

TRAMMELL CROW CO  
Form 10-Q  
November 09, 2006

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2006

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-13531

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## Trammell Crow Company

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**2001 Ross Avenue**

**Suite 3400**

**Dallas, Texas**

(Address of principal executive offices)

**75-2721454**

(IRS Employer  
Identification No.)

**75201**

(Zip Code)

**(214) 863-3000**

(Registrant's telephone number, including area code)

**Not applicable**

(Former name, former address and former  
fiscal year, if changed since last report)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check One): Large accelerated filer  Accelerated filer   
 Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

There were 36,350,819 shares of the registrant's common stock outstanding as of October 31, 2006.

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**TRAMMELL CROW COMPANY AND SUBSIDIARIES  
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**PART I FINANCIAL INFORMATION**

**ITEM 1.**      *Financial Statements*

**TRAMMELL CROW COMPANY AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

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(in thousands, except share and per share data)

	September 30, 2006 (Unaudited)	December 31, 2005 (Note 1)
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 70,523	\$ 76,919
Restricted cash	3,024	1,416
Accounts receivable, net of allowance for doubtful accounts of \$2,983 in 2006 and \$3,235 in 2005	143,477	127,784
Receivables from affiliates	2,915	2,146
Notes and other receivables	27,871	15,922
Deferred income taxes	3,855	3,935
Real estate under development	98,684	120,697
Real estate and other assets held for sale	144,171	55,434
Marketable securities	1,356	542
Other current assets	29,903	26,870
<b>Total current assets</b>	<b>525,779</b>	<b>431,665</b>
Furniture and equipment, net	20,386	19,787
Deferred income taxes	12,175	16,270
Real estate under development	162,640	106,659
Real estate held for investment	116,208	76,145
Investments in unconsolidated subsidiaries	207,230	175,411
Goodwill	75,246	75,239
Receivables from affiliates	7,227	7,458
Marketable securities	18,719	18,089
Other assets	30,774	21,444
	<b>\$ 1,176,384</b>	<b>\$ 948,167</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Current liabilities		
Accounts payable	\$ 36,840	\$ 31,698
Accrued expenses	147,141	155,294
Income taxes payable	6,551	16,313
Current portion of long-term debt	21	1,302
Current portion of notes payable on real estate	134,418	122,932
Liabilities related to real estate and other assets held for sale	120,455	40,916
Other current liabilities	8,542	5,842
<b>Total current liabilities</b>	<b>453,968</b>	<b>374,297</b>
Long-term debt, less current portion	140,126	35,034
Notes payable on real estate, less current portion	115,857	94,389
Other liabilities	18,671	13,448
<b>Total liabilities</b>	<b>728,622</b>	<b>517,168</b>
Minority interest	37,144	29,528
Stockholders equity		
Preferred stock; \$0.01 par value; 30,000,000 shares authorized; none issued or outstanding		
Common stock; \$0.01 par value; 100,000,000 shares authorized; 37,903,058 shares issued; 36,337,204 shares and 36,040,317 shares outstanding in 2006 and 2005	379	379
Paid-in capital	182,761	205,084
Retained earnings	265,666	240,887
Accumulated other comprehensive income	4,927	1,713
Less: Treasury stock	(43,115 )	(32,776 )
Unearned stock compensation, net		(13,816 )
<b>Total stockholders equity</b>	<b>410,618</b>	<b>401,471</b>
	<b>\$ 1,176,384</b>	<b>\$ 948,167</b>

See accompanying notes.





