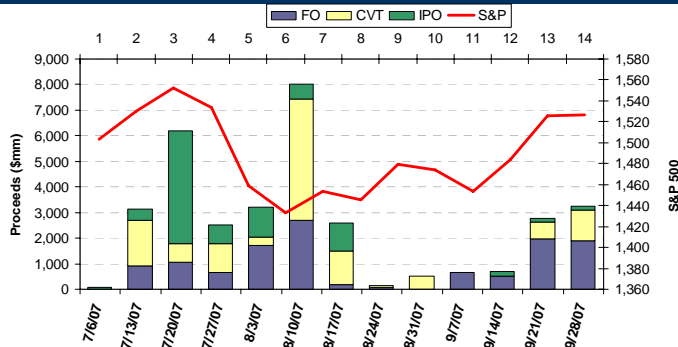


### Market Highlights



3rd Quarter New Issuance		
	Proceeds (\$mm)	# of Deals
IPOs	8,978.5	31
Follow-ons	8,212.6	50
Block Trades	4,111.3	22
Convertibles	12,438.0	28
<b>Totals</b>	<b>33,740.4</b>	<b>131</b>

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

- U.S. markets ended the quarter higher following a volatile period which began with record highs for the Dow and S&P in July. The early gains however gave way to sharp declines later in the quarter amid widespread credit concerns, leading to a global liquidity crisis that threatened to slow economic growth. These concerns prompted the Fed and ECB to inject billions into the markets, and contributed to the Fed's surprise decision to cut the discount rate in August and to reduce the target rate 50 basis points during its September FOMC meeting. The move resulted in bullish activity that erased all prior losses from major market indices during the quarter. The new issuance market also experienced volatility as some large offerings managed to make it out to the market, while others waited on the sidelines. Following the Sept. FOMC meeting, the new issuance market has slowly picked up momentum, mostly in the last week of September. The Dow, S&P, and Nasdaq ended the quarter up 3.6%, 1.6%, and 3.8% respectively. Crude oil futures closed at \$81.66, 15% higher for the quarter as interest rate cuts reduced expectations for economic slowdown, and several Gulf Coast storms threatened supplies. Crude oil also marked a record high, closing at \$83.32 on Sept. 20.
- In economic news, the FOMC lowered its target interest rate by 50 basis points to 4.75% at its Sept. 18<sup>th</sup> meeting, after holding rates steady since June 2006. The cut exceeded the quarter-point reduction most investors were expecting, with the Fed citing turmoil in the financial markets as a threat to economic growth. Following the move, the dollar devalued to a record low against the euro and fell to parity with the Canadian dollar for the first time since 1976. The Fed also reduced the discount rate by 50 basis points on two separate instances, the first being an unexpected cut on Aug. 17, and the next in conjunction with the target rate cut, bringing it to 5.25%. The rate cuts came amid relatively tame core inflation this quarter as the core PPI and CPI were mostly in line with expectations. Housing woes continued as existing home sales fell throughout the quarter, ending at a 5-year low amid the largest glut of unsold homes in 18 years. New home sales were mixed after an unexpected increase in July, but ended down 8% in Aug., the slowest sales since June 2000. Employment data was mixed, with unemployment remaining steady at 4.6% in Aug. and July. However, nonfarm payrolls unexpectedly fell by 4,000 in Aug., the first drop in over four years. Volatile financial markets and continued weakness in the housing sector drove consumer confidence down to 105.6 in Aug., while labor concerns and tough borrowing standards pushed it down to 99.8 in Sept., its lowest level since Nov. 2005.
- In corporate news, market conditions weighed heavily on certain financial institutions and companies exposed to the housing market. Countrywide Financial announced plans to eliminate up to 20% of its workforce, anticipating a decline in mortgage volume, while American Home Mortgage Investment filed for bankruptcy. Homebuilders DR Horton, Beazer Homes, and Hovnanian Enterprises all reported 3Q net losses that missed expectations, citing credit tightening in the mortgage market. Meanwhile, Toll Brothers reported home cancellations have reached a twenty-year high, while Lennar and KB Home posted large drops in unit deliveries. Wall Street firms had mixed Q3 earnings results amid the credit crunch, as Morgan Stanley, Bear Stearns, and Lehman Brothers all reported year-over-year net losses, while Goldman Sachs posted a 79% increase in profit.

