UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 21, 2007

EVERCORE PARTNERS INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-32975**	**20-4748747**
(State or other jurisdiction of incorporation)	*(Commission File Number)*	*(IRS Employer Identification No.)*

55 East 52nd Street, 43rd Floor New York, New York	**10055**
(Address of principal executive offices)	*(Zip Code)*

(212) 857-3100
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events

As previously disclosed in our quarterly report on our Form 10-Q for the quarterly period ended September 30, 2006 that was filed on November 20, 2006, prior to our acquisition of Protego Asesores, S.A. de C.V. ("Asesores"), its subsidiaries and Protego SI, S.C. (collectively, "Protego Historical"), Protego Historical improperly accounted for repurchase and reverse repurchase agreements entered into by Protego Casa de Bolsa, S.A. de C.V., the Mexican asset management subsidiary of Asesores, on a net basis instead of recording separate assets and liabilities or separately recording revenue for the interest earned and the associated interest expense as an offset to total revenue. Due to this error in accounting, on November 18, 2006, we determined that the combined and consolidated financial statements of Protego Historical as of and for the year ended December 31, 2005 and the related Independent Auditors' Report and as of and for the three months ended March 31, 2006 and 2005 and as of and for the three and six months ended June 30, 2006 and 2005 should no longer be relied upon.

Filed herewith to this Form 8-K are (i) restated combined and consolidated financial statements of Protego Historical as of and for the year ended December 31, 2005 and the related Independent Auditors' Report and as of and for the three months ended March 31, 2006 and 2005 and as of and for the three and six months ended June 30, 2006 and 2005 and (ii) the restated unaudited condensed consolidated pro forma financial statements for the year ended December 31, 2005 and as of and for the three months ended March 31, 2006 and as of and for the three and six months ended June 30, 2006.

In addition, the Company has added required disclosure for the pro forma effects of the distribution of the pre-offering profits on the Protego Historical Combined and Consolidated Balance Sheets as of June 30, 2006 and in the related Note 6.

This current report on Form 8-K does not otherwise update the disclosures set forth in the filings with the SEC of Evercore Partners Inc. and does not otherwise reflect events occurring after the original filing of such documents. Unless otherwise specified, (i) references to "this prospectus" are references to the prospectus of Evercore Partners Inc. dated August 10, 2006 and cross references in Exhibits 99.1, 99.2, 99.4 and 99.6 hereto, other than references to the financial statements and pro forma information filed herewith, are references to those sections in such prospectus and (ii) references to "this quarterly report on Form 10-Q" or "this Form 10-Q" are references to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2006 and cross references in Exhibits 99.3 and 99.5 hereto, other than references to the financial statements and pro forma information filed herewith, are references to those sections in such Quarterly Report on Form 10-Q.

The restated combined and consolidated financial statements of Protego Historical as of and for the three and six months ended June 30, 2006 and the restated unaudited condensed consolidated pro forma financial statements as of and for the three and six months ended June 30, 2006 have also been included in the Quarterly Report on Form 10-Q/A for the period ended June 30, 2006.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

23.1	Consent of Independent Registered Public Accounting Firm
99.1	Restated combined and consolidated financial statements of Protego Historical as of and for the year ended December 31, 2005 and the related Independent Auditors' Report
99.2	Restated unaudited combined and consolidated financial statements of Protego Historical as of and for the three months ended March 31, 2006 and 2005
99.3	Restated unaudited combined and consolidated financial statements of Protego Historical as of and for the three and six months ended June 30, 2006 and 2005
99.4	Restated unaudited condensed consolidated pro forma financial statements for the year ended December 31, 2005 and as of and for the three months ended March 31, 2006
99.5	Restated unaudited condensed consolidated pro forma financial statements as of and for the three and six months ended June 30, 2006
99.6	Selected financial information of Protego Historical

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EVERCORE PARTNERS INC.

Date: February 21, 2007

/s/ David E. Wezdenko

By: David E. Wezdenko
Title: Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-136506) of Evercore Partners Inc. of our report dated March 31, 2006, except for the effects of the restatement described in Note 2 to the combined and consolidated financial statements as to which the date is December 18, 2006 relating to the financial statements of Protego Asesores, S.A. de C.V., subsidiaries and Protego SI, S.C., which appears in this current report on Form 8-K.

PricewaterhouseCoopers, S.C.

Mexico City, Mexico
February 21, 2007

INDEPENDENT AUDITORS' REPORT

To the Stockholders of
Protego Asesores, S. A. de C. V.

We have audited the accompanying combined and consolidated balance sheets of Protego Asesores, S. A. de C. V., its subsidiaries and Protego SI, S.C. as of December 31, 2004 and 2005, and the related combined and consolidated statements of income, of changes in stockholders' equity, and of cash flows for each of the three years ended December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined and consolidated financial statements referred to above present fairly, in all material respects, the financial position of Protego Asesores, S. A. de C. V., subsidiaries and Protego SI, S.C. as of December 31, 2004 and 2005, and the results of their operations, the changes in their stockholders' equity and their cash flows for the three years ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, the Company has restated its 2005 combined and consolidated financial statements to reflect repurchase and reverse repurchase agreements on a gross basis.

/s/ PricewaterhouseCoopers, S.C.
PricewaterhouseCoopers, S.C.

Mexico City, Mexico
March 31, 2006, except for the effects of the restatement described in Note 2 of the Notes to the combined and consolidated financial statements as to which the date is December 18, 2006.

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

COMBINED AND CONSOLIDATED BALANCE SHEETS

(dollars in thousands)

	December 31, 2004	December 31, 2005 Restated
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 492	$ 4,247
Financial Instruments Owned and Pledged as Collateral at Fair Value	—	29,434
Securities Purchased Under Agreements to Resell	—	15,315
Clients Accounts Receivable	814	1,147
Other Receivables	136	128
Recoverable Taxes	623	500
Reimbursable Deposit	222	—
Total Current Assets	2,287	50,771
Furniture, Equipment and Leasehold Improvements	903	1,053
Long-Term Investment	738	1,350
Guaranty Deposits	48	49
Other Long-Term Assets	—	635
TOTAL ASSETS	$3,976	$53,858
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	$ 392	$ 607
Securities Sold Under Agreements to Repurchase	—	44,780
Bonus Payable	261	273
Income Tax Payable	764	837
Value Added Tax	198	92
Taxes Payable (withholding taxes)	216	299
Other Taxes	49	71
Total Current Liabilities	1,880	46,959
TOTAL LIABILITIES	1,880	46,959
Minority Interest	—	1,279
Commitments and Contingencies	—	—
STOCKHOLDERS' EQUITY:		
Capital Stock (fixed)	8	8
Retained Earnings	1,917	5,299
Accumulated Other Comprehensive Income	171	313
TOTAL STOCKHOLDERS' EQUITY	2,096	5,620
TOTAL LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY	$3,976	$53,858

See accompanying notes to combined and consolidated financial statements.

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

COMBINED AND CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands)

	Year ended December 31,		
	2003	2004	2005 Restated
REVENUES			
Advisory	$9,083	$12,229	$16,388
Investment Management	—	670	2,855
Interest Income	68	(50)	2,434
Total Revenues	9,151	12,849	21,677
Interest Expense	—	—	2,156
Net Revenues	9,151	12,849	19,521
EXPENSES			
Compensation and Benefits	5,161	5,700	8,347
Occupancy and Equipment Rental	751	519	571
Professional Fees	1,063	2,400	3,742
Travel and Related Expenses	417	475	578
Communications and Information Services	216	212	400
Depreciation and Amortization	295	272	360
Other Operating Expenses	172	178	1,371
Total Expenses	8,075	9,756	15,369
OPERATING INCOME	1,076	3,093	4,152
INCOME TAX			
Current	47	1,025	1,969
Deferred	49	9	—
TOTAL INCOME TAX	96	1,034	1,969
Minority Interest	—	—	(1,199)
NET INCOME	$ 980	$ 2,059	$ 3,382

See accompanying notes to combined and consolidated financial statements.

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2003, 2004 AND 2005
(dollars in thousands)

	Capital Stock	(Deficit) Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total
Balances as of January 1, 2003	$ 3,642	$(1,122)	$ (158)	$ 2,362
Capital Stock Reduction	(1,687)	—	—	(1,687)
Currency Translation Adjustment	—	—	54	54
Net Income for the Year	—	980	—	980
Balances at December 31, 2003	1,955	(142)	(104)	1,709
Capital Stock Reduction	(1,947)	—	—	(1,947)
Currency Translation Adjustment	—	—	275	275
Net Income for the Year	—	2,059	—	2,059
Balances at December 31, 2004	8	1,917	171	2,096
Currency Translation Adjustment	—	—	142	142
Net Income for the Year	—	3,382	—	3,382
Balances at December 31, 2005	$ 8	$ 5,299	$ 313	$ 5,620

See accompanying notes to combined and consolidated financial statements.

PROTEGO ASESORES, S.A. DE C.V., SUBSIDIARIES AND PROTEGO SI, S.C.

COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Year ended December 31, 2003	2004	2005 Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income for the Year	$ 980	$ 2,059	$ 3,382
Adjustments to Reconcile Net Income to Net Cash From Operating Activities:			
Depreciation and Amortization	295	272	361
Deferred Income Tax	49	9	—
Minority Interest	—	—	1,279
Net Change in Working Capital, Excluding Cash and Cash Equivalents	209	52	(264)
Net Cash Provided by Operating Activities	1,533	2,392	4,758
INVESTING ACTIVITIES			
Financial Instruments Owned and Pledged as Collateral at Fair Value	—	—	29,434
Long-Term Investments	(112)	(627)	(612)
Purchase of Furniture and Equipment	(263)	(592)	(433)
Net Cash (Used in) Provided by Investing Activities	(375)	(1,219)	28,389
FINANCING ACTIVITIES			
Capital Stock Reduction	(1,379)	(1,640)	—
Securities Purchased Under Agreements to Resell	—	—	15,315
Securities Sold Under Agreements to Repurchase	—	—	(44,780)
Net Cash Used in Financing Activities	(1,379)	(1,640)	(29,465)
EFFECT OF EXCHANGE RATE ON CASH	(91)	72	73
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(312)	(395)	3,755
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,199	887	492
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 887	$ 492	$ 4,247
ADDITIONAL DISCLOSURE OF CASH FLOWS INFORMATION:			
Taxes Paid	$ 196	$ 391	$ 1,922
Interest Paid	$ —	$ —	$ 2,156

See accompanying notes to combined and consolidated financial statements.

(dollars in thousands)

NOTE 1—HISTORY AND OPERATIONS OF THE COMPANY:

Protego Asesores, S. A. de C. V. ("Asesores" or "the Company") was incorporated on April 2, 2001 under Mexican laws.

The accompanying combined and consolidated financial statements include those of Asesores, its subsidiaries and Protego SI, S. C. ("PSI"), an associated company. PSI's financial statements are combined because it is under common control of the shareholders of Asesores.

As of December 31, 2005, the Company's main activities are divided as follows:

a. Financial Advisory, which includes mergers, acquisitions, energy project finance, sub-national public finance and infrastructure, real estate financial advisory and restructurings.

b. Private equity investment management which includes a joint venture with Discovery Capital Partners LLC in a private equity fund denominated Discovery Americas I ("DAI").

c. On January 6, 2005 the Company contributed $2,619 (representing 51% of the capital stock) to a newly formed company named Protego Casa de Bolsa, S. A. de C. V. ("PCB") that focuses on investing for institutional investors and high net worth individuals. PCB's main activities include, among others, to provide clients with investment and risk management advice, trade execution and custody services for client assets. On March 3, 2005 the National Banking and Securities Commission in Mexico authorized the commencement of operations of the new brokerage house effective March 14, 2005.

Following are Asesores' principal subsidiaries, which Asesores effectively controls and substantially wholly owns:

Company	Shares (%)	Main activities	Date of incorporation
Protego Administradores, S. A. de C. V.	99.97	Administrative Services	April 2001
Sedna, S. de R. L.	99.99	Advisory Services	August 2003
BD Protego, S. A. de C. V.	99.80	Advisory Services	May 2003
Protego PE, S. A. de C. V.	99.98	Investment Company	November 2003
Protego Servicios, S. C.	99.98	Advisory Services	October 2003
Protego Casa de Bolsa, S. A. de C. V.	51.00	Brokerage House	January 2005
Protego CB Servicios, S. C.	51.00	Advisory Services	June 2005

NOTE 2—RESTATEMENT:

Asesores, through its subsidiary, PCB, enters into repurchase agreements with clients whereby PCB transfers to the clients securities (typically, Mexican government securities) in exchange for cash and concurrently agrees to repurchase the securities at a future date for an amount equal to the cash exchanged plus a stipulated premium or interest factor. PCB deploys the cash received from, and acquires the securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market or by entering into reverse repurchase agreements with unrelated third parties. PCB accounts for these repurchase and reverse repurchase agreements as collateralized financing transactions. PCB recorded a liability in the Combined and Consolidated Statements of Financial Position in relation to repurchase transactions executed with clients as securities sold under agreements to repurchase. PCB recorded as assets in the Combined and Consolidated Statements of Financial Position financial instruments owned and pledged as collateral at fair value (where it has acquired the securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market) and securities purchased under agreements to resell (where it has acquired the securities deliverable to clients under these resell agreements by entering into reverse repurchase agreements with unrelated third parties).

As of December 31, 2005, PCB had $44.8 million of repurchase transactions executed with clients, of which $29.4 million related to securities PCB purchased in the open market and $15.3 million of reverse repurchase transactions with third parties. Net income for the period includes interest income earned and interest expense incurred under these agreements. Previously, Protego Historical accounted for these arrangements on a net basis instead of recording separate assets and liabilities or separately recording revenue for the interest earned and the associated interest expense as an offset to total revenue.