**TRAMMELL CROW COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except share and per share data)  
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2006	2005	2006	2005
<b>REVENUES:</b>				
<i>User Services:</i>				
Facilities management	\$ 67,105	\$ 59,076	\$ 198,305	\$ 173,604
Corporate advisory services	57,584	49,498	155,241	114,287
Project management services	38,133	28,216	101,595	85,503
	162,822	136,790	455,141	373,394
<i>Investor Services:</i>				
Property management	33,730	34,246	100,521	102,801
Brokerage	34,274	35,296	105,785	96,752
Construction management	3,134	3,207	9,144	8,381
	71,138	72,749	215,450	207,934
Development and construction	13,130	9,223	31,551	24,168
<b>TOTAL REVENUES</b>	247,090	218,762	702,142	605,496
<b>COSTS AND EXPENSES</b>				
Salaries, wages and benefits	160,173	140,787	451,382	399,089
Commissions	43,705	41,834	119,907	98,790
General and administrative	39,301	35,736	118,586	100,763
Depreciation and amortization	3,500	2,335	8,419	6,870
Interest	2,976	1,320	6,405	3,270
<b>TOTAL EXPENSES</b>	249,655	222,012	704,699	608,782
Gain on disposition of real estate	16,132	7,285	19,370	9,759
Operating income	13,567	4,035	16,813	6,473
Interest and other income	1,765	672	3,710	2,073
Income from continuing operations before income taxes, minority interest and income from investments in unconsolidated subsidiaries	15,332	4,707	20,523	8,546
Income tax expense	(5,667)	(1,726)	(7,714)	(3,111)
Minority interest, net of income tax (expense) benefit of \$241, \$1,078, \$155 and (\$756)	(388)	(1,930)	(256)	1,321
Income from investments in unconsolidated subsidiaries, net of income tax expense of \$3,044, \$896, \$6,999 and \$3,472	5,463	1,497	11,569	6,064
Income from continuing operations	14,740	2,548	24,122	12,820
Income from discontinued operations, net of income tax expense of \$597, \$6,853, \$1,940 and \$6,879	1,133	11,969	3,207	12,014
Income before cumulative effect of a change in accounting principle	15,873	14,517	27,329	24,834
Cumulative effect of a change in accounting principle, net of income tax expense of \$646			1,011	
Net income	\$ 15,873	\$ 14,517	\$ 28,340	\$ 24,834
<b>Basic earnings per share:</b>				
Income from continuing operations	\$ 0.43	\$ 0.08	\$ 0.70	\$ 0.38
Income from discontinued operations	0.03	0.35	0.09	0.36
Cumulative effect of a change in accounting principle			0.03	
Net income	\$ 0.46	\$ 0.43	\$ 0.82	\$ 0.74
Basic weighted-average common shares outstanding	34,518,936	33,873,952	34,471,414	33,663,140
<b>Diluted earnings per share:</b>				
Income from continuing operations	\$ 0.40	\$ 0.07	\$ 0.65	\$ 0.35
Income from discontinued operations	0.03	0.33	0.09	0.33
Cumulative effect of a change in accounting principle			0.03	
Net income	\$ 0.43	\$ 0.40	\$ 0.77	\$ 0.68
Diluted weighted-average common shares outstanding	36,668,451	36,679,610	36,778,640	36,292,969

See accompanying notes.

**TRAMMELL CROW COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY**  
**Nine Months Ended September 30, 2006 (Unaudited) and Year Ended December 31, 2005 (Note 1)**  
**(in thousands, except share data)**

	Common Shares		Common Stock Par Value	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Unearned Stock Compensation	Total
Balance at January 1, 2005	37,902,998	2,297,991	\$ 379	\$ 196,314	\$ 190,252	\$ 2,043	\$ (36,921)	\$ (11,117)	\$ 340,950
Net income					59,407				59,407
Stock-based compensation	60	(1,405,392)		8,770	(8,772)		24,195	(2,699)	21,494
Stock repurchase		970,142					(20,050)		(20,050)
Foreign currency translation adjustment, net of tax						(475)			(475)
Net unrealized holding gains on available for sale securities, net of tax						145			145
Balance at December 31, 2005	37,903,058	1,862,741	379	205,084	240,887	1,713	(32,776)	(13,816)	401,471
Net income					28,340				28,340
Cumulative effect of a change in accounting principle				(15,473)				13,816	(1,657)
Stock-based compensation		(1,784,387)		(6,850)	(3,561)		39,781		29,370
Stock repurchase		1,487,500					(50,120)		(50,120)
Foreign currency translation adjustment, net of tax						3,042			3,042
Net unrealized holding gains on available for sale securities, net of tax						172			172
Balance at September 30, 2006	37,903,058	1,565,854	\$ 379	\$ 182,761	\$ 265,666	\$ 4,927	\$ (43,115)	\$	\$ 410,618

See accompanying notes.

