

**Evercore Partners Reports Record Growth In First Quarter
Earnings Per Share
Declares Increased Quarterly Dividend of \$0.10 Per Share**

Reports Record Net Revenues, Net Income and Earnings per Share

Highlights

- Increased number and diversity of clients
- Strong Advisory pipeline
- Leveraging geographic platforms and successfully executing growth initiatives

NEW YORK, May 15, 2007 – Evercore Partners Inc. (NYSE: EVR) today announced that on an adjusted pro forma basis, its net revenues increased 104.6% to a record \$89.5 million for the first quarter ended March 31, 2007 from \$43.8 million for the comparable 2006 period. Evercore’s adjusted pro forma net income was \$16.0 million, or \$0.50 per share, for the first quarter of 2007, compared to adjusted pro forma net income of \$7.9 million, or \$0.24 per share, for the comparable 2006 period. Evercore’s adjusted pro forma pre-tax margin for the three months ended March 31, 2007 was 31.7%, compared to 32.3% for the same period in 2006. The following table ⁽¹⁾ provides a comparison of Evercore’s results in the first quarter of 2007 to the first quarter of 2006:

	<i>Three Months Ended March 31,</i>								
	(dollars in thousands, except per share data)								
	GAAP			Pro Forma			Adjusted Pro Forma		
	2006 <u>Predecessor</u>	2007 <u>Successor</u>	%	2006	2007	%	2006	2007	%
			<u>Change</u>			<u>Change</u>			<u>Change</u>
Net Revenue	\$ 45,626	\$ 89,496	96.2%	\$ 43,751	\$ 89,496	104.6%	\$ 43,751	\$ 89,496	104.6%
Pre-Tax Income	\$ 26,920	\$ 24,096	(10.5%)	\$ 8,520	\$ 24,096	182.8%	\$ 14,113	\$ 28,351	100.9%
Pre-Tax Margin	59.0%	26.9%		19.5%	26.9%		32.3%	31.7%	
Net Income	\$ 25,948	\$ 4,220	(83.7%)	\$ 1,525	\$ 4,220	176.7%	\$ 7,860	\$ 16,047	104.2%
EPS	N/A	\$ 0.64	N/A	\$ 0.23	\$ 0.64	178.3%	\$ 0.24	\$ 0.50	108.3%

⁽¹⁾ See “Basis of Alternative Financial Statement Presentations” on Page 6 and Annex I for a detailed discussion of the differences in the calculation of the Company’s “predecessor” and “successor” results prepared in accordance with U.S. GAAP, pro forma results and adjusted pro forma results. Any financial measure other than U.S. GAAP results should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. GAAP.

Evercore benefited in the first quarter from strong execution and favorable market conditions. The global merger and acquisition (M&A) environment continues to strengthen, as evidenced by the increase to \$83.9 million in pro forma Advisory revenue for the first quarter ended March 31, 2007, from \$34.7 million in pro forma Advisory revenues for the comparable 2006 period. This represents an increase of 142.0% year-over-year. Evercore’s Investment Management business had pro forma revenues of \$4.5 million for the first quarter ended March 31, 2007, compared to \$8.8 million in pro forma revenues for the comparable 2006 period, a decrease of 49.1%.

Evercore’s revenues and net income can fluctuate materially depending on the number, size and timing of the completed transactions on which it advised, the number and size of Investment

Management gains or losses and other factors. Accordingly, the revenues and net income in any particular quarter may not be indicative of future results. Evercore believes that annual results are the most meaningful.

Business Overview

“We are extremely pleased with our first quarter results and have exceeded previous highs in revenues, the number of closed transactions on which we advised and the number of revenue generating clients,” said Roger Altman, Co-Chairman and Co-Chief Executive Officer, Evercore Partners. “Our momentum and pipeline are strong and we are confident in the continued success of our business model.”

“We are executing on our growth strategy and continue to attract world class talent with a broad range of expertise. Our expansion into Europe is off to a very strong start and we remain confident our business model can expand further geographically,” said Austin Beutner, President and Co-Chief Executive Officer, Evercore Partners. “The fundamentals are strong for Evercore’s Advisory and Investment Management businesses.”

Revenues

Advisory

Evercore’s Advisory revenues for the first quarter ended March 31, 2007 were as follows:

	<i>Three Months Ended March 31,</i>					
	<i>(dollars in thousands)</i>					
	GAAP			Pro Forma		
	<u>2006</u>	<u>2007</u>		<u>2006</u>	<u>2007</u>	<u>% Change</u>
	<u>Predecessor</u>	<u>Successor</u>	<u>% Change</u>			
Advisory Revenue	\$ 32,397	\$ 83,946	159.1%	\$ 34,686	\$ 83,946	142.0%
% of Net Revenue	71.0%	93.8%		79.3%	93.8%	

The increase in pro forma Advisory revenues for the quarter ended March 31, 2007, as compared to the same period in 2006 was primarily attributable to the continued strength of the M&A market and Evercore’s role in several of the quarter’s largest and most noteworthy transactions.