Upon consideration of Financial Interpretation No. 41 ("FIN 41") and the provisions of Statement of Financial Accounting Standards ("SFAS") No. 140, Asesores has determined that the historical combined and consolidated financial statements for the year ended December 31, 2005 should have reflected these transactions on a gross basis and has restated certain financial information for the year ended December 31, 2005. There was no impact from this restatement on the years ended prior to December 31, 2005. The information in the following table shows the effect of the restatement on each affected financial statement line item:

	December 31,		
	As Previously Reported 2005	Restated 2005	Effect of Change
COMBINED AND CONSOLIDATED BALANCE SHEETS			
Financial Instruments Owned and Pledged as Collateral at Fair Value	$ —	$ 29,434	$ 29,434
Securities Purchased Under Agreements to Resell	—	15,315	15,315
Total Current Assets	6,022	50,771	44,749
Total Assets	9,109	53,858	44,749
Accounts Payable and Accrued Liabilities	638	607	(31)
Securities Sold Under Agreements to Repurchase	—	44,780	44,780
Total Current Liabilities	2,210	46,959	44,749
Total Liabilities	2,210	46,959	44,749
Total Liabilities, Minority Interest and Stockholders' Equity	9,109	53,858	44,749

	Year ended December 31,		
	As Previously Reported 2005	Restated 2005	Effect of Change
COMBINED AND CONSOLIDATED STATEMENTS OF INCOME			
Interest Income	$ 278	$ 2,434	$ 2,156
Total Revenues	19,521	21,677	2,156
Interest Expense	—	2,156	2,156

	Year ended December 31,		
	As Previously Reported 2005	Restated 2005	Effect of Change
COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS			
Net Change in Working Capital, Excluding Cash and Cash Equivalents	$ (295)	$ (264)	$ 31
Net Cash Provided by Operating Activities	4,727	4,758	31
Financial Instruments Owned and Pledged as Collateral at Fair Value	—	29,434	29,434
Net Cash Provided by (Used in) Investing Activities	(1,045)	28,389	29,434
Securities Purchased Under Agreements to Resell	—	15,315	15,315
Securities Sold Under Agreements to Repurchase	—	(44,780)	(44,780)
Net Cash Used in Financing Activities	—	(29,465)	(29,465)
Additional Disclosure of Cash Flows Information:			
Interest Paid	—	2,156	2,156

NOTE 3—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"), as follows:

a. The combined and consolidated financial statements include the accounts of Asesores, its subsidiaries and PSI. All significant inter-company balances and transactions between the consolidated companies have been eliminated in consolidation. The consolidation was carried out on the basis of audited financial statements of all subsidiaries. The combination was carried out in a similar way, eliminating balances and transactions between Asesores, its subsidiaries and PSI.

b. The Company is incorporated and operates in Mexico, and therefore keeps its accounts and records and prepares its statutory financial statements in Spanish and in Mexican pesos. The accompanying financial statements, as well as these notes, have been translated into English and U.S. dollars and adjusted to conform to U.S. GAAP. For the purpose of translation, and in accordance with U.S. GAAP, the Mexican peso is considered the functional currency and this translation to U.S. Dollars is accounted for as disclosed in Note 3s.

c. Preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates include but are not limited to the useful lives for depreciation and amortization, allowances for doubtful accounts receivable, estimates of future cash flows associated with asset impairments or investments and loss contingencies. The estimates and assumptions used are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ materially from those estimates.

d. The carrying amount of cash and equivalents approximates fair value. The Company considers all highly-liquid securities, including certificates of deposit with maturities of three months or less to be cash equivalents.

e. Financial instruments owned by PCB, which consist primarily of Mexican government obligations, are recorded on a trade date basis and are stated at quoted market values. Related gains and losses are reflected in interest income on the combined and consolidated Statements of Income. PCB pledges the financial instruments owned to collateralize certain financing arrangements which allows the counterparty to pledge the securities.

f. PCB has securities purchased under agreements to resell of $15.3 million at December 31, 2005 for which it received collateral with a fair value of $15.3 million at December 31, 2005. Additionally, PCB has securities sold under agreements to repurchase of $44.8 million at December 31, 2005, for which it pledged collateral with a fair value of $44.8 million at December 31, 2005. Securities purchased under agreements to resell and securities sold under agreements to repurchase are treated as collateralized financing transactions. The agreements require that the transferor receive substantially the same securities in return at maturity of the agreement and the transferor obtain from the transferee sufficient cash or collateral to purchase such securities during the term of the agreement. These transactions are carried at the amounts at which the related securities will be subsequently resold or repurchased, plus accrued interest payable or receivable. As these transactions are short term in nature, their carrying amounts are a reasonable estimate of fair value.

g. Accounts receivable comprise uncollected amounts for financial advisory services, merger and acquisition and consulting services arising from projects for different clients and are presented net from the allowance for doubtful accounts. Management of the Company derives the estimate for the allowance for doubtful accounts by utilizing past client transaction history and the assessment of the client's creditworthiness, and has determined that an allowance for doubtful accounts was required as of December 31, 2004 and 2005.

The Company has main contracts with state and local governments. Advising state and local governments represents 30% (13% in 2003, 15% in 2004 and 48% in 2005) of Asesores' advisory revenue of the last three years.

h. The fair value of financial assets and liabilities, consisting of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are considered to approximate their recorded values and they are short-term in nature.

i. The Company has earned certain value added tax ("VAT") credits that are expected to be recovered within one year. These credits arise from goods and services acquired by the Company and are recovered by allocating them against VAT payable on services provided by the Company.

j. The accompanying balance sheet for 2004 includes the reimbursable deposit paid to Nacional Financiera S.N.C. (a government-owned bank) as a guarantee for the grant of the brokerage house license. This deposit was reimbursed on June 27, 2005.

k. Furniture equipment and leasehold improvements are stated at cost, net of accumulated depreciation and amortization. Furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from three to ten years. Leasehold improvements are amortized over the shorter of the term of the lease or the useful life of the asset.

Upon retirement or disposition of assets, the cost and related accumulated depreciation or amortization are removed from the accounts and the resulting gain or loss, if any, is recognized as a gain or loss on disposition of assets in other operating income or expense. Expenditures for maintenance and repairs are expensed as incurred.

l. The Company's long-term investment consists of an investment in a private equity fund (Discovery Americas I) ("Private Equity Fund") that is carried at cost. The Private Equity Fund consists primarily of investments in non-marketable securities of portfolio companies. Since there is no quoted market prices, the underlying investments held by the Private Equity Fund are valued based on estimated fair value. The fair value of the Private Equity Fund's investment in non-marketable securities is ultimately determined by the Private Equity Fund general partner. The determination of fair value of non-marketable securities considers a range of factors, included but not limited to market conditions, operating performance (current and projected) and subsequent financing transactions. Due to the inherent uncertainty in the valuation of these non-marketable securities, estimated fair values may materially differ from the values that would have been used had a market already existed for these investments. Fair value of this investment as of December 31, 2005 represents the cost.

m. Compensation and benefits include salaries, bonuses, severance, and employee benefits and excludes any payments made to stockholders. Bonuses are accrued over the service period to which they relate.

n. Income taxes are accounted for under the asset-liability method as prescribed by SFAS No. 109, "*Accounting for Income Taxes*." Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as any net operating loss or credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

o. Minority interest recorded on the combined and consolidated financial statements relates to the minority interest of an unrelated third party (see Note 7) in PCB. As a result, the Company includes in its financial statements minority interest of approximately 49%.

p. The Company currently manages and evaluates its operation as one operating segment.

q. The Company currently recognizes revenue when it has: (i) an arrangement; (ii) services have been provided to clients, and (iii) collectibility is reasonably assured. In addition to the aforementioned general policy, the following are the specific revenue recognition policies for each major category of revenue:

Advisory revenues are derived from financial advisory services and are recorded when services are rendered considering the terms and conditions of agreements with clients. There are three sources of Advisory revenue: (i) advisory fees; (ii) retainer fees, and (iii) success fees.

Advisory fees are charged for consulting and research services that are not related to a specific transaction. Both retainer fees and success fees are related to a specific transaction. Retainer fees, which are not subject to refund, are recognized as earned and success fees are recognized only after the transaction giving rise to the success has occurred and collection is reasonably assured.

The Company’s private equity investing business manages and invests capital on behalf of third parties. Revenues are generated from: (i) fees earned for the management of the funds; (ii) incentive fees earned when certain financial returns are achieved, and (iii) gains or losses on investments of the Company’s own capital in the fund. Management fees earned from the Company’s investing activities are recognized ratably over the period of related service. Incentive fees are recognized at the time the fund sells an investment, or when there is any dividend on the fund’s investments. Revenues on investments in investing funds are recognized based on the allocable share of realized and unrealized gains (or losses) reported by such investments.

r. Comprehensive income consists of net income and other comprehensive income. Other comprehensive income refers to revenues, expenses, gains and losses that are included in accumulated other comprehensive income as a separate component of stockholders’ equity but are excluded from net income. The Company’s other comprehensive income is comprised of a currency translation adjustment.

s. Transactions in foreign currency (e.g. U.S. dollars) are recorded in local currency (Mexican pesos) at the rates of exchange in effect on the dates transactions are entered into. Assets and liabilities in foreign currency are recorded in local currency at the exchange rates in effect at the date of the financial statements and average exchange rates during the corresponding periods for revenues, expenses and cash flows. Differences due to fluctuations in exchange rates between the dates on which transactions are entered into and those on which they are settled, or the balance sheet date, are applied to income.

t. Recent Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards No. 153, “*Exchanges of Nonmonetary Assets*” (An amendment to APB Opinion

(dollars in thousands)

No. 29) (“SFAS 153”). This statement addresses the measurement of nonmonetary exchanges of similar productive assets in paragraph 21(b) of APB Opinion No. 29, “*Accounting for Nonmonetary Transactions*,” and replaces it with an exception for exchanges that do not have commercial substance. This statement specifies that a monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The provisions of this statement shall be effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. Earlier application is permitted. We are currently evaluating the potential impact of this statement.

In May 2005, the FASB issued SFAS No. 154, “*Accounting Changes and Error Corrections, a replacement of APB 20 and SFAS No. 3*” (“SFAS 154”). Previously, APB 20, “*Accounting Changes*” and SFAS No. 3, “*Reporting Accounting Changes in Interim Financial Statements*” required the inclusion of the cumulative effect of changes in accounting principle in net income of the period of the change. SFAS 154 requires companies to recognize changes in accounting principle, including changes required by a new accounting pronouncement when the pronouncement does not include specific transition provisions, retroactively to prior period financial statements. SFAS 154 will be effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. SFAS 154 does not change the transition provisions of any existing accounting pronouncements, including those that are in a transition phase as of the effective date of SFAS 154. The adoption of SFAS No. 154 had no material impact on the Combined and Consolidated Financial Statements for the year ended December 31, 2005.

In November 2005, the FASB issued Staff Position No. 115-1, “*The Meaning of Other Than Temporary Impairment and its Application to Certain Investments*” (“FSP 115-1”). FSP 115-1 provides accounting guidance for determining and measuring other-than-temporary impairments of debt and equity securities, and confirms the disclosure for investments in unrealized loss positions as outlined in Emerging Issues Task Force (“EITF”) Issue 03-01, “*The Meaning of Other-Than-Temporary Impairments and its Application to Certain Investments*”. The accounting requirements are effective for us on January 1, 2006. We are currently evaluating the potential impact of this statement.

NOTE 4—ANALYSIS OF ACCOUNTS RECEIVABLE FROM CLIENTS:

The Company had the following balances with clients:

	December 31, 2004	December 31, 2005
Accounts Receivable with Clients	$840	$1,238
Allowance for Doubtful Accounts	(26)	(91)
Clients—Net of Allowance for Doubtful Accounts	$814	$1,147

All the above-mentioned accounts receivable are current and were generated in the ordinary course of business.

(dollars in thousands)

NOTE 5—FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS:

These assets comprise the following:

	December 31,		Annual depreciation rate (%)
	2004	2005	
Office Furniture and Equipment	$ 222	$ 248	10
Computer Equipment	722	1,106	30
Transportation Equipment	209	182	25
Leasehold Improvements	375	379	33
	1,528	1,915	
Accumulated Depreciation and Amortization	(625)	(862)	
Total	$ 903	$1,053	

The depreciation and amortization for the year were as follows:

	Year ended December 31,		
	2003	2004	2005
Depreciation Expense	$ 155	$ 165	$ 233
Amortization Expense	$ 140	$ 107	$ 128

NOTE 6—LONG-TERM INVESTMENT AND COMMITMENT:

In 2003, Asesores launched a private equity fund jointly with Discovery Capital Management, L.P. The fund, called Discovery Americas I, L.P. (“DAI”), has $65,325 in capital commitments, and seeks investment opportunities in Mexico in several sectors, including housing, healthcare, retail, consumer finance, and transportation.

Protego PE, S. A. de C. V. is the vehicle used to fund the capital commitment of Asesores in DAI. Protego PE’s total capital commitment is $2,250, equivalent to 3.44% of the total capital committed to DAI from all sources. As of December 31, 2004 and 2005, the funded portion of this commitment amounted to $738 and $1,337 respectively.

In addition, Protego PE has a capital commitment in a parallel fund called Discovery Americas Parallel Fund I, L.P. (“DAPFI”) equivalent to 1.0% of the total capital committed to DAPFI. The parallel fund has $3,030 in capital commitments and seeks investment opportunities exclusively in the housing sector. As of December 31, 2005, the funded portion of PE’s commitment amounted to $13.

As of December 31, 2005, the portfolio of investments in the Private Equity Fund were comprised of holdings in the real estate and transportation sectors.

NOTE 7—OTHER LONG-TERM ASSETS:

The caption of other long-term assets represents the interest of the Company in the Protego Casa de Bolsa, S. A. de C. V. Trust (“PCB Trust”) a stock-based incentive program for some PCB executives. The PCB Trust is an agreement among the founder of the trust (Asesores), the trustee (a bank) and the beneficiaries of the trust (executives).

(dollars in thousands)

The trust establishes that executives will pay for this stock-based incentive plan once certain conditions of profitability are obtained.

NOTE 8—STOCKHOLDERS' EQUITY:

The Company has issued two series of shares: A and B shares. Both series have the same voting and economic rights. The difference between them is that Series A shares are not redeemable, whereas Series B shares are.

At the Ordinary Meeting of General Stockholders held on January 12, and July 17, 2003, stockholders agreed to reduce the value of Series B shares and to redeem 165,933 Series B shares. After the above-mentioned events, the capital stock of Asesores at December 31, 2003 was composed as follows:

Description	Shares	Amount
Series "A"	700	$ 7
Series "B"	184,067	1,947
	184,767	$ 1,954

As of December 31, 2003, the capital stock of PSI was $0.5.

At the Ordinary Meeting of General Stockholders held on June 15, 2004 and March 26, 2005, stockholders agreed to reduce the value of Series B shares and later to cancel all Series B shares.

After the above-mentioned events, the capital stock of Asesores as of December 31, 2005 was composed as follows:

Description	Shares	Amount
Series "A"	700	$ 7

As of December 31, 2005, the capital stock of PSI was $0.9.

Asesores' net income for the period is subject to the legal provision requiring at least 5% of the profit for each year to be set aside to increase the legal reserve until it reaches an amount equivalent to 20% of the paid-in-capital stock. At December 31, 2005 no reserve was segregated.

Dividends paid are not subject to income tax if paid from the Net Tax Profit Account. Any dividends paid in excess of this account are subject to a tax equivalent to 40.84% or 38.91% depending on whether to be paid in 2006 or 2007, respectively. The tax is payable by the Company and may be credited against its income tax in the same year or in the following two years. Dividends paid by the Company from previously taxed profits are not subject to tax withholding or additional tax payment. The Company did not pay dividends in the last five years.

In the event of a capital reduction, the excess of Stockholders' Equity over capital contributions, the latter restated in accordance with the provisions of the Income Tax Law, is accorded the same tax treatment as dividends.

(dollars in thousands)

NOTE 9—INCOME TAX AND ASSET TAX:

Asesores and its subsidiaries do not consolidate for tax purposes. In 2003, 2004 and 2005 Asesores determined tax profits of $150, $2,890 and $6,223, respectively. Tax profits differ from accounting profits due to temporary and permanent differences, the latter mainly arising from recognition of the effects of inflation on different bases, and to non-deductible expenses.

The income tax provision was composed as follows:

	Year ended December 31, 2004	Year ended December 31, 2005
Current	$1,025	$1,969
Deferred	9	—
Total Provision	$1,034	$1,969

As a result of the changes to the Income Tax Law approved on November 13, 2004, the income tax rates will be 29% and 28% in 2006 and 2007, respectively.

For the year 2004, there were no temporary differences on which deferred tax should be recognized. For the year 2005, the Company generated a tax loss carryforward due to losses at its Brokerage House subsidiary. The resulting asset has been fully off-set by a valuation allowance:

	December 31, 2005
Tax Losses from Operations of the Brokerage House	$ 2,150
Applicable Income Tax Rate	29%
Deferred Income Tax Asset	623
Allowance for Valuation of Tax Losses	(623)
	$ —

The reconciliation between the statutory and effective tax rate is shown below:

	Year ended December 31, 2004	Year ended December 31, 2005
Statutory Federal Tax Rate	33.0%	30.0%
Plus (less) effect of the following permanent differences:		
Taxable Income	0.6%	5.6%
Inflation Adjustments	(2.9%)	(3.0%)
Nondeductible Expenses	2.7%	14.8%
Effective Tax Rate	33.4%	47.4%

Asset tax is calculated at 1.8% of the net value of certain assets and liabilities, and is payable only when it exceeds the income tax payable. The asset tax does not apply to a new business in the first two years of its operations.