**TRAMMELL CROW COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	<b>For the Nine Months Ended September 30, 2006                      2005</b>	
<b>Operating activities:</b>		
Cash flows from earnings:		
Net Income	\$ 28,340	\$ 24,834
Reconciliation of net income to net cash provided by earnings:		
Depreciation and amortization	9,445	7,975
Stock-based compensation expense	6,843	5,030
Cumulative effect of a change in accounting principle	(1,657 )	
Amortization of employment contracts	2,586	2,202
Amortization of contract intangibles	986	1,540
Bad debt expense	507	506
Provision for real estate impairment	425	23
Gain on disposition of real estate held for investment	(124 )	(9,866 )
Minority interest	1,237	(2,077 )
Deferred income tax provision	2,127	2,760
Income from investments in unconsolidated subsidiaries	(18,568 )	(9,536 )
Distributions of earnings from unconsolidated subsidiaries	5,721	5,325
Net cash provided by earnings	37,868	28,716
Changes in operating assets and liabilities:		
Restricted cash	(1,608 )	7,140
Accounts receivable	(12,963 )	(10,528 )
Receivables from affiliates	(538 )	(7,450 )
Notes receivable and other assets	(37,688 )	1,928
Marketable securities	(984 )	
Real estate held for sale and under development	(113,939 )	(79,137 )
Notes payable on real estate held for sale and under development	72,017	45,421
Accounts payable and accrued expenses	1,915	(10,280 )
Payable to affiliates	525	104
Income taxes payable	(12,351 )	(16,990 )
Other liabilities	7,329	(2,436 )
Net cash flows from changes in working capital	(98,285 )	(72,228 )
Net cash used in operating activities	(60,417 )	(43,512 )
<b>Investing activities:</b>		
Expenditures for furniture and equipment	(6,909 )	(7,262 )
Proceeds from sales and maturities of marketable securities	6,818	3,673
Payment for purchase of marketable securities	(6,995 )	(21,889 )
Additions to real estate held for investment	(34,841 )	(32,256 )
Net proceeds from disposition of real estate held for investment	532	32,777
Investments in unconsolidated subsidiaries	(21,158 )	(102,494 )
Distributions from unconsolidated subsidiaries	5,017	10,129
Net cash used in investing activities	(57,536 )	(117,322 )
<b>Financing activities:</b>		
Principal payments on long-term debt and capital lease obligations	(186,709 )	(116,376 )
Proceeds from long-term debt	290,520	167,390
Contributions from minority interest	9,511	14,479
Distributions to minority interest	(6,910 )	(12,993 )
Proceeds from notes payable on real estate held for investment	32,736	32,175
Payments on notes payable on real estate held for investment	(6,916 )	(16,046 )
Proceeds from exercise of stock options	21,930	9,355
Excess tax benefits from stock-based compensation	4,016	2,274
Proceeds from issuance of common stock	3,499	3,009
Purchase of common stock	(50,120 )	(20,050 )
Net cash provided by financing activities	111,557	63,217
Net decrease in cash and cash equivalents	(6,396 )	(97,617 )
Cash and cash equivalents, beginning of period	76,919	163,637
Cash and cash equivalents, end of period	\$ 70,523	\$ 66,020

See accompanying notes.



**TRAMMELL CROW COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(in thousands)  
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2006	2005	2006	2005
Net income	\$ 15,873	\$ 14,517	\$ 28,340	\$ 24,834
Other comprehensive income (loss):				
Foreign currency translation adjustments	764	(252)	4,979	673
Tax (expense) benefit	(300)	91	(1,937)	(243)
Net foreign currency translation adjustments, net of tax	464	(161)	3,042	430
Net unrealized holding gains on available for sale securities	496	29	283	204
Tax (expense) benefit	(194)	6	(111)	(74)
Net unrealized holding gains on available for sale securities, net of tax	302	35	172	130
Total other comprehensive income (loss)	766	(126)	3,214	560
Comprehensive income	\$ 16,639	\$ 14,391	\$ 31,554	\$ 25,394

See accompanying notes.