Transactions completed in the first quarter ended March 31, 2007 on which Evercore advised included:

- CVS on its acquisition of Caremark
- Level 3 on its acquisition of Broadwing Corp
- Silver Lake Partners on its sale of Instinet to Nomura Holdings
- TI Automotive on the sale of its Industrials Group business to Sun Capital Partners
- Morningstar on its acquisition of Standard & Poor's mutual fund data business
- Blackbaud on its acquisitions of Target Software and Target Analysis Group
- Commonwealth Telephone on its sale to Citizens Communications
- IntercontinentalExchange on its acquisition of the New York Board of Trade
- UCB on its acquisition of Schwarz Pharma

Among the transactions announced in the first quarter ended March 31, 2007 but not yet closed on which Evercore is advising are:

- Smiths Group PLC on the sale of its Aerospace division to GE and on its Detection Joint Venture with GE
- IronPort Systems on its sale to Cisco Systems
- Novelis on its sale to Hindalco
- Aquila on its sale to Great Plains Energy and on the sale of certain assets to Black Hills Power
- Copley Press on its sale of nine publications to GateHouse Media

Advisory revenues for the first quarter ended March 31, 2007 for Evercore Mexico and Evercore Europe were \$5.2 million and \$12.2 million, respectively.

Investment Management

Evercore's Investment Management revenues for first quarter ended March 31, 2007 were as follows:

	<i>Three Months Ended March 31,</i>					
	<i>(dollars in thousands)</i>					
	GAAP			Pro Forma		
	<u>2006</u>	<u>2007</u>	<u>% Change</u>	<u>2006</u>	<u>2007</u>	<u>% Change</u>
	<u>Predecessor</u>	<u>Successor</u>				
Investment Management Revenue	\$ 13,108	\$ 4,469	(65.9%)	\$ 8,781	\$ 4,469	(49.1%)
% of Net Revenue	28.7%	5.0%		20.1%	5.0%	

On a pro forma basis, Investment Management revenues decreased 49.1% for the first quarter ended March 31, 2007. The decrease in revenue is attributable to the non-recurrence of transaction fees associated with investment activity and unrealized gains on investment due to the net write-up of certain portfolio companies, both of which occurred during the first quarter ended March 31, 2006 but not in the first quarter ended March 31, 2007.

The historical Combined Statements of Income for the period prior to August 10, 2006 included the results of the general partners of the private equity funds the Company currently manages. Following the IPO, the Company does not consolidate the results of the general partners of the private equity funds as they were not contributed as part of the formation transaction. However, through its equity interest in the general partner of ECP II and the Discovery Fund, the Company recognizes as revenue 8% to 9% of any carried interest from these funds plus the pro rata share of realized and unrealized gains and losses associated with capital invested.

The Company expects it will be entitled to 100% of any management fees and portfolio company fees earned in relation to any future private equity funds it manages. The Company also expects to consolidate the general partners of any future private equity funds it manages. Accordingly, it expects to record as revenue 100% of any carried interest and realized or unrealized gains (or losses) on investments earned by these entities. However, the Company expects to allocate to its Senior Managing Directors and other employees through the direct equity interests these individuals will hold in these entities approximately 60% to 70% of any such carried interest. In addition, these individuals will be entitled to any such gains (or losses) on investment based on the amount of the general partners' capital they contribute in respect of any such future fund. Unlike

ECP I, where the Company made no direct investment or ECP II where the Company's direct investment is less than 2% of total capital committed, the Company intends to make significant capital commitments to any future private equity fund it manages.

Both of the Company's traditional asset management businesses continued to grow their asset bases. Evercore Asset Management increased its assets under management to \$458 million as of March 31, 2007, versus \$4.5 million as of March 31, 2006 and launched two new products. Evercore's peso-denominated fixed income business, Protego Casa de Bolsa (PCB), had \$364 million in assets under management as of March 31, 2007, as compared to \$190 million as of March 31, 2006.

Expenses

Operating Expenses

Evercore's operating expenses for the first quarter ended March 31, 2007 were as follows:

	<i>Three Months Ended March 31,</i>								
	GAAP			(dollars in thousands) Pro Forma			Adjusted Pro Forma		
	<u>2006</u> <u>Predecessor</u>	<u>2007</u> <u>Successor</u>	<u>%</u> <u>Change</u>	<u>2006</u>	<u>2007</u>	<u>%</u> <u>Change</u>	<u>2006</u>	<u>2007</u>	<u>%</u> <u>Change</u>
Compensation Expenses	\$ 8,759	\$ 47,623	443.7%	\$ 20,917	\$ 47,623	127.7%	\$ 20,917	\$ 47,623	127.7%
% of Net Revenue	19.2%	53.2%		47.8%	53.2%		47.8%	53.2%	
% of Net Revenue (with Revenue Exclusions) ⁽¹⁾	N/A	54.3%		50.0%	54.3%		50.0%	54.3%	
Non-compensation Expenses	\$ 9,947	\$ 17,777	78.7%	\$ 14,314	\$ 17,777	24.2%	\$ 8,721	\$ 13,522	55.1%
% of Net Revenue	21.8%	19.9%		32.7%	19.9%		19.9%	15.1%	

⁽¹⁾ Revenue associated with carried interest and reimbursable expenses has been excluded.

Because Evercore operated as a series of limited liability companies prior to its Initial Public Offering (IPO), payments for services rendered by Evercore's Senior Managing Directors generally were accounted for as distributions of members' capital, rather than compensation expenses. As a result, Evercore's pre-IPO compensation and benefits expenses do not reflect a large portion of payments for services rendered by Evercore's Senior Managing Directors and do not fairly reflect the operating costs Evercore is incurring and expects to incur as a public company. As a corporation, Evercore includes all payments for services rendered by its Senior Managing Directors in compensation and benefit expenses.

Evercore's compensation expense is generally based upon revenue and can fluctuate materially in any particular quarter depending upon the amount of revenue recognized as well as other factors. Accordingly, the amount of compensation expense recognized in any particular quarter may not be indicative of compensation expense in a future period.