NOTE 10—COMMITMENTS AND CONTINGENCIES:

The Company leases certain office space. Future annual minimum lease payments under all non-cancelable operating leases are $185 and $58 in 2006 and 2007, respectively.

PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

COMBINED AND CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	December 31, 2005 Restated	March 31, 2006 (unaudited) Restated	Pro Forma March 31, 2006 (unaudited) Restated
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 4,247	$ 4,082	$ 454
Financial Instruments Owned and Pledged as Collateral at Fair Value	29,434	47,966	47,966
Securities Purchased Under Agreements to Resell	15,315	50,033	50,033
Clients Accounts Receivable	1,147	1,327	1,327
Other Receivables	128	321	321
Recoverable Taxes	500	394	394
Total Current Assets	50,771	104,123	100,495
Furniture, Equipment and Leasehold Improvements	1,053	1,080	1,080
Long-Term Investment	1,350	1,322	1,322
Guaranty Deposits	49	23	23
Other Long-Term Assets	635	623	623
TOTAL ASSETS	$ 53,858	$ 107,171	$ 103,543
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts Payable and Accrued Liabilities	$ 607	$ 595	$ 595
Securities Sold Under Agreements to Repurchase	44,780	98,030	98,030
Bonus Payable	273	529	529
Income Tax Payable	837	129	129
Value Added Tax	92	218	218
Taxes Payable (withholding taxes)	299	153	153
Other Taxes	71	112	112
Total Current Liabilities	46,959	99,766	99,766
TOTAL LIABILITIES	46,959	99,766	99,766
Minority Interest	1,279	1,633	1,633
Commitments and Contingencies	—	—	—
STOCKHOLDERS' EQUITY:			
Capital Stock (fixed)	8	8	8
Retained Earnings	5,299	5,545	1,917
Accumulated Other Comprehensive Income	313	219	219
TOTAL STOCKHOLDERS' EQUITY	5,620	5,772	2,144
TOTAL LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY	$ 53,858	$ 107,171	$ 103,543

See accompanying notes to unaudited combined and consolidated financial statements.

PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

UNAUDITED COMBINED AND CONSOLIDATED STATEMENTS OF INCOME

(dollars in thousands)

	Three Months Ended March 31,	
	2005 Restated	2006 Restated
REVENUES		
Advisory	$ 8,318	$ 2,289
Investment Management	562	789
Interest Income	53	1,224
Total Revenues	8,933	4,302
Interest Expense	33	1,061
Net Revenues	8,900	3,241
EXPENSES		
Compensation and Benefits	3,323	1,579
Occupancy and Equipment Rental	109	134
Professional Fees	402	622
Travel and Related Expenses	102	142
Communications and Information Services	63	112
Depreciation and Amortization	51	118
Other Operating Expenses	508	244
Total Expenses	4,558	2,951
OPERATING INCOME	4,342	290
Income Tax	1,787	236
Minority Interest	(442)	(192)
NET INCOME	$ 2,997	$ 246

See accompanying notes to unaudited combined and consolidated financial statements.

PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

UNAUDITED COMBINED AND CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2006
(dollars in thousands)

	Capital stock	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balances at January 1, 2006	$ 8	$ 5,299	$ 313	$ 5,620
Currency Translation Adjustment	—	—	(94)	(94)
Net Income for the Period of Three Months	—	246	—	246
Balances at March 31, 2006	$ 8	$ 5,545	$ 219	$ 5,772

See accompanying notes to unaudited combined and consolidated financial statements.

PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

UNAUDITED COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollars in thousands)

	Three Months Ended March 31,	
	2005 Restated	2006 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the Period	$ 2,997	$ 246
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation and Amortization	51	118
Minority Interest	1,959	391
Net Change in Working Capital, Excluding Cash and Cash Equivalents	2,122	(698)
Net Cash Provided by Operating Activities	7,129	57
INVESTING ACTIVITIES		
Financial Instruments Owned and Pledged as Collateral at Fair Value	—	18,532
Long-Term Investments	19	2
Purchase of Furniture and Equipment	(125)	(148)
Net Cash (Used in) Provided by Investing Activities	(106)	18,386
FINANCING ACTIVITIES		
Securities Purchased Under Agreements to Resell	26,700	34,718
Securities Sold Under Agreements to Repurchase	(26,700)	(53,250)
Net Cash Used in Financing Activities	—	(18,532)
EFFECT OF EXCHANGE RATE ON CASH	(36)	(76)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,987	(165)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	492	4,247
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 7,479	$ 4,082
ADDITIONAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Taxes Paid	$ 852	$ 1,042
Interest Paid	$ 33	$ 1,061

See accompanying notes to unaudited combined and consolidated financial statements.

(dollars in thousands)

NOTE 1—PURPOSE AND BASIS OF PREPARATION OF THESE FINANCIAL STATEMENTS:

The accompanying unaudited interim financial data have been prepared by Protego Asesores, S. A. de C. V. (the "Company" or "Asesores"), subsidiaries and Protego SI, S. C. ("Protego Historical"). In the opinion of the management of the Company, they contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position as of March 31, 2005 and 2006, and the results of operations for the three-month periods ended March 31, 2005 and 2006.

NOTE 2—RESTATEMENT:

Asesores, through its subsidiary Protego Casa de Bolsa, S. A. de C. V. ("PCB"), enters into repurchase agreements with clients whereby PCB transfers to the clients securities (typically, Mexican government securities) in exchange for cash and concurrently agrees to repurchase the securities at a future date for an amount equal to the cash exchanged plus a stipulated premium or interest factor. PCB deploys the cash received from, and acquires the securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market or by entering into reverse repurchase agreements with unrelated third parties. PCB accounts for these repurchase and reverse repurchase agreements as collateralized financing transactions. PCB recorded a liability in the Unaudited Combined and Consolidated Statements of Financial Position in relation to repurchase transactions executed with clients as securities sold under agreements to repurchase. PCB recorded as assets in the Unaudited Combined and Consolidated Statements of Financial Position financial instruments owned and pledged as collateral at fair value (where it has acquired the securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market) and securities purchased under agreements to resell (where it has acquired the securities deliverable to clients under these resell agreements by entering into reverse repurchase agreements with unrelated third parties). As of March 31, 2006, PCB had $98 million of repurchase transactions executed with clients, of which $48 million related to securities PCB purchased in the open market and $50 million of reverse repurchase transactions with third parties. Net income for the period includes interest income earned and interest expense incurred under these agreements. Previously, Asesores accounted for these arrangements on a net basis instead of recording separate assets and liabilities or separately recording revenue for the interest earned and the associated interest expense as an offset to total revenue.

Upon consideration of Financial Interpretation No. 41 ("FIN 41") and the provisions of SFAS No. 140, Asesores has determined that the historical combined and consolidated financial statements as of and for the three months ended March 31, 2005 and 2006 should have reflected these transactions on a gross basis and has restated certain financial information in accordance with SFAS No. 154, for the three months ended March 31, 2005 and 2006. There was no impact from this restatement on the periods ended prior to March 31, 2005. The information in the following table shows the effect of the restatement on each affected financial statement line item:

	March 31,		
	As Previously Reported 2006	Restated 2006	Effect of Change
COMBINED AND CONSOLIDATED BALANCE SHEETS			
Financial Instruments Owned and Pledged as Collateral at Fair Value	$ —	$ 47,966	$47,966
Securities Purchased Under Agreements to Resell	—	50,033	50,033
Total Current Assets	6,124	104,123	97,999
Total Assets	9,172	107,171	97,999
Accounts Payable and Accrued Liabilities	626	595	(31)
Securities Sold Under Agreements to Repurchase	—	98,030	98,030
Total Current Liabilities	1,767	99,766	97,999
Total Liabilities	1,767	99,766	97,999
Total Liabilities, Minority Interest and Stockholders' Equity	9,172	107,171	97,999

	December 31,		
	As Previously Reported 2005	Restated 2005	Effect of Change
COMBINED AND CONSOLIDATED BALANCE SHEETS			
Financial Instruments Owned and Pledged as Collateral at Fair Value	$ —	$ 29,434	$29,434
Securities Purchased Under Agreements to Resell	—	15,315	15,315
Total Current Assets	6,022	50,771	44,749
Total Assets	9,109	53,858	44,749
Accounts Payable and Accrued Liabilities	638	607	(31)
Securities Sold Under Agreements to Repurchase	—	44,780	44,780
Total Current Liabilities	2,210	46,959	44,749
Total Liabilities	2,210	46,959	44,749
Total Liabilities, Minority Interest and Stockholders' Equity	9,109	53,858	44,749

	Three Months Ended March 31,			Three Months Ended March 31,		
	As Previously Reported 2005	Restated 2005	Effect of Change	As Previously Reported 2006	Restated 2006	Effect of Change
COMBINED AND CONSOLIDATED STATEMENTS OF INCOME						
Interest Income	$ 20	$ 53	$ 33	$ 163	$ 1,224	$ 1,061
Total Revenues	8,900	8,933	33	3,241	4,302	1,061
Interest Expense	—	33	33	—	1,061	1,061

	Three Months Ended March 31,			Three Months Ended March 31,		
	As Previously Reported 2005	Restated 2005	Effect of Change	As Previously Reported 2006	Restated 2006	Effect of Change
COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS						
Financial Instruments Owned and Pledged as	$ —	$ —	$ —	$ —	$ 18,532	$ 18,532

Collateral at Fair Value						
Net Cash Provided by (Used in) Investing Activities	(106)	(106)	—	(146)	18,386	18,532
Securities Purchased under Agreements to Resell	—	26,700	26,700	—	34,718	34,718
Securities Sold Under Agreements to Repurchase	—	(26,700)	(26,700)	—	(53,250)	(53,250)
Net Cash Used in Financing Activities	—	—	—	—	(18,532)	(18,532)
Additional Disclosure of Cash Flows information:						
Interest Paid	—	33	33	—	1,061	1,061

(dollars in thousands)

NOTE 3—PRO FORMA COMBINED AND CONSOLIDATED STATEMENT OF FINANCIAL CONDITION:

On May 12, 2006, Asesores agreed to combine its business with that of Evercore Partners Inc. Prior to the combination with Evercore Partners Inc., Asesores intends to distribute to the shareholders of Asesores an amount equal to Asesores' net income for the period from January 1, 2005 through the date of the combination. The pro forma combined and consolidated statement of financial condition as of March 31, 2006 gives pro forma effect to this distribution of pre-combination profits in the amount of $3,628, as if the distribution had been effected as of March 31, 2006.

The unaudited pro forma combined and consolidated statement of financial condition is presented for illustrative purposes only and does not purport to represent Asesores' combined and consolidated financial condition had the distribution of pre-combination profits been effected on March 31, 2006 or to project Asesores' combined and consolidated financial condition for any future date.

NOTE 4—OPERATIONS OF THE COMPANY:

The accompanying unaudited combined and consolidated financial statements include those of Asesores, its subsidiaries and Protego SI, S. C. ("PSI"), an associated Company. PSI's financial statements are combined because it is under common control of the shareholders of Asesores.

As of March 31, 2006, the Company's main activities are divided as follows:

a. Financial Advisory, which includes mergers, acquisitions, energy project finance, sub-national public finance and infrastructure, real estate financial advisory and restructurings.

b. Private equity investment management which includes a joint venture with Discovery Capital Partners LLC in a private equity fund denominated Discovery Americas I ("DAI").

c. Investments for institutional investors and high net worth individuals through PCB whose main activities include, among others, to provide clients with investment and risk management advice, trade execution and custody services for client assets.

Following are Asesores' principal subsidiaries, which Asesores effectively controls and substantially wholly owns:

Company	Shares (%)	Main Activities
Protego Administradores, S. A. de C. V.	99.97	Administrative Services
Sedna, S. de R. L.	99.99	Advisory Services
BD Protego, S. A. de C. V.	99.80	Advisory Services
Protego PE, S. A. de C. V.	99.98	Investment Company
Protego Servicios, S. C.	99.98	Advisory Services
Protego Casa de Bolsa, S. A. de C. V.	51.00	Brokerage House
Protego CB Servicios, S. C.	51.00	Advisory Services

NOTE 5—RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

FIN 47—In March 2005, the FASB issued Financial Interpretation No. 47, "*Accounting for Conditional Asset Retirement Obligations*" ("FIN 47"). FIN 47 clarifies guidance provided in SFAS No. 143, "*Accounting for Asset Retirement Obligations*." The term asset retirement obligation refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Entities are required to recognize a liability for the fair value of a conditional asset retirement obligation when incurred and the liability's fair value can be reasonably estimated. FIN 47 was effective for fiscal years ending after December 15, 2005. The company estimates that the adoption of FIN 47 had no potential impact on the Company's combined and consolidated financial condition or results of operations.

SFAS 154—In May 2005, the FASB issued SFAS No. 154 "*Accounting Changes and Error Corrections*," which replaces APB Opinion No. 20 and SFAS No. 3, and changes the requirements for the accounting for and reporting of a change in accounting principle. This statement is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005, although early adoption is permitted for accounting changes and corrections of errors made in fiscal years beginning after the date SFAS 154 was issued. Except as described in Note 2-Restatement, the adoption of SFAS No. 154 had no material impact on the Unaudited Combined and Consolidated Financial Statements for the three months ended March 31, 2005 and 2006.

Emerging Issues Task Force Issue No. 04-5—In June 2005, the Emerging Issues Task Force reached a consensus on Issue No. 04-5, "*Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights*." Under Issue 04-5, the general partners in a limited partnership or similar entity are presumed to control that limited partnership regardless of the extent of the general partners' ownership interest in the limited partnership. A general partner should assess the limited partners' rights and their impact on the presumption of control. If the limited partners have either a) the substantive ability to dissolve the limited partnership or otherwise remove the general partners without cause or b) substantive participating rights, the general partners do not control the limited partnership. For general partners of all new limited partnerships formed and for existing limited partnerships for which the partnership agreement is modified, Issue 04-5 is effective after June 29, 2005. For general partners in all other limited partnerships, Issue 04-5 is effective for the first reporting period in fiscal years beginning after December 15, 2005, and allows either of two transition methods. As of March 31, 2006 the Company has determined that consolidation of the private equity fund will not be required pursuant to Issue 04-5.

NOTE 6—COMMITMENTS AND CONTINGENCIES:

The Company leases certain office space. Future annual minimum lease payments under all non-cancelable operating leases are $174 and $32 in 2006 and 2007, respectively.

NOTE 7—SUBSEQUENT EVENTS:

On May 12, 2006 Asesores agreed to combine its business with that of Evercore Partners Inc., a leading investment banking boutique in the U.S. Evercore Partners Inc. provides advisory services to prominent multinational corporations on significant mergers, acquisitions, divestitures, restructurings and other strategic corporate transactions. Evercore Partners Inc. approaches its advisory business in much the same way as Asesores, by building long-standing relationships and acting as a trusted advisor to company management free from the conflicts that larger institutions may encounter. Additionally, Asesores, through its subsidiary PCB, provides investment management services to institutional investors and high net worth individuals.

Derived from this agreement Asesores has incurred certain expenses that should be reimbursed once the purpose of the combination is achieved. As of May 31, 2006 these expenses are estimated at $1,036.

Asesores has signed a service agreement with a Senior Managing Director who is leaving the company by the end of June 2006. Once certain conditions are met, this agreement could represent an expense for Protego of up to $2,590 within the next months.