### Housing and Economic Growth

"The tightening of credit conditions has the potential to intensify the housing correction and to restrain economic growth. The Committee will continue to assess the effects of these and other developments on economic prospects and will act as needed to foster price stability and sustainable economic growth." *FOMC Statement – September 18.*

"With house prices still soft and many borrowers of recent-vintage subprime ARMs still facing their first interest-rate resets, delinquencies and foreclosure initiations in this class of mortgages are likely to rise further." *Ben Bernanke, during testimony to the House Financial Services Committee. – Sept. 20.*

"My own guess is the odds are less than 50-50 that we're heading to a recession, but there is no question we've got significant pressure on home prices, which I expect to move down quite considerably lower." *Alan Greenspan on NBC's "Meet the Press"– Sept. 23.*

Quarter Ending September 30, 2007

### 3Q Bookrunner League Tables & New Issuance Recap

#### U.S. Equity and Equity Related League Table

Rank	Manager	2007 3Q			2006 3Q		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	Citi	4,456.8	13.2	18	5,813.1	18.5	26
2	JP Morgan	4,187.5	12.4	18	3,402.5	10.8	18
3	Lehman Brothers Inc.	3,668.0	10.9	14	2,803.9	8.9	18
4	Goldman Sachs & Co.	2,993.8	8.9	18	4,540.0	14.4	19
5	Credit Suisse	2,924.5	8.7	15	1,152.3	3.7	12
6	Merrill Lynch & Co., Inc.	2,871.7	8.5	12	3,471.6	11.0	26
7	Morgan Stanley	2,462.7	7.3	18	2,788.4	8.9	13
8	UBS AG	1,993.0	5.9	15	1,109.1	3.5	11
9	Deutsche Bank	1,905.6	5.6	11	1,687.9	5.4	13
10	Banc of America Securities	1,679.3	5.0	11	1,533.3	4.9	14
<b>Subtotal</b>		<b>29,142.8</b>	<b>86.4%</b>	<b>87</b>	<b>28,302.0</b>	<b>90.1%</b>	<b>112</b>
<b>Total</b>		<b>33,740.4</b>		<b>131</b>	<b>31,421.8</b>		<b>148</b>

#### U.S. IPO League Table

Rank	Manager	2007 3Q			2006 3Q		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	JP Morgan	1,510.9	16.8	7	850.6	15.2	6
2	Citi	1,376.3	15.3	5	304.7	5.4	4
3	Lehman Brothers Inc.	1,277.2	14.2	6	769.1	13.7	5
4	Merrill Lynch & Co., Inc.	1,141.2	12.7	6	281.1	5.0	3
5	UBS AG	805.6	9.0	4	251.9	4.5	3
6	Credit Suisse	762.3	8.5	6	458.8	8.2	4
7	Morgan Stanley	629.4	7.0	7	436.9	7.8	3
8	Goldman Sachs & Co.	604.2	6.7	6	1,424.3	25.4	7
9	Banc of America Securities	282.8	3.2	2	57.5	1.0	1
10	KeyBanc Capital Markets	112.2	1.2	1	0.0	0.0	0
<b>Subtotal</b>		<b>8,502.2</b>	<b>94.7%</b>	<b>25</b>	<b>4,834.9</b>	<b>86.3%</b>	<b>23</b>
<b>Total</b>		<b>8,978.5</b>		<b>31</b>	<b>5,602.3</b>		<b>33</b>