The Company currently targets total employee compensation and benefits expense (excluding for these purposes compensation and benefits expense associated with new business initiatives or any vesting of partnership units or RSUs granted in connection with the Reorganization and IPO) at a level not to exceed 50% of revenue (excluding for these purposes any revenue associated with carried interest and reimbursable expenses). Since the acquisition of Braveheart represents a new

business initiative, the Company has excluded the revenues and compensation expenses associated with its European operations in calculating its compensation and benefits expense target for 2007. Evercore retains the ability to exceed its compensation and benefit expense target, change the target or change how the target is calculated at any time.

Increasing the number of high caliber Senior Managing Directors is critical to the Company's growth efforts. Typically, the Company hires new Senior Managing Directors in the middle of a calendar year, but the new hires do not begin to generate significant revenue until the following calendar year. The Company expects new Senior Managing Directors to be accretive to earnings by the second calendar year after joining the firm. The Company has hired one new Senior Managing Director already in 2007 and may add as many as ten additional Senior Managing Directors in 2007 in the United States and in Europe, although the number of actual new hires may fall short of that target. As a result, the Company expects to record significant compensation expenses associated with new Senior Managing Director hires that will cause the Company to exceed its compensation and benefits expense target in 2007 and possibly in future periods. The Company expects such increased expenses, to the extent incurred, to have a material and adverse impact on its near-term margins and profitability. Accordingly, to the extent the Company hires at the high end of its current estimates, the Company expects that earnings per share for 2007 will be significantly below pro forma earnings per share for 2006. The Company undertakes no obligation to publicly update or review these estimates of new hires, future expenses, margins or profitability, whether as a result of new information, future developments or otherwise.

Evercore's Compensation and Benefits expense for the quarter ended March 31, 2007 was \$47.6 million, or 54.3% of net revenue (excluding for these purposes carried interest and reimbursable expenses), which exceeded the 50% target by \$3.7 million due to additional compensation and benefits expense associated with the Company's European operations and increases in Evercore's Senior Managing Director headcount. As of March 31, 2007, Evercore's total headcount was 257 employees, compared with 120 on March 31, 2006. Evercore's increase in headcount is illustrated as follows:

	As of March 31,				
	<u>2006</u>	<u>2007</u> <u>U.S.</u>	<u>2007</u> <u>Mexico</u>	<u>2007</u> <u>Europe</u>	<u>2007</u> <u>Consolidated</u>
Headcount:					
Senior Managing Directors:					
Advisory	11	14	6	2	22
Investment Management	7	8	1	1	10
Corporate	2	2	-	-	2
Other Employees:					
Other Professionals and Support Staff	100	129	88	6	223
Total	<u>120</u>	<u>153</u>	<u>95</u>	<u>9</u>	<u>257</u>

Non-Compensation Expenses

Adjusted pro forma non-compensation expense for the first quarter of 2007 was \$13.5 million, an increase of 55.1% compared to \$8.7 million for the comparable 2006 period. The increase is due to additional costs associated with being a public company, expenses associated with business growth initiatives, primarily recruiting costs, and additional non-compensation expenses incurred by Evercore Europe in the first quarter of 2007.

Income Taxes

Prior to the IPO, Evercore was not subject to federal income taxes, but was subject to New York City unincorporated business tax and New York City general corporation taxes. As a result of the IPO, the operating business entities of Evercore were restructured and a portion of Evercore's income is subject to U.S. federal income taxes. For the first quarter ended March 31, 2007, Evercore's effective tax rate was approximately 43% compared to a March 31, 2006 pro forma rate of approximately 44%. The decline in the effective tax rate is principally due to the increase in foreign source revenue not subject to state and local taxation in the U.S.

Dividend

The Board of Directors of Evercore has declared a dividend of \$0.10 per share to be paid on June 15, 2007 to Class A common stockholders of record on June 1, 2007.

Follow-On Offering of Evercore Partners Inc. Class A Common Stock

On April 20, 2007 the Company filed a registration statement on Form S-1 relating to a proposed public offering of shares of the Company's Class A Common Stock ("Follow-On Offering"). Contemplated by such registration statement is the sale of 1,581,778 shares by the Company and 2,618,222 shares by various Senior Managing Directors. Upon successful completion of this Follow-On Offering the Company would record a non-cash equity-based compensation charge of approximately \$127.0 million.

Basis of Alternative Financial Statement Presentations

The Successor Company results represent the consolidated results of Evercore Partners Inc. and its subsidiaries subsequent to the Company's IPO on August 10, 2006. The Predecessor Company results represent the results of the combined entities known as Evercore Holdings prior to the IPO. Both the Predecessor and Successor Company results have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Evercore's pro forma results for the three months ended March 31, 2006 reflect the impact of the Company's pre-IPO internal reorganization, the acquisition of Protego, the acquisition of Braveheart and other transactions undertaken in connection with the IPO. Pro forma results for the quarter ended March 31, 2007 are not presented as these results are the same as U.S. GAAP reported results.

Adjusted pro forma results are provided principally to give additional information about the per-share effect of previously issued but unvested equity and to exclude charges associated with

Evercore's line of credit outstanding in 2006 and amortization of intangible assets acquired with Protego and Braveheart. However, management has concluded that at the current time it is not probable that the conditions relating to the vesting of unvested partnership units or restricted stock units will be achieved or satisfied until the Follow-On Offering has been successfully consummated.

