SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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): July 20, 2001

CBRE HOLDING, INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE	000-32983	94-3391143
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

200 North Sepulveda Boulevard, El Segundo, California	90245
(Address of Principal Executive Offices)	(Zip Code)

(310) 563-8600

Registrant's Telephone Number, Including Area Code

NA

(Former Name or Former Address, if Changed Since Last Report)

This Current Report on Form 8-K (this "Form 8-K") is filed by CBRE Holding, Inc. (the "Company"), a Delaware corporation, in connection with the matters described herein.

Item 2. Acquisition or Disposition of Assets.

On July 20, 2001, pursuant to an Amended and Restated Agreement and Plan of Merger dated as of May 31, 2001 (the "Merger Agreement"), among CB Richard Ellis Services, Inc. (the "Services"), the Company and BLUM CB Corp., a Delaware corporation and a wholly-owned subsidiary of the Company ("Acquisition"), Acquisition was merged with and into Services (the "Merger"). Services was the surviving corporation in the Merger and at the effective time of the Merger became a wholly-owned subsidiary of the Company. Pursuant to the terms of the Merger Agreement, at the effective time of the Merger each issued and outstanding share of Common Stock, par value $.01 per share (the "Common Stock"), of Services was converted into the right to receive $16.00 in cash, other than (i) shares of Common Stock owned by the Company and Acquisition, which totaled 7,967,274 shares at such time, which were cancelled, (ii) treasury shares and shares of Common Stock owned by any of Services' subsidiaries, which were cancelled, and (iii) shares held by stockholders who perfect appraisal rights for such shares in accordance with Delaware law. Following the Merger, the Common Stock was delisted from the New York Stock Exchange.

Pursuant to an Amended and Restated Contribution and Voting Agreement, dated as of May 31, 2001 and as amended on July 19, 2001 (the "Contribution Agreement"), among (i) RCBA Strategic Partners, L.P., a Delaware limited partnership ("Strategic"), FS Equity Partners III, L.P., a Delaware limited partnership ("FSEP III"), FS Equity Partners International, L.P., a Delaware limited partnership ("FSEP International"), The Koll Holding Company, a California corporation ("Koll Holding"), Frederic V. Malek, a former director of Services ("Malek"), Raymond E. Wirta, the Chief Executive Officer and a director of Services ("Wirta"), and W. Brett White, the Chairman of the Americas and a director of Services ("White") (collectively, the "Continuing Stockholders"); (ii) the Company; and (iii) Acquisition, among other things, immediately prior to the effective time of the Merger, the Continuing Stockholders and their affiliates contributed 7,967,274 shares of Common Stock to the Company (the "Share Contribution") in consideration for the issuance to them of an equal number of shares of Class B Common Stock, par value $.01 per share, of the Company (the "Class B Common Stock"). Such shares of Common Stock contributed to the Company were cancelled at the effective time of the Merger. Also pursuant to the Contribution Agreement, Strategic contributed $25,522,992.00 to the Company and the Company issued 1,595,187 shares of Class B Common Stock to Strategic and Blum Strategic Partners II, L.P. ("Blum") contributed $45,439,472.00 to the Company and the Company issued 2,839,967 shares of Class B Common Stock to Blum (the foregoing, collectively, the "Cash Contribution," and together with the Share Contribution, the "Contributions").

In connection with the completion of the Merger, a Securityholders' Agreement, dated as of July 20, 2001 (the "Securityholders' Agreement"), was entered into among Strategic, Blum, FSEP III, FSEP International, Koll Holding, California Public Employees' Retirement System ("CalPERS"), Malek, DLJ Investment Funding, Inc., Credit Suisse First Boston Corporation, Wirta, White, Services and the Company, which sets forth certain agreements among the parties thereto with respect to the Company's Class A Common Stock and Class B

Common Stock. Immediately prior to the Merger and the related transactions, the Company was wholly-owned and controlled by Strategic. As a result of the provisions set forth in the Securityholders' Agreement, after the Merger, the Company remains controlled by Strategic and its affiliates, which have the right to designate a majority of the Company's directors.

The funding to complete the Merger, as well as the refinancing of substantially all of the outstanding indebtedness of Services, was obtained through (i) the Contributions, (ii) the offering by the Company of shares of its Class A Common Stock, par value $.01 per share, of the Company (the "Class A Common Stock") to employees of Services, (iii) the sale of 625,000 shares of Class A Common Stock to CalPERS for $16.00 per share, (iv) the issuance and sale by the Company of units for $65 million, which units consist in the aggregate of $65 million aggregate principal amount of 16% Senior Notes due 2001 and 339,820 shares of Class A Common Stock, (v) the issuance and sale by Acquisition of $229 million aggregate principal amount of 11 1/4% Senior Subordinated Notes due 2011 for $225.6 million (which Senior Subordinated Notes were assumed by Services in connection with the Merger) and (vi) borrowings by Services under a new credit agreement with Credit Suisse First Boston and other lenders of approximately $285 million.

The Merger Agreement is hereby incorporated herein by reference to Exhibit 2.1, the Contribution Agreement, as amended, is hereby incorporated herein by reference to Exhibits 2.2 and 2.3, the Securityholders' Agreement is hereby incorporated herein by reference to Exhibit 99.1 and Services' press release announcing the effectiveness of the Merger is incorporated herein by reference to Exhibit 99.2. The foregoing descriptions of such documents are qualified in their entirety by reference to such exhibits.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Financial Statements of Business Acquired.

Audited financial statements for Services as of December 31, 2000 and 1999 and for the years ended December 31, 2000, 1999 and 1998 are set forth below. Unaudited financial statements for Services as of March 31, 2001 and for the three months ended March 31, 2001 and 2000 are also set forth below.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share and per share data)

<TABLE>
<CAPTION>

	March 31, 2001 (Unaudited)	December 31, 2000
ASSETS		
<S>	<C>	<C>
Current Assets:		
Cash and cash equivalents	$ 20,339	$ 20,854
Receivables, less allowance for doubtful accounts of $11,959 and $12,631 at March 31, 2001 and December 31, 2000	141,792	176,908
Prepaid expenses	9,819	8,017
Deferred taxes, net	13,105	11,139
Other current assets	8,716	6,127
Total current assets	193,771	223,045
Property and equipment, net	75,048	75,992
Goodwill, net of accumulated amortization of $59,738 and $56,417 at March 31, 2001 and December 31, 2000	415,299	423,975
Other intangible assets, net of accumulated amortization of $290,679 and $289,038 at March 31, 2001 and December 31, 2000	44,169	46,432
Cash surrender value of insurance policies, deferred compensation plan	61,267	53,203
Investment in and advances to unconsolidated subsidiaries	38,187	41,325
Deferred taxes, net	35,316	32,327
Prepaid pension costs	24,126	25,235
Other assets	44,113	41,571
Total assets	$931,296	$963,105

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<CAPTION>

LIABILITIES AND STOCKHOLDERS' EQUITY

<S>	<C>	<C>
Current Liabilities:		
Accounts payable and accrued expenses	$ 77,803	$ 83,673
Compensation and employee benefits payable	63,790	79,801
Accrued bonus and profit sharing	20,807	107,878
Income taxes payable	14,696	28,260
Short-term borrowings	8,418	9,215
Current maturities of long-term debt	1,161	1,378
Total current liabilities	186,675	310,205
Long-term debt:		
Senior subordinated notes, less unamortized discount of $1,604 and $1,664 at March 31, 2001 and December 31, 2000	173,396	173,336
Revolving credit facility	218,000	110,000
Other long-term debt	18,257	20,235
Total long-term debt	409,653	303,571
Deferred compensation liability	79,980	80,503
Other liabilities	27,729	29,739
Total liabilities	704,037	724,018
Minority interest	2,967	3,748
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, $0.01 par value; 8,000,000 shares authorized; no shares issued or outstanding	--	--
Common stock, $0.01 par value; 100,000,000 shares authorized; 20,636,051 and 20,605,023 shares outstanding at March 31, 2001 and December 31, 2000	217	217
Additional paid-in capital	365,420	364,168
Notes receivable from sale of stock	(11,661)	(11,847)
Accumulated deficit	(91,943)	(89,097)
Accumulated other comprehensive loss	(21,897)	(12,258)
Treasury stock at cost, 1,072,155 shares at March 31, 2001 and December 31, 2000	(15,844)	(15,844)
Total stockholders' equity	224,292	235,339
Total liabilities and stockholders' equity	$931,296	$963,105

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Dollars in thousands, except share and per share data)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2001	2000
<S>	<C>	<C>
Revenue:		
Leases	$ 103,166	$ 99,753
Sales	73,843	74,281
Property and facilities management fees	27,872	25,285
Consulting and referral fees	16,367	16,314
Appraisal fees	18,836	16,284
Loan origination and servicing fees	14,812	9,263
Investment management fees	8,549	7,337
Other	9,053	12,402
Total revenue	272,498	260,919
Costs and Expenses:		
Commissions, fees and other incentives	124,398	113,963
Operating, administrative and other	134,079	127,148
Depreciation and amortization	11,696	10,569
Operating income	2,325	9,239
Interest income	800	489

