

**DUFF & PHELPS CORP.**

**Moderator: Jake Silverman  
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Operator: Good day and welcome to the Duff & Phelps Corporation Fourth Quarter 2008 Conference Call. Today's conference is being recorded.

At this time, I would like to turn the conference over to Chief Financial Officer, Mr. Jake Silverman. Please go ahead, sir.

Jake Silverman: Good morning and welcome to the conference call to discuss Duff & Phelps financial results for the fourth quarter and full year of 2008.

I'm Jake Silverman, CFO of Duff & Phelps. With me on the call today are Noah Gottdiener, CEO and Chairman of the Board, and Gerry Creagh, our President.

Before we begin, I'd like to point out to all of you that statements in this call may include forward-looking statements as defined in section 21E of the Securities and Exchanges Act of 1934 and the Private Securities Litigation Reform Act of 1995. Additionally, these statements involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, level of activity, performance or achievements expressed or implied by these forward-looking statements, therefore you should not place undue reliance on these forward-looking statements.

Please see risk factors in Form 10 – Form 10-K, Forms 10-Q, as in other documents we file with the SEC for a complete description of the material risks we face.

We do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

And now I'd like to turn the call over to Noah.

Noah Gottdiener: Thanks, Jake. It's a pleasure for me to speak with you this morning to report our full year and fourth quarter earnings for 2008.

Today, I'd like to start by recapping key highlights of our results. Then I'd like to discuss the current state of our business, the current market environment and key growth drivers before turning the call back over to Jake for a more detailed financial discussion.

First, to briefly summarize our 2008 top line results, for the full year revenues increased 12% to 381.5 million, compared to 341.2 million in 2007. Revenues from our financial advisory segment increased 19% over last year, offset by a 12% decrease in revenues from our investment banking segment. During our fourth quarter of 2008, revenues increased 2% to 94.2 million, compared to 92.7 million for the corresponding prior year quarter. Revenues from our financial advisory segment increased 4% over last year, offset by a 7% decrease in revenues from our investment banking segment.

In 2008, we conducted over 4900 engagements for 2300 clients around the globe, including corporations, prominent law firms, government entities and leading private equity in the hedge funds. More than a third of our clients are S&P 500 companies. At the end of the year, we had 975 client service professionals, representing a 16% increase over last year. This includes 168

managing directors, representing a 29% increase over last year. That said, in light of current market conditions, we remain – we remain focused on tightly managing our headcount. We believe our 2008 results speak to our balanced portfolio of businesses, our technical expertise and our flexibility in spotting the clients' needs in any environment.

The unprecedented economic environment continues to present us with opportunities and challenges. While our M&A correlated service offerings continue to experience reduced demand, growth in other businesses continued – continues to offset this reduction with increased opportunities from countercyclical and noncyclical services. Countercyclical services include our global restructuring services, dispute consulting and goodwill impairment testing in conjunction with FAS 142. Noncyclical services include portfolio valuations, financial engineering and transfer pricing.

The secular trends driving opportunities for our services have also continued and in many instances have become even more relevant in these times. These trends include the need for greater transparency, the application of fair-value accounting, demands for independence and a greater level of corporate restructurings. In addition, the emerging global regulatory and accounting landscape continues to present opportunities for us to help our clients navigate the complex issues relating to valuation and objective presentation of value on their financial statements.

At their core, the challenges that confront our economy and the capital markets relate to issues of valuation. What are assets truly worth and how should they be reported? As the largest valuation services firm in the world, with the highest levels of expertise, we believe Duff & Phelps has been and will continue to be in a great position to be of service. Let me give you some highlights of our business. I'll start with our financial advisory segment.

Our valuation advisory business, which represents 47% of total revenues, grew 3% over last year. Valuation advisory includes our core FAS 141 financial reporting and FAS 142 impairment valuation practices, our fixed asset real estate practice and general valuation services. Over the second half of the year we saw significant increase in impairment testing, particularly given the sharp declines in market valuations of many publicly traded companies. (Well), although our broader valuation advisory business remains solid in today's environment, our growth has been tempered by the overall M&A environment as demand for FAS 141 valuations have declined.