Exhibit 99.3

PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

COMBINED AND CONSOLIDATED BALANCE SHEETS

(dollars in thousands)

	December 31, 2005 Restated	June 30, 2006 (unaudited) Restated	Pro forma June 30, 2006 (unaudited) Restated
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	$ 4,247	$ 4,169	$ —
Financial Instruments Owned and Pledged as Collateral at Fair Value	29,434	131,741	131,741
Securities Purchased Under Agreements to Resell	15,315	133,066	133,066
Clients Accounts Receivable	1,147	2,791	2,391
Other Receivables	128	162	162
Recoverable Taxes	500	119	119
Total Current Assets	50,771	272,048	267,479
Furniture, Equipment and Leasehold Improvements	1,053	1,018	1,018
Long-Term Investment	1,350	1,267	1,267
Guaranty Deposits	49	28	28
Other Long-Term Assets	635	597	597
TOTAL ASSETS	$ 53,858	$ 274,958	$ 270,389
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts Payable and Accrued Liabilities	$ 607	$ 741	$ 741
Securities Sold Under Agreements to Repurchase	44,780	264,860	264,860
Bonus Payable	273	512	512
Income Tax Payable	837	390	390
Value Added Tax	92	438	438
Taxes Payable (withholding taxes)	299	142	142
Other Taxes	71	85	85
Total Current Liabilities	46,959	267,168	267,168
TOTAL LIABILITIES	46,959	267,168	267,168
Minority Interest	1,279	1,371	1,371
Commitments and Contingencies	—	—	—
STOCKHOLDERS' EQUITY:			
Capital Stock (fixed)	8	8	8
Retained Earnings	5,299	6,485	1,916
Accumulated Other Comprehensive Income (loss)	313	(74)	(74)
TOTAL STOCKHOLDERS' EQUITY	5,620	6,419	1,850
TOTAL LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY	$ 53,858	$ 274,958	$ 270,389

See accompanying notes to unaudited combined and consolidated financial statements.

PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

UNAUDITED COMBINED AND CONSOLIDATED STATEMENTS OF INCOME

(dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005 Restated	2006 Restated	2005 Restated	2006 Restated
REVENUES				
Advisory	$ 1,985	$ 3,546	$10,303	$ 5,835
Investment Management	539	572	1,101	1,361
Interest Income	819	3,125	872	4,349
Total Revenues	3,343	7,243	12,276	11,545
Interest Expense	699	2,969	732	4,030
Net Revenues	2,644	4,274	11,544	7,515
EXPENSES				
Compensation and Benefits	2,072	2,262	5,395	3,841
Occupancy and Equipment Rental	136	121	245	255
Professional Fees	472	(30)	874	592
Travel and Related Expenses	139	173	241	315
Communications and Information Services	97	118	160	230
Depreciation and Amortization	56	125	107	243
Other Operating Expenses	297	255	805	499
Total Expenses	3,269	3,024	7,827	5,975
OPERATING INCOME	(625)	1,250	3,717	1,540
Income Tax (Benefit)	(311)	534	1,476	770
Minority Interest	(270)	(224)	(712)	(416)
NET INCOME	$ (44)	$ 940	$ 2,953	$ 1,186

See accompanying notes to unaudited combined and consolidated financial statements.

PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

UNAUDITED COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2006
(dollars in thousands)

	Capital Stock	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total
Balances at January 1, 2006	$ 8	$ 5,299	$ 313	$ 5,620
Currency Translation Adjustment	—	—	(387)	(387)
Net Income for the Period of Six Months	—	1,186	—	1,186
Balances at June 30, 2006	$ 8	$ 6,485	$ (74)	$ 6,419

See accompanying notes to unaudited combined and consolidated financial statements.

PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

UNAUDITED COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollars in thousands)

	Six Months Ended June 30, 2005 Restated	Six Months Ended June 30, 2006 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the Period	$ 2,953	$ 1,186
Adjustments to Reconcile Net Income to Net Cash From Operating Activities:		
Depreciation and Amortization	107	243
Minority Interest	1,705	178
Net Change in Working Capital, Excluding Cash and Cash Equivalents	(567)	(1,133)
Net Cash Provided by Operating Activities	4,198	474
INVESTING ACTIVITIES		
Financial Instruments Owned and Pledged as Collateral at Fair Value	5,276	102,307
Long-Term Investment	(8)	1
Purchase of Furniture and Equipment	(251)	(228)
Net Cash Provided by Investing Activities	5,017	102,080
FINANCING ACTIVITIES		
Securities Purchased Under Agreements to Resell	21,482	117,751
Securities Sold Under Agreements to Repurchase	(26,759)	(220,080)
Net Cash Used in Financing Activities	(5,277)	(102,329)
EFFECT OF EXCHANGE RATE ON CASH	169	(303)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,107	(78)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	492	4,247
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 4,599	$ 4,169
ADDITIONAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Taxes Paid	$ 1,573	$ 1,307
Interest Paid	$ 732	$ 4,030

See accompanying notes to unaudited combined and consolidated financial statements.

PROTEGO ASESORES, S. A. DE C. V. SUBSIDIARIES AND PROTEGO SI, S. C.

NOTES TO THE UNAUDITED COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2005 AND 2006

(dollars in thousands)

NOTE 1 - PURPOSE AND BASIS OF PREPARATION OF THESE FINANCIAL STATEMENTS:

The accompanying unaudited interim financial statements have been prepared by Protego Asesores, S. A. de C. V. (the “Company” or “Asesores”), subsidiaries and Protego SI, S. C. (“Protego Historical”). In the opinion of the management of Asesores, they contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position as of June 30, 2005 and 2006, and the results of operations for the three and six-month periods ended June 30, 2005 and 2006.

NOTE 2 - RESTATEMENT:

Asesores, through its subsidiary Protego Casa de Bolsa, S. A. de C. V. (“PCB”), enters into repurchase agreements with clients whereby PCB transfers to the clients securities (typically, Mexican government securities) in exchange for cash and concurrently agrees to repurchase the securities at a future date for an amount equal to the cash exchanged plus a stipulated premium or interest factor. PCB deploys the cash received from, and acquires the securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market or by entering into reverse repurchase agreements with unrelated third parties. PCB accounts for these repurchase and reverse repurchase agreements as collateralized financing transactions. PCB recorded a liability in the Unaudited Combined and Consolidated Statements of Financial Position in relation to repurchase transactions executed with clients as securities sold under agreements to repurchase. PCB recorded as assets in the Unaudited Combined and Consolidated Statements of Financial Position financial instruments owned and pledged as collateral at fair value (where it has acquired the securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market) and securities purchased under agreements to resell (where it has acquired the securities deliverable to clients under these resell agreements by entering into reverse repurchase agreements with unrelated third parties). As of June 30, 2006, PCB had $264.9 million of repurchase transactions executed with clients, of which $131.7 million related to securities PCB purchased in the open market and $133.1 million of reverse repurchase transactions with third parties. Net income for the period includes interest income earned and interest expense incurred under these agreements. Previously, Asesores accounted for these arrangements on a net basis instead of recording separate assets and liabilities or separately recording revenue for the interest earned and the associated interest expense as an offset to total revenue.

Upon consideration of Financial Interpretation No. 41 (“FIN 41”) and the provisions of SFAS No. 140, Asesores has determined that the historical combined and consolidated financial statements as of and for the three and six months ended June 30, 2005 and 2006 should have reflected these transactions on a gross basis and has restated certain financial information in accordance with SFAS No. 154, for the three and six months ended June 30, 2005 and 2006. The information in the following table shows the effect of the restatement on each affected financial statement line item:

	June 30,		
	As Previously Reported 2006	Restated 2006	Effect of Change
COMBINED AND CONSOLIDATED BALANCE SHEETS			
Financial Instruments Owned and Pledged as Collateral at Fair Value	$ —	$ 131,741	$131,741
Securities Purchased Under Agreements to Resell	—	133,066	133,066
Total Current Assets	7,241	272,048	264,807
Total Assets	10,151	274,958	264,807
Accounts Payable and Accrued Liabilities	794	741	(53)
Securities Sold Under Agreements to Repurchase	—	264,860	264,860
Total Current Liabilities	2,361	267,168	264,807
Total Liabilities	2,361	267,168	264,807
Total Liabilities, Minority Interest and Stockholders’ Equity	10,151	274,958	264,807

	December 31,		
	As Previously Reported 2005	Restated 2005	Effect of Change
COMBINED AND CONSOLIDATED BALANCE SHEETS			
Financial Instruments Owned and Pledged as Collateral at Fair Value	$ —	$ 29,434	$ 29,434
Securities Purchased Under Agreements to Resell	—	15,315	15,315
Total Current Assets	6,022	50,771	44,749
Total Assets	9,109	53,858	44,749
Accounts Payable and Accrued Liabilities	638	607	(31)
Securities Sold Under Agreements to Repurchase	—	44,780	44,780
Total Current Liabilities	2,210	46,959	44,749
Total Liabilities	2,210	46,959	44,749
Total Liabilities, Minority Interest and Stockholders’ Equity	9,109	53,858	44,749

	Three Months Ended June 30,			Three Months Ended June 30,			Six Months Ended June 30,			Six Months Ended June 30,		
	As Previously Reported 2005	Restated 2005	Effect of Change	As Previously Reported 2006	Restated 2006	Effect of Change	As Previously Reported 2005	Restated 2005	Effect of Change	As Previously Reported 2006	Restated 2006	Effect of Change
COMBINED AND CONSOLIDATED STATEMENTS OF INCOME												
Interest Income	$ 120	$ 819	$ 699	$ 156	$ 3,125	$ 2,969	$ 140	$ 872	$ 732	$ 319	$ 4,349	$ 4,030
Total Revenues	2,644	3,343	699	4,274	7,243	2,969	11,544	12,276	732	7,515	11,545	4,030
Interest Expense	—	699	699	—	2,969	2,969	—	732	732	—	4,030	4,030

	Six Months Ended June 30,			Six Months Ended June 30,		
	As Previously Reported 2005	Restated 2005	Effect of Change	As Previously Reported 2006	Restated 2006	Effect of Change
COMBINED AND CONSOLIDATED STATEMENTS OF CASH						

FLOWS						
Net Change in Working Capital, Excluding Cash and Cash Equivalents	$ (568)	$ (567)	$ 1	$ (1,155)	$ (1,133)	$ 22
Net Cash Provided by Operating Activities	4,197	4,198	1	452	474	22
Financial Instruments Owned and Pledged as Collateral at Fair Value	—	5,276	5,276	—	102,307	102,307
Net Cash Provided by (Used in) Investing Activities	(259)	5,017	5,276	(227)	102,080	102,307
Securities Purchased Under Agreements to Resell	—	21,482	21,482	—	117,751	117,751
Securities Sold Under Agreements to Repurchase	—	(26,759)	(26,759)	—	(220,080)	(220,080)
Net Cash Used in Financing Activities	—	(5,277)	(5,277)	—	(102,329)	(102,329)
Additional Disclosure of Cash Flows Information:						
Interest Paid	—	732	732	—	4,030	4,030

(dollars in thousands)

NOTE 3 - OPERATIONS OF THE COMPANY:

The accompanying unaudited combined and consolidated financial statements include those of Asesores, its subsidiaries and Protego SI, S. C. ("PSI"), an associated Company. PSI's financial statements are combined because both entities are under common control of the shareholders of Asesores.

As of June 30, 2006, Asesores' main activities are as follows:

a. Financial Advisory, which includes mergers, acquisitions, energy project finance, sub-national public finance and infrastructure, real estate financial advisory and restructurings.

b. Private equity investment management which includes a joint venture with Discovery Capital Partners LLC in a private equity fund denominated Discovery Americas I ("DAI").

c. Investments for institutional investors and high net worth individuals through PCB whose main activities include, among others, to provide clients with investment and risk management advice, trade execution and custody services for client assets.

Following are Asesores' principal subsidiaries, which Asesores effectively controls and substantially wholly owns:

Company	Shares (%)	Main activities
Protego Administradores, S. A. de C. V.	99.97	Administrative Services
Sedna, S. de R. L.	99.99	Advisory Services
BD Protego, S. A. de C. V.	99.80	Advisory Services
Protego PE, S. A. de C. V.	99.98	Investment Company
Protego Servicios, S. C.	99.98	Advisory Services
Protego Casa de Bolsa, S. A. de C. V.	51.00	Brokerage House
Protego CB Servicios, S. C.	51.00	Advisory Services

NOTE 4 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS:

FIN 47 - In March 2005, the FASB issued Financial Interpretation No. 47, "*Accounting for Conditional Asset Retirement Obligations*" ("FIN 47"). FIN 47 clarifies guidance provided in SFAS No. 143, "*Accounting for Asset Retirement Obligations*." The term asset retirement obligation refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Entities are required to recognize a liability for the fair value of a conditional asset retirement obligation when incurred and the liability's fair value can be reasonably estimated. FIN 47 was effective for fiscal years ending after December 15, 2005. Asesores estimates that the adoption of FIN 47 had no potential impact on Asesores' combined and consolidated financial condition or results of operations.

SFAS 154 - In May 2005, the FASB issued SFAS No. 154, "*Accounting Changes and Error Corrections*", which replaces APB Opinion No. 20 and SFAS No. 3, and changes the requirements for the accounting for and reporting of a change in accounting principle. This statement is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005, although early adoption is permitted for accounting changes and corrections of errors made in fiscal years beginning after the date SFAS 154 was issued. Except as described in Note 2-Restatement, the adoption of SFAS No. 154 had no material impact on the Unaudited Combined and Consolidated Financial Statements for the three and six months ended June 30, 2005 and 2006.

Emerging Issues Task Force Issue No. 04-5 - In June 2005, the Emerging Issues Task Force reached a consensus on Issue No. 04-5, "*Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights*." Under Issue 04-5, the general partners in a limited partnership or similar entity are presumed to control that limited partnership regardless of the extent of the general partners' ownership interest in the limited partnership. A general partner should assess the limited partners' rights and their impact on the presumption of control. If the limited partners have either a) the substantive ability to dissolve the limited partnership or otherwise remove the general partners without cause or b) substantive participating rights, the general partners do not control the limited partnership. For general partners of all new limited partnerships formed and for existing limited partnerships for which the partnership agreement is modified, Issue 04-5 is effective after June 29, 2005. For general partners in all other limited partnerships, Issue 04-5 is effective for the first reporting period in fiscal years beginning after December 15, 2005, and allows either of two transition methods. As of June 30, 2006, the Company has determined that consolidation of the private equity fund will not be required pursuant to Issue 04-5.

SFAS 155 – In February 2006, the FASB issued SFAS No. 155, “*Accounting for Certain Hybrid Financial Instruments – an amendment of FASB Statements No. 133 and 140”* (“SFAS 155”). SFAS 155 permits an entity to measure at fair value any financial instrument that contains an embedded derivative that otherwise would require bifurcation. SFAS 155 is effective for all financial instruments acquired or issued in fiscal years beginning after September 15, 2006. Asesores is currently assessing the impact of adopting SFAS 155, but does not expect the standard to have a material impact on the financial condition, results of operations, and cash flows of Asesores.

SFAS 156 – In March 2006, the FASB issued SFAS No. 156, *“Accounting for Servicing of Financial Assets – an amendment of FASB Statement No. 140”* (“SFAS 156”), which requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable, and for subsequent measurements, permits an entity to choose either the amortization method or the fair value measurement method for each class of separately recognized servicing assets and servicing liabilities. SFAS 156 also requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the statement of financial position and additional disclosures for all separately recognized servicing assets and servicing liabilities. SFAS 156 is effective for fiscal years beginning after September 15, 2006. Asesores is currently assessing the impact of adopting SFAS 156, but does not expect the standard to have a material impact on the financial condition, results of operations, and cash flows of Asesores.