Evercore believes that the disclosed pro forma measures and any adjustments thereto, when presented in conjunction with comparable U.S. GAAP measures, are useful to investors to compare Evercore's results prior and subsequent to the IPO. These measures should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of U.S. GAAP results to pro forma and adjusted pro forma results is presented in the tables included in Annex I, as well as a description of how management believes the pro forma and adjusted pro forma results provide useful information in evaluating Evercore's ongoing operations.

Conference Call

Evercore will host a conference call to discuss its results for the first quarter 2007 on May 15, 2007, at 8:00 a.m. Eastern Daylight Time with access available via the Internet and telephone. Investors and analysts may participate in the live conference call by dialing 888-603-6873 (toll-free domestic) or 973-582-2706 (international); passcode: 8805144. Please register at least 10 minutes before the conference call begins. A replay of the call will be available for one week via telephone starting approximately one hour after the call ends. The replay can be accessed at 877-519-4471 (toll-free domestic) or 973-341-3080 (international); passcode: 8805144. A live webcast of the conference call will be available on the Investor Relations section of Evercore's Web site at www.evercore.com. The webcast will be archived on the Web site for 30 days after the call.

About Evercore Partners

Evercore Partners is a leading investment banking boutique and investment firm. Evercore's Advisory business counsels its clients on mergers, acquisitions, divestitures, restructurings and other strategic transactions. Evercore's Investment Management business manages private equity funds and traditional asset management services for sophisticated institutional investors. Evercore serves a diverse set of clients around the world from its offices in New York, Los Angeles, San Francisco, London, England, Mexico City and Monterrey, Mexico. More information about Evercore can be found on the Company's Web site at www.evercore.com. EVR-F

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Forward-Looking Statements

This discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which reflect Evercore's current views with respect to, among other things, Evercore's operations and financial performance. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," or the negative version of these words or other comparable words. All statements other than statements

of historical fact included in this presentation are forward-looking statements and are based on various underlying assumptions and expectations and are subject to known and unknown risks, uncertainties and assumptions, and may include projections of Evercore's future financial performance based on Evercore's growth strategies and anticipated trends in Evercore's business. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Evercore believes these factors include, but are not limited to, those described under "Risk Factors" discussed in Evercore's Annual Report on Form 10-K for the year ended December 31, 2006 filed with the Securities and Exchange Commission on April 2, 2007. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this discussion. In addition, new risks and uncertainties emerge from time to time, and it is not possible for Evercore to predict all risks and uncertainties, nor can Evercore assess the impact of all factors on Evercore's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Accordingly, you should not rely upon forward-looking statements as a prediction of actual results and Evercore does not assume any responsibility for the accuracy or completeness of any of these forward-looking statements. Evercore undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

With respect to any securities offered by any private equity fund referenced herein, such securities have not been and will not be registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

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ANNEX I

EVERCORE PARTNERS INC. CONDENSED COMBINED/CONSOLIDATED STATEMENTS OF INCOME

(dollars in thousands, except per share data)

	For the Three Months Ended March 31, 2006	For the Three Months Ended March 31, 2007
	Predecessor	Successor
	(UNAUDITED)	(UNAUDITED)
REVENUES		
Advisory Revenue	\$ 32,397	\$ 83,946
Investment Management Revenue	13,108	4,469
Interest Income and Other Revenue	121	3,429
TOTAL REVENUES	45,626	91,844
Interest Expense	-	2,348
NET REVENUES	45,626	89,496
EXPENSES		
Compensation and Benefits	8,759	47,623
Occupancy and Equipment Rental	838	1,643
Professional Fees	5,668	6,928
Travel and Related Expenses	1,851	1,875
Communications and Information Services	416	448
Depreciation and Amortization	262	4,681
Other Operating Expenses	912	2,202
TOTAL EXPENSES	18,706	65,400
OPERATING INCOME	26,920	24,096
Provision for Income Taxes	979	4,936
Minority Interest	(7)	14,940
NET INCOME	\$ 25,948	\$ 4,220
Net Income Available to Holders of Shares of Class A Common Stock:		
		\$ 4,220
Weighted Average Shares of Class A Common Stock Outstanding:		
Basic		6,589
Diluted		6,589
Net Income Available to Holders of Shares of Class A Common Stock Per Share:		
Basic		\$ 0.64
Diluted		\$ 0.64

Pro Forma Financial Information

The historical results of operations for periods prior to August 10, 2006, the date of Evercore's corporate reorganization, are not comparable to results of operations for subsequent periods. Accordingly, for periods prior to August 10, 2006, Evercore believes that pro forma results provide a meaningful basis for comparison of historical periods.

The following unaudited condensed consolidated pro forma statements of income for the three month period ended March 31, 2006 presents the consolidated results of operations of Evercore assuming that the reorganization, IPO and acquisitions had been completed as of January 1, 2006. Pro forma results for the quarter ended March 31, 2007 are not presented as these results are the same as GAAP reported results. The pro forma adjustments are based on available information and upon assumptions that management believes are reasonable in order to reflect, on a pro forma basis, the impact of the reorganization transactions on the historical financial information of Evercore. The adjustments are described in the notes to the unaudited condensed consolidated pro forma statements of income herein. The Evercore LP pro forma adjustments principally give effect to the following items:

- the formation transaction which includes the elimination of the financial results of the general partners of the Evercore Capital Partners I, Evercore Capital Partners II and Evercore Ventures funds and certain other entities through which Co-CEOs have invested capital in the Evercore Capital Partners I fund, which was not contributed to Evercore LP; and
- the Protego and Braveheart acquisitions which resulted in the inclusion of each of the acquired entity's financial results, as well as certain purchase accounting adjustments, such as the recording of intangible assets and their periodic amortization.