Our corporate finance consulting business, which represents 15% of total revenues, grew 37% over last year. This practice includes our core – portfolio valuation practice, financial engineering and due diligence services. We continue to benefit from new and ongoing portfolio valuation assignments for private equity funds, hedge fund clients and other investment vehicles. Over the past several months we've seen a strong level of interest from corporate clients with respect to their investment portfolios and pension funds and we continue to penetrate the financial institutions market.

It's important to note that our portfolio valuation business is not tied to existing M&A transactions, but rather to existing portfolios that our clients hold. We remain the clear market leader here and are proactively pursuing immediate opportunities for clients in need of independent portfolio valuation services. Given the increased importance of this segment and the desire for investors to better understand our service offerings; in 2009 we will begin reporting corporate finance consulting as a separate reporting segment. This will – this will allow greater transparency and an increased level of reporting detail.

Our tax services business, formerly called specialty tax, is a key growth driver for Duff & Phelps. It represents 12% of total revenues and grew 80% over last year. About 40% of the increase resulted from the Rash acquisition, which has provided us with a suite of services required to penetrate larger and more complex accounts with regard to property tax services.

We also add the team with expertise in corporate tax planning and compliance to enhance our transaction tax advisory services group. Another notable area that we've been investing in is dispute and (illegal) management consulting. Throughout 2008, we announced a number of moves to enhance this business unit's capability. This business represented 8% of revenues in 2008 and increased almost 50% since last year.

In today's environment, litigation appears to be increasing, particularly with respect to financial services, valuation and liquidity issues. Our dispute business is participating in this trend. As a specific example, we've recently been retained to serve as financial advisor to the court appointed examiner in connection with the bankruptcy of Lehman Brothers. This significant engagement will draw on our dispute consulting, forensic accounting, financial engineering and valuation capabilities from across the firm.

Let's turn to investment banking. We are pleased that the diversity and quality of our services within this segment mitigated the potential revenue decline compared to the general M&A market. In addition, given the dislocation in the broader investment banking marketplace, our investment banking segment is well positioned for the future in terms of commercial and recruiting opportunities. We are pleased to see that our restructuring business, which represents 5% of total revenue, has begun to experience a notable increase in the number of opportunities and engagements won as the restructuring cycle takes hold.

Here in the U.S., our restructuring business has won a number of significant creditor and debtor assignments in recent months and the pace of new business continues to accelerate. In terms of restructuring overseas, our Paris restructuring team continues to capitalize on the emerging distressed market in Europe. Overall, we believe that the restructuring and distressed arena is going to be extremely fertile ground for the next 2 to 3 years and we have an established global franchise in this arena.

Our middle market M&A advisory practice, which represents 5% of our total revenue, is being impacted by the global disruption in the M&A and credit markets. While our sell side auctions have generated significant interest from strategic and private equity buyers, we've seen a delay and in some cases cancellation of certain transactions, as buyers are unable to secure financing and sellers work to shore up their businesses in a challenging economy. That said, we were able to advise on a number of transactions that were completed during Q4, in the midst of the early days of the economic crisis, which speaks to the high quality of our engagements.

While our transaction opinion business was down this year versus last year as a result of market conditions during the second half of the year, this continues to be a market-leading franchise for Duff & Phelps. The transaction opinion business represents 9% of total revenue and is a leading national player. According to Thompson Financial, in 2008 we were the third ranked provider of fairness opinions in the U.S. and 13th ranked in the world, based on number of opinions delivered. Perhaps more importantly, we believe we are the number 1 provider of independent transaction opinions in the U.S. Boards and their key advisors engage us to provide independent opinions regarding fairness and solvency.