#### U.S. Follow-On League Table

Rank	Manager	2007 3Q			2006 3Q		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	Credit Suisse	1,921.3	15.6	6	157.7	1.0	3
2	Goldman Sachs & Co.	1,367.1	11.1	8	1,929.6	12.5	9
3	Morgan Stanley	1,333.2	10.8	10	1,784.8	11.6	7
4	Merrill Lynch & Co., Inc.	1,255.5	10.2	5	1,948.6	12.7	16
5	Deutsche Bank	1,147.9	9.3	7	976.2	6.3	7
6	Citi	1,059.5	8.6	7	2,208.7	14.4	15
7	Bear Stearns & Co. Inc.	695.2	5.6	6	0.0	0.0	0
8	UBS AG	562.5	4.6	8	557.2	3.6	7
9	Jefferies & Company, Inc.	504.8	4.1	3	317.4	2.1	4
10	Lehman Brothers Inc.	453.2	3.7	5	1,776.0	11.5	11
<b>Subtotal</b>		<b>10,300.4</b>	<b>83.2%</b>	<b>41</b>	<b>11,483.9</b>	<b>74.6%</b>	<b>56</b>
<b>Total</b>		<b>12,323.9</b>		<b>72</b>	<b>15,391.0</b>		<b>85</b>

#### U.S. Equity Related League Table

Rank	Manager	2007 3Q			2006 3Q		
		Proceeds (\$mm)	Mkt. Share %	# of Deals	Proceeds (\$mm)	Mkt. Share %	# of Deals
1	JP Morgan	2,433.3	19.6	7	965.0	9.3	7
2	Citi	2,021.0	16.2	6	3,299.8	31.6	7
3	Lehman Brothers Inc.	1,937.5	15.6	3	258.8	2.5	2
4	Goldman Sachs & Co.	1,022.5	8.2	4	1,186.0	11.4	3
5	Banc of America Securities	983.3	7.9	6	1,091.0	10.5	8
6	Deutsche Bank	680.0	5.5	3	486.7	4.7	3
7	UBS AG	625.0	5.0	3	300.0	2.9	1
8	Bear Stearns & Co. Inc.	500.0	4.0	1	115.0	1.1	1
8	Morgan Stanley	500.0	4.0	1	566.7	5.4	3
8	Friedman Billings Ramsey	500.0	4.0	1	0.0	0.0	0
<b>Subtotal</b>		<b>11,202.7</b>	<b>90.1%</b>	<b>23</b>	<b>8,268.9</b>	<b>79.3%</b>	<b>27</b>
<b>Total</b>		<b>12,438.0</b>		<b>28</b>	<b>10,428.4</b>		<b>30</b>

#### New Issuance Recap

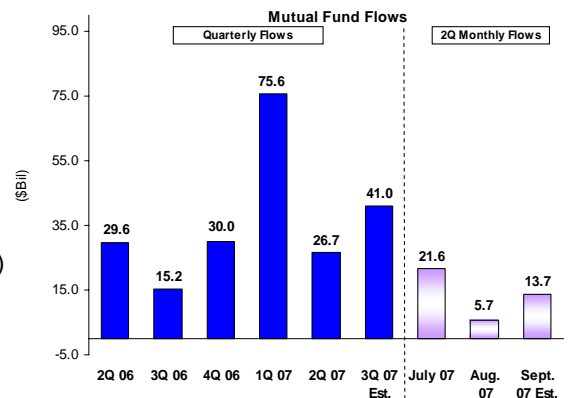
- In Q307, total proceeds amounted to \$33.7B, a 7.4% increase from the year prior period amid an 11% drop in the number of deals. However, average deal size increased 21% amid several large offerings within the technology and financials sector. Proceeds raised 2007 YTD were 16% greater than the year-ago period while the number of deals rose 7% compared to the year-ago period, despite market volatility.

- During the week of Aug. 10, approximately \$8.0B in proceeds was raised, representing nearly 24% of total proceeds for Q3. Concurrent offerings from Schering-Plough (\$4.75B) and Advanced Micro Devices' convertible deal (\$1.5B) both priced the day before global central banks injected more than \$326B into the markets in response to credit concerns.

- IPO proceeds raised accounted for almost 27% of all proceeds, compared to 18% in the year-ago period. Follow-ons decreased to \$12.3B from \$15.4B as did the number of deals to 72 deals from 85.

