

## ICAP & RADAR LOGIC PARTNER TO ADVANCE OTC TRADING OF RESIDENTIAL PROPERTY DERIVATIVES

I

*ICAP becomes the first authorized interdealer broker for derivative transactions based on the RPX™*

New York, NY – 14 August 2007 – ICAP (IAP.L), the world's premier interdealer broker, and Radar Logic Incorporated, the analytic and data company that powers the Residential Property Index™ market (RPX™), announced today that they have reached an agreement to form a joint venture related to the RPX market. In addition, ICAP has signed a license to act as the first authorized interdealer broker for derivative transactions based on the RPX. These derivatives will allow users to hedge risk on residential property prices in 25 major cities across the United States. A number of Wall Street dealer firms have already signed licensing agreements with Radar Logic.

As part of the joint venture, ICAP has been appointed the authorized broker to conduct the market fixing of residential property derivatives prices. The ICAP Radar Logic fixing will be established on a daily basis. This will use a similar polling methodology as ICAP employs in other fixing and market benchmarks, such as the ISDA swap fixes.

The ICAP-Radar Logic joint venture company will develop new lines of market pricing mechanisms, analytics and commentary based on the U.S. residential property market. The information offering will include forward curve analysis related to property derivatives, a property derivative calculator, and derivative market reports and commentary.

Doug Rhoten, Chief Executive Officer, ICAP North America, said "U.S. residential property is an exciting asset class that offers significant potential for ICAP. Derivatives based on the RPX offer institutional customers a means to hedge their U.S. residential property risk in the highly efficient and liquid over-the-counter markets, and we expect these products to have a unique acceptance among dealers and market participants. The need for these products is highlighted by the recent dislocation and volatility in the U.S. residential property market and the absence of an effective risk mitigation tool. We expect a wide array of transactions to be based on the RPX index."

Andrew Aymen Samawi, Head of Residential Property Derivatives, ICAP North America said, "We expect RPX derivatives to be an effective risk mitigation tool for participants in both the mortgage markets and the collateralized debt obligations market (CDO) markets that have embedded mortgage products for yield enhancement. As concerns affect other parts of debt and real estate markets, the timely introduction of this robust index can address the need and urgency for real estate hedging in volatile markets, as well as provide a transparent and reliable basis for investors to participate in U.S. residential real estate."

“We are pleased to be establishing this important relationship with ICAP,” said Michael Feder, President and CEO of Radar Logic Incorporated. “Combined with the very strong dealer group we are assembling, this venture will accelerate the utility of the RPX market for all participants in the capital markets.”

### **About ICAP**

ICAP is the world’s premier voice and electronic interdealer broker, delivering specialist intermediary broking services to trading professionals in the wholesale financial markets. The group covers a very broad range of OTC (over-the-counter) financial products and services in Energy, Foreign Exchange, Interest Rates, Credit, Equity markets; as well as data, commentary and indices.

ICAP is active in both established and emerging markets. ICAP’s reach and organization are global, while providing a local response to customer needs. The company’s electronic networks deliver global connectivity to customers seeking unparalleled liquidity and flow in an orderly marketplace. For more information, visit [www.icap.com](http://www.icap.com)

### **About Radar Logic Incorporated**

Radar Logic, the home of tradable real estate<sup>SM</sup>, is a technology-driven analytic and data business providing a broad range of daily indexes and analytic tools to serve as the basis for true derivatives markets in non-commodity assets. Data are captured from public sources and translated into the Radar Logic Daily<sup>TM</sup> Prices for Metropolitan Statistical Areas (MSAs) in the United States. Financial instruments based on those prices are offered and traded in the Residential Property Index<sup>TM</sup> (RPX<sup>TM</sup>) market. Radar Logic publishes RPX prices daily, including 1-, 7- and 28-day measures of actual prices paid for U.S. residential real estate. RPX Daily Prices, along with more information about the company, can be found at [www.radarlogic.com](http://www.radarlogic.com).

ICAP Media Contact:  
Mike Sheard  
Tel: + 44 20 7050 7103  
[mike.sheard@icap.com](mailto:mike.sheard@icap.com)

Radar Logic Inc. Media Contact:  
Nancy Tamosaitis, Vorticom Inc.  
212.532.2208  
[nancyt@vorticom.com](mailto:nancyt@vorticom.com)

Intermarket Communications Media Contact:  
Neil Shapiro, 212-754-5423  
[nshapiro@intermarket.com](mailto:nshapiro@intermarket.com)

---

R A D A R L O G I C  
I N C O R P O R A T E D