Interest expense	9,055	9,685
(Loss) income before (benefit) provision for income tax	(5,930)	43
(Benefit) provision for income tax	(3,084)	23
Net (loss) income	$ (2,846)	$ 20
Basic (loss) earnings per share	$ (0.13)	$ --
Weighted average shares outstanding for basic (loss) earnings per share	21,309,550	20,819,268
Diluted (loss) earnings per share	$ (0.13)	$ --
Weighted average shares outstanding for diluted (loss) earnings per share	21,309,550	20,851,184

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Dollars in thousands)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2001	2000
<S>	<C>	<C>
Cash flows from operating activities:		
Net (loss) income	$ (2,846)	$ 20
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization excluding deferred financing costs	11,696	10,569
Gain on sale of properties, businesses and servicing rights	(6,279)	(4,735)
Deferred compensation deferrals	11,113	8,513
Equity interest in earnings of unconsolidated subsidiaries	(1,042)	(1,742)
Provision for doubtful accounts	1,173	987
Decrease in receivables	27,920	20,973
Increase in cash surrender value of insurance policies, deferred compensation plan	(8,064)	(10,751)
Decrease in compensation and employee benefits payable and accrued bonus and profit sharing	(100,714)	(87,165)
Decrease in accounts payable and accrued expenses	(4,505)	(6,783)
Decrease in income taxes payable	(17,632)	(5,463)
(Decrease) increase in other liabilities	(11,664)	1,777
Other	(3,419)	6,278
Net cash used in operating activities	(104,263)	(67,522)
Cash flows from investing activities:		
Purchases of property and equipment	(6,639)	(4,538)
Proceeds from sale of properties, businesses and servicing rights	6,105	11,304
Distributions from (contributions to) investments in and advances to unconsolidated subsidiaries, net	3,276	(711)
Other investing activities, net	(3,278)	259
Net cash (used in) provided by investing activities	(536)	6,314
Cash flows from financing activities:		
Proceeds from revolving credit facility	142,000	88,000
Repayment of revolving credit facility	(34,000)	(27,000)
Repayment of senior notes and other loans, net	(2,786)	(1,168)
Other financing activities, net	(274)	(1,038)
Net cash provided by financing activities	104,940	58,794
Net increase (decrease) in cash and cash equivalents	141	(2,414)
Cash and cash equivalents, at beginning of period	20,854	27,844
Effect of exchange rate changes on cash	(656)	(639)

Cash and cash equivalents, at end of period	$ 20,339	$ 24,791
Supplemental data:		
Cash paid during the period for:		
Interest (none capitalized)	$ 3,733	$ 6,074
Income taxes, net	$ 14,575	$ 5,376

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization

CB Richard Ellis Services, Inc. (the Company), was founded in 1906. It is a holding company that conducts its worldwide operations through approximately 75 direct and indirect subsidiaries. Approximately 77% of the Company's revenues are from the United States and 23% from the rest of the world. On February 24, 2001, the Company announced that it had entered into an Agreement and Plan of Merger with CBRE Holding, Inc. and Blum CB Corporation, which was amended and restated as of April 24, 2001, whereby members of senior management, Ray Wirta, CEO, and Brett White, Chairman, The Americas, together with director, Fred Malek and directors, Richard Blum, Bradford Freeman and Donald Koll and their respective affiliates will acquire all of the Company's outstanding shares which they do not own at a price of $16.00 per share. The acquisition, which is expected to close in July of 2001, remains subject to certain conditions, including, among others, the receipt of debt financing by CBRE Holding, Inc. and the Company, the approval of the merger by the holders of two-thirds of the outstanding shares of the Company not owned by the buying group, the expiration or termination of waiting periods under applicable antitrust laws and a successful tender offer for at least 51% of the Company's outstanding 8 7/8% Senior Subordinated Notes. The Company will pay a termination fee of $7.5 million and reimburse up to $3.0 million of the buying group's expenses if it wishes to accept a superior acquisition proposal.

2. Basis of Preparation

The accompanying unaudited consolidated financial statements include all information and footnotes required for interim financial statement presentation. In the Company's opinion, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ materially from those estimates. All significant intercompany transactions and balances have been eliminated and certain reclassifications have been made to prior periods' consolidated financial statements to conform to current period presentation. The results of operations for the three months ended March 31, 2001 are not necessarily indicative of the results of operations to be expected for the year ending December 31, 2001.

3. Investments in and Advances to Unconsolidated Subsidiaries

Condensed Statement of Operations (unaudited) for the unconsolidated subsidiaries accounted for using the equity method is as follows (in thousands):

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2001	2000
<S>	<C>	<C>
Revenues	$69,649	$48,496
Income from operations	12,689	13,219
Net income	7,846	8,957

</TABLE>

4. Debt

The Company has a revolving credit facility of $270.0 million, which is subject to a mandatory reduction of $70.0 million on December 31, 2001 and expires on May 20, 2003. The amount outstanding under this facility totaled

$218.0 million at March 31, 2001. Interest rate alternatives include Bank of America's reference

rate plus 1.00% and LIBOR plus 2.00%. The weighted average interest rate on amounts outstanding at March 31, 2001 and December 31, 2000 was 7.69% and 8.79%, respectively.

The revolving credit facility contains numerous restrictive covenants that, among other things, limit the Company's ability to incur or repay other indebtedness, make advances or loans to subsidiaries and other entities, make capital expenditures, incur liens, enter into mergers or effect other fundamental corporate transactions, sell its assets, or declare dividends. In addition, the Company is required to meet certain ratios relating to its adjusted net worth, level of indebtedness, fixed charges and interest coverage.

The Company has outstanding 8 7/8% Senior Subordinated Notes due on June 1, 2006. The 8 7/8% Senior Subordinated Notes are redeemable in whole or in part after June 1, 2002 at 104.438% of par on that date and at declining prices thereafter. On or before June 1, 2001, up to 35.0% of the issued amount may be redeemed at 108.875% of par plus accrued interest solely with the proceeds from an equity offering. The amount included in the accompanying Consolidated Balance Sheet less unamortized discount was $173.4 million at March 31, 2001.

The Company has short-term borrowings of $8.4 million and $9.2 million with related weighted average interest rates of 7.0% and 7.3% as of March 31, 2001 and December 31, 2000, respectively.

The Company has a credit agreement with Residential Funding Corporation (RFC). The credit agreement provides for a revolving line of credit of up to $100.0 million, and bears interest at 1.00% per annum over LIBOR. The agreement expires on August 31, 2001. During the quarter, the Company had a maximum of $91.6 million revolving line of credit principal outstanding. At March 31, 2001, the Company had $0.6 million revolving line of credit principal outstanding.

5. Commitments and Contingencies

Between November 12, and December 6, 2000, five putative class actions were filed in the Court of Chancery of the State of Delaware in and for New Castle County by various of the Company's stockholders against the Company, its directors and the group which has proposed to take the Company private. A similar action was also filed on November 17, 2000 in the Superior Court of the State of California in and for the County of Los Angeles. These actions all alleged that the offering price for the going private transaction was unfair and inadequate and sought injunctive relief or rescission of the merger transactions and, in the alternative, money damages.

The five Delaware actions have been consolidated. As of February 23, 2001, the parties to the Delaware litigation entered into a memorandum of understanding in which they agreed in principle to a settlement. The memorandum provides, among other things:

- that the defendants admit no liability or wrongdoing whatsoever;
- that the members of the going private group acknowledge that the pendency and prosecution of the Delaware litigation were positive contributing factors to its decision to increase the merger consideration;
- for the certification of a settlement class and the entry of a final judgment granting a full release of the defendants; and
- for attorneys' fees in an amount not to exceed $380,000.

There are numerous conditions to the settlement proposed by the memorandum including the closing of the merger.

The parties may not be able to complete a mutually acceptable stipulation of settlement, and, if so, the litigation will continue. In addition, no agreements have been reached with respect to any settlement of the California action.