The Evercore Partners Inc. pro forma adjustments principally give effect to the IPO, formation transaction, as well as the Protego and Braveheart acquisitions, and include the following items:

- in the case of the unaudited condensed consolidated pro forma statements of income data for the three month period ended March 31, 2006, the firm adopted an approach in connection with the IPO of targeting total employee compensation and benefits expense (excluding for these purposes, compensation and benefits expense associated with new business initiatives or any vesting of partnership units or restricted stock units granted in connection with the Company's internal reorganization and the IPO) at a level not to exceed 50% of net revenue (excluding for these purposes, any revenue associated with realized gains and losses on investments, carried interest and reimbursable expenses).
- in the case of the unaudited condensed consolidated pro forma statements of income data, a provision for corporate income taxes at an effective tax rate of approximately 44% for the three months ended March 31, 2006, which assumes the highest statutory rates apportioned to each state, local and/or foreign tax jurisdiction and reflected net of U.S. federal tax benefit.

The unaudited condensed consolidated pro forma financial information is included for informational purposes only and does not purport to reflect the results of operations or financial position of Evercore that would have occurred had we operated as a public company during the periods presented. The unaudited condensed consolidated pro forma financial information should not be relied upon as being indicative of Evercore's results of operations or financial condition had the transactions contemplated in connection with the reorganization been completed on the dates assumed. The unaudited condensed consolidated pro forma financial information also does not project the results of operations or financial position for any future period or date.

UNAUDITED CONDENSED CONSOLIDATED PRO FORMA STATEMENTS OF INCOME

Three Months Ended March 31, 2006

	<u>Evercore Holdings Historical Predecessor</u>	<u>Adjustments for Formation</u>	<u>Acquired Company Combination Adjustments</u>	(c)	<u>Total</u>	<u>Pro-Forma Adjustments for the IPO</u>	<u>Evercore Partners Inc. Pro Forma</u>
Advisory Revenue	\$ 32,397	\$ -	\$ 2,289		\$ 34,686	\$ -	\$ 34,686
Investment Management Revenue	13,108	(5,116)	789	(a)	8,781	-	8,781
Interest Income and Other Revenue	121	-	1,224		1,345	-	1,345
Total Revenues	<u>45,626</u>	<u>(5,116)</u>	<u>4,302</u>		<u>44,812</u>	<u>-</u>	<u>44,812</u>
Interest Expense	-	-	1,061		1,061	-	1,061
Net Revenues	<u>45,626</u>	<u>(5,116)</u>	<u>3,241</u>		<u>43,751</u>	<u>-</u>	<u>43,751</u>
Compensation and Benefits	8,759	-	1,579		10,338	10,579	(g) 20,917
Professional Fees	5,668	-	622		6,290	(2,104)	(h) 4,186
Other Operating Expense	4,279	(15)	865		5,129	-	5,129
Amortization of Intangibles	-	-	4,999	(d)	4,999	-	4,999
Total Expenses	<u>18,706</u>	<u>(15)</u>	<u>8,065</u>		<u>26,756</u>	<u>8,475</u>	<u>35,231</u>
Income Before Minority Interest and Income Tax	<u>26,920</u>	<u>(5,101)</u>	<u>(4,824)</u>		<u>16,995</u>	<u>(8,475)</u>	<u>8,520</u>
Provision for Income Taxes	979	(71)	202	(e)	1,110	314	(i) 1,424
Income Before Minority Interest	<u>25,941</u>	<u>(5,030)</u>	<u>(5,026)</u>		<u>15,885</u>	<u>(8,789)</u>	<u>7,096</u>
Minority Interest	(7)	7	(118)	(f)	(118)	5,689	(j) 5,571
Net Income	<u>\$25,948</u>	<u>\$ (5,037)</u>	<u>\$ (4,908)</u>		<u>\$16,003</u>	<u>\$ (14,478)</u>	<u>\$ 1,525</u>
Weighted Average Shares of Class A Common Stock Outstanding							
Basic							6,597
Diluted							6,597
Net Income Available to Holders of Shares of Class A Common Stock Per Share:							
Basic							\$ 0.23 (k)
Diluted							\$ 0.23 (k)

See footnotes to the Unaudited Condensed Consolidated Pro Forma Statements of Income

Notes to Unaudited Condensed Consolidated Pro Forma Statements of Income (\$ in thousands):

- (a) Adjustment reflects the elimination of the historical results of operations for the general partners of the Evercore Capital Partners I, Evercore Capital Partners II and Evercore Ventures funds and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund, specifically, Evercore Founders LLC and Evercore Founders Cayman Limited, which were not contributed to Evercore LP. For the three months ended March 31, 2006, this adjustment reflects \$5,116 of net gains associated with carried interest, and minority interest of \$(7) and other operating expense of \$15.
- (b) Adjustment reflects the tax impact on Evercore LP's New York City Unincorporated Business Tax, or "UBT," associated with adjustments for the Formation Transaction, including the New York City tax impact of converting the subchapter S corporations to limited liability companies. Since the entities that form Evercore have been limited liability companies, partnerships or sub-chapter S entities, Evercore's income has not been subject to U.S. federal and state income taxes. Taxes related to income earned by limited liability companies and partnerships represent obligations of the individual Senior Managing Directors. Income taxes shown on Evercore Partners Inc.'s historical consolidated statements of income are attributable to the New York City UBT, attributable to Evercore's operations apportioned to New York City.
- (c) To include the pre-acquisition results the following balances reflect the historical financial results for Protego and Braveheart for the period from January 1, 2006 through March 31, 2006. (Note: Balances Reflect the historical financial results for Protego and Braveheart for the three months ended January 1, 2006 through March 31, 2006)