- Underlying concerns of market volatility were reflected in the number of withdrawn/postponed deals. In Q3, 19 equity deals were withdrawn/postponed accounting for \$1.8B due to market conditions compared to 12 withdrawn/postponed equity deals valued at \$3.2B in the previous year's Q3. Although this quarter is the largest in 2007 for withdrawn/postponed activity, 2007 YTD activity is still trending lower than 2006. In Q3, Aug. experienced the greatest withdrawn/postponed activity with 63% of the quarter's withdrawn/postponed deals occurring in this month amid economic concerns.

- Mutual Fund flows in Q3 are estimated to increase over Q2 and more than double the year-ago figure. Fewer inflows during the tumultuous period between the end of July and the start of September were offset by strong inflows amid market highs during the first three weeks of the quarter, and then again after the Fed's target rate cut in September.



Source: AMG Data

Source: Ipreo Capital Markets Note: Includes U.S. based SEC Deals and excludes CEFs and Blank Checks

Quarter Ending September 30, 2007  
Pricing Environment, Trends & Backlog

**U.S. IPO Pricing Performance**

Month	Total		Pricing Range			% Change	
	Proceeds (\$mm)	# of Deals	Above	Within	Below	Offer / 1Day	Offer / 1 Mo
Jul/07	5,328.6	15	13%	47%	40%	14.7	1.8
Aug/07	2,745.9	10		70%	30%	13.1	26.6
Sep/07	262.9	2		50%	50%	48.6	N/A
<b>3Q 07</b>	<b>8,337.5</b>	<b>27</b>	<b>11%</b>	<b>52%</b>	<b>37%</b>	<b>16.7</b>	<b>12.2</b>

▪ August's VMware and September's athenahealth rank as the year's best one day performing IPOs, with gains of 76% and 97%, respectively. These deals drove Q3's average offer/1 day performance to 16.7% from 9.3% in last quarter.

**U.S. Follow-On Pricing Performance**

Month	Total		Pricing Range		% Change		
	Proceeds (\$mm)	# of Deals	At/Above	Below	Last / Offer	File / Offer	Offer / 1 Mo
Jul/07	2,077.0	13	23%	77%	(2.4)	(3.8)	(3.8)
Aug/07	2,839.9	9	11%	89%	(5.4)	(9.0)	8.5
Sep/07	2,431.4	16	38%	63%	(3.7)	(5.1)	N/A
<b>3Q 07</b>	<b>7,348.2</b>	<b>38</b>	<b>26%</b>	<b>74%</b>	<b>(3.6)</b>	<b>(5.6)</b>	<b>0.9</b>

▪ Amid market volatility, August follow-ons had the smallest at/above price relative to filing % since July of 2006. However, the highest offer/1 month performance since Sept. 2006 was in August, led by two strong performing technology deals, Scientific Learning and Globecom Systems.

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 3Q Priced by Industry**

Rank	Industry	Proceeds (\$mm)	Market Share (%)	# of Deals
1	Financials	7,572.9	22.4	30
2	Technology	6,463.9	19.2	21
3	Healthcare	5,231.2	15.5	15
4	Materials	3,652.1	10.8	8
5	Consumer Cyclical	3,237.7	9.6	14
6	Energy	2,758.0	8.2	18
7	Industrials	2,452.2	7.3	11
8	Transportation	1,042.6	3.1	6
9	Telecom Svcs	932.9	2.8	6
10	Utilities	396.9	1.2	2
<b>Total</b>		<b>33,740.4</b>		<b>131</b>

**Industry Highlights**

• Financials narrowly remained the leader in new issuance volume, but its market share fell significantly to 22% from 45% in the year-ago period. The proceeds for financials dropped 47% from the year-ago period, even with MF Global's \$2.9B offering, which accounted for 39% of the industry proceeds. Amid ongoing concerns in the real estate market, real estate proceeds dropped significantly; in Q306, real estate represented 53% of all financial proceeds, while in 2007 they represented only 35% of total proceeds.

• Technology experienced the largest increase in new issuance volume, increasing to 19% from 5% in the year-ago period, as proceeds grew by more than 400% from Q306. This sector was marked by large transactions, as three mega deals represent 60% of the overall technology proceeds.