In December 1996, GMH Associates, Inc. (GMH) filed a lawsuit against Prudential Realty Group (Prudential) and the Company in Superior Court of Pennsylvania, Franklin County, alleging various contractual and tort claims against Prudential, the seller of a large office complex, and the Company, its agent in the sale, contending that Prudential breached its agreement to sell the property to GMH, breached its duty to negotiate in good faith, conspired with the Company to conceal from GMH that Prudential was negotiating to sell the property to another purchaser and that Prudential and the Company misrepresented that there were no other negotiations for the sale of the property. Following a non-jury trial, the court rendered a decision in favor of GMH and against Prudential and the Company, awarding GMH $20.3 million in compensatory damages, against Prudential and the Company jointly and severally, and $10.0 million in punitive damages, allocating the punitive damage award $7.0 million as against Prudential and $3.0 million as against the Company. Following the denial of motions by Prudential and the Company for a new trial, a judgment was entered on December 3, 1998. Prudential and the Company filed an appeal of the judgment. On March 3, 2000, the appellate court in Pennsylvania reversed all of the trial courts' decisions finding that liability was not supported on any theory claimed by GMH and directed that a judgment be entered in favor of the defendants including the Company. The plaintiff filed an appeal with the Pennsylvania Supreme Court which was denied. The plaintiff has exhausted all appeal possibilities and judgment has been entered in favor of all defendants.

In August 1993, a former commissioned sales person of the Company filed a lawsuit against the Company in the Superior Court of New Jersey, Bergen County, alleging gender discrimination and wrongful termination by the Company. On November 20, 1996, a jury returned a verdict against the Company, awarding $1.5 million in general damages and $5.0 million in punitive damages to the plaintiff. Subsequently, the trial court awarded the plaintiff $0.6 million in attorneys' fees and costs. Following denial by the trial court of the Company's motions for a new trial, reversal of the verdict and reduction of damages, the Company filed an appeal of the verdict and requested a reduction of damages. On March 9, 1999 the appellate court ruled in the Company's favor, reversed the trial court's decision and ordered a new trial. On February 16, 2000, the Supreme Court of New Jersey reversed the decision of the appellate court, concluded that the general damage award in the trial court should be sustained and returned the case to the appellate court for a determination as to whether a new trial should be ordered on the issue of punitive damages. In April 2000, the Company settled the compensatory damages claim, including interest, and all claims to date with respect to attorneys fees by paying to the plaintiff the sum of $2.75 million leaving only the punitive damage claim for resolution. The plaintiff also agreed, with very limited exceptions, that no matter what the outcome of the punitive damage claim the Company would not be responsible for more than 50% of the plaintiff's future attorney fees. In February 2001, the Company settled all remaining claims for the sum of $2.0 million and received a comprehensive release.

The Company is a party to a number of pending or threatened lawsuits arising out of, or incident to, its ordinary course of business. Based on available cash and anticipated cash flows, the Company believes that the ultimate outcome will not have an impact on the Company's ability to carry on its operations. Management believes that any liability that may result from disposition of these lawsuits will not have a material effect on the Company's consolidated financial position or results of operations.

An important part of the strategy for the Company's investment management business involves investing its own capital in certain real estate investments with its clients. As of March 31, 2001, the Company had committed $40.6 million to fund future co-investments.

6. Comprehensive Loss

Comprehensive loss consists of net income (loss) and other comprehensive loss. Accumulated other comprehensive loss consists of foreign currency translation adjustments. For the three months ended March 31, 2001, total comprehensive loss was $12.5 million, which consists of foreign currency translation loss of $9.6 million. For the three months ended March 31, 2000, total comprehensive loss was $3.2 million, which consists of foreign currency translation loss.

7. Per Share Information

Basic (loss) earnings per share was computed by dividing net (loss) income by the weighted average number of common shares outstanding of 21,309,550 and 20,819,268 for the three months ended March 31, 2001 and 2000, respectively. As

a result of operating losses incurred for the three months ended March 31, 2001, diluted weighted average shares outstanding do not give effect to common stock equivalents, as to do so would be anti-dilutive. At March 31, 2000, the computation of diluted earnings per share further assumes the dilutive effect of 31,916 common stock equivalents, which consisted principally of stock options.

8. Industry Segments

The Company reports its operations through three business segments: Transaction Management, Financial Services and Management Services. The Company has a number of lines of business which are aggregated, reported and managed through these three segments. The Transaction Management segment is the Company's largest generator of revenue and includes Brokerage Services, Corporate Services and Investment Property activities. Brokerage Services includes activities that provide sales, leasing and consulting services in connection with commercial real estate and is the Company's primary revenue source. Corporate Services focuses on building relationships with large corporate clients which generate recurring revenue. Investment Property activities provide brokerage services for commercial real property marketed for sale to institutional and private investors. The Financial Services segment provides commercial mortgage, valuation, investment management and consulting and research services. The current year results of Financial Services include a nonrecurring pre-tax gain of $5.6 million from the sale of mortgage fund management contracts. The Management Services segment provides facility management services to corporate real estate users and property management and related services to owners. Prior year quarter includes a $4.7 million nonrecurring pre-tax gain on the sale of certain non-strategic assets.

The following unaudited table summarizes the revenue, cost and expenses, and operating (loss) income by operating segment for the three months ended March 31, 2001 and 2000:

<TABLE>
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	Three Months Ended March 31	
	2001	2000
	(Dollars in thousands)	
Revenue		
Transaction Management	$179,981	$178,459
Financial Services	55,919	41,397
Management Services	36,598	41,063
	$272,498	$260,919
Operating (loss) income		
Transaction Management	$ (4,130)	$ 4,631
Financial Services	6,849	805
Management Services	(394)	3,803
	2,325	9,239
Interest income	800	489
Interest expense	9,055	9,685
(Loss) income before (benefit) provision for income tax	$ (5,930)	$ 43
Geographic Information		
Revenue		
Americas		
United States	$211,009	$198,500
Canada, South and Central America	11,504	9,199
	222,513	207,699
Pacific	7,690	8,014
Asia	9,015	9,733
Europe, Middle East and Africa	33,280	35,473
	$272,498	$260,919

</TABLE>

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders and Board of Directors of CB Richard Ellis Services, Inc.:

We have audited the accompanying consolidated balance sheets of CB Richard Ellis Services, Inc. (a Delaware corporation) as of December 31, 2000, and 1999, and the related consolidated statements of operations, stockholders' equity, comprehensive income and cash flows for each of the three years in the period ended December 31, 2000. These financial statements and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits 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 financial statements referred to above present fairly, in all material respects, the financial position of CB Richard Ellis Services, Inc. as of December 31, 2000, and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the index to consolidated financial statements is presented for purposes of complying with the Securities and Exchange Commission's rules and is not a required part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Arthur Andersen LLP

Los Angeles, California
February 24, 2001

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share and per share data)

<TABLE>
<CAPTION>

<S>	December 31 2000 <C>	December 31 1999 <C>
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 20,854	$ 27,844
Receivables, less allowance for doubtful accounts of $12,631 and $15,560 at December 31, 2000 and 1999	176,908	168,276
Prepaid expenses	8,017	8,370
Deferred taxes, net	11,139	11,758
Other current assets	6,127	10,596
Total current assets	223,045	226,844
Property and equipment, net	75,992	70,149
Goodwill, net of accumulated amortization of $56,417 and $41,008 at December 31, 2000 and 1999	423,975	445,010
Other intangible assets, net of accumulated amortization of $289,038 and $279,156 at December 31, 2000 and 1999	46,432	57,524
Cash surrender value of insurance policies, deferred compensation plan	53,203	20,442
Investment in and advances to unconsolidated subsidiaries	41,325	38,514
Deferred taxes, net	32,327	28,190
Prepaid pension costs	25,235	26,323
Other assets	41,571	16,487
Total assets	$963,105	$ 929,483

LIABILITIES AND STOCKHOLDERS' EQUITY

	2000	1999
Current Liabilities:		
Accounts payable and accrued expenses	$ 83,673	$ 81,068
Compensation and employee benefits	79,801	84,357
Accrued bonus and profit sharing	107,878	81,394
Income taxes payable	28,260	18,429
Current maturities of long-term debt	10,593	6,765
Total current liabilities	310,205	272,013
Long-term debt:		
Senior subordinated notes, less unamortized discount of $1,664 and $1,892 at December 31, 2000 and 1999	173,336	173,108
Revolving credit facility	110,000	160,000
Other long-term debt	20,235	24,764
Total long-term debt	303,571	357,872
Deferred compensation liability	80,503	47,202
Other liabilities	29,739	38,787
Total liabilities	724,018	715,874
Minority interest	3,748	3,872
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, $0.01 par value; 8,000,000 shares authorized; no shares issued or outstanding	--	--
Common stock, $0.01 par value; 100,000,000 shares authorized; 20,605,023 and 20,435,692 shares issued and outstanding at December 31, 2000 and 1999	217	213
Additional paid-in capital	364,168	355,893
Notes receivable from sale of stock	(11,847)	(8,087)
Accumulated deficit	(89,097)	(122,485)
Accumulated other comprehensive loss	(12,258)	(1,928)
Treasury stock at cost, 1,072,155 and 885,100 shares at December 31, 2000 and 1999	(15,844)	(13,869)
Total stockholders' equity	235,339	209,737
Total liabilities and stockholders' equity	$963,105	$ 929,483