	January 1, 2006 - March 31, 2006	January 1, 2006 - March 31, 2006	January 1, 2006 - March 31, 2006	Acquired Company Combination Adjustments
	Braveheart Historical	Protego Historical	Acquisition Adjustments*	
Advisory Revenue	\$ -	\$ 2,289	\$ -	\$ 2,289
Investment Management Revenue	-	789	-	789
Interest Income and Other Revenue	-	1,224	-	1,224
Gross Revenues	-	4,302	-	4,302
Interest Expense	-	1,061	-	1,061
Net Revenues	-	3,241	-	3,241
Compensation and Benefits	-	1,579	-	1,579
Professional Fees	-	622	-	622
Other Operating Expense	115	750	-	865
Amortization of Intangibles	-	-	4,999	4,999
Total Expenses	115	2,951	4,999	8,065
Income Before Minority Interest and Income Tax	(115)	290	(4,999)	(4,824)
Provision for Income Taxes	(34)	236	-	202
Income Before Minority Interest	(81)	54	(4,999)	(5,026)
Minority Interest	-	(192)	74	(118)
Net Income	\$ (81)	\$ 246	\$ (5,073)	\$ (4,908)

* See footnotes (d), (e) and (f) for discussion of adjustments.

- (d) Reflects the amortization of intangible assets acquired in conjunction with the purchase of Protego with an estimated useful life ranging from 0.5 years to five years and in conjunction with the purchase of Braveheart with an estimated useful life ranging from one to six years. The intangible assets with finite useful lives include the following asset types: client backlog and relationships, broker dealer license and, for Protego only, non-competition and non-solicitation agreements.
- (e) For tax purposes, no tax benefit will be realized related to the intangible assets acquired by Evercore LP in conjunction with the Protego acquisition. However, a tax benefit was realized by Evercore Partners Inc. upon consummation of the initial public offering and the acquisition of Braveheart. See Note (i) under “Notes to Unaudited Condensed Consolidated Pro Forma Statements of Income.”
- (f) Reflects an adjustment to eliminate a minority interest of 19% in Protego’s asset management subsidiary that Evercore acquired as part of the Protego acquisition.
- (g) Historically the entities that form Evercore have been limited liability companies, partnerships or sub-chapter S entities. Accordingly, payments for services rendered by Evercore’s Senior Managing Directors generally have been accounted for as distributions of members’ capital rather than as compensation expense. Following the IPO, management has included all payments for services rendered by the Senior Managing Directors in compensation and benefits expense. In connection with the IPO, the Company adopted an approach of targeting total employee compensation and benefits expense (excluding for these purposes, compensation and benefits expense associated with new business initiatives, including new partner hires, or any vesting of partnership units or restricted stock units granted in connection with the Company’s internal reorganization and the IPO) at a level not to exceed 50% of net revenue (excluding for these purposes, any revenue associated with gains or losses on investments, carried interest or reimbursable expenses). The Company retains the ability to exceed the target, change the target or how the target is calculated, and starting in 2007, the Company will no longer exclude gains or losses on investments from revenues used to calculate its compensation and benefits expense target.

	<u>Three Months Ended</u> <u>March 31, 2006</u>
Post formation Net Revenues (1)	\$ 43,751
Less: Expense Reimbursements	<u>(1,916)</u>
	41,835
Compensation Expense Target - 50%	<u>20,917</u>
Pro Forma Compensation	<u>20,917</u>
Historical Compensation and Benefits	<u>(10,338)</u>
Total Pro Forma Compensation and Benefits Expense Adjustment	<u>\$ 10,579</u>

(1) Post formation Net Revenues have been adjusted for carried interest and realized and unrealized gain/loss on investments for the pre-IPO period as discussed in Note (a) above.

- (h) Reflects non-recurring expenses associated with IPO and related reorganization transactions.
- (i) As a limited liability company, partnership or sub-chapter S entity, Evercore was generally not subject to income taxes except in foreign and local jurisdictions. For these pro forma financial statements, a provision for corporate income taxes at an effective tax rate of approximately 44% for 2006, which assumes the highest statutory rates apportioned to each state, local and/or foreign tax jurisdiction and reflected net of U.S. federal tax benefit, were used respectively. There is no current foreign tax increase or benefits assumed with the Protego acquisition as it relates to the effective tax rate. However, Evercore Partners Inc. will realize deferred tax increases or benefits upon the Protego and Braveheart acquisitions as it relates to the tax amortization of intangibles and goodwill over a 15 year straight-line basis. The holders of partnership units in Evercore LP, including Evercore Partners Inc., will incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Evercore LP. In

accordance with the partnership agreement pursuant to which Evercore LP is governed, management intend to cause Evercore LP to make pro rata cash distributions to Evercore's Senior Managing Directors and Evercore Partners Inc. for purposes of funding their tax obligations in respect of the income of Evercore LP that is allocated to them.