FIN 48 – In July 2006, the FASB issued Financial Interpretation No. 48, *“Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109”* (“FIN 48”), which clarifies the criteria that must be met prior to recognition of the financial statement benefit of a position taken in a tax return. FIN 48 provides a benefit recognition model with a two-step approach consisting of a “more-likely-than-not” recognition criteria, and a measurement attribute that measures the position as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement. FIN 48 also requires the recognition of liabilities created by differences between tax positions taken in a tax return and amounts recognized in the financial statements. FIN 48 is effective as of the beginning of the first annual period beginning after December 15, 2006. Asesores is currently assessing the impact of adopting FIN 48 on the financial condition, results of operations, and cash flows of Asesores.

SFAS 157 – In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements” (“SFAS 157”), which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007. Asesores is currently assessing the impact of adopting SFAS 157 on the financial condition, results of operations, and cash flows of Asesores.

NOTE 5 - COMMITMENTS AND CONTINGENCIES:

Asesores leases certain office space. Future annual minimum lease payments under all non-cancelable operating leases are $117 and $32 in 2006 and 2007, respectively.

NOTE 6 - PRO FORMA COMBINED AND CONSOLIDATED STATEMENT OF FINANCIAL CONDITION:

On May 12, 2006, Asesores agreed to combine its business with that of Evercore Partners Inc. Prior to the combination with Evercore Partners Inc., Asesores intends to distribute to the shareholders of Asesores an amount equal to Asesores’ net income for the period from January 1, 2005 through the date of the combination. The pro forma combined and consolidated statement of financial condition as of June 30, 2006 gives pro forma effect to this distribution of pre-combination profits in the amount of $4,569, as if the distribution had been effected as of June 30, 2006.

The unaudited pro forma combined and consolidated statement of financial condition is presented for illustrative purposes only and does not purport to represent Asesores’ combined and consolidated financial condition had the distribution of pre-combination profits been effected on June 30, 2006 or to project Asesores’ combined and consolidated financial condition for any future date.

NOTE 7 - SUBSEQUENT EVENTS:

On May 12, 2006 Asesores agreed to combine its business with that of Evercore Partners Inc., a leading investment banking boutique in the U.S. Evercore Partners Inc. provides advisory services to prominent multinational corporations on significant mergers, acquisitions, divestitures, restructurings and other strategic corporate transactions. Evercore Partners Inc. approaches its advisory business in much the same way as Asesores, by building long-standing relationships and acting as a trusted advisor to company management free from the conflicts that larger institutions may encounter. Additionally, Asesores, through its subsidiary PCB, provides investment management services for institutional investors and high net worth individuals.

Derived from this business combination on August 11, 2006, Evercore Partners Inc. issued a public offering in the New York Stock Exchange.

Asesores has incurred certain expenses that should be reimbursed once the purpose of the combination is achieved. As of July 31, 2006, these expenses are estimated at $1,269.

Asesores has signed a service agreement with a Senior Managing Director who is leaving the company by the end of June 2006. Once certain conditions are met, this agreement could represent an expense for Protego of up to $1,990 within the next months.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following pro forma financial information has been revised for the effects of the restatement, as discussed in Note 2 to the Unaudited Combined and Consolidated Financial Statements of Protego Historical for the year ended December 31, 2005 and as of and for the three months ended March 31, 2006, included as Exhibits 99.1 and 99.2, respectively, to this current report on Form 8-K. Please refer to the Evercore Partners Inc. Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006 for more recent information.

The unaudited condensed consolidated pro forma financial information of Evercore Partners Inc. should be read together with "Organizational Structure", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Evercore Holdings and Protego Historical financial statements and related notes included elsewhere in this prospectus.

The following unaudited condensed consolidated pro forma statements of income for the year ended December 31, 2005 and the three months ended March 31, 2006 and the unaudited condensed consolidated pro forma statement of financial condition at March 31, 2006 present the consolidated results of operations and financial position of Evercore Partners Inc. assuming that all the transactions described under "Organizational Structure" had been completed as of January 1, 2005 with respect to the unaudited condensed consolidated pro forma statements of income and as of March 31, 2006 with respect to the unaudited pro forma statement of financial condition data. The pro forma adjustments are based on available information and upon assumptions that our management believes are reasonable in order to reflect, on a pro forma basis, the impact of these transactions and this offering, on the historical financial information of Evercore Holdings. The adjustments are described in the notes to the unaudited condensed consolidated pro forma statements of income and financial condition.

The Evercore LP pro forma adjustments principally give effect to the following items:

- the Formation Transaction described in "Organizational Structure", including 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 Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund, which will not be contributed to Evercore LP, and the cash distribution of pre-offering profits to our Senior Managing Directors; and
- the Protego Combination described in "Organizational Structure", including certain purchase accounting adjustments such as the allocation of the purchase price to acquired assets and assumed liabilities.

The Evercore Partners Inc. pro forma adjustments principally give effect to the Formation Transaction and the Protego Combination described in "Organizational Structure" as well as the following items:

- in the case of the unaudited condensed consolidated pro forma statements of income data, total compensation and benefits expenses at 50% of our net revenue, which gives effect to our policy following this offering to set our total compensation and benefits expenses at a level not to exceed 50% of our net revenue each year (excluding for purposes of this calculation, any revenue or compensation and benefits expense relating to gains or losses on investments or carried interest), and we initially expect to accrue compensation and benefits expense equal to 50% of our net revenue following this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Expenses—Employee Compensation and Benefits Expense";
- 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 44%, 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; and
- this offering and our use of a portion of the proceeds to repay debt as described in "Use of Proceeds".

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 our results of operations or financial condition had the transactions contemplated in connection with the Formation Transaction, the Protego Combination and this offering 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.

Restatement. Protego Asesores, S.A. de C.V. ("Asesores"), through its subsidiary Protego Casa de Bolsa, S.A. de C.V. ("PCB"), enters into repurchase agreements with clients whereby PCB transfers to the clients securities (typically, Mexican government securities) in exchange for cash and concurrently agrees to repurchase the securities at a future date for an amount equal to the cash exchanged plus a stipulated premium or interest factor. PCB deploys the cash received from, and acquires the securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market or by entering into reverse repurchase agreements with unrelated third parties. PCB accounts for these repurchase and reverse repurchase agreements as collateralized financing transactions. PCB recorded a liability in the Combined and Consolidated Statements of Financial Position in relation to repurchase transactions executed with clients as securities sold under agreements to repurchase. PCB recorded as assets in the Combined and Consolidated Statements of Financial Position financial instruments owned and pledged as collateral at fair value (where it has acquired the securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market) and securities purchased under agreements to resell (where it has acquired the securities deliverable to clients under these resell agreements by entering into reverse repurchase agreements with unrelated third parties). As of December 31, 2005, and March 31, 2006 PCB had $44.8 million and $98.0 million, respectively of repurchase transactions executed with clients, of which $29.4 million and $48.0 million, respectively related to securities PCB purchased in the open market and $15.3 million and $50.0 million, respectively of reverse repurchase transactions with third parties. Net income for the period includes interest income earned and interest expense incurred under these agreements. Previously, Asesores accounted for these arrangements on a net basis instead of recording separate assets and liabilities or separately recording revenue for the interest earned and the associated interest expense as an offset to total revenue.

Upon consideration of Financial Interpretation No. 41 ("FIN 41") and the provisions of SFAS No. 140, Asesores has determined that the historical combined and consolidated financial statements of Asesores for the year ended December 31, 2005 and as of and for the three months ended March 31, 2006 should have reflected these transactions on a gross basis and has restated certain financial information for the year ended December 31, 2005 and the three months ended March 31, 2006. There was no impact from this restatement on the years prior to December 31, 2005.

Unaudited Condensed Consolidated Pro Forma Statements of Income

	Year Ended December 31, 2005 (dollars in thousands, except per share data)								
	Evercore Holdings Historical	Adjustments for Formation	Evercore Post Formation	Protego Historical Restated	Protego Combination Adjustments	Protego as Adjusted Restated	Evercore LP Pro Forma Restated	Adjustments for Offering	Evercore Partners Inc. Pro Forma Restated
Advisory Revenue	$ 110,842	$	$ 110,842	$ 16,388	$	$ 16,388	$127,230	$	$127,230
Investment Management Revenue	14,584	976 (a)	15,560	2,855		2,855	18,415		18,415
Interest Income and Other Revenue	209		209	2,434		2,434	2,643		2,643
Total Revenues	125,635	976	126,611	21,677	—	21,677	148,288		148,288
Interest Expense	—	—	—	2,156	—	2,156	2,156	—	2,156
Net Revenues	125,635	976	126,611	19,521	—	19,521	146,132	—	146,132
Compensation and Benefits	24,115		24,115	8,347		8,347	32,462	40,605 (f)	73,067
Professional Fees	23,892		23,892	3,742		3,742	27,634		27,634
Other Operating Expenses	11,096	(162)(a)	10,934	3,280		3,280	14,214		14,214
Amortization of Intangibles	—		—	—	3,000 (c)	3,000	3,000		3,000
Total Expenses	59,103	(162)	58,941	15,369	3,000	18,369	77,310	40,605	117,915
Income Before Minority Interest and Income Taxes	66,532	1,138	67,670	4,152	(3,000)	1,152	68,822	(40,605)	28,217
Minority Interest	8	(8)(a)	—	(1,199)	465 (d)	(734)	(734)	21,415 (g)	20,681
Income Before Income Taxes	66,524	1,146	67,670	5,351	(3,465)	1,886	69,556	(62,020)	7,536
Provision for Income Taxes	3,372	(831)(b)	2,541	1,969	— (e)	1,969	4,510	(526)(h)	3,984
Net Income	$ 63,152	$ 1,977	$ 65,129	$ 3,382	$ (3,465)	$ (83)	$ 65,046	$ (61,494)	$ 3,552
Weighted Average Shares of Class A Common Stock Outstanding:									
Basic									4,202(i)
Diluted									4,202(i)
Net Income Available to Holders of Shares of Class A Common Stock Per Share:									
Basic									$ 0.85(i)
Diluted									$ 0.85(i)

See notes to unaudited condensed consolidated pro forma statements of income.

	Three Months Ended March 31, 2006 (dollars in thousands, except per share data)								
	Evercore Holdings Historical	Adjustments for Formation	Evercore Post Formation	Protego Historical Restated	Protego Combination Adjustments	Protego as Adjusted Restated	Evercore LP Pro Forma Restated	Adjustments for Offering	Evercore Partners Inc. Pro Forma Restated
Advisory Revenue	$ 32,397	$	$ 32,397	$ 2,289	$	$ 2,289	$ 34,686	$	$ 34,686
Investment Management Revenue	13,108	(5,116)(a)	7,992	789		789	8,781		8,781
Interest Income and Other Revenue	121		121	1,224		1,224	1,345		1,345
Total Revenues	45,626	(5,116)	40,510	4,302		4,302	44,812		44,812
Interest Expense	—	—	—	1,061	—	1,061	1,061	—	1,061
Net Revenues	45,626	(5,116)	40,510	3,241	—	3,241	43,751	—	43,751
Compensation and Benefits	8,759		8,759	1,579		1,579	10,338	11,538 (f)	21,876
Professional Fees	5,668		5,668	622		622	6,290		6,290
Other Operating Expenses	4,279	(15)(a)	4,264	750		750	5,014		5,014
Amortization of Intangibles	—		—	—	120 (c)	120	120		120
Total Expenses	18,706	(15)	18,691	2,951	120	3,071	21,762	11,538	33,300
Income Before Minority Interest and Income Taxes	26,920	(5,101)	21,819	290	(120)	170	21,989	(11,538)	10,451
Minority Interest	(7)	7 (a)	—	(192)	74 (d)	(118)	(118)	7,818 (g)	7,700
Income Before Income Taxes	26,927	(5,108)	21,819	482	(194)	288	22,107	(19,356)	2,751
Provision for Income Taxes	979	(71)(b)	908	236	(e)	236	1,144	310 (h)	1,454
Net Income	$ 25,948	$ (5,037)	$ 20,911	$ 246	$ (194)	$ 52	$ 20,963	$ (19,666)	$ 1,297
Weighted Average Shares of Class A Common Stock Outstanding:									
Basic									4,202(i)
Diluted									4,202(i)
Net Income Available to Holders of Shares of Class A Common Stock Per Share:									
Basic									$ 0.31(i)
Diluted									$ 0.31(i)

See notes to unaudited condensed consolidated pro forma statements of income

Notes to Unaudited Condensed Consolidated Pro Forma Statements of Income (dollars in thousands, unless otherwise noted)

(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 will not be contributed to Evercore LP. See "Organizational Structure—Formation Transaction". For the year ended December 31, 2005, this adjustment reflects $976 of net losses associated with carried interest and portfolio investments, $8 minority interest, and $162 of general partnership level expenses. For the three months ended March 31, 2006, this adjustment reflects $5,116 of net gains associated with carried interest and portfolio investments, $(7) of minority interest and $15 of general partnership level expenses.

(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 Holdings' historical combined statements of income are attributable to the New York City UBT, attributable to Evercore's operations apportioned to New York City.

(c) 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. The intangible assets with finite useful lives include the following asset types: client backlog and relationships, broker dealer license and non-competition and non-solicitation agreements. See Notes (e) and (o) under "Notes to Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition".

(d) Reflects an adjustment to eliminate a minority interest of 19% in Protego's asset management subsidiary that Evercore acquired as part of the Protego Combination.

(e) For tax purposes, no tax benefit will be realized related to the intangible assets acquired by Evercore LP in conjunction with the Protego Combination. However, a tax benefit will be realized by Evercore Partners Inc. upon consummation of this offering. See Note (h) under "Notes to Unaudited Condensed Consolidated Pro Forma Statements of Income."

(f) Historically the entities that form Evercore have been limited liability companies, partnerships or sub-chapter S entities. Accordingly, payments for services rendered by our Senior Managing Directors generally have been accounted for as distributions of members' capital rather than as compensation expense. Following this offering, we will include all payments for services rendered by our Senior Managing Directors in compensation and benefits expense. Our policy will be to set our total employee compensation and benefits expense at a level not to exceed 50% of our net revenue each year (excluding, for purposes of this calculation, any revenue or compensation and benefits expense relating to gains (or losses) on investments or carried interest), and we initially expect to accrue compensation and benefits expense equal to 50% of our net revenue following this offering. However, we may record compensation and benefits expense in excess of this percentage to the extent that such expense is incurred due to a significant expansion of our business or to any vesting of the partnership units to be held by our Senior Managing Directors or restricted stock units to be received by our non-Senior Managing Director employees at the time of this offering. We may change this policy in the future. An adjustment has been made to Evercore Partners Inc. to reflect total compensation and benefits expense as 50% of net revenue. See Note (y) under "Notes to Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition".

	Year Ended December 31, 2005			Three Months Ended March 31, 2006		
	Evercore	Protego	Total	Evercore	Protego	Total
Post Formation Net Revenues	$ 126,611		$ 126,611	$ 40,510		$ 40,510
Historical Net Revenues		$ 19,521	19,521		$ 3,241	3,241
Compensation Expense Threshold – 50%	63,306	9,761	73,067	20,255	1,621	21,876
Historical Compensation and Benefits	(24,115)	(8,347)	(32,462)	(8,759)	(1,579)	(10,338)
Total Pro Forma Compensation and Benefits Expense Adjustment	$ 39,191	$ 1,414	$ 40,605	$ 11,496	$ 42	$ 11,538

(g) Reflects an adjustment to record the 77.1% minority interest ownership of our Senior Managing Directors in Evercore LP relating to their vested partnership units, assuming 3,995,238 shares of Class A common stock are outstanding after this offering. 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. will have 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 will have an economic majority of Evercore LP, they will 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 will consolidate Evercore LP and record minority interest for the economic interest in Evercore LP held directly by the Senior Managing Directors. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Minority Interest".