As a recent example of our market presence and expertise, during Q4 we were honored to provide a valuation report to the U.S. Congressional Oversight Panel on TARP, led by our transaction opinions and financial engineering teams. Our report was presented to Congress in early February and is available on the TARP Oversight Panel Web site. The report highlights our expertise across our broad portfolio of services. We are pleased to have performed this engagement.

Let's briefly turn to our international business, which continues to be a growth driver for the firm. Revenues from our international business increased 66% to over 39 million during 2008. Almost 40% of our overall growth is being driven from our international operations. During the year, we

formed the restructuring practice in Paris, opened an office in Shanghai and strengthened our global M&A practice by adding senior professionals in our London office. Given the cross-border dimensions of many of our assignments, having this experience on a global scale will allow us to better respond to our clients' needs, regardless of location.

All in all, our 2008 results demonstrate our focus on prudent and balanced growth, domestically and abroad. While the markets are turbulent and not without significant challenges for virtually everyone, we are seeing numerous opportunities to build our business and enhance the platform.

With that, I'd like Jake to discuss our financial results in greater detail. Jake?

Jake Silverman: Thanks, Noah. Today, I'd like to discuss both company-wide financial results and then provide additional details on segment specific performance. In addition to GAAP metrics, I will be discussing non-GAAP measures of our financial results, including adjusted EBITDA and adjusted pro forma net income. We believe these non-GAAP measures, when viewed alongside the GAAP figures we have already provided in our earnings release and will disclose in our 10-K, provide a meaningful means of evaluating our company's performance.

As Noah described, for the full year revenues increased 12% to 381.5 million, compared to 341.2 million in 2007. For our fourth quarter of 2008, revenues increased 1.6% to 94.2 million, compared to 92.7 million for the prior year quarter. For the year, we grew 7.4% organically overall, with 13.4% organic growth in the financial advisory segment. The organic growth measure excludes the impact of recent acquisitions to date.

For the year, adjusted EBITDA was 73.6 million or 19.3% of revenues, compared to 68.9 million or 20.2% of revenues in 2007. For the quarter, adjusted EBITDA was 20.7 million or 22% of revenues, compared to 17.5 million or 18.9% of revenues for the prior year quarter. Adjusted pro forma net income per share was 28 cents for our fourth quarter and \$1.05 for the year.

Let me describe what adjusted EBITDA and adjusted pro forma net income are. Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization and non-controlling interest, as well as the following items; other income, acquisition retention expenses, equity-based compensation associated with the legacy units of Duff & Phelps acquisitions and the grant of options made at the time of our ITO. Adjusted pro forma net income represents adjusted EBITDA less depreciation and amortization, interest income and expense, other income and pro forma assumed corporate income tax. Adjusted pro forma net income per share consists of adjusted pro forma net income, divided by the weighted average number of the company's Class A and Class B shares outstanding for the applicable period, giving effect to the dilutive impact, if any, of stock options and restricted stock awards.

I'll now talk briefly about segment performance and our balance sheet. In terms of segment performance, let's start with financial advisory, which represents 81% of total revenues for the year. During the year, financial advisory revenues increased 19% to 310 million, compared to 260 million in 2007. For the quarter, revenues increased 4.1% to 74.7 million, compared to 71.8 million in the prior year.

The increase in revenue for the year was driven by solid growth from our corporate finance consulting, tax services and our dispute and legal businesses. Of the overall increase in revenue, approximately 39% is attributable to a higher number of chargeable hours as a result of the increase in the number of client service professionals, 31% to a higher rate per hour and 30% from our recent acquisitions. For the year, the financial advisory rate per hour increased 7% to \$344 from \$323. Utilization was 63%, compared to 69% in the prior year. Revenue per professional was 380,000, compared to 413,000 in 2007. In 2008, financial advisory headcount increased 13% to 841 client service professionals from 746. Of the increase 56% resulted from domestic hiring, 15% from hiring in our international offices and 29% resulted from our recent acquisitions.

