

2Q Financial Results Commentary  
Australia & New Zealand

7/29/2008 3:45 PM

Tom Southern:

"The first half of 2008 was a strong period for CB Richard Ellis in the Asia Pacific Region. Revenues were 36% ahead of the first half of 2007, with virtually all countries in the region achieving higher revenue growth. The Australia and New Zealand operations made substantial contributions to this strong performance, with revenue growth of 31%.

"While our market has been impacted by the global credit squeeze, we continue to reap the benefits of a diversification strategy that ensures that we are less dependent on large leasing and sales transactions. During the second quarter we acquired two highly regarded Sydney mortgage valuation businesses, Russell & Fairfax and E. F. Hoskin & Associates, to consolidate our position as Australia's leading provider of residential mortgage valuation services. We also acquired the Brisbane-based Corporate Property Ltd, to further enhance our corporate services business.

"Reflecting our increased diversity, our strongest performing business lines in the second quarter were in the outsourcing areas of valuations, project management and corporate services. Several large agency transactions were also completed during the period. This helped to counter the fact that investment sales activity has fallen as the global credit market difficulties have begun to affect the region. Additionally, in the current environment, it is critical that we continue to manage our expense base prudently."