(h) As a limited liability company, partnership or sub-chapter S entity, we were generally not subject to income taxes except in foreign and local jurisdictions. An adjustment has been made to increase our effective tax rate to approximately 44%, that assumes that Evercore Partners Inc. is taxed as a C corporation at the highest statutory rates apportioned to each state, local and/or foreign tax jurisdiction and is reflected net of U.S. federal tax benefit. There is no current foreign tax increase or benefits assumed with the Protego Combination as it relates to the effective tax rate. However, Evercore Partners Inc. will realize deferred tax increases or benefits upon the Protego Combination 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 will be governed, we intend to cause Evercore LP to make pro rata cash distributions to our 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. The following table reflects the adjustment to arrive at total income subject to tax for Evercore Partners Inc.:

	Year Ended December 31, 2005	Three Months Ended March 31, 2006
Operating Income	$ 28,217	$ 10,451
Less Minority Interest	20,681	7,700
Total Income	$ 7,536	$ 2,751

(i) For the purposes of the pro forma net income per share calculation, the weighted average shares outstanding, basic and diluted, are calculated based on:

	Year Ended December 31, 2005		Three Months Ended March 31, 2006	
	Evercore Partners Inc. Pro Forma		Evercore Partners Inc. Pro Forma	
	Basic	Diluted	Basic	Diluted
Evercore Partners Inc. Shares of Class A Common Stock	45,238	45,238	45,238	45,238
Evercore Partners Inc. Restricted Stock Units – vested	206,589	206,589	206,589	206,589
Evercore LP Partnership Units – vested (1)	—	—	—	—
New Shares from Offering	3,950,000	3,950,000	3,950,000	3,950,000
Weighted Average Shares of Class A Common Stock Outstanding	4,201,827	4,201,827	4,201,827	4,201,827

(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 to be held by parties other than Evercore Partners Inc. immediately following this offering, 13,430,500 will be fully vested and 9,706,329 will be unvested. We have 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 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 our net income and net income per share. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Operating Expenses—Employee Compensation and Benefits Expense”.

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

	Year Ended December 31, 2005	Three Months Ended March 31, 2006
	Evercore Partners Inc. Pro Forma	**Evercore Partners Inc. Pro Forma**
Basic and Diluted Net Income Per Share		
Net Income Available to Holders of Shares of Class A Common Stock	$ 3,552	$ 1,297
Basic and Diluted Weighted Average Shares of Class A Common Stock Outstanding	4,201,827	4,201,827
Basic and Diluted Net Income Per Share of Class A Common Stock	$ 0.85	$ 0.31

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. We do 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.

Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition

As of March 31, 2006
(dollars in thousands, except per share data)

	Evercore Holdings Historical	Adjustments for Formation	Evercore Post Formation	Protego Historical Restated	Protego Combination Adjustments(m)	Protego As Adjusted Restated	Evercore LP Pro Forma Restated	Adjustments for Offering	Evercore Partners Inc. Pro Forma Restated
Cash and Cash Equivalents	$ 13,804	$ (12,285)(j)(k)	$ 1,519	$ 4,082	$ (3,628)(m)	$ 454	$ 1,973	$ 43,034(u)(v)	$ 45,007
Financial Instruments Owned and Pledged as Collateral at Fair Value	—	—	—	47,966	—	47,966	47,966	—	47,966
Securities Purchased Under Agreements to Resell	—	—	—	50,033	—	50,033	50,033	—	50,033
Accounts Receivable	16,531	(7,190)(k)	9,341	1,327	—	1,327	10,668		10,668
Investments at Fair Value	28,191	(19,427)(j)	8,764	1,322		1,322	10,086		10,086
Goodwill	—		—		29,874 (n)	29,874	29,874		29,874
Intangible Assets	—		—		3,770 (o)	3,770	3,770		3,770
Other Assets	14,950	1,743 (j)	16,693	2,441	(1,911)(p)	530	17,223	(3,812)(w)	13,411
Total Assets	$ 73,476	$ (37,159)	$ 36,317	$ 107,171	$ 28,105	$ 135,276	$ 171,593	$ 39,222	$ 210,815
Short-Term Borrowings	$ 25,000	$	$ 25,000	$ —	$	$	$ 25,000	$ (25,000)(v)	$ —
Accrued Compensation and Benefits	5,549		5,549	529		529	6,078		$ 6,078
Accounts Payable and Accrued Expenses	8,312		8,312	595		595	8,907		8,907
Securities Sold Under Agreements to Repurchase	—	—	—	98,030	—	98,030	98,030	—	98,030
Notes Payable	—		—	—	7,000 (q)	7,000	7,000	(7,000)(v)	—
Other Liabilities	5,911	(1,009)(j)	4,902	612		612	5,514		5,514
Total Liabilities	44,772	(1,009)	43,763	99,766	7,000	106,766	150,529	(32,000)	118,529
Minority Interest	267	(267)(j)	—	1,633	(633)(r)	1,000	1,000	20,064 (x)	21,064
Members' Capital	28,233	(35,883)(j)(k)	(7,650)(l)		27,510 (s)	27,510	19,860	(19,860)(x)	—
Retained Earnings	—			5,545	(5,545)(m)(t)	—	—	(4,338)(y)	(4,338)
Accumulated Other Comprehensive Income	204		204	219	(219)(t)	—	204	(204)(x)	—
Class A Common Stock, $0.01 par value per share	—			—		—	—	40 (u)(v)	40
Class B Common Stock, $0.01 par value per share	—			—		—	—	0	0
Restricted Stock Units	—			—				4,338 (y)	4,338
Additional Paid-in-Capital	—			8	(8)(t)	—	—	71,182 (u)(v)(w)	71,182
Total Stockholders' Equity	28,437	(35,883)	(7,446)	5,772	21,738	27,510	20,064	51,158	71,222
Total Liabilities and Stockholders' Equity	$ 73,476	$ (37,159)	$ 36,317	$ 107,171	$ 28,105	$ 135,276	$ 171,593	$ 39,222	$ 210,815

See notes to unaudited condensed consolidated pro forma statement of financial condition.

Notes to Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition (dollars in thousands, unless otherwise noted)

(j) The cash, investments, other assets, other liabilities, minority interest and members' capital of the general partners of the Evercore Capital Partners I, Evercore Capital Partners II and Evercore Ventures private equity funds and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund are eliminated for the presentation of the unaudited condensed consolidated pro forma statement of financial condition since these entities will not be contributed to Evercore LP. Refer to "Organizational Structure—Formation Transaction".

(k) Reflects the pro forma cash distribution of pre-offering profits defined as net income less net income derived from the general partners and certain other entities as described in Note (j) for the period January 1 through the closing of the Formation Transaction, in the amount of $18,023 as of March 31, 2006 to our Senior Managing Directors to be effected prior to this offering. The distributions are to be funded with available cash, with the remainder to be funded by the assignment of interests in certain accounts receivable. The tables below reflect this pro forma distribution of first quarter 2006 profits as of March 31, 2006.

Pre-incorporation Profits		**Three months ended March 31, 2006**
Evercore Holdings Historical Net Income	$	25,948
Less: Net Income of General Partner Not Distributed		(5,108)
Pre-incorporation Profits to be Distributed	$	20,840
Partner Distribution made in Q1 2006 Pertaining to Pre-incorporation Profits		(2,817)
Net Pre-incorporation profits distribution	$	18,023

Pre-incorporation Profits Consideration		**Three months ended March 31, 2006**
Accounts Receivable	$	7,190
Cash		10,833
Total	$	18,023

(l) The accumulated deficit represents cumulative distributions to members in excess of cumulative book income pertaining to periods prior to January 1, 2006.

(m) Represents adjustments to recognize the acquisition of Protego, which includes a 70% majority interest in its asset management subsidiary.

The estimated fair value of consideration paid and the assets and liabilities acquired in connection with the Protego Combination were determined to establish the appropriate allocation of purchase price to the acquired assets over liabilities. The total consideration includes the non-interest bearing notes of $7.0 million, 1,760,187 vested Evercore LP units and direct costs incurred with the acquisition transaction. With respect to the $7.0 million in notes to be issued in consideration for the Protego Combination, $6.05 million will be payable in cash and $0.95 million will be payable in shares of Class A common stock valued at the initial public offering price per share in this offering. Based on the initial public offering price of $21.00 per share, we will issue 45,238 shares of Class A common stock upon repayment of such notes at the closing of this offering. The methodology to determine the estimated value of the vested Evercore LP units was to estimate the total value of the combined entity post Formation Transaction, including Protego, as of the date the contribution and sale agreement for the Protego Combination was signed and then multiply that percentage ownership implied by the vested units issued with respect to the Protego Combination to calculate the value of those partnership units. The purchase price was allocated to the acquired assets and liabilities based on fair value with any residual unallocated purchase price assigned to goodwill. The purchase price does not include 351,362 unvested Evercore LP partnership units issued by Evercore LP in connection with the acquisition, for which, among other things, employee service subsequent to the consummation date of the acquisition is required in order for the units to vest. The unvested partnership units of Evercore LP will be treated as expense and not part of the purchase price consideration. Expense will be charged at the time a vesting event occurs or, if earlier, at the time a vesting event becomes probable. The expense will be based on the grant date fair value of the partnership units of Evercore LP, which will be the initial public offering price of the Class A common stock into which these partnership units are exchangeable. 50% of these unvested partnership units will vest if and when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 90% of the aggregate Evercore LP partnership units owned by them on the date the Reorganization is affected. 100% of the unvested Evercore LP partnership units issued will vest upon the earliest to occur of the following events:

- When Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 50% of the aggregate Evercore LP partnership units owned by them on the date of the partnership agreement;
- A change of control of Evercore; or
- Two of Messrs. Altman, Beutner and Aspe are not employed by, or do not serve as a director of, Evercore Partners Inc. or one of its affiliates within a 10-year period following this offering.

In addition, 100% of the unvested Evercore LP partnership units held by a Senior Managing Director will vest if such Senior Managing Director dies or becomes disabled while in our employ. Our Equity Committee, which is comprised of Messrs. Altman, Beutner and Aspe, with our concurrence, may also accelerate vesting of unvested Evercore LP partnership units.

A final determination of required purchase accounting adjustments, including the allocation of the purchase price, has not yet been made. Accordingly, the purchase accounting adjustments made in connection with these unaudited condensed consolidated pro forma financial statements are preliminary and have been made solely for the purposes of developing such condensed consolidated pro forma financial statements. At this time, we do not expect that the value of any of the identifiable, definite-lived intangibles will change in a material manner between the time the preliminary valuation was performed and the closing of the transaction when the final valuation will be completed. Additionally, we do not expect any material changes in the value of any of the other assets acquired and liabilities assumed in conjunction with the Protego Combination. We do not expect any uncertainties regarding amortization periods to have a material impact on our financials.

Estimated Purchase Price	
Non-Interest Bearing Evercore LP Notes	$ 7,000
Evercore LP Partnership Units (vested)	27,510
Acquisition Costs	1,911
Estimated Purchase Price	$ 36,421

Estimated Purchase Price Allocation	
Cash	$ 4,082
Less: Pre-Protego Combination Profits Distribution	(3,628)
Net Cash	454
Financial Instruments Owned and Pledged as Collateral at Fair Value	47,966
Securities Purchased Under Agreements to Resell	50,033
Accounts Receivable	1,327
Investments	1,322
Intangible Assets	3,770
Other Assets	2,441
Other Current Liabilities	(1,736)
Securities Sold Under Agreements to Repurchase	(98,030)
Minority Interest	(1,000)
Identifiable Net Assets	6,547
Goodwill	$ 29,874

Pursuant to the agreement with Protego, the above calculation reflects a pro forma cash distribution of pre-Protego Combination profits to the Protego Directors prior to this offering. The distributions are to be funded with available cash, with the remainder to be funded with notes or an assignment of certain accounts receivable. The table above reflects this pro forma distribution as of March 31, 2006. Under a service agreement with a Director who ceased to be employed by Protego in June 2006, Protego will be required to make a payment of up to $2.6 million. The associated expense will reduce Protego's pre-Protego Combination profits and accordingly reduce Protego's pre-Protego Combination profits distribution.

(n) Reflects the residual value of goodwill attributable to the acquisition. Goodwill is based on a provisional purchase price allocation and is equal to the purchase price in excess of the estimated fair value of identifiable net assets acquired, as set forth in Note (m). For tax purposes, such amounts will be amortized straight-line over a fifteen year period.

(o) Reflects the fair value of intangible assets acquired. Such amount will be amortized over the estimated useful lives of the intangible assets which have been assumed to range from 0.5 to five years for financial statement accounting purposes and fifteen years for tax purposes of these condensed consolidated pro forma financial statements.

(p) Reflects the elimination of direct costs which have been capitalized in Evercore's historical statement of financial condition, associated with the acquisition of Protego incurred prior to March 31, 2006. These costs have been added to the estimated purchase price. See Note (m).

(q) Reflects the issuance of the aggregate principal amount of non-interest bearing Evercore LP notes that are payable in cash of $6.1 million, and $0.9 million of Class A common stock immediately following the closing of this offering (the "Evercore LP Notes").

(r) Reflects an adjustment to eliminate a minority interest of 19% in Protego's asset management subsidiary acquired by Evercore as part of the Protego Combination.

(s) Reflects the fair value of 1,760,187 vested Evercore LP partnership units issued in connection with the purchase of Protego.

(t) Reflects the elimination of Protego's shareholder equity accounts including retained earnings, accumulated other comprehensive income and additional paid-in-capital.

(u) Reflects net proceeds from the sale by us of 3,950,000 shares of Class A common stock pursuant to this offering at the initial public offering price of $21.00 per share of Class A common stock, less underwriting discounts and commissions and estimated expenses payable in connection with this offering and the related transactions.

(v) Reflects repayment of the Evercore LP Notes issued to effect the Protego Combination using net proceeds from this offering of $6.1 million and the issuance of $0.9 million of Class A common stock and repayment of the outstanding amount under our line of credit of $25 million.

(w) Reflects the elimination of direct costs incurred through March 31, 2006 of this offering.

(x) Reflects a minority interest adjustment for the ownership of vested Evercore LP partnership units held directly by our Senior Managing Directors, assuming 3,950,000 shares of Class A common stock are issued in connection with this offering. 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.

(y) Reflects the anticipated one-time grant of restricted stock units. We intend to grant 2,300,000 restricted stock units to our non-Senior Managing Director employees at the time of this offering. 206,589 of the restricted stock units will be fully vested and, as a result, we will record compensation and benefits expense at the time of this offering equal to the value of these fully vested restricted stock units. Such expense has been excluded from the unaudited condensed consolidated pro forma statements of income as the charge is a non-recurring charge directly attributable to the acquisition. The remaining 2,093,411 of these restricted stock units will be unvested and will vest only upon the same conditions as the unvested partnership units of Evercore LP issued in connection with the Formation Transaction and the Protego Combination described above. If and when these unvested restricted stock units vest, we will record compensation and benefits expense at the time of vesting equal to the grant date fair value of the Class A common stock of Evercore Partners Inc. deliverable pursuant to such restricted stock units, which would be calculated based on the initial public offering price of the Class A common stock. As a result, based on the initial public offering price of $21.00 per share, we will record compensation expense at the time of this offering equal to the fair value of the vested restricted stock units issued of $4.3 million and would record additional compensation expense at the time of vesting of the unvested restricted stock units of $44.0 million if all such unvested restricted stock units were to vest.

Item 1A. Pro Forma Financial Information (Unaudited)

The following pro forma financial information has been revised for the effects of the restatement, as discussed in Note 2 to the Unaudited Combined and Consolidated Financial Statements of Protego Historical as of and for the three and six months ended June 30, 2006 included as Exhibit 99.3 to this current report on Form 8-K. Please refer to the Evercore Partners Inc. Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006 for more recent information.