**TRAMMELL CROW COMPANY AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**September 30, 2006**

**(dollars in thousands, except per share data)**

**(Unaudited)**

**1. General**

The condensed consolidated interim financial statements of Trammell Crow Company and subsidiaries (the Company) included herein have been prepared in accordance with the requirements for interim financial statements and do not include all disclosures required under accounting principles generally accepted in the United States (GAAP) for complete financial statements. These financial statements should be read in conjunction with the consolidated financial statements included in the Company's Annual Reports on Form 10-K and Form 10-K/A for the year ended December 31, 2005 as filed with the Securities and Exchange Commission. In the opinion of management, all adjustments and eliminations, consisting only of recurring adjustments, necessary for a fair presentation of the financial statements for the interim periods have been made. Interim results of operations are not necessarily indicative of the results to be expected for the full year.

The Company has experienced and expects to continue to experience quarterly variations in revenues and net income as a result of several factors. The Company's quarterly revenues tend to increase throughout the year, particularly in the last quarter of the year, because its clients have demonstrated a tendency to close transactions toward the end of the year. The timing and introduction of new contracts, the disposition of investments in real estate assets, the recognition of incentive fees (often in the latter part of the fiscal year as contractual targets are met) and other factors may also cause quarterly fluctuations in the Company's results of operations.

*Reclassifications*

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In accordance with Financial Accounting Standards Board ( FASB ) Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ( FAS 144 ), certain assets and liabilities at December 31, 2005, and certain revenues and expenses for the six months ended June 30, 2006, and the three and nine months ended September 30, 2005, were reclassified to conform to the presentation at and for the three months ended September 30, 2006 (see Notes 8 and 11). As a result, certain balances differ from the amounts reported in previously filed documents. Also, the Company has reclassified gains on disposition of real estate from revenue to a separate component of operating income. Therefore, the Company's total revenues of previous periods differ from previously filed documents. This reclassification had no impact on operating income, net income, earnings per share or stockholders' equity in any period.

### *Use of Estimates*

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The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### *Income Taxes*



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The Company accounts for income taxes using the liability method. Deferred income taxes result from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for federal and state income tax purposes and are measured using the enacted tax rates and laws that are expected to be in effect when the differences reverse.

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**TRAMMELL CROW COMPANY AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**September 30, 2006**  
**(dollars in thousands, except per share data)**  
**(Unaudited)**

1. General (Continued)

*Earnings Per Share*

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The weighted-average common shares outstanding used to calculate diluted earnings per share reflect the dilutive effect of common stock equivalents, including unvested restricted stock and options to purchase shares of common stock. Diluted weighted-average common shares outstanding included the following:

	<b>For the Three Months Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Basic weighted-average common shares outstanding	34,518,936	33,873,952	34,471,414	33,663,140
Diluted effect of common stock equivalents	2,149,515	2,805,658	2,307,226	2,629,829
Diluted weighted-average common shares outstanding	36,668,451	36,679,610	36,778,640	36,292,969

*Non-Controlling Interests in Consolidated Limited Life Subsidiaries*

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In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity* ( FAS 150 ). Certain provisions of FAS 150 would have required the Company to classify non-controlling interests in consolidated limited life subsidiaries as liabilities adjusted to their settlement values in the Company's consolidated financial statements. In November 2003, the FASB indefinitely deferred application of the measurement and recognition provisions (but not the disclosure requirements) of FAS 150 with respect to these non-controlling interests. As of September 30, 2006, the estimated settlement value of non-controlling interests in the Company's consolidated limited life subsidiaries was \$4,483, as compared to book value (included in minority interest on the Company's consolidated balance sheet) of \$4,663.

### *Effect of Adopting New Accounting Pronouncements*

Consolidation

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In June 2005, the FASB ratified the consensus of the Emerging Issues Task Force ( EITF ) 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* ( EITF 04-5 ), which states that the general partner in a limited partnership is presumed to control that limited partnership. That presumption may be overcome if the limited partners have either (1) the substantive ability-either by a single limited partner or through a simple majority vote-to dissolve (liquidate) the limited partnership or otherwise remove the general partner without cause or (2) substantive participating rights. Substantive participating rights provide the limited partners with the ability to effectively participate in significant decisions that would be expected to be made in the ordinary course of the limited partnership's business and thereby preclude the general partner from exercising unilateral control over the partnership.