Now I'd like to turn to our investment banking segment, which represents 19% of revenues for the year. In 2008, revenues decreased 12% to 71.8 million from 81.6 million. For the quarter, we reported a 7% decrease in revenue to 19.5 million, compared to 20.9 million in the prior year quarter.

Note that our global restructuring business is showing growth on a sequential basis this year and the pace of new engagements in our domestic practice picked up meaningfully in the second half, compared to the first half of the year. We believe we are the beginning of the cycle and expect this pace to continue throughout 2009 and beyond. Noah previously provided a context regarding the overall M&A and restructuring environment. We feel that we have a diverse portfolio of services in this segment that helped us – helped to shelter us on a relative basis from the broader volatility in the market.

Our balance sheet is strong. At December 31, 2008, we had 81 million of cash and 43 million of total debt on our balance sheet, or just over half the turn of debt to trailing 12 months adjusted EBITDA. It's important to note that we believe our cash balances are safe. Almost 90% or 72 million of cash is held in U.S. non-interest bearing accounts, which provide FDIC protection until the end of 2009. During Q4, we made a conscious decision to ensure principal protections versus achievement of yield. We plan to monitor the short term markets and revisit this investment policy on a regular basis.

With regard to share count, we have a two-class share structure, with Class A shares primarily owned by public investors Shinsei and employee recipients of restricted stock awards and Class B shares owned by the original members of Duff & Phelps Acquisitions, the entity which owns our operating business, which are exchangeable into Class A shares. As of today, the total number of Class A shares outstanding is approximately 14.7 million. The total number of Class B shares

outstanding is approximately 20.9 million. Thus on a fully exchanged basis, we have a total of approximately 35.6 million shares outstanding.

With regard to outlook, we are not providing quarterly or annual financial guidance for 2009. However, I'd like to turn the floor back over to Noah to provide a qualitative view of 2009 and close out the call. Noah?

Noah Gottdiener: Thanks, Jake. In summary, we're pleased with the overall growth of our business across services and geographies this past year.

Looking forward to 2009, the secular trends that are driving our business continue to bode positively for us. We expect the pickup in restructuring and dispute consulting work to continue in a meaningful way. Furthermore, we see continued growth in noncyclical businesses, such as portfolio valuation and tax services.

Now realistically, given the current economic environment, our M&A correlated businesses will make it challenging for us to repeat the total year over year revenue growth that we achieved in 2008, particularly in the first half of the year. Obviously, to the extent that we complete any acquisitions or significant lift-outs this year, our overall growth rate in 2009 would be enhanced.

In closing, I am very pleased with our portfolio of businesses and how they position us to perform both in good times, as well as the challenging times that we are in today. This concludes our prepared remarks. In addition to Jake and me, our President, Gerry Creagh will now be available to answer your questions.

So with that, I'll open the floor up to questions.

Operator: Thank you. The question and answer session will be conducted electronically. If you would like to ask a question, please press star followed by the digit 1 on your touch-tone phone. As a reminder if you are on a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. Once again, star 1 to ask a question and we'll pause for just a moment.

And we'll hear from Tim McHugh with William Blair & Company.

Tim McHugh: Yes. First I wanted to ask about the goodwill impairment services within the valuation advisory practice. Given that that's probably a pretty good-sized portion of the mix right now; can you talk about if there's any seasonality? You mentioned it picked up significantly in the second half of the year. Just trying to discern the seasonal trends versus, obviously, the market weakened significantly in the second half of the year. Do you see continued strength or should we think of that as more of a second half of the year seasonally type of practice?

Gerry Creagh: Hi, Tim; this is Gerry. The impairment work did increase at the second half of the year because of the deteriorating market conditions and the need for companies to take a look at their – at their assets. That will continue. You know as you have poor market conditions, you need to look at you know at whether or not your assets are impaired, so that will continue for as – for as long as there is goodwill on the books of these companies. So they will continue to do it. It's not – it's not seasonal. They have to do it quarterly and clearly, at the end of the year, there is increased emphasis around it. Did I answer your question?