The unaudited condensed consolidated pro forma financial information of Evercore Partners Inc. should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Evercore Holdings and Protego Historical financial statements and related notes included elsewhere in this Form 10-Q.

As described below and elsewhere in this quarterly report on Form 10-Q, the historical results of operations for periods prior to August 10, 2006, the date of the 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 the most meaningful basis for comparison of historical periods.

The following unaudited condensed consolidated pro forma statements of income for the three month and the six month periods ended June 30, 2006, and the unaudited condensed consolidated pro forma statements of financial condition at June 30, 2006 present the consolidated results of operations and financial position of Evercore Partners Inc. assuming that the Reorganization had been completed as of January 1, 2006. The pro forma adjustments are based on available information and upon assumptions that our 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 and financial condition. The Evercore LP pro forma adjustments principally give effect to the following items:

- the Formation Transaction described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Reorganization", including 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 Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund, which was not contributed to Evercore LP, and the cash distribution of pre-offering profits to our Senior Managing Directors; and
- the Protego Combination described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Reorganization", including certain purchase accounting adjustments such as the allocation of the purchase price to acquired assets and assumed liabilities.

The Evercore Partners Inc. pro forma adjustments principally give effect to the Formation Transaction and the Protego Combination described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Reorganization" as well as the following items:

- in the case of the unaudited condensed consolidated pro forma statements of income data, total compensation and benefits expenses at 50% of our net revenue, which gives effect to our policy following the initial public offering to set our total compensation and benefits expenses at a level not to exceed 50% of our net revenue each year (excluding for purposes of this calculation, any revenue or compensation and benefits expense relating to gains or losses on investments or carried interest), and we initially expect to accrue compensation and benefits expense equal to 50% of our net revenue following the initial public offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Expenses—Employee Compensation and Benefits Expense";
- 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 44%, 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; and
- the initial public offering and our use of a portion of the proceeds to repay debt as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Expenses—Liquidity and Capital Resources".

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 our 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.

Restatement. Protego Asesores, S.A. de C.V. ("Asesores"), through its subsidiary Protego Casa de Bolsa, S. A. de C. V. ("PCB"), enters into repurchase agreements with clients whereby PCB transfers to the clients securities (typically, Mexican government securities) in exchange for cash and concurrently agrees to repurchase the securities at a future date for an amount equal to the cash exchanged plus a stipulated premium or interest factor. PCB deploys the cash received from, and acquires the securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market or by entering into reverse repurchase agreements with unrelated third parties. PCB accounts for these repurchase and reverse repurchase agreements as collateralized financing transactions. PCB recorded a liability in the Combined and Consolidated Statements of Financial Position in relation to repurchase transactions executed with clients as securities sold under agreements to repurchase. PCB recorded as assets in the Combined and Consolidated Statements of Financial Position financial instruments owned and pledged as collateral at fair value (where it has acquired the securities deliverable to clients under these repurchase arrangements by purchasing securities in the open market) and securities purchased under agreements to resell (where it has acquired the securities deliverable to clients under these resell agreements by entering into reverse repurchase agreements with unrelated third parties). As of June 30, 2006, PCB had $264.9 million of repurchase transactions executed with clients, of which $131.7 million related to securities PCB purchased in the open market and $133.1 million of reverse repurchase transactions with third parties. Net income for the period includes interest income earned and interest expense incurred under these agreements. Previously, Asesores accounted for these arrangements on a net basis instead of recording separate assets and liabilities or separately recording revenue for the interest earned and the associated interest expense as an offset to total revenue.

Upon consideration of Financial Interpretation No. 41 ("FIN 41") and the provisions of SFAS No. 140, Asesores has determined that the historical combined and consolidated financial statements of Asesores as of and for the three months and the six months ended June 30, 2006 should have reflected these transactions on a gross basis and has restated certain financial information in accordance with SFAS No. 154 for the three and six months ended June 30, 2006.

Unaudited Condensed Consolidated Pro Forma Statements of Income

Six Months Ended June 30, 2006

(dollars in thousands, except per share data)

	Evercore Holdings Historical	Adjustments for Formation	Evercore Post Formation	Protego Historical Restated	Protego Combination Adjustments	Protego as Adjusted Restated	Evercore LP Pro Forma Restated	Adjustments For Offering	Evercore Partners Inc. Pro Forma Restated
Advisory Revenue	$72,570	$ —	$ 72,570	$ 5,835	$ —	$ 5,835	$ 78,405	$ —	$ 78,405
Investment Management Revenue	16,246	(4,943)(a)	11,303	1,361	—	1,361	12,664	—	12,664
Interest Income and Other Revenue	300	—	300	4,349	—	4,349	4,649	—	4,649
Total Revenues	89,116	(4,943)	84,173	11,545	—	11,545	95,718	—	95,718
Interest Expense	—	—	—	4,030	—	4,030	4,030	—	4,030
Net Revenues	89,116	(4,943)	84,173	7,515	—	7,515	91,688	—	91,688
Compensation and Benefits	16,852	—	16,852	3,841	—	3,841	20,693	25,151(f)	45,844
Professional Fees	10,721	—	10,721	592	—	592	11,313	—	11,313
Other Operating Expenses	9,059	(26)(a)	9,033	1,542	—	1,542	10,575	—	10,575
Amortization of Intangibles	—	—	—	—	2,739(c)	2,739	2,739	—	2,739
Total Expenses	36,632	(26)	36,606	5,975	2,739	8,714	45,320	25,151	70,471
Income Before Minority Interest and Income Taxes	52,484	(4,917)	47,567	1,540	(2,739)	(1,199)	46,368	(25,151)	21,217
Minority Interest	(1)	1(a)	—	(416)	161(d)	(255)	(255)	15,365(g)	15,110
Income Before Income Taxes	52,485	(4,918)	47,567	1,956	(2,900)	(944)	46,623	(40,516)	6,107
Provision for Income Taxes	1,884	(106)(b)	1,778	770	— (e)	770	2,548	635(h)	3,183
Net Income	$50,601	$ (4,812)	$ 45,789	$ 1,186	$ (2,900)	$ (1,714)	$ 44,075	$ (41,151)	$ 2,924
Weighted Average Shares of Class A Common Stock Outstanding:									
Basic	—	—	—	—	—	—	—	—	4,795(i)
Diluted	—	—	—	—	—	—	—	—	4,795(i)
Net Income Available to Holders of Shares of Class A Common Stock Per Share:									
Basic	—	—	—	—	—	—	—	—	$ 0.61(i)
Diluted	—	—	—	—	—	—	—	—	$ 0.61(i)

See notes to unaudited condensed consolidated pro forma statements of income.

Unaudited Condensed Consolidated Pro Forma Statements of Income

Three Months Ended June 30, 2006

(dollars in thousands, except per share data)

	Evercore Holdings Historical	Adjustment for Formation	Evercore Post Formation	Protego Historical Restated	Protego Combination Adjustments	Protego as Adjusted Restated	Evercore LP Pro Forma Restated	Adjustments for Offering	Evercore Partners Inc. Pro Forma Restated
Advisory Revenue	$40,173	$ —	$ 40,173	$ 3,546	$ —	$ 3,546	$43,719	$ —	$ 43,719
Investment Management Revenue	3,138	173(a)	3,311	572	—	572	3,883	—	3,883
Interest Income and Other Revenue	179	—	179	3,125	—	3,125	3,304	—	3,304
Total Revenues	43,490	173	43,663	7,243	—	7,243	50,906	—	50,906
Interest Expense	—	—	—	2,969	—	2,969	2,969	—	2,969
Net Revenues	43,490	173	43,663	4,274	—	4,274	47,937	—	47,937
Compensation and Benefits	8,093	—	8,093	2,262	—	2,262	10,355	13,614(f)	23,969
Professional Fees	5,053	—	5,053	—	—	—	5,053	—	5,053
Other Operating Expenses	4,780	(11)(a)	4,769	762	—	762	5,531	—	5,531
Amortization of Intangibles	—	—	—	—	1,370(c)	1,370	1,370	—	1,370
Total Expenses	17,926	(11)	17,915	3,024	1,370	4,394	22,309	13,614	35,923
Income Before Minority Interest and Income Taxes	25,564	184	25,748	1,250	(1,370)	(120)	25,628	(13,614)	12,014
Minority Interest	6	(6)(a)	—	(224)	87(d)	(137)	(137)	8,697(g)	8,560
Income Before Income Taxes	25,558	190	25,748	1,474	(1,457)	17	25,765	(22,311)	3,454
Provision for Income Taxes	905	(35)(b)	870	534	— (e)	534	1,404	397(h)	1,801
Net Income	$24,653	$ 225	$ 24,878	$ 940	$ (1,457)	$ (517)	$24,361	$ (22,708)	$ 1,653
Weighted Average Shares of Class A Common Stock Outstanding:									
Basic									4,795(i)
Diluted									4,795(i)
Net Income Available to Holders of Shares of Class A Common Stock Per Share:									
Basic									$ 0.34(i)
Diluted									$ 0.34(i)

See notes to unaudited condensed consolidated pro forma statements of income.

Unaudited Condensed Consolidated Pro Forma Statements of Financial Condition

As of June 30, 2006

(dollars in thousands, except per share data)

	Evercore Holdings Historical	Adjustments for Formation	Evercore Post Formation	Protego Historical Restated	Protego Combination Adjustments (m)	Protego as Adjusted Restated	Evercore LP Pro Forma Restated	Adjustments for Offering	Evercore Partners Inc. Pro Forma Restated
Cash and Cash Equivalents	$16,357	$ (14,838)(j)(k)	$ 1,519	$ 4,169	$ (4,169)(m)	$ —	$ 1,519	$ 49,606(u)(v)	$ 51,125
Financial Instruments Owned and Pledged as Collateral at Fair Value	—	—	—	131,741	—	131,741	131,741	—	131,741
Securities Purchased Under Agreements to Resell	—	—	—	133,066	—	133,066	133,066	—	133,066
Accounts Receivable	17,519	(4,545)(k)	12,974	2,791	(400)(m)	2,391	15,365		15,365
Investments at Fair Value	30,096	(16,757)(j)	13,339	1,267		1,267	14,606		14,606
Goodwill	—	—	—		31,470(n)	31,470	31,470		31,470
Intangible Assets			—		3,770(o)	3,770	3,770		3,770
Other Assets	19,930	(2)(j)	19,928	1,924	(3,112)(p)	(1,188)	18,740	(5,416)(w)	13,324
Total Assets	$83,902	$ (36,142)	$ 47,760	$274,958	$ 27,559	$302,517	$350,277	$ 44,190	$ 394,467
Short-Term Borrowings	$30,000	$ —	$ 30,000	$	$	$	$ 30,000	$ (30,000)(v)	$ —
Accrued Compensation and Benefits	10,607	—	10,607	512		512	11,119		11,119
Accounts Payable and Accrued Expenses	12,882	—	12,882	741		741	13,623		13,623
Securities Sold Under Agreements to Repurchase	—	—	—	264,860	—	264,860	264,860	—	264,860
Notes Payable	—	—	—		7,000(q)	7,000	7,000	(7,000)(v)	—
Other Liabilities	1,900	(89)(j)	1,811	1,055		1,055	2,866		2,866
Total Liabilities	55,389	(89)	55,300	267,168	7,000	274,168	329,468	(37,000)	292,468
Minority Interest	273	(273)(j)	—	1,371	(532)(r)	839	839	19,970(x)	20,809
Members' Capital	28,119	(35,780)(j)(k)	(7,661)(l)		27,510(s)	27,510	19,849	(19,849)(x)	—
Retained Earnings				6,485	(6,485)(t)(m)	—	—	(4,338)(y)	(4,338)
Accumulated Other Comprehensive Income	121	—	121	(74)	74(t)	—	121	(121)(x)	—
Class A Common Stock, $0.01 par value per share		—	—			—	—	45(u)(v)	45
Class B Common Stock, $0.01 par value per share	—	—	—			—	—		—
Restricted Stock Units								4,338(y)	4,338
Additional Paid-in-Capital	—	—	—	8	(8)(t)	—	—	81,145(u)(v)(w)	81,145
Total Stockholders' Equity	28,240	(35,780)	(7,540)	6,419	21,091	27,510	19,970	61,220	81,190
Total Liabilities and Stockholders' Equity	$83,902	$ (36,142)	$ 47,760	$274,958	$ 27,559	$302,517	$350,277	$ 44,190	$ 394,467

See notes to unaudited condensed consolidated pro forma statement of financial condition.

Notes to Unaudited Condensed Consolidated Pro Forma Statements of Income (dollars in thousands, unless otherwise noted):

(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 will not be contributed to Evercore LP. For the six months ended June 30, 2006, this adjustment reflects $4,943 of net gains associated with carried interest and portfolio investments, $1 minority interest, and $26 of general partnership level expenses. For the three months ended June 30, 2006, this adjustment reflects $173 of net losses associated with carried interest and portfolio investments, $(6) of minority interest and $11 of general partnership level expenses.

(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 Holdings' historical combined statements of income are attributable to the New York City UBT, attributable to Evercore's operations apportioned to New York City.

(c) 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. The intangible assets with finite useful lives include the following asset types: client backlog and relationships, broker dealer license and non-competition and non-solicitation agreements. See Notes (e) and (o) under "Notes to Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition".

(d) Reflects an adjustment to eliminate a minority interest of 19% in Protego's asset management subsidiary that Evercore acquired as part of the Protego Combination.

(e) For tax purposes, no tax benefit will be realized related to the intangible assets acquired by Evercore LP in conjunction with the Protego Combination. However, a tax benefit will be realized by Evercore Partners Inc. upon consummation of the initial public offering. See Note (h).

(f) Historically the entities that form Evercore have been limited liability companies, partnerships or sub-chapter S entities. Accordingly, payments for services rendered by our Senior Managing Directors generally have been accounted for as distributions of members' capital rather than as compensation expense. Following the initial public offering, we are including all payments for services rendered by our Senior Managing Directors in compensation and benefits expense. Our policy is to set our total employee compensation and benefits expense at a level not to exceed 50% of our net revenue each year (excluding, for purposes of this calculation, any revenue or compensation and benefits expense relating to gains (or losses) on investments or carried interest), and we initially expect to accrue compensation and benefits expense equal to 50% of our net revenue following the initial public offering. However, we may record compensation and benefits expense in excess of this percentage to the extent that such expense is incurred due to a significant expansion of our business or to any vesting of the partnership units to be held by our Senior Managing Directors or restricted stock units to be received by our non-Senior Managing Director employees at the time of the initial public offering. We may change this policy in the future. An adjustment has been made to Evercore Partners Inc. to reflect total compensation and benefits expense as 50% of net revenue. See Note (y) under "Notes to Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition".