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except share and per share data)

<TABLE>
<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Revenue:			
Leases	$ 539,419	$ 448,091	$ 371,300
Sales	389,745	394,718	357,718
Property and facilities management fees	110,654	110,111	86,379
Consulting and referral fees	78,714	73,569	72,586
Appraisal fees	75,055	71,050	48,082
Loan origination and servicing fees	58,190	45,940	39,402
Investment management fees	42,475	28,929	33,145
Other	29,352	40,631	25,891
Total revenue	1,323,604	1,213,039	1,034,503
Costs and Expenses:			
Commissions, fees and other incentives	634,639	559,289	458,463
Operating, administrative and other	538,481	536,381	448,794
Merger-related and other nonrecurring charges	--	--	16,585
Depreciation and amortization	43,199	40,470	32,185
Operating income	107,285	76,899	78,476
Interest income	2,554	1,930	3,054
Interest expense	41,700	39,368	31,047
Income before provision for income tax	68,139	39,461	50,483
Provision for income tax	34,751	16,179	25,926

Net income	$ 33,388	$ 23,282	$ 24,557
Deemed dividend on preferred stock	$ --	$ --	$ 32,273
Net income (loss) applicable to common stockholders	$ 33,388	$ 23,282	$ (7,716)
Basic earnings (loss) per share	$ 1.60	$ 1.11	$ (0.38)
Weighted average shares outstanding for basic earnings (loss) per share	20,931,111	20,998,097	20,136,117
Diluted earnings (loss) per share	$ 1.58	$ 1.10	$ (0.38)
Weighted average shares outstanding for diluted earnings (loss) per share	21,097,240	21,072,436	20,136,117

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net income	$ 33,388	$ 23,282	$ 24,557
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization excluding deferred financing costs	43,199	40,470	32,185
Amortization of deferred financing costs	2,069	1,696	1,184
Deferred compensation deferrals	43,557	25,932	14,738
(Gain) loss on sale of properties, businesses and servicing rights	(10,184)	(9,865)	2,058
Equity interest in earnings of unconsolidated subsidiaries	(7,112)	(7,528)	(3,443)
Minority interest	607	2,016	730
Provision for litigation, doubtful accounts and other	5,125	4,724	5,185
Deferred income tax (benefit) provision	(4,083)	(12,688)	14,394
Increase in receivables	(12,545)	(37,640)	(24,846)
Increase in cash surrender value of insurance policies, deferred compensation plan	(32,761)	(20,442)	--
Increase in compensation and employee benefits payable and accrued bonus and profit share	24,418	37,339	7,782
(Decrease) increase in accounts payable and accrued expenses	(3,201)	1,346	2,615
Increase in income taxes payable	11,074	16,696	8,913
(Decrease) increase in other liabilities	(9,553)	7,583	(9,536)
Net change in other operating assets and liabilities	114	1,090	98
Net cash provided by operating activities	84,112	74,011	76,614
Cash flows from investing activities:			
Purchases of property and equipment	(26,921)	(35,130)	(29,715)
Proceeds from sale of inventoried property	--	7,355	--
Proceeds from sale of properties, businesses and servicing rights	17,495	12,072	--
Purchase of investments	(23,413)	(1,019)	--
Increase in intangible assets and goodwill	(3,119)	(5,331)	(14,595)
Acquisition of businesses including net assets acquire intangibles and goodwill	(3,442)	(8,931)	(189,895)
Other investing activities, net	3,678	4,217	10,685
Net cash used in investing activities	(35,722)	(26,767)	(223,520)
Cash flows from financing activities:			
Proceeds from revolving credit facility	179,000	165,000	315,000
Repayment of revolving credit facility	(229,000)	(172,000)	(268,000)
Proceeds from senior subordinated term loan	--	--	172,788
Repayment of inventoried property loan	--	(7,093)	(377)

Proceeds from (repayment of) senior notes and other loans, net	588	(12,402)	(14,324)
Payment of dividends payable	--	--	(5,000)
Repurchase of preferred stock	--	--	(72,331)
Repurchase of common stock	(2,018)	(4,986)	(8,883)
Repayment of capital leases	(1,373)	(1,340)	(1,655)
Minority interest payments	(2,180)	(3,801)	(2,902)
Other financing activities, net	1,460	(1,099)	5,122
Net cash (used in) provided by financing activities	(53,523)	(37,721)	119,438
Net (decrease) increase in cash and cash equivalents	(5,133)	9,523	(27,468)
Cash and cash equivalents, at beginning of period	27,844	19,551	47,181
Effect of exchange rate changes on cash	(1,857)	(1,230)	(162)
Cash and cash equivalents, at end of period	$ 20,854	$ 27,844	$ 19,551
Supplemental data:			
Cash paid during the period for:			
Interest (none capitalized)	$ 38,352	$ 36,997	$ 27,528
Income taxes, net	$ 27,607	$ 12,689	$ 3,395

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CB RICHARD ELLIS SERVICES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in thousands)

<TABLE>
<CAPTION>

	Preferred Stock	Common Stock	Additional Paid-in capital	Notes receivable from sale of stock	Accumulated deficit	Accumulated other comprehensive income (loss)	Treasury stock	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1997	$ 40	$188	$333,981	$ (5,956)	$(170,324)	$ (158)	$ --	$157,771
Net income	--	--	--	--	24,557	--	--	24,557
Common stock issued for incentive plans	--	1	962	(962)	--	--	--	1
Contributions, deferred compensation plan	--	--	5,361	--	--	--	--	5,361
Collection on, net of cancellation of notes receivable from employee stock incentive plan	--	--	(646)	1,264	--	--	--	618
Common stock issued for REI and HP acquisitions	--	15	58,486	--	--	--	--	58,501
Shares issued for Capital Accumulation Plan	--	--	2,889	--	--	--	--	2,889
Common stock options exercised	--	7	8,835	--	--	--	--	8,842
Amortization of cheap stock	--	--	312	--	--	--	--	312
Tax deduction from issuance of stock	--	--	11,907	--	--	--	--	11,907
Foreign currency translation gain	--	--	--	--	--	1,297	--	1,297
Purchase of preferred stock	(40)	--	(72,291)	--	--	--	--	(72,331)
Purchase of common stock	--	--	--	--	--	--	(8,883)	(8,883)
Balance, December 31, 1998	--	211	349,796	(5,654)	(145,767)	1,139	(8,883)	190,842
Net income	--	--	--	--	23,282	--	--	23,282
Common stock issued for incentive plans	--	2	2,534	(2,534)	--	--	--	2
Contributions, deferred compensation plan	--	--	2,094	--	--	--	--	2,094
Collection on, net of cancellation of notes receivable from								

employee stock incentive plan.........	--	--	--	101	--	--	--	101
Common stock options exercised.............	--	--	449	--	--	--	--	449
Amortization of cheap stock..................	--	--	312	--	--	--	--	312
Tax deduction from issuance of stock......	--	--	708	--	--	--	--	708
Foreign currency translation loss.......	--	--	--	--	--	(3,067)	--	(3,067)
Purchase of common stock..................	--	--	--	--	--	--	(4,986)	(4,986)
Balance, December 31, 1999...................	--	213	355,893	(8,087)	(122,485)	(1,928)	(13,869)	209,737
Net income.............	--	--	--	--	33,388	--	--	33,388
Common stock issued for incentive plans........	--	4	4,310	(4,310)	--	--	--	4
Contributions, deferred compensation plan......	--	--	2,729	--	--	--	--	2,729
Deferred compensation plan co-match..........	--	--	907	--	--	--	--	907
Collection on, net of cancellation of notes receivable from employee stock incentive plan.........	--	--	(550)	550	--	--	--	--
Amortization of cheap and restricted stock...	--	--	342	--	--	--	--	342
Tax deduction from issuance of stock......	--	--	580	--	--	--	--	580
Foreign currency translation loss.......	--	--	--	--	--	(10,330)	--	(10,330)
Purchase of common stock..................	--	--	(43)	--	--	--	(1,975)	(2,018)
Balance, December 31, 2000..................	$ --	$217	$364,168	$(11,847)	$ (89,097)	$(12,258)	$(15,844)	$235,339

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)

<TABLE>
<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Net income..	$ 33,388	$23,282	$24,557
Other comprehensive (loss) income net of tax........	(10,330)	(3,067)	1,297
Comprehensive income..............................	$ 23,058	$20,215	$25,854

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of CB Richard Ellis Services, Inc. (the Company) and majority owned and controlled subsidiaries. The equity attributable to minority shareholders' interests in subsidiaries is shown separately in the balance sheets. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Company's investments in unconsolidated subsidiaries in which it has the ability to exercise significant influence over operating and financial policies, but does not control, are accounted for by using the equity method. Accordingly, the Company's share of the earnings of these equity basis companies is included in consolidated net income. All other investments held on a long-term basis are valued at cost less any permanent impairment in value.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with an original maturity of less than three months. The Company controls certain cash and cash equivalents as agent for its investment and property management clients. These amounts are not included in the consolidated balance sheets.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price of an acquisition over the Company's interest in the fair value of the net identifiable assets acquired. Goodwill is carried at cost less accumulated amortization and amortized on a straight-line basis. Net goodwill at December 31, 2000 consisted of $405.7 million related to the 1995 through 2000 acquisitions which is being amortized over an estimated useful life of 30 years and $18.3 million related to the Company's original acquisition in 1989 which is being amortized over an estimated useful life of 40 years.