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**TRAMMELL CROW COMPANY AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**September 30, 2006**

**(dollars in thousands, except per share data)**

**(Unaudited)**

**1. General (Continued)**

The effective date for applying the guidance in EITF 04-5 to the Company's general partner interests was June 29, 2005, for all new limited partnerships or limited partnerships amended after that date, and January 1, 2006, for all other limited partnerships. In the first quarter of 2006, the Company completed its evaluation of the impact of EITF 04-5 for all of its general partner interests existing prior to June 29, 2005. As a result of this evaluation, the Company consolidated two real estate partnerships that had previously been accounted for using the equity method. These consolidations as of January 1, 2006 did not impact net income, net income per share or stockholders' equity, but did result in the following non-cash changes to the Company's consolidated balance sheet:

<b>ASSETS</b>	
Real Estate	\$ 4,551
Investments in unconsolidated subsidiaries	(1,102 )
Other current assets	90
Other assets	9
Net non-cash change in assets	\$ 3,548
<b>LIABILITIES</b>	
Notes payable on real estate	\$ 2,040
Accrued expenses	118
Other current liabilities	14
Net non-cash change in liabilities	2,172
Minority interest	1,721
Cash from consolidation of previously unconsolidated entities	\$ 345

Stock-Based Compensation

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In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* ( FAS 123R ), which is a revision of Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation* ( FAS 123 ). Generally, the approach in FAS 123R is similar to the approach described in FAS 123. However, FAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative.

Prior to adoption of FAS 123R, the Company elected to use the intrinsic method under Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* ( APB 25 ), to account for its stock-based compensation arrangements (see Note 9 for further discussion on the Company's stock-based compensation plans). Compensation expense for stock options was recognized to the extent the market price of the underlying stock on the date of grant exceeded the exercise price of the option. The Company recognized compensation expense related to restricted stock grants over the vesting period of the underlying grant in an amount equal to the fair market value of the Company's stock on the date of grant. No compensation expense was recognized related to the difference between the employee's cost and the



**TRAMMELL CROW COMPANY AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**September 30, 2006**  
**(dollars in thousands, except per share data)**  
**(Unaudited)**

**1. General (Continued)**

market value of stock purchased under the Company's employee stock purchase plan.

The Company adopted FAS 123R effective January 1, 2006 using the modified-prospective transition method, and results for prior periods were not adjusted. Under this method, the Company recognizes compensation cost for both unvested stock-based awards outstanding at January 1, 2006 (based on the grant-date fair value determined in accordance with FAS 123) and stock-based awards made subsequent to January 1, 2006 (based on the grant-date fair value determined in accordance with FAS 123R). For awards with pro rata vesting, the Company recognizes compensation expense using the accelerated expense attribution method described in FASB Interpretation No. 28, *Accounting for Stock Appreciation Rights and Other Variable Stock Option or Award Plans*.

FAS 123R also requires the Company to estimate forfeitures of stock-based awards upon grant and to reevaluate this estimate during the requisite service period. Prior to the adoption of FAS 123R, the Company's policy had been to reverse expense related to forfeitures of restricted stock as they occurred. Upon adoption, the Company recorded a cumulative effect of a change in accounting principle of \$1,657, less income taxes of \$646, which represented a reversal of expense taken for those shares of unvested restricted stock granted prior to adoption that the Company estimates will be forfeited before vesting. All other impacts of adopting FAS 123R to the Company's consolidated statement of income and net income per share were not material.

FAS 123R also requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as previously required. This requirement reduces net operating cash flows and increases net financing cash flows. The amount of financing cash flows recognized for such excess tax deductions related to the exercise of stock options and vesting of restricted stock was \$4,016 and \$2,274 for the nine months ended September 30, 2006 and 2005, respectively.

Pro forma information regarding net income and net income per share for the three and nine months ended September 30, 2005, shown in the table below, was determined as if the Company had applied the fair value recognition provisions of FAS 123 prior to January 1, 2006.

**TRAMMELL CROW COMPANY AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**September 30, 2006**  
(dollars in thousands, except per share data)  
(Unaudited)

1. General (Continued)

	<b>For the Three Months Ended September 30, 2005</b>	<b>For the Nine Months Ended September 30, 2005</b>
Net income, as reported	\$ 14,517	\$ 24,834
Add: Stock-based employee compensation expense included in net income, net of related tax effects	1,171	3,198
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	1,462	4,387
Pro forma net income	\$ 14,226	\$ 23,645
Net income per share:		
Basic as reported	\$ 0.43	