Tim McHugh: Yes, yes. That is – that is helpful. And then the restructuring business, you talked about seeing – obviously doing better there, seeing an increased pipeline. Can you talk about where you are relative to your capacity right now? Are you running pretty hot, if we look at the fourth quarter run rate, in terms of the number of people you have, (you're make) – both U.S. and where you stand in Paris now?

Noah Gottdiener: Yes. I would say listen, we're definitely running hotter than we were and we're continuing to look for opportunities to recruit in this area because we expect more and more opportunities and more growth in this area, but we're definitely running hotter.

Gerry Creagh: And you have to remember, Tim, the way our model works, we try to move people across the platform as much as possible. So that's the beauty of how we've designed the structure. So to the extent we have one hot business and one business that's not as hot, we can move the people along because they're at the same core competency. So to the extent that we have senior people that can – that can lead projects, we have junior staff that can participate.

Tim McHugh: OK and then the acquisition environment right now, you've built up a nice cash balance. I recognize some of that will get paid out here in bonuses in the first quarter, but what's your appetite in this environment? Are you more apt to wait out the current environment or are you out there looking for opportunities?

Noah Gottdiener: Well listen, we're definitely looking for opportunities. There are terrific opportunities out there and we're maintaining relationships with people who are running these business – these businesses that are potentially targets for us. We're obviously going to be cautious and prudent, but having said that, we've been very effective with the acquisitions that we've made. We feel that we've really moved up the learning curve in terms of our ability to integrate businesses and you know our confidence level is just higher. So you know it's sort of a balance between caution given the environment, but a real confidence in our ability to make good acquisitions.

Tim McHugh: OK.

Noah Gottdiener: Is that – is that responsive to you, Tim?

Tim McHugh: Yes. That is – that is helpful. And then the last one, can you give any more color, to the extent you're allowed, on the Lehman bankruptcy engagement that you were hired for? Which practice will that fall under, mainly, and what's the kind of the scope of it?

Noah Gottdiener: I think the beauty of that is that it draws across a lot of the services that we provide. You know our financial services expertise, dispute consulting, our forensic capability, our financial engineering capability around valuing complex securities and it's a real example of where we have an edge in this market for these kind of assignments, because if you think about it, Tim, the real – the real core issue around an assignment like that really relates to being able to understand what – where the value is, what securities are worth and as sort of a dominant valuation player we really play well in terms of our capabilities for that kind of assignment. So you know the assignment is being led out of our dispute consulting business, but is drawing heavily across many parts of our platform.

Tim McHugh: OK, thank you.

Noah Gottdiener: Does that?

Tim McHugh: Yes, that's great. Thanks.

Operator: And next we'll move to David Gold with Sidoti.

David Gold: Hi, good morning. A couple of questions for you. First off, it looks like, from looking at the averages, headcount to end-of-period and looking at the third quarter, it looks presumably there was shifting almost – I mean best I can guess is that there was some reduction and then presumably some hirings and maybe some shifting in the different practices during the quarter. I was curious if you can comment on you know what practices you might have been adding in and where we might have reduced some?

Noah Gottdiener: Sure.

Jake Silverman: David, this is Jake. You know it's really – it's really just a question of a constant focus on rebalancing the mix of people to the extent we're able to. As Gerry mentioned, we try to redeploy. I wouldn't say that there's necessarily one particular area that has been affected, at least over the past year, with respect to any headcount reductions. It you know you know we're constantly focused on you know managing out poor performers and making sure that we're constantly managing our overall capacity utilization.

In terms of areas that we're looking to invest in, I think prospectively you know Noah mentioned some of the areas that we're seeing you know lift as we enter the cycle and those would include areas such as dispute consulting and restructuring. To the extent we find ourselves reaching capacity there, we'll look to add people.

Gerry Creagh: If you take a look at our overall attrition for the year, it was about 19%.

David Gold: Yes.