- (j) Reflects an adjustment to record the 67.9% minority interest ownership of Evercore's Senior Managing Directors in Evercore LP relating to their vested partnership units, reflecting 6,359,558 shares of Class A common stock outstanding at March 31, 2006. Partnership units of Evercore LP are, subject to certain limitations, exchangeable into shares of Class A common stock of Evercore Partners Inc. on a one-for-one basis. Evercore Partners Inc.'s interest in Evercore LP is within the scope of EITF 04-5. Although Evercore Partners Inc. has a minority economic interest in Evercore LP, it will have a majority voting interest and control the management of Evercore LP. Additionally, although the limited partners have an economic majority of Evercore LP, they do not have the right to dissolve the partnership or substantive kick-out rights or participating rights, and therefore lack the ability to control Evercore LP. Accordingly, Evercore consolidates Evercore LP and records minority interest for the economic interest in Evercore LP held directly by the Senior Managing Directors.
- (k) For the purposes of the pro forma net income per share calculation, the weighted average shares outstanding, basic and diluted, are calculated as follows:

	Three Months Ended March 31, 2006	
	Evercore Partners Inc. Pro Forma	
	Basic	Diluted
Evercore Partners Inc. Shares of Class A Common Stock	45,238	45,238
Evercore Partners Inc. Restricted Stock Units – Vested	237,273	237,273
Evercore LP Partnership Units – Vested (1)	-	-
New Shares from Offering	4,542,500	4,542,500
Shares Issued for Braveheart Acquisition	1,771,820	1,771,820
Weighted Average Shares of Class A Common Stock Outstanding	<u>6,596,831</u>	<u>6,596,831</u>

- (1) 13,430,500 vested Evercore LP partnership units are not included in the calculation of weighted average shares of Class A common stock outstanding as they are antidilutive.

Of the 23,136,829 Evercore LP partnership units that are held by parties other than Evercore Partners Inc. immediately following the IPO, 13,430,500 are fully vested and 9,706,329 are unvested. Management has concluded that at the current time it is not probable that the conditions relating to the vesting of these unvested partnership units will be achieved or satisfied until the successful consummation of the Follow-On Offering and, accordingly, these unvested partnership units are not reflected as outstanding for purposes of calculating the minority interest for the economic interest in Evercore LP held by the limited partners. Any vesting of these unvested partnership units would significantly increase minority interest and reduce Evercore's net income and net income per share.

The additional shares issued as consideration for the Braveheart acquisition are assumed outstanding for the three month period ended March 31, 2007.

The partnership units and restricted stock units issued as part of the Protego acquisition are included in the amounts for Class A common stock and vested Restricted Stock Units, as appropriate.

Basic and diluted net income per share are calculated as follows:

	Three Months Ended March 31, 2006 Evercore Partners Inc. Pro Forma	
Basic and Diluted Net Income Per Share		
Net Income Available to Holders of Shares of Class A Common Stock	\$	1,525
Basic and Diluted Weighted Average Shares of Class A Common Stock Outstanding		<u>6,597</u>
Basic and Diluted Net Income Per Share of Class A Common Stock	\$	<u>0.23</u>

The vested Evercore LP partnership units that could potentially dilute basic net income per share were not included in the computation of diluted net income per share because to do so would have been antidilutive for the periods presented. The increase in net income available to holders of shares of Class A common stock due to the elimination of the minority interest associated with vested Evercore LP partnership units (offset by the associated tax effect) that is implied in calculating diluted net income per share assuming the exchange of Evercore LP partnership units for shares of Class A common stock is antidilutive notwithstanding the corresponding increase in weighted average shares of Class A common stock outstanding. Antidilution is the result of the vested Evercore LP partnership units bearing a portion of income allocable to vested restricted stock units. Management does not expect dilution to result from the exchange of Evercore LP partnership units for shares of Class A common stock.

The shares of Class B common stock have no right to receive dividends or a distribution on liquidation or winding up of Evercore Partners Inc. The shares of Class B common stock do not share in the earnings of Evercore Partners Inc. and no earnings are allocable to such class. Accordingly, pro forma basic and diluted net income per share of Class B common stock have not been presented.

Adjusted Pro Forma Results and Adjusted Pro Forma Net Income per Common Stock Equivalents

The adjusted pro forma results reflect the following adjustments to pro forma results as shown in the table below:

Exclusion of financing costs for the line of credit. The line of credit was used for additional working capital. The line of credit was repaid out of a portion of the proceeds of the IPO and terminated concurrently with the IPO. Management believes that since the IPO it will rely on other sources of funding to fund working capital and thus excluding financing costs associated with the line of credit facilitates a meaningful comparison of its non-compensation expenses prior and subsequent to the IPO.

Exclusion of amortization of intangible assets acquired with Protego and Braveheart. The Protego acquisition was undertaken in contemplation of the IPO and substantially all of these charges were recognized by December 31, 2006. The Braveheart acquisition was completed on December 19, 2006. Management believes that these charges are not reflective of ongoing operations, and therefore exclusion of these charges enhances understanding of the Company's operating performance.

Tax effect of prior adjustments. Prior to the IPO, the Company was a collection of a limited liability companies, partnership and sub-chapter S entities which are not subject to federal income taxes. As a result of the IPO, the operating business entities of the Company were restructured and a portion of the Company's income will be subject to U.S. federal income taxes. Thus the prior two adjustments also need to be tax effected.