**Current Backlog**

Rank	Manager	Proceeds (\$mm)	Market Share (%)	# of Deals
1	Goldman Sachs & Co.	4,119.2	13.4	16
2	Lehman Brothers	3,950.6	11.4	16
3	Citigroup	3,250.4	10.9	17
4	Morgan Stanley	2,838.9	10.5	19
5	JP Morgan	2,722.4	8.1	12
6	Merrill Lynch & Co., Inc.	2,624.3	7.7	17
7	Credit Suisse	2,350.2	6.8	7
8	UBS AG	2,305.5	6.2	12
9	Bear Stearns & Co. Inc.	1,133.8	5.2	8
10	Banc of America Securities	1,062.7	3.2	7
<b>SubTotal</b>		<b>26,357.9</b>	<b>83.4%</b>	<b>68</b>
<b>Total</b>		<b>30,936.5</b>		<b>113</b>

**Backlog Highlights**

Goldman Sachs has the largest backlog with expected proceeds of over \$4.1B and is listed as one of the bookrunners in 7 of the top 10 filed deals. Two asset management deals sit at the top of the filed deals list, Och-Ziff and KKR.

**TOP 10 FILED DEALS**

Issue Name	Issue Type	Amt Filed (\$mm)	Bookrunner(s)
Och-Ziff Capital Management Group LLC	IPO	2,000.0	GS, LEH
American Water Works Company, Inc.	IPO	1,500.0	GS, CITI, ML
EXCO Partners, LP	IPO	1,500.0	GS, CITI, UBS, JPM, ML, MS
KKR & Co. L.P.	IPO	1,250.0	MS, CITI
Talecris Biotherapeutics Holdings Corp.	IPO	1,000.0	MS, GS, JPM
Symetra Financial Corp.	IPO	750.0	ML, GS, JPM, LEH
Aircastle Ltd.	FO	708.6	JPM, BEAR, CITI
DuPont Fabros Technology, Inc.	IPO	701.5	LEH, UBS
SandRidge Energy, Inc.	IPO	690.0	LEH, GS, BOA
El Paso Pipeline Partners, L.P.	IPO	525.0	LEH, CITI, GS, UBS

Backlog represents filings within the last 180 days

Source: Ipreo Capital Markets

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

### Largest Deals by Proceeds

#### Top 5 IPOs

Offer Date	Issuer	Ticker	Amt + Ovl Shares (\$mm)	Offered Inc Ovl	Offer Price	Original File Range	Price Performance % Change			Bookrunner(s)	Industry
							Initial	Offer /	Offer /		
							Midpoint / Offer	1 Day	9/30/07		
07/18/07	MF Global Ltd.	MF	2,921.4	97,379,765	30.00	36 - 39	(20.0)	(8.2)	(3.3)	CITI, JPM, LEH, ML, UBS	Financials
08/13/07	VMware, Inc.	VMW	1,100.6	37,950,000	29.00	23 - 25	20.8	75.9	193.1	CITI, JPM, LEH	Technology
08/01/07	Genpact Ltd.	G	568.2	40,588,236	14.00	16 - 18	(17.6)	19.6	21.1	MS, CITI, JPM	Industrials
07/19/07	Orbitz Worldwide, Inc.	OWW	510.0	34,000,000	15.00	16 - 18	(11.8)	(3.3)	(24.7)	MS, GS, LEH, JPM	Consumer Cyc.
07/10/07	AMG Advanced Metallurgical Group N.V.	AMG.NA	430.2	13,064,752	32.93	26.92 - 33.65	8.7	(10.4)	16.3	CS	Industrials
<b>Total (\$mm):</b>			<b>5,530.4</b>			<b>Mean:</b>	<b>(4.0)</b>	<b>14.7</b>	<b>40.5</b>		
<b>% of Total IPOs:</b>			<b>61.60</b>								