Gerry Creagh: Eleven percent was voluntary and 8% was involuntary. So we have – we constantly look at our capacity in all of our businesses. As we – as I said earlier, we will move people around, but to the extent that we can't, this is a performance-based culture and we will – we will continue to monitor and address our capacity. So we have been hiring. We have been looking, very, very – in a very disciplined way at our capacity, but we continue to try to drive the platform to move people throughout all the different services.

David Gold: Can you give a sense of what those attrition numbers look like for the fourth quarter?

Noah Gottdiener: I don't think we – did we break that out, Jake, at all?

Jake Silverman: (Yes).

Noah Gottdiener: Do we disclose those numbers?

Jake Silverman: We don't.

David Gold: OK, OK. (Fair enough).

Jake Silverman: And again, we're you know we're typically focused on annual attrition ...

David Gold: Yes.

Jake Silverman: ... overall.

David Gold: OK. And then another question, both cost of comp and G&A a bit lower than we had expected, which obviously is a positive, but just curious if there were bonus accrual reversals in the fourth quarter.

Noah Gottdiener: You know I don't – I don't know whether I would characterize anything as a – as a reversal. We manage – we manage our compensation margins very carefully. I think that our compensation margins are reasonably close to what they were last year and you know we just – we're very tight and very focused on controlling all of our expenses.

David Gold: OK, so presumably you know even just looking at, say, SG&A for the fourth quarter of you know \$23-1/2 million you know down sequentially – down year to year, is that a good sort of starting point for building out a model? I mean there's not anything special ((inaudible)) ...

Jake Silverman: Yes, as we've said in the past you know I wouldn't derive any you know specific conclusion from 1/4 of our business. We look at our business on an annual basis. There are timing differences in terms of spend. Folks on the call will require that in Q3, we had higher SG&A expense, principally due to a firm-wide conference that we – that we hosted early in the quarter. So there are a number of items that go into the mix.

That said, we are focused on making sure that we manage our discretionary spend, particularly in this environment and you know you know we're focused on maintaining our overall target EBITDA margin, or adjusted EBITDA margin of 19 to 20% and we think we're in that range.

David Gold: Got you. OK, thank you all.

Operator: And we'll next move onto Andrew Fones of UBS.

Andrew Fones: Hi, thank you. I understand you didn't give these in the press release, but I was hoping you could give us the Q4 operating metrics. Just – I know you gave us the overall metrics for the year, but due to rounding errors, it would just be helpful to get them for the fourth quarter, the utilization and the bill rate for financial advisors and the – also the organic growth rate in the quarter, if I could. Thanks.

Jake Silverman: Sure. In Q4, our utilization rate for (SA) was 64.7%, Andrew.

Andrew Fones: Yes, OK.

Jake Silverman: Rate per hour was about \$324 for the segment, so those are the two quarterly metrics for Q4. And overall organic growth for Q4 was down in – very slightly, in the low single-digits.

Andrew Fones: OK.

Noah Gottdiener: And, Andrew, I would just say on the utilization and the rate per hour, we look at those in conjunction. I wouldn't – and they will bounce you know up and down in any given quarter. So I would not extrapolate anything necessarily from what we've just disclosed to you in the fourth quarter.

Andrew Fones: OK. So to build on that, I keep wanting to ask, it looks as though you're about flat, year over year, in terms of rate per hour. I was wondering what we should anticipate for 2009 and whether you put through any price increase on your rate sheet.

Gerry Creagh: I would say overall for this year, we will be – we will be having price increases of upwards of 5% on a rate per hour rack rate. But in terms of modeling that, I would say that we will – we will continue to be in low single-digit rate-per-hour increases, net realized rate-per-hour increases.

Jake Silverman: So again, just to put that in perspective for full-year '08, we were up about 7% on a – on a – on a blended realized rate basis. And, as Gerry said, we think that it's reasonable to achieve you know low single-digit realized rate.