Vesting of unvested equity. Management believes that it is useful to provide the per-share effect associated with the vesting of previously issued but unvested equity, and thus the adjusted pro forma results reflect the vesting of the unvested Evercore LP partnership units, restricted stock units, and restricted stock. However, management has concluded that at the current time it is not probable that the conditions relating to the vesting of unvested partnership units, restricted stock units and restricted stock will be achieved or satisfied until the Follow-On Offering has been successfully consummated.

UNAUDITED CONDENSED CONSOLIDATED ADJUSTED PRO FORMA STATEMENTS OF INCOME

Three Months Ended March 31, 2006

(dollars in thousands, except per share data)

	Evercore Partners Inc. Pro Forma	Adjustments for One Time Expenses		Evercore Partners Inc. Adjusted Pro Forma
Adjusted Net Income				
Advisory Revenue	\$ 34,686	\$ -		\$ 34,686
Investment Management Revenue	8,781	-		8,781
Interest Income and Other Revenue	1,345	-		1,345
Total Revenues	44,812	-		44,812
Interest Expense	1,061	-		1,061
Net Revenues	43,751	-		43,751
Compensation and Benefits	20,917	-		20,917
Professional Fees	4,186	-		4,186
Other Operating Expense	5,129	(594)	(a)	4,535
Amortization of Intangibles	4,999	(4,999)	(b)	-
Total Expenses	35,231	(5,593)		29,638
Income Before Minority Interest and Income Tax	8,520	5,593		14,113
Provision for Income Taxes	1,424	4,829	(c)	6,253
Income Before Minority Interest	7,096	764		7,860
Minority Interest	5,571	(5,571)	(d)	-
Net Income	\$ 1,525	\$ 6,335		\$ 7,860
Adjusted Class A Common Stock Outstanding				
Basic and Diluted Weighted Average Shares of Class A Common Stock Outstanding	6,597	-		6,597
Currently Vested Partnership Units	-	13,433	(e)	13,433
Unvested Partnership Units	-	9,708	(e)	9,708
Unvested Restricted Stock Units	-	2,558	(e)	2,558
Unvested Restricted Stock	-	91	(e)	91
Total Shares	6,597	25,790		32,387
Basic	\$ 0.23			\$ 0.24
Diluted	\$ 0.23			\$ 0.24

See footnotes to the Unaudited Condensed Consolidated Adjusted Pro Forma Statements of Income

UNAUDITED CONDENSED CONSOLIDATED ADJUSTED PRO FORMA STATEMENTS OF INCOME
Three Months Ended March 31, 2007
(dollars in thousands, except per share data)

	Evercore Partners Inc. Pro Forma	Adjustments for One Time Expenses		Evercore Partners Inc. Adjusted Pro Forma
Adjusted Net Income				
Advisory Revenue	\$ 83,946	\$ -		\$ 83,946
Investment Management Revenue	4,469	-		4,469
Interest Income and Other Revenue	3,429	-		3,429
Total Revenues	91,844	-		91,844
Interest Expense	2,348	-		2,348
Net Revenues	89,496	-		89,496
Compensation and Benefits	47,623	-		47,623
Professional Fees	6,928	-		6,928
Other Operating Expense	6,594	-		6,594
Amortization of Intangibles	4,255	(4,255)	(b)	-
Total Expenses	65,400	(4,255)		61,145
Income Before Minority Interest and Income Tax	24,096	4,255		28,351
Provision for Income Taxes	4,936	7,368	(c)	12,304
Income Before Minority Interest	19,160	(3,113)		16,047
Minority Interest	14,940	(14,940)	(d)	-
Net Income	\$ 4,220	\$ 11,827		\$ 16,047
Adjusted Class A Common Stock Outstanding				
Basic and Diluted Weighted Average Shares of Class A Common Stock Outstanding	6,597	-		6,597
Currently Vested Partnership Units	-	13,433	(e)	13,433
Unvested Partnership Units	-	9,708	(e)	9,708
Unvested Restricted Stock Units	-	2,558	(e)	2,558
Unvested Restricted Stock	-	91	(e)	91
Total Shares	6,597	25,790		32,387
Basic	\$ 0.64			\$ 0.50
Diluted	\$ 0.64			\$ 0.50

See footnotes to the Unaudited Condensed Consolidated Adjusted Pro Forma Statements of Income

Notes to Unaudited Condensed Consolidated Adjusted Pro Forma Statements of Income:

- (a) Adjustment for financing costs used for additional working capital. The line of credit was repaid out of a portion of the proceeds received from the IPO and subsequently terminated.
- (b) Reflects expenses associated with amortization of intangible assets acquired in the Protego and Braveheart acquisitions.
- (c) As a limited liability company, partnership or sub-chapter S entity, Evercore was generally not subject to income taxes except in foreign and local jurisdictions. An adjustment has been made to increase Evercore's effective tax rate to approximately 43% for Q1 2007 and 44% for Q1 2006, for the adjustments previously disclosed in Notes (a) and (b) above, and Note (d) below, which assumes that Evercore Partners Inc. is taxed as a C corporation at the statutory rates apportioned to each state, local and/or foreign tax jurisdiction and is reflected net of U.S. federal tax benefit.
- (d) Reflects adjustment to eliminate minority interest as all common stock equivalents are assumed to be converted to Class A common stock.
- (e) Represents the vesting of unvested but outstanding common stock equivalents, which are assumed to vest and convert to Class A common stock for the purposes of these adjusted pro forma results. In the computation of outstanding common stock equivalents for U.S. GAAP and pro forma earnings per share the unvested Evercore LP partnership units, unvested restricted stock and unvested restricted stock units are excluded from the calculation.