#### Top 5 Follow-Ons

Offer Date	Issuer	Ticker	Amt + Ovl Shares (\$mm)	Offered Inc Ovl	Offer Price	Price Performance % Change			Bookrunner(s)	Industry	
						Current File / Offer	Last Trade / Offer	Offer / 9/30/07			
08/09/07	Schering-Plough Corp.	SGP	1,581.3	57,500,000	27.50	(6.4)	(0.1)	15.0	GS, BOA, BEAR, CITI, MS	Healthcare	
07/12/07	Annaly Capital Management, Inc.	NLY	756.7	54,050,000	14.00	(4.5)	(1.3)	13.8	ML	Financials	
08/09/07	First Solar, Inc.	FSLR	698.3	7,350,000	95.00	(9.1)	(7.8)	23.9	CS, GS, MS	Technology	
09/19/07	LKQ Corp.	LKQX	372.0	12,000,000	31.00	2.6	(5.2)	12.3	BAIRD, DB	Consumer Cyc.	
07/26/07	Regency Energy Partners LP	RGNC	368.6	11,500,000	32.05	(6.0)	0.0	(8.3)	UBS, GS, MS	Utilities	
<b>Total (\$mm):</b>			<b>3,776.8</b>			<b>Mean:</b>	<b>(4.7)</b>	<b>(2.9)</b>	<b>11.4</b>		
<b>% of Total Follow-Ons:</b>			<b>45.99</b>								

\* Fully Marketed and Accelerated Offerings

#### Top 5 Block Trades

Offer Date	Issuer	Ticker	Amt + Ovl Shares (\$mm)	Offered Inc Ovl	Offer Price	# Trading Days Deal Size Represents	Price Performance % Change			Bookrunner(s)	Industry
							Last Trade / Offer	Offer / 1 Day	Offer / 9/30/07		
08/02/07	Huntsman Corp.	HUN	1,424.5	56,979,062	25.00	127	(1.8)	0.0	6.0	CS	Materials
09/28/07	Wynn Resorts Ltd.	WYNN	592.5	3,750,000	158.00	3	(5.4)	(0.3)	(0.3)	DB	Consumer Cyc.
08/06/07	DreamWorks Animation SKG, Inc.	DWA	335.8	10,186,137	32.97	14	0.0	(8.6)	1.4	GS	Consumer Cyc.
09/20/07	Leucadia National Corp.	LUK	250.3	5,500,000	45.50	12	(5.1)	0.6	6.0	JEFFER	Industrials
09/28/07	Duke Realty Corp.	DRE	231.9	7,000,000	33.13	8	(3.7)	2.1	2.1	MS, UBS	Financials
<b>Total (\$mm):</b>			<b>2,835.0</b>			<b>Mean:</b>	<b>(3.2)</b>	<b>(1.2)</b>	<b>3.0</b>		
<b>% of Total Block Trades:</b>			<b>67.47</b>								

#### Top 5 Equity Related

Offer Date	Issuer	Ticker	Amt + Ovl (\$mm)	Coupon	Premium	Maturity	Price Performance % Change		Bookrunner(s)	Industry	
							Coupon Talk	Premium Talk			
08/09/07	Schering-Plough Corp.	SGP	2,500.0	6.00	22.50	08/13/10	5.00 - 6.00	20.00 - 25.00	GS, BOA, BEAR, CITI, MS	Healthcare	
08/09/07	Advanced Micro Devices Inc.	AMD	1,500.0	5.75	50.00	08/15/12	N/A	N/A	LEH	Technology	
08/14/07	VeriSign Inc.	VRSN	1,300.0	3.25	20.00	08/15/37	2.75 - 3.25	20.00 - 22.50	JPM	Technology	
07/11/07	Newmont Mining Corp.*	NEM	1,150.0	1.25	15.00	07/15/14	1.25 - 1.75	10.00 - 15.00	JPM, CITI	Materials	
08/08/07	USEC Inc.	USU	575.0	3.00	22.50	10/01/14	3.00 - 3.00	17.50 - 22.50	GS, WCHV	Materials	
<b>Total (\$mm):</b>			<b>7,025.0</b>								
<b>% of Total Equity Related:</b>			<b>56.48</b>								

\* Dual tranche: proceeds reflect both tranches, coupon/premium terms reflect main tranche

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

### 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@ipreo.com](mailto:equitydeals@ipreo.com) or 212.849.5420.

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