Noah Gottdiener: Yes. And just to give you some more flavor there – at least market flavor there you know we haven't seen material pushback on prices, but obviously in a – in the challenging environment that we're in, it wouldn't be unexpected. You know having said that, a lot of the services that we provide are done in a – in an urgent environment, in which case our pricing is firm or at premium levels. And the mix of our business also our affects our rate per hour and we're seeing a greater mix of premium services and contingent fees, which also have an impact on the rate per hour. So when you factor all of those things in, they really translate into sort of maintaining or slight growth in our rate per hour, even in this environment.

Andrew Fones: OK, thanks. That's really helpful color. And then on the year, disputes business, I think you did the acquisition of Lumin and I was just wondering what impact that had on that disputes business in the quarter and you know kind of what you're seeing in terms of underlying trends.

Thanks.

Jake Silverman: Well we haven't broken out specifically the contribution of revenue from our acquisitions for this quarter. But overall you know as we talked about in the prepared remarks, our dispute consulting business is experiencing and has experienced you know meaningful growth. It's an area that we've invested in, not only Lumin, which was a firm that was focused – that is focused on the IP litigation space, but we also acquired Dubinsky in the second quarter of 2008, which is a Washington-based dispute consulting practice and we've hired a number of MDs and staff in the practice as well throughout 2008.

And really, if you think about it, that's all culminating in a significant amount of work. Coming from the current economic climate, we've talked about the Lehman Brothers case, which will draw heavily on our dispute consulting practice and we see real you know real meaningful growth opportunities ahead for that business.

Noah Gottdiener: Yes. And listen, I would say that we're very excited about that practice. We've built out the breadth of capability within the practice and from our perspective we've reached sort of a past the tipping point in that business and past the critical mass that we have to be at. And we're very pleased at the growth that we think we can expect to see from that practice going forward.

Andrew Fones: OK, thanks and just one more. Congratulations on winning the TARP advisory role. Can you talk about you know the work you did in the fourth quarter and perhaps if you expect you know some ongoing work to come from perhaps not only TARP but also generally oversight of the stimulus package? Thanks.

Noah Gottdiener: Well listen, I – what I would say is, first of all, on the TARP assignment, we were very honored to be able to provide that report to Congress and to be selected to do that type of work. I think it reflects well upon – on our credibility in this space, cause obviously the Oversight Panel was looking for a provider that would have that very high level of integrity and credibility and I think that you know that type of assignment obviously you know raises our profile and positions us well for opportunities going forward in the government arena.

Andrew Fones: OK, thank you.

Operator: And as a reminder, please press star 1 to ask your question. Next we'll move to Lauren Smith with KBW.

Lauren Smith: Hi, good morning.

Noah Gottdiener: Hi, Lauren.

Lauren Smith: I guess really most my questions have been answered. I guess just one follow – maybe one or two follow-up. One, with respect to pricing power, I mean could you give some sort of – I mean I know you gave us a blended rate, but I'm just curious you know what businesses you're seeing maybe you know greater pricing power in this kind of environment going forward?

Noah Gottdiener: Well again, I would say generally, wherever there are – there's an urgent need, we're seeing good pricing power. Some of that takes place, to some extent, even our – in some of the situations we've talked about. Dispute consulting; clearly the pricing power has increased. In restructuring, as the capacity across that industry is getting – is getting used up. You know when we're called in to provide an opinion on an urgent basis our pricing power is strong because the clients are less focused on the pricing than they are on the quality of the service. So you know it's across a number of premium services.

Gerry Creagh: But generally speaking, the clients that we're doing work for really appreciate the value that we bring and the need to get it right.

Lauren Smith: Sure.

Gerry Creagh: And so we haven't seen that level of sensitivity of pricing in the marketplace. Given everything that's going on in this world right now, they want to make sure that we do our job. They want to make sure that we're being diligent. And as a result, you – because of those types of issues and because of our position in the marketplace, you see less of a pricing issue than you would normally see. But we try to continue – we want to continue to elevate that position in the marketplace and our stature with the clients so that our pricing can be maintained and that's the ultimate goal.