Net other intangible assets at December 31, 2000 included $6.0 million of deferred financing costs and $40.4 million of intangibles stemming from the 1995 through 2000 acquisitions. These are amortized on a straight-line basis over the estimated useful lives of the assets up to 12 years.

The Company periodically evaluates the recoverability of the carrying amount of goodwill and other intangible assets. In this assessment, the Company considers macro market conditions and trends in the Company's relative market position, its capital structure, lender relationships and the estimated undiscounted future cash flows associated with these assets. If any of the significant assumptions inherent in this assessment materially change due to market, economic and/or other factors, the recoverability is assessed based on the revised assumptions and resultant undiscounted cash flows. If the analysis indicates impairment, it would be recorded in the period the changes occur based on the fair value of the goodwill and other intangible assets.

Property, Plant and Equipment

The Company capitalizes expenditures that materially increase the life of the related assets and charges the cost of maintenance and repairs to expense. Upon sale or retirement, the capitalized costs and related accumulated depreciation or amortization are eliminated from the respective accounts, and the resulting gain or loss is included in operating income.

Depreciation is computed primarily using the straight line method over estimated useful lives ranging from 3 to 10 years. Leasehold improvements are amortized over the term of the respective leases, excluding options

to renew. Equipment under capital leases is depreciated over the related term of the leases. The Company periodically reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any of the significant assumptions inherent in this assesment materially change due to market, economics, and/or other factors, the recoverability is assessed based on the revised assumptions. If this analysis indicates that such assets are considered to be impaired, the impairment is recognized in the period the changes occur and is measured by the amount in which the carrying value exceeds the fair value of the asset.

Income Recognition

Real estate commissions on sales are recorded as income upon close of escrow or upon transfer of title. Real estate commissions on leases are generally recorded as income once the Company satisfies all obligations under the commission agreement, which generally occurs upon the earlier of the date of occupancy or cash receipt, if cash is received prior to occupancy. The existence of any significant future contingencies will result in the delay of recognition of income until such contingency is satisfied. If, for example, the tenant has a free rent period, lease revenue is not recorded until the first month's rent is paid. Investment management fees and management fees are recognized when earned under the provisions of the related agreements. Appraisal fees are recorded after services have been rendered. Loan origination fees are recognized at the time the loan closes and the Company has no

significant remaining obligations for performance in connection with the loan transaction, while loan servicing fees are recorded as principal and interest payments are collected from mortgagors. Other commissions and fees are recorded as income at the time the related services have been performed unless significant future contingencies exist. The adoption of Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," did not have a material effect on our operations or financial position.

Foreign Currencies

The financial statements of subsidiaries located outside the United States (US) are generally measured using the local currency as the functional currency. The assets and liabilities of these subsidiaries are translated at the rates of exchange at the balance sheet date and income and expenses are translated at the average monthly rate. The currency effects of translating the financial statements of these non-US operations of the Company are included in the "Accumulated other comprehensive income (loss)" component of stockholders' equity. Gains and losses resulting from foreign currency transactions are included in the results of operations. The aggregate transaction gains and losses included in the consolidated statements of operations are a $3.1 million loss, $1.1 million gain and $0.2 million loss for 2000, 1999 and 1998, respectively.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income (loss). Accumulated other comprehensive income (loss) consists of foreign currency translation adjustments.

Accounting for Transfers and Servicing

The Company follows Statement of Financial Accounting Standards (SFAS) No. 125, Accounting for Transfers and Servicing of Financial Assets and Extinguishments in accounting for loan sales and acquisition of servicing rights. Under SFAS No. 125, the Company is required to recognize, at fair value, financial and servicing assets it has acquired control over and related liabilities it has incurred and amortize them over the period of estimated net servicing income or loss. Write-off of the asset is required when control is surrendered. The fair value of these servicing rights resulted in a gain, which is reflected in the Consolidated Statements of Operations, with a corresponding servicing asset of approximately $0.7 million and $0.8 million, at December 31, 2000 and 1999, respectively, which is reflected in the Consolidated Balance Sheets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the US requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of certain revenues and expenses during the reporting periods. Actual results could differ from those estimates. Management believes that these estimates provide a reasonable basis for the fair presentation of its financial condition and results of operations.

Stock Based Compensation

The Company has elected to apply the provisions of Accounting Principles Board (APB) Opinion No. 25 and provide the pro forma disclosure requirements of SFAS No. 123, Accounting for Stock Based Compensation in the footnotes to its consolidated financial statements. SFAS No. 123 requires pro forma disclosure of net income and, if presented, earnings per share, as if the fair-value based method of accounting defined in this statement had been applied. APB Opinion No. 25 and related interpretations require accounting for stock compensation awards based on their intrinsic value as of the grant date.

Income Taxes

Income taxes are accounted for under the asset and liability method in accordance with SFAS 109, Accounting for Income Taxes. Deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax basis of assets and liabilities and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured by applying enacted tax rates and laws to taxable income in the years in which the 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.

New Accounting Pronouncements

In September 2000, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. SFAS 140 revises the standards for accounting for securitizations and other transfers of financial assets and collateral established by SFAS 125. In addition, this statement is effective for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. The Company does not perform these types of transactions. This statement is effective for all transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. The Company is evaluating the impact of SFAS 140 on its results of operation and financial position for these types of transactions.

In June 2000, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities--an Amendment of FASB Statement No. 133. SFAS No. 138 amends the accounting and reporting for certain derivative instruments and hedging activities and is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. SFAS 138 is not expected to have a material impact on earnings or other components of comprehensive income of the Company.

In June 1999, the FASB issued SFAS No. 137, Accounting for Derivative Instruments and Hedging Activities--Deferral of the Effective Date of FASB Statement No. 133, which deferred the effective date of SFAS No. 133 for one year. SFAS No. 137 is effective for all fiscal quarters of all fiscal years beginning after

June 15, 2000. SFAS No. 137 is not anticipated to have a material impact on earnings or other components of comprehensive income as the Company had no derivatives outstanding at December 31, 2000.

In June 1998, the FASB issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate, and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 133 is not expected to have a material impact on earnings or other components of comprehensive income as the Company had no derivatives outstanding at December 31, 2000.

Reclassifications

Some reclassifications, which do not have an effect on net income, have been made to the 1999 and 1998 financial statements to conform to the 2000 presentation.

2. Acquisitions and Dispositions

During 2000, the Company acquired five companies with an aggregate purchase price of approximately $3.4 million in cash, $0.7 million in notes, plus additional payments over the next five years based on acquisition earnout agreements. These payments will supplement the purchase price and be recorded as additional goodwill. The most significant acquisition in 2000 was the purchase of Boston Mortgage Capital Corporation (Boston Mortgage), through L.J. Melody, for approximately $2.1 million, plus supplemental payments based on an acquisition earnout agreement. Boston Mortgage provides further mortgage banking penetration into the northeast. It services approximately $1.8 billion in loans covering roughly 175 commercial properties throughout New England, New York and New Jersey.

In February 2000, the Company sold certain non-strategic assets for cash proceeds of $8.4 million, resulting in a pre-tax gain of $4.7 million.

During 1999, the Company acquired four companies with an aggregate purchase price of approximately $13.8 million. The two significant acquisitions were Eberhardt Company which was acquired in September 1999 through L.J. Melody for approximately $7.0 million and Profi Nordic which was acquired in February 1999 through CBRE Profi Acquisition Corp. (formerly Koll Tender III) for approximately $5.5 million.

During 1999, the Company sold five of its smaller non-strategic offices (Bakersfield and Fresno, California; Albuquerque, New Mexico; Reno, Nevada; and Salt Lake City, Utah) for a total of approximately $7.0 million received in cash and notes. It also sold an insurance operation which was used to help property management and other clients with complex insurance problems for $3.0 million in receivables. These sales resulted in a pre-tax gain of $8.7 million.

On October 20, 1998 the Company, through L.J. Melody, purchased Carey, Brumbaugh, Starman, Phillips, and Associates, Inc., a regional mortgage banking firm for approximately $5.6 million in cash and approximately $2.4 million in notes bearing interest at 9.0% with three annual payments which began in October 1999. Approximately $0.2 million of the $2.4 million notes was accounted for as deferred cash compensation to select key executives. The acquisition was accounted for as a purchase. The purchase price has

largely been allocated to intangibles and goodwill which are amortized on a straight line basis over their estimated useful lives of 7 and 30 years, respectively.

