	ONNN	414.9	45,000,000	9.22	6	(4.8)	4.2	(3.3)	LEH	Technology
02/07/07	ITC Holdings Corp.	ITC	298.7	6,826,287	43.75	23	(1.6)	0.0	(1.1)	CS	Utilities
	Total ($mm):		**2,226.8**			**Mean:**	**(2.9)**	**0.5**	**(4.2)**		
	% of Total Block Trades:		**46.26**								

Top 5 Equity Related

Offer Date	Issuer	Ticker	Amt + Ovl ($mm)	Coupon	Premium	Maturity	Coupon Talk	Premium Talk	Bookrunner(s)	Industry
01/31/07	U.S. Bancorp	USB	3,000.0	Floats	15.00	02/15/37	Libor - 175 bps	15.00 - 15.00	DB	Financials
03/22/07	Freeport-McMoRan Copper & Gold Inc.	FCX	2,875.0	6.75	18.72	Perpetual	6.75 - 7.25	18.00 - 22.00	ML, JPM	Materials
03/22/07	Vornado Realty Trust	VNO	1,400.0	2.85	30.00	03/15/27	2.85 - 2.85	30.00 - 30.00	JPM, CITI, DB, LEH	Financials
03/20/07	ProLogis	PLD	1,250.0	2.25	20.00	04/01/37	1.75 - 2.25	20.00 - 20.00	JPM, MS, UBS	Financials
02/15/07	Archer-Daniels-Midland Co.	ADM	1,150.0	0.88	22.50	02/15/14	0.875 - 1.375	17.50 - 22.50	CITI, JPM, ML	Consumer Non-Cyc.
	Total ($mm):		**9,675.0**							
	% of Total Equity Related:		**38.46**							

More About The Ipreo Early Edition

This is a special quarterly edition of The Ipreo Early Edition. The Early Edition is a weekly U.S. Equity Capital Markets publication provided by Ipreo Capital Markets. All deal data provided by Ipreo's Equity Deals Database, a U.S. equities deals database providing quick and accurate deal information, both real-time and historical. For more information please contact us at equitydeals@i-deal.com or 212.849.5420.

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