Lauren Smith: Great. That's helpful. And I guess just lastly, I'm just curious, on the you know restructuring side, because you know it's a little you know little bit less visibility you know from our standpoint to kind of you know track all that's going on, but from, again, from a fee perspective in that business, would it be typical, like I've seen at you know some of the other firms I cover where it's you know you might get you know an announcement fee or you know some sort of retainer fee. You know when you begin the transaction, you earn you know whatever the number is you know 200,000 sort of monthly over the life of the transaction and then, upon completion, you get a success fee. Is that similar to how you sort of structure transactions you work on?

Noah Gottdiener: Yes. Our domestic restructuring business is based on the type of pricing that you just type described. Once we get an engagement, it's usually a monthly retainer that can go on for the life of the case, so it's real recurring business and often has a success fee associated with it at the end of the case. Our European restructuring business is based more on a rate – on an hourly time and materials type basis and that's the pricing model.

Lauren Smith: OK. No, great. I didn't realize that. OK, that's helpful. Thanks so much.

Operator: And next we'll move to Eric Bertrand with Barclays Capital.

Eric Bertrand: Hi, guys. Following up on the SG&A comment you know appreciating that we shouldn't annualize any particular quarter, particularly this fairly low fourth quarter, would you actually expect the full-year SG&A expense to grow in 2009 over 2008, given your focus on you know holding expenses under control in this environment or could we actually see some margin expansion from that line?

Noah Gottdiener: Listen, I think what we've said in the past, and we're going to stick with it, is that we're going to – our long term goal for EBITDA margins are in the 19 and – to 20%. We don't see any reason why wouldn't maintain those sorts of margins.

Eric Bertrand: OK. Largely the same question on client service gross margin; that you know bumped up from 45% to 47% in the fourth quarter. Again, that's you know a single data point, but is – we have seen a little bit of trend there over the last couple years you know rising almost 2 full percentage points. Is there more room there?

Jake Silverman: Eric, we you know we've – we manage our overall compensation expense when balancing you know all of the components of comp, including grants of equity and try to manage that to a set of targets. And I think that you know as we've said that we have targets that have been you know in the mid 40s, or high 40s, depending on the segment, and we've been focused on managing to those levels, on an annual basis.

Noah Gottdiener: And we haven't changed those levels and I don't think we expect to change those levels either.

Eric Bertrand: OK, fair enough. And then, following up on the acquisition commentary, are there particular business or segments or you know geographies that you're looking out for building out from a potential acquisition?

Noah Gottdiener: Well listen, I think what we've said in the past is that, with regard to acquisitions, we're looking at things that are either complementary to what we do or addition – or within the service spectrum that we're in in different geographies. So you know we've seen some great opportunities on the operational restructuring front. That's a potential area for us. We have seen opportunities in Canada. We've seen some great opportunities in Europe and other related areas.

Eric Bertrand: OK. Thanks, guys.

Operator: And as a final reminder, please press star 1 to ask your question. And we'll take a follow-up question from Andrew Fones with UBS.

Andrew Fones: Thanks. I just wanted to see whether at this juncture you think it's reasonable to assume that headcount should remain approximately flattish in 2009, given the current outlook?

Gerry Creagh: I would – I would assume that headcount will probably grow, again, low single-digits, Andrew.

Andrew Fones: OK, thank you. And then just, obviously, the headcount came down in Q4 and I think you had said that there could be a – kind of a small restructuring. Was there any severance charges in the fourth quarter we should be aware of? Thanks.

Jake Silverman: Andrew you know there – we, again, we – there was no extraordinary charge, if that's your question.

Andrew Fones: OK. Yes, that was it. Thank you.

Operator: And at this time there are no further questions. I would like to turn the call back over to Mr. Gottdiener for any additional or closing remarks.

Noah Gottdiener: Great. That's all I have. Thanks, all.

Operator: And that will conclude today's conference. We thank you for your participation.

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