On October 1, 1998 the Company purchased the remaining ownership interests that it did not already own in the Richard Ellis Australia and New Zealand businesses. The costs for the remaining interest was $20.0 million in cash. Virtually all of the revenue of these locations is derived from brokerage and appraisal services. The acquisition was accounted for as a purchase. The purchase price has largely been allocated to intangibles and goodwill which are amortized on a straight line basis over their estimated useful lives ranging up to 30 years.

On September 22, 1998 the Company purchased the approximately 73.0% interest that it did not already own in CB Commercial Real Estate Group of Canada, Inc. The Company acquired the remaining interest for approximately $14.3 million in cash. The acquisition was accounted for as a purchase. The purchase price has been largely allocated to intangibles and goodwill which are amortized on a straight line basis over their estimated useful lives ranging up to 30 years.

On July 7, 1998 the Company acquired the business of Hillier Parker May and Rowden, now known as CB Hillier Parker Limited (HP), a commercial property services partnership operating in the United Kingdom (UK). The acquisition was accounted for as a purchase. The purchase price for HP included approximately $63.6 million in cash and $7.1 million in shares of the Company's common stock. In addition, the Company assumed a contingent payout plan for key HP employees with a potential payout over three years of approximately $13.9 million and assumed various annuity obligations of approximately $15.0 million. The purchase price has largely been allocated to goodwill which is amortized on a straight line basis over its estimated useful life of 30 years.

On July 1, 1998 the Company increased its ownership percentage in CB Commercial/Arnheim & Neely, an existing partnership formed in September 1996, which then combined with the Galbreath Company Mid-Atlantic to form CB Richard Ellis/Pittsburgh, LP. The total purchase price of the Company's 50% interest in the combined enterprise is $5.7 million.

On May 31, 1998 the Company acquired Mathews Click and Associates, a property sales, leasing, and management firm, for approximately $10.0 million in cash and potential supplemental payments of $1.9 million which were contingent upon operating results, payable to the sellers over a period of two years. The acquisition was accounted for as a purchase. The total purchase price including potential supplemental payments was allocated to intangibles and goodwill which are amortized on a straight line basis over their estimated useful lives of 7 and 30 years, respectively.

Effective May 1, 1998 the Company, through L.J. Melody, acquired Shoptaw-James, Inc. (Shoptaw-James), a regional mortgage banking firm, for approximately $6.3 million in cash and approximately $2.7 million in notes bearing interest at 9.0% with three annual payments which began in May 1999. The acquisition was accounted for as a purchase. Approximately $0.3 million of the $2.7 million notes are being accounted for as compensation over the term of the notes as the payment of these notes are contingent upon select key executives' and producers' continued employment with the Company. Approximately $2.4 million of the $2.7 million is being accounted for as supplemental payments to the sellers over a period of three years. The purchase price and supplemental payments have largely been allocated to intangibles and goodwill which are amortized on a straight line basis over their estimated useful lives of 7 and 30 years, respectively.

On April 17, 1998 the Company purchased all of the outstanding shares of CB Commercial Limited, formerly known as REI Limited (REI), an international commercial real estate services firm operating under the name Richard Ellis in

major commercial real estate markets worldwide (excluding the UK). The acquisition

was accounted for as a purchase. The purchase price has largely been allocated to goodwill, which is amortized on a straight line basis over an estimated useful life of 30 years. The purchase price for REI was approximately $104.8 million of which approximately $53.3 million was paid in cash and notes and approximately $51.5 million was paid in shares of the Company's common stock. In addition, the Company assumed approximately $14.4 million of long-term debt and minority interest. The Company incurred a one-time charge of $3.8 million associated with the integration of REI's operations and systems into the Company's.

On February 1, 1998 the Company, through L.J. Melody, acquired all of the issued and outstanding stock of Cauble and Company of Carolina, a regional mortgage banking firm for approximately $2.2 million, including cash payments of approximately $1.8 million and a note payable of approximately $0.4 million bearing interest at 9.0% with principal payments starting in April 1998. The acquisition was accounted for as a purchase. The purchase price has been largely allocated to intangibles and goodwill, which are amortized on a straight line basis over their estimated useful lives of 7 and 30 years, respectively.

On January 31, 1998 the Company, through L.J. Melody, acquired certain assets of North Coast Mortgage Company, a regional mortgage banking firm for cash payments of approximately $3.0 million and approximately $0.9 million in notes. Approximately $0.3 million of the $0.9 million notes have been accounted for as supplemental payments to the sellers and approximately $0.6 million as deferred compensation to certain key executives and producers payable in three annual installments which began in February 1999. The acquisition was accounted for as a purchase. The purchase price and supplemental payments have largely been allocated to intangibles and goodwill, which are amortized on a straight line basis over their estimated useful lives of 7 and 30 years, respectively. The $0.6 million of deferred cash compensation is being accounted for as compensation over the term of the agreements as the payment of the compensation is contingent upon select key executives' and producers' continued employment with the Company.

The assets and liabilities of certain acquired companies, along with the related goodwill, intangibles and indebtedness, are reflected in the accompanying consolidated financial statements at December 31, 2000. The results of operations of the acquired companies are included in the consolidated results from the dates they were acquired. The unaudited pro forma results of operations of the Company for the year ended December 31, 1998, assuming the REI acquisition had occurred on January 1, 1998, would have been as follows (amounts in thousands, except per share data):

<TABLE>
<CAPTION>

<S>	Year Ended December 31, 1998 <C>
Revenue	$1,051,114
Net income	15,586
Net loss applicable to common stockholders	(16,687)
Loss per share	
Basic	(0.81)
Diluted	(0.81)

</TABLE>

For the year ended December 31, 1998, net loss applicable to common stockholders includes a deemed dividend of $32.3 million on the repurchase of the Company's preferred stock. The pro forma results do not necessarily represent results which would have occurred if the acquisitions had taken place on the date assumed above, nor are they indicative of the results of future combined operations. The amounts are based upon certain assumptions and estimates, and do not reflect any benefit from economies which might be achieved from combined operations. Further, REI historical results for the first three months of 1998 include certain nonrecurring adjustments.

3. Property and Equipment

Property and equipment is stated at cost and consists of the following (in thousands):

<TABLE>
<CAPTION>

<S>	December 31 2000 <C>	1999 <C>
Buildings and improvements	$ 17,354	$ 19,273
Furniture and equipment	128,678	111,840
Equipment under capital leases	28,765	29,800
	174,797	160,913
Accumulated depreciation and amortization	(98,805)	(90,764)
Property and equipment, net	$ 75,992	$ 70,149

</TABLE>

The Company sold its headquarters building in downtown Los Angeles, California, in September 1999 and a small office building in Phoenix, Arizona in October 1999, both at a minimal loss. Depreciation expense was $19.2 million, $17.1 million and $14.8 million during 2000, 1999 and 1998, respectively.

4. Investments in and Advances to Unconsolidated Subsidiaries

Investments in and advances to unconsolidated subsidiaries as of December 31, 2000 and 1999 are as follows (in thousands):

<TABLE>
<CAPTION>

<S>	Interest <C>	December 31 2000 <C>	1999 <C>
CB Commercial/Whittier Partners, LP	50.0%	$10,173	$ 9,646
CBRE Pittsburgh	50.0%	6,261	5,853
Ikoma CB Richard Ellis K.K	20.0%	3,695	2,523
Strategic Partners (CBRE Investors)	3.4%	3,659	--
Building Technology Engineers	49.9%	2,595	--
CBRE Corp Partners, LLC	9.1%	2,510	1,453
Other	*	12,432	19,039
		$41,325	$38,514

</TABLE>

- --------

* Various interests with varying ownership rates.

Unaudited combined condensed financial information for the entities accounted for using the equity method is as follows (in thousands):

Consolidated Statement of Operations Information

<TABLE>
<CAPTION>

<S>	Year Ended December 31 2000 <C>	1999 (Unaudited) <C>	1998 <C>
Net revenue	$241,902	$172,365	$72,911
Income from operations	59,936	43,088	27,921
Net income	50,183	32,795	23,678

</TABLE>

Condensed Balance Sheet Information:

<TABLE>
<CAPTION>

December 31

	2000	1999
	(Unaudited)	
Current assets	$153,942	$ 62,579
Noncurrent assets	777,718	689,286
Current liabilities	94,507	34,076
Noncurrent liabilities	302,530	249,546
Minority interest	519	1,115

5. Employee Benefit Plans

Option Plans. In conjunction with the North Coast Mortgage Company acquisition, options for 25,000 shares were granted with an exercise price representing the fair market value at date of grant of $32.50 per share. On December 15, 1998, the option holders elected to change the exercise price to $20.00 per share, which was above market value on the date of election, and simultaneously reduce the number of shares by 20%. The options vest over five years at a rate of 20% per year, expiring in February 2008. Options for 20,000 shares under the North Coast Mortgage Company acquisition were outstanding at December 31, 2000.