	Three Months Ended June 30, 2006			Six Months Ended June 30, 2006		
	Evercore	Protego	Total	Evercore	Protego	Total
Post Formation Net Revenues	$43,663		$ 43,663	$ 84,173		$ 84,173
Historical Net Revenues		$ 4,274	4,274		$ 7,515	7,515
Compensation Expense Threshold – 50%	21,832	2,137	23,969	42,087	3,758	45,844
Historical Compensation and Benefits	(8,093)	(2,262)	(10,355)	(16,852)	(3,841)	(20,693)
Total Pro Forma Compensation and Benefits Expense Adjustment	$13,739	$ (125)	$ 13,614	$ 25,235	$ (83)	$ 25,151

(g) Reflects an adjustment to record the 74.5% minority interest ownership of our Senior Managing Directors in Evercore LP relating to their vested partnership units, assuming 4,587,738 shares of Class A common stock are outstanding after the initial public offering. 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. will have 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 will have an economic majority of Evercore LP, they will 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 will consolidate Evercore LP and record minority interest for the economic interest in Evercore LP held directly by the Senior Managing Directors. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(h) As a limited liability company, partnership or sub-chapter S entity, we were generally not subject to income taxes except in foreign and local jurisdictions. An adjustment has been made to increase our effective tax rate to approximately 44%, which assumes that Evercore Partners Inc. is taxed as a C corporation at the highest statutory rates apportioned to each state, local and/or foreign tax jurisdiction and is reflected net of U.S. federal tax benefit. There is no current foreign tax increase or benefits assumed with the Protego Combination as it relates to the effective tax rate. However, Evercore Partners Inc. will realize deferred tax increases or benefits upon the Protego Combination 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 will be governed, we intend to cause Evercore LP to make pro rata cash distributions to our 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. The following table reflects the adjustment to arrive at total income subject to tax for Evercore Partners Inc.:

	Three Months Ended June 30, 2006	Six Months Ended June 30, 2006
Operating Income	$ 12,014	$ 21,217
Less Minority Interest	8,560	15,110
Total Income	$ 3,454	$ 6,107

(i) For the purposes of the pro forma net income per share calculation, the weighted average shares outstanding, basic and diluted, are calculated based on:

	Three Months Ended June 30, 2006 Evercore Partners Inc. Pro Forma		Six Months Ended June 30, 2006 Evercore Partners Inc. Pro Forma	
	Basic	Diluted	Basic	Diluted
Evercore Partners Inc. Shares of Class A Common Stock	45,238	45,238	45,238	45,238
Evercore Partners Inc. Restricted Stock Units – vested	207,116	207,116	207,116	207,116
Evercore LP Partnership Units – vested (1)	—	—	—	—
New Shares from Offering	4,542,500	4,542,500	4,542,500	4,542,500
Weighted Average Shares of Class A Common Stock Outstanding	4,794,854	4,794,854	4,794,854	4,794,854

(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 to be held by parties other than Evercore Partners Inc. immediately following the initial public offering, 13,430,500 will be fully vested and 9,706,329 will be unvested. We have 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 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 our net income and net income per share. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial Measures—Operating Expenses—Employee Compensation and Benefits Expense."

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

	Three Months Ended June 30, 2006 Evercore Partners Inc. Pro Forma	Six Months Ended June 30, 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	$ 1,653	$ 2,924
Basic and Diluted Weighted Average Shares of Class A Common Stock Outstanding	4,794,854	4,794,854
Basic and Diluted Net Income Per Share of Class A Common Stock	$ 0.34	$ 0.61

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. We do 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.

Notes to Unaudited Condensed Consolidated Pro Forma Statement of Financial Condition (dollars in thousands, unless otherwise noted):

(j) The cash, investments, other assets, other liabilities, minority interest and members' capital of the general partners of the Evercore Capital Partners I, Evercore Capital Partners II and Evercore Ventures private equity funds and certain other entities through which Messrs. Altman and Beutner have invested capital in the Evercore Capital Partners I fund are eliminated for the presentation of the unaudited condensed consolidated pro forma statement of financial condition since these entities will not be contributed to Evercore LP.

(k) Reflects the pro forma cash distribution of pre-offering profits defined as net income less net income derived from the general partners and certain other entities as described in Note (j) for the period January 1 through the closing of the Formation Transaction, in the amount of $19,327 as of June 30, 2006 to our Senior Managing Directors to be effected prior to the initial public offering. The distributions are to be funded with available cash, with the remainder to be funded by the assignment of interests in certain accounts receivable. The tables below reflect this pro forma distribution of year-to-date 2006 profits as of June 30, 2006.

Pre-incorporation Profits	Six Months Ended June 30, 2006
Evercore Holdings Historical Net Income	$ 50,601
Less: Net Income of General Partner Not Distributed	(4,918)
Pre-incorporation Profits to be Distributed	$ 45,683
Partner Distribution made in Q2 2006 Pertaining to Pre-incorporation Profits	(26,356)

Net Pre-incorporation profits distribution	$ 19,327

Pre-incorporation Profits Consideration	Six Months Ended June 30, 2006
Accounts Receivable	$ 4,545
Cash	14,782
Total	$ 19,327

(l) The accumulated deficit represents cumulative distributions to members in excess of cumulative book income pertaining to periods prior to January 1, 2006.

(m) Represents adjustments to recognize the acquisition of Protego, which includes a 70% majority interest in its asset management subsidiary.

The estimated fair value of consideration paid and the assets and liabilities acquired in connection with the Protego Combination were determined to establish the appropriate allocation of purchase price to the acquired assets over liabilities. The total consideration includes the non-interest bearing notes of $7.0 million, 1,760,187 vested Evercore LP units and direct costs incurred with the acquisition transaction. With respect to the $7.0 million in notes issued in consideration for the Protego Combination, $6.05 million we paid in cash and $0.95 million we paid in shares of Class A common stock valued at the initial public offering price of $21 per share. We would issue 45,238 shares of Class A common stock upon repayment of such notes at the closing of the initial public offering. The methodology to determine the estimated value of the vested Evercore LP units was to estimate the total value of the combined entity post Formation Transaction, including Protego, as of the date the contribution and sale agreement for the Protego Combination was signed and then multiply that percentage ownership implied by the vested units issued with respect to the Protego Combination to calculate the value of those partnership units. The purchase price was allocated to the acquired assets and liabilities based on fair value with any residual unallocated purchase price assigned to goodwill. The purchase price does not include 351,362 unvested Evercore LP partnership units issued by Evercore LP in connection with the acquisition, for which, among other things, employee service subsequent to the consummation date of the acquisition is required in order for the units to vest. The unvested partnership units of Evercore LP will be treated as expense and not part of the purchase price consideration. Expense will be charged at the time a vesting event occurs or, if earlier, at the time a vesting event becomes probable. The expense will be based on the grant date fair value of the partnership units of Evercore LP, which will be the initial public offering price of the Class A common stock into which these partnership units are exchangeable. 50% of these unvested partnership units will vest if and when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 90% of the aggregate Evercore LP partnership units owned by them on the date the Reorganization is affected. 100% of the unvested Evercore LP partnership units issued will vest upon the earliest to occur of the following events:

- When Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 50% of the aggregate Evercore LP partnership units owned by them on the date of the partnership agreement;
- A change of control of Evercore; or
- Two of Messrs. Altman, Beutner and Aspe are not employed by, or do not serve as a director of, Evercore Partners Inc. or one of its affiliates within a 10-year period following the initial public offering.

In addition, 100% of the unvested Evercore LP partnership units held by a Senior Managing Director will vest if such Senior Managing Director dies or becomes disabled while in our employ. Evercore's Equity Committee, which is comprised of Messrs. Altman, Beutner and Aspe, with our concurrence, may also accelerate vesting of unvested Evercore LP partnership units.

A final determination of required purchase accounting adjustments, including the allocation of the purchase price, has not yet been made. Accordingly, the purchase accounting adjustments made in connection with these unaudited condensed consolidated pro forma financial statements are preliminary and have been made solely for the purposes of developing such condensed consolidated pro forma financial statements. At this time, Evercore does not expect that the value of any of the identifiable, definite-lived intangibles will change in a material manner between the time the preliminary valuation was performed and the closing of the transaction when the final valuation will be completed. Additionally, Evercore does not expect any material changes in the value of any of the other assets acquired and liabilities assumed in conjunction with the Protego Combination. Evercore does not expect any uncertainties regarding amortization periods to have a material impact on our financials.

Estimated Purchase Price	
Non-Interest Bearing Evercore LP Notes	$ 7,000
Evercore LP Partnership Units (vested)	27,510
Acquisition Costs	3,112
Estimated Purchase Price	$ 37,622

Estimated Purchase Price Allocation	
Cash	$ 4,169
Less: Pre-Protego Combination Profits Distribution in Cash	(4,169)
Net Cash	—
Financial Instruments Owned and Pledged as Collateral at Fair Value	131,741
Securities Purchased Under Agreements to Resell	133,066
Accounts Receivable	2,791
Less: Pre-Protego Combination Profits Distribution Paid with Interest in Accounts Receivable	(400)
Net Accounts Receivable	2,391
Investments	1,267
Intangible Assets	3,770
Other Assets	1,924
Other Current Liabilities	(2,308)
Securities Sold Under Agreements to Repurchase	(264,860)
Minority Interest	(839)
Identifiable Net Assets	6,152
Goodwill	$ 31,470

Pursuant to the agreement with Protego, the above calculation reflects a pro forma cash distribution of pre-Protego Combination profits to the Protego Directors prior to the initial public offering. The distributions are to be funded with available cash, with the remainder to be funded with notes or an assignment of certain accounts receivable. The table above reflects this pro forma distribution as of June 30, 2006. Under a service agreement with a Director who ceased to be employed by Protego in June 2006, Protego will be required to make a payment of up to $2.6 million. The associated expense will reduce Protego's pre-Protego Combination profits and accordingly reduce Protego's pre-Protego Combination profits distribution.

(n) Reflects the residual value of goodwill attributable to the acquisition. Goodwill is based on a provisional purchase price allocation and is equal to the purchase price in excess of the estimated fair value of identifiable net assets acquired, as set forth in Note (m). For tax purposes, such amounts will be amortized straight-line over a fifteen year period.

(o) Reflects the fair value of intangible assets acquired. Such amount will be amortized over the estimated useful lives of the intangible assets which have been assumed to range from 0.5 to five years for financial statement accounting purposes and fifteen years for tax purposes of these condensed consolidated pro forma financial statements.

(p) Reflects the elimination of direct costs which have been capitalized in Evercore's historical statements of financial condition, associated with the acquisition of Protego incurred prior to June 30, 2006. These costs have been added to the estimated purchase price. See Note (m).

(q) Reflects the issuance of the aggregate principal amount of non-interest bearing Evercore LP notes that are payable in cash of $6.1 million, and $0.9 million of Class A common stock immediately following the closing of the initial public offering (the "Evercore LP Notes").

(r) Reflects an adjustment to eliminate a minority interest of 19% in Protego's asset management subsidiary acquired by Evercore as part of the Protego Combination.

(s) Reflects the fair value of 1,760,187 vested Evercore LP partnership units issued in connection with the purchase of Protego.

(t) Reflects the elimination of Protego's shareholder equity accounts including retained earnings, accumulated other comprehensive income and additional paid-in-capital.

(u) Reflects net proceeds from the sale by Evercore Partners Inc. of 4,542,500 shares of Class A common stock pursuant to the initial public offering, at an initial public offering price of $21.00 per share of Class A common stock, less underwriting discounts and commissions and estimated expenses payable in connection with the initial public offering and the related transactions.

(v) Reflects repayment of the Evercore LP Notes issued to effect the Protego Combination using net proceeds from the initial public offering of $6.1 million and the issuance of $0.9 million of Class A common stock and repayment of the outstanding amount under our line of credit of $30 million.

(w) Reflects the elimination of direct costs incurred through June 30, 2006 of the initial public offering.

(x) Reflects a minority interest adjustment for the ownership of vested Evercore LP partnership units held directly by Evercore's Senior Managing Directors, 4,542,500 shares of Class A common stock are issued in connection with the initial public offering. 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.

(y) Reflects the anticipated one-time grant of restricted stock units. Evercore granted 2,286,055 restricted stock units to its non-Senior Managing Director employees at the time of the initial public offering. 207,116 of the restricted stock units are fully vested and, as a result, Evercore will record compensation and benefits expense at the time of the initial public offering equal to the value of these fully vested restricted stock units. Such expense has been excluded from the unaudited condensed consolidated pro forma statements of income as the charge is a non-recurring charge directly attributable to the acquisition. The remaining 2,078,939 of these restricted stock units are unvested and will vest only upon the same conditions as the unvested partnership units of Evercore LP issued in connection with the Formation Transaction and the Protego Combination described in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Reorganization". If and when these unvested restricted stock units vest, Evercore will record compensation and benefits expense at the time of vesting equal to the grant date fair value of the Class A common stock of Evercore Partners Inc. deliverable pursuant to such restricted stock units, which would be calculated based on the initial public offering price of the Class A common stock. As a result, based on the initial public offering price of $21.00 per share, we recorded compensation expense equal to the fair value of the vested restricted stock units issued of $4.3 million and would record additional compensation expense at the time of vesting of the unvested restricted stock units of $43.7 million if all such unvested restricted stock units were to vest.

Protego Asesores

Prior to this offering, and concurrently with the Formation Transaction, Evercore LP will acquire Protego Asesores and its subsidiaries (including a 70% interest in Protego's asset management subsidiary) and Protego SI in exchange for $7.0 million aggregate principal amount of non-interest bearing notes, and, once Protego is acquired, Mr. Aspe and the other Protego Directors will become Senior Managing Directors of Evercore and, collectively with certain companies they control, certain trusts benefiting their families and a trust benefiting Directors and employees of Protego, subscribe for partnership units in Evercore LP. In addition, Protego will distribute to its Directors cash and, to the extent cash is not available, notes or interests in certain accounts receivable so as to distribute to its Directors all earnings for the period from January 1, 2005 to the date of the closing of the contribution and sale agreement. See "Organizational Structure—Combination with Protego".

The following summary historical combined financial data should be read in conjunction with Protego's audited combined financial statements and related notes thereto included elsewhere in this prospectus. The summary historical combined statement of income data presented below for each of the years ended December 31, 2003, December 31, 2004 and December 31, 2005, have been derived from Protego's historical combined and consolidated financial statements included elsewhere in this prospectus. The summary historical combined statement of income data presented below as of March 31, 2006 and for the three months ended March 31, 2005 and 2006, have been derived from Protego's unaudited interim combined financial statements included elsewhere in this prospectus.

	Year Ended December 31,			Three Months Ended March 31,	
	2003	2004	2005 Restated	2005 Restated	2006 Restated
(dollars in thousands)					
Statement of Income Data					
Revenues:					
Advisory:	$ 9,083	$12,229	$ 16,388	$ 8,318	$ 2,289
Investment Management	—	670	2,855	562	789
Interest Income and Other	68	(50)	2,434	53	1,224
Total Revenues	9,151	12,849	21,677	8,933	4,302
Interest Expense	—	—	2,156	33	1,061
Net Revenues	9,151	12,849	19,521	8,900	3,241
Expenses:					
Employee Compensation and Benefits	5,161	5,700	8,347	3,323	1,579
Other Operating Expenses	2,914	4,056	7,022	1,235	1,372
Total Operating Expenses	8,075	9,756	15,369	4,558	2,951
Operating Income	1,076	3,093	4,152	4,342	290
Total Income Tax, Net	96	1,034	1,969	1,787	236
Minority Interest (a)	—	—	(1,199)	(442)	(192)
Net Income (b)	$ 980	$ 2,059	$ 3,382	$ 2,997	$ 246
(dollars in thousands)					
Operating Metrics					
Number of Advisory Clients	47	36	48	27	42
Advisory Senior Managing Director Headcount	5	5	5	5	5
Advisory Revenue per Advisory Senior Managing Director	$ 1,817	$ 2,446	$ 3,278	$ 1,664	$ 458

	As of March 31, 2006 Restated
(dollars in thousands)	
Statement of Financial Condition Data	
Total Assets	$ 107,171
Total Liabilities	99,766
Minority Interest	1,633
Members' Equity	5,772

(a) Minority interest reflects the pro-rata share of the losses in Protego's asset management entity Protego Casa de Bolsa allocated to third party ownership of 49%.

(b) Pursuant to a contribution and sale agreement, pre-incorporation profits will be distributed to the Protego Directors prior to this offering. The profits distribution will equal net income for the period from January 1, 2005 to the closing of the contribution and sale agreement.