In conjunction with the Shoptaw-James acquisition, options for 25,000 shares were granted with an exercise price representing a fair market value of $37.32 per share on the date of grant. On December 15, 1998 the option holders elected to change the exercise price to $20.00 per share, which was above market value on the date of election, and simultaneously reduce the number of shares by 20%. The options vest over five years at a rate of 20% per year, expiring in May 2008. Options for 20,000 shares under the Shoptaw-James acquisition were outstanding at December 31, 2000.

In October 1998, in conjunction with the Carey, Brumbaugh acquisition, options for 25,000 shares were granted with an exercise price representing a fair market of $19.44 per share on the grant date. The options vest over five years at a rate of 20% per year, expiring in September 2008. Options for 25,000 shares under the Carey, Brumbaugh acquisition were outstanding at December 31, 2000.

In April 1998, in conjunction with the REI acquisition, the Company approved the assumption of the options outstanding under the REI Limited Stock Option Plan. These options for 46,115 shares of common stock were issued and exercised immediately at $14.95 per share in exchange for existing REI options. Also in conjunction with the REI acquisition, the Company granted options for 475,677 shares at an exercise price equal to fair market value at date of grant of $33.76 per share. On December 15, 1998 select holders of stock options elected to change the exercise price of their options to $20.00 per share, which was above market value on the date of election, and simultaneously reduce the number of shares by 20%. During 2000, the Company granted options for 58,000 shares of common stock at an exercise price of $12.88 per share. All options were granted at an exercise price equal to fair market value at date of grant. The vesting periods of these options range from three to five years and they expire at various dates through August 2010. Options for 492,984 shares were outstanding under the REI Limited Stock Option Plan at December 31, 2000.

A total of 700,000 shares of common stock have been reserved for issuance under the Company's 1997 Employee Stock Option Plan. On December 15, 1998, select holders of stock options with an exercise price in excess of $20.00 per share elected to change the exercise price of their options to $20.00 per share, which was above market value on the date of election and simultaneously reduce the number of shares by 20%. During 2000, the Company granted options for 105,000 shares of common stock at exercise prices ranging from $10.38 to $12.85 per share. All options were granted at an exercise price equal to fair market value at date of grant.

The vesting periods for these options range from approximately four to five years and they expire at various dates through August 2010. Options for 692,060 shares were outstanding under the 1997 Employee Stock Option Plan at December 31, 2000.

In August 1997, in conjunction with the Koll acquisition, the Company approved the assumption of the options outstanding under the KMS Holding Company Amended 1994 Stock Option Plan (now known as the CBC Substitute Option Plan (CBCSP)) and the Koll Acquisition Stock Option Plan (KASOP). Under the CBCSP, 407,087 stock options were issued with exercise prices ranging from $12.89 to $18.04 per share in exchange for existing Koll options. These options were immediately exercisable and expire at various dates through April 2006. All options were granted at an exercise price equal to fair market value at

date of grant. At December 31, 2000, 231,941 options were outstanding. Under the KASOP, options for 550,000 shares were approved for issuance to former senior executives of Koll who became employees or directors of the Company. These options have exercise prices ranging from $14.25 to $36.75 per share and vesting periods ranging from immediate to three years. During 2000, the Company granted options for 20,000 shares of common stock under the KASOP at an exercise price of $12.88 per share. These options expire at various dates through August 2010. Options for 550,000 shares were outstanding for the KASOP at December 31, 2000.

In August 1997, in conjunction with the Koll acquisition, the Company approved the issuance of warrants to purchase 599,967 shares. Of the outstanding warrants, 42,646 are attached to common stock obtainable under the CBC Substitute Option Plan and 555,741 are attached to shares of outstanding common stock. Each warrant is exercisable into one share of common stock at an exercise price of $30.00 commencing in August 2000 and expiring in August 2004. At December 31, 2000, 598,387 warrants issued were outstanding.

A total of 90,750 shares of common stock have been reserved for issuance under the L.J. Melody Acquisition Stock Option Plan, which was adopted by the Board of Directors in September 1996 as part of the July 1996 acquisition of L.J. Melody. Options for all these shares have been issued at an exercise price of $10.00 per share and vest over a period of five years at the rate of 5% per quarter and these options expire in June 2006. Options for 90,750 shares of common stock under the L.J. Melody Acquisition Stock Option Plan were outstanding at December 31, 2000.

A total of 600,000 shares of common stock have been reserved for issuance under the Company's 1991 Service Providers Stock Option Plan. In various years, options were granted below market price to select directors as partial payment for director fees. On December 15, 1998 select holders of stock options with an exercise price in excess of $20.00 per share elected to change the exercise price of their options to $20.00 per share, which was above market value on the date of election and simultaneously reduce the number of shares by 20%. During 2000, options for 39,000 shares were granted to select directors and executive officers at an exercise price equal to fair market value at date of grant ranging from $11.81 to $12.88 per share. These options vest from a zero to a five year period and expire at various dates through August 2010. Options for 583,888 shares were outstanding under the 1991 Service Providers Stock Option Plan at December 31, 2000.

A total of 1,000,000 shares of common stock have been reserved for issuance under the Company's 1990 Stock Option Plan. All options vest over a four year period, expiring at various dates through November 2006. Options for 35,000 shares under the 1990 Stock Option Plan were outstanding at December 31, 2000.

The Company completed the 1999 stock repurchase program on January 5, 2000. A total of 397,450 shares of common stock were purchased for a total of $5.0 million. In 1998, a total of 488,900 shares of common stock were purchased for $8.8 million. The shares purchased in 1999 and 1998 will be used to minimize the dilution caused by the exercise of stock options and the grant of stock purchase rights.

A summary of the status of the Company's option plans at December 31, 2000, 1999 and 1998 and changes during the years then ended is presented in the table and narrative below:

<TABLE>
<CAPTION>

	2000		1999		1998	
Stock Options and Warrants	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding beginning of the year...............	3,075,356	$20.71	2,937,085	$23.18	3,284,381	$22.43
Granted.................	487,710	24.81	628,611	15.17	1,885,944	25.94
Exercised..............	--	--	(58,000)	10.00	(824,385)	10.73
Forfeited/Expired.......	(223,056)	19.84	(432,340)	31.64	(1,408,855)	32.42
Outstanding end of year...................	3,340,010	$21.25	3,075,356	20.71	2,937,085	$23.18
Exercisable at end of year...................	1,824,665	$23.90	770,756	$21.86	830,289	$21.94

Weighted average fair value of options granted during the year	$ 6.72	$ 8.84	$12.27

Significant option and warrant groups outstanding at December 31, 2000 and related weighted average price and life information is presented below:

	Outstanding Options and Warrants			Exercisable Options and Warrants	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$00.38-$10.38	167,594	5.32 yrs.	$ 7.44	143,519	$ 6.97
$11.81-$19.44	985,941	7.69 yrs.	14.48	327,141	14.48
$20.00-$23.75	1,273,754	6.84 yrs.	20.52	488,218	20.79
$30.00-$36.75	912,721	4.64 yrs.	32.11	865,787	32.02
	3,340,010		$21.25	1,824,665	$23.90

Deferred Compensation Plan (the DCP). In 1994, the Company implemented the DCP. Under the DCP, a select group of management and highly compensated employees can defer the payment of all or a portion of their compensation (including any bonus). The DCP permits participating employees to make an irrevocable election at the beginning of each year to receive amounts deferred at a future date either in cash, which is an unsecured long-term liability of the Company, or in shares of common stock of the Company which elections are recorded as additions to stockholders' equity. In May 2000, the Company began repurchasing stock from the open market in order to minimize the dilutive effect of issuing stock pursuant to the DCP. As of December 31, 2000, the Company has repurchased 185,800 shares of common stock for $2.0 million, which is reported as an increase in treasury stock. In 1999, the Company revised the DCP to add insurance products which function like mutual funds as an investment alternative and to fund the Company's obligation for deferrals invested in these insurance products. Prior to July 1, 2000, cash payments to purchase additional insurance products were made on the third business day of the month following the related DCP participant deferral. Currently, payments are made twice a month. For the year ended December 31, 2000, $43.6 million was deferred and mainly allocated to the other investment products. The accumulated non-stock liability at December 31, 2000 was $80.5 million and the assets (in the form of insurance proceeds) set aside to cover the liability was $53.2 million. The total liability of $92.0 million, including $11.5 million deferred in stock, was charged to expense in the period of deferral and classified as deferred compensation plan liability, except for

stock which is included in stockholders' equity. On July 17, 2000, the Company announced a match of the stock portion of the DCP for the Plan Year 1999 in the amount of $4.5 million, equivalent to 437,880 shares of common stock at a market price of $10.38 per share. The vesting period is over five years with 20% vesting each year at December 31, 2000 through 2004. The related compensation expense will be amortized over the vesting period. The Company charged to compensation expense a total of $0.9 million for the year ended December 31, 2000. The weighted average fair value of the shares granted during the year is $5.90. In October 2000, the Company added the "Retention Program" and the "Recruitment Program" to the DCP, with the awards being effective January 2001. Under the Retention Program, the 125 best sales professionals were credited with 5,700, 4,500 or 3,000 stock units under the DCP (each unit is the equivalent of one share of stock). The stock units do not vest for four years and in the case of those sales professionals who were credited with 5,700 or 4,500 stock units, there was a requirement to execute a long-term covenant not to compete. Under the Recruitment Program, the Company credited either stock units or cash to experienced new hires for sales professional jobs. The share awards ranged from 750 to 4,500 and the cash awards ranged from $30 thousand to $100 thousand.

As allowed under the provisions of SFAS No. 123, Accounting for Stock-Based Compensation, the Company has elected to follow Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for its employee stock based compensation plans. Under this method the Company does not recognize compensation expense for

options that were granted at or above the market price of the underlying stock on the date of grant. Had compensation expense been determined consistent with SFAS No. 123, the Company's net income and per share information would have been reduced to the following pro forma amounts (in thousands except per share data):

	2000	1999	1998
Net Income:			
As Reported	$33,388	$23,282	$24,557
Pro Forma	30,393	19,039	20,396
Basic EPS:			
As Reported	1.60	1.11	(0.38)
Pro Forma	1.45	0.91	(0.59)
Diluted EPS:			
As Reported	1.58	1.10	(0.38)
Pro Forma	1.44	0.91	(0.59)

Because the SFAS 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

The fair value of each option grant and DCP company match is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants:

	2000	1999	1998
Risk free interest rate	6.52%	5.55%	4.95%
Expected volatility	58.06%	61.83%	48.16%
Expected life	5.00 years	5.00 years	5.00 years

Dividend yield is excluded from the calculation since it is the present intention of the Company to retain all earnings.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models

require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the Company believes the Black-Scholes model does not necessarily provide a reliable single measure of the fair value of its employee stock options.

Stock Purchase Plans. The Company has restricted stock purchase plans covering select key executives including senior management. A total of 500,000 and 550,000 shares of common stock have been reserved for issuance under the Company's 1999 and 1996 Equity Incentive Plans, respectively. The shares may be issued to senior executives for a purchase price equal to the greater of $18.00 and $10.00 per share or fair market value, respectively. Under the 1999 and 1996 Equity Incentive Plans, the Company issued 285,000 and 50,000 shares in 2000, and 415,833 and 441,937 shares were outstanding at December 31, 2000, respectively. The purchase price for these shares must be paid either in cash or by delivery of a full recourse promissory note. The related promissory notes are also included in the Consolidated Statements of Stockholders' Equity.

In October 1998, the Company offered all employees under the 1990 Stock Option Plan who held options that expired in April 1999 a loan equal to 100% of the total exercise price plus 40% of the difference between the current market value of the shares and the exercise price. Loan proceeds were applied towards the total exercise price and payroll withholding taxes. The loans are evidenced by full recourse promissory notes having a maturity of five years at an interest rate of 6.0%. Interest is due annually, while the principal is due the earlier of five years or upon sale of the shares. The shares issued under this offering may not be sold until after 18 months from the date of issuance. A total of 415,000 shares were issued under this offering. The related promissory notes of $4.7 million and $4.9 million are included in other assets in the Consolidated Balance Sheets at December 31, 2000 and 1999, respectively.

Bonuses. The Company has bonus programs covering select key employees, including senior management. Awards are based on the position and performance of the employee and the achievement of pre-established financial, operating and strategic objectives. The amounts charged to expense for bonuses were $49.8 million, $44.3 million and $33.7 million for the years ended December 31, 2000, 1999, and 1998, respectively.

Capital Accumulation Plan (the Cap Plan). The Cap Plan is a defined contribution profit sharing plan under Section 401(k) of the Internal Revenue Code and is the Company's only such plan. Under the Cap Plan, each participating employee may elect to defer a portion of his or her earnings and the Company may make additional contributions from the Company's current or accumulated net profits to the Cap Plan in these amounts as determined by the Board of Directors. The Company expensed, in connection with the Cap Plan, $2.2 million and $1.6 million for the years ended December 31, 2000 and 1999. No expense, in connection with the Cap Plan, was incurred for the year ended December 31, 1998.

Employee Stock Purchase Plan. In May 2000, the Company amended and restated, effective July 1, 2000, its 1998 employee stock purchase plan designed exclusively for employees who earn less than $100,000 in total annual compensation. Under the plan, the eligible employees may purchase common stock by means of contributions to the Company at a price equal to 90% of the fair market value of the share on the last trading day of the purchase period. The plan provides for purchases by employees up to an aggregate of 150,000 shares each year for 2000, 2001 and 2002. This program was discontinued effective October 2000.

Pension Plan. The Company, through the acquisition of Hillier Parker, maintains a contributory defined benefit pension plan to provide retirement benefits to existing and former Hillier Parker employees participating in the plan. It is the Company's policy to fund the minimum annual contributions required by applicable regulations. Pension expense totaled $0.9 million, $1.9 million and $0.9 million in 2000, 1999 and 1998, respectively.

The following sets forth a reconciliation of benefit obligation, plan assets, plan's funded status and amounts recognized in the accompanying Consolidated Balance Sheets:

<TABLE>
<CAPTION>

	Year Ended December 31	
	2000	1999
	(in thousands)	
<S>	<C>	<C>
Change in benefit obligation		
Benefit obligation at beginning of year	$ 72,146	$ 73,190
Service cost	5,728	5,350
Interest cost	4,026	4,175
Plan participants' contributions	671	804
Actuarial gain	(4,680)	(7,495)
Benefits paid	(1,343)	(1,760)
Currency gain	(5,472)	(2,118)
Benefit obligation at end of year	$ 71,076	$ 72,146
Change in plan assets		
Fair value of plan assets at beginning of year	$115,039	$ 95,731
Actual return on plan assets	(3,340)	22,666
Company contributions	1,257	786
Plan participants' contributions	671	419
Benefits paid	(1,343)	(1,760)
Currency loss	(8,596)	(2,803)
Fair value of plan assets at end of year	$103,688	$115,039
Funded status	$ 32,612	$ 42,893
Unrecognized net actuarial gain	(7,941)	(16,570)
Company contributions in the post-measurement period	564	--
Prepaid benefit cost	$ 25,235	$ 26,323

</TABLE>

Weighted-average assumptions used in developing the projected benefit obligation were as follows:

	December 31	
	2000	1999
Discount rate	6.00%	5.75%
Expected return on plan assets	7.75%	7.75%
Rate of compensation increase	5.00%	5.00%

Net periodic pension cost consisted of the following:

	Year Ended December 31	
	2000	1999
	(in thousands)	
Employer service cost	$ 5,728	$ 5,350
Interest cost on projected benefit obligation	4,026	4,175
Expected return on plan assets	(8,395)	(7,636)
Unrecognized net gain	(425)	--
Net periodic benefit cost	$ 934	$ 1,889

6. Long-term Debt

Long-term debt consists of the following (in thousands):

	December 31	
	2000	1999
Senior Subordinated Notes, less unamortized discount of $1.7 million and $1.9 million at December 31, 2000 and 1999, respectively, with fixed interest at 8.9% due in 2006	$173,336	$173,108
Revolving Credit Facility, with interest ranging from 8.5% to 9.0%, due in 2003	110,000	160,000
Westmark Senior Notes, with interest ranging from 9.0% to 10.0% through December 31, 2004 and at variable rates depending on the Company's credit facility rate thereafter, due from 2001 through 2010	15,502	16,502
Euro cash pool loan, with interest at 6.91% and no stated maturity date	6,946	--
REI Senior Notes, with variable interest rates based on Sterling LIBOR minus 1.5%, due in 2002	2,742	2,965
Shoptaw-James Senior Notes, with fixed interest at 9.0%, due in 2001	810	1,620
Carey, Brumbaugh Senior Notes, with fixed interest at 9.0%, due in 2001	720	1,440
Eberhardt Acquisition Obligations, with fixed interest at 8.0%, due from 2001 through 2002	600	900
Capital lease obligations, mainly for autos and telephone equipment, with interest ranging from 6.8% to 8.9%, due through 2004	2,302	3,554
Other	1,206	4,548
Total	314,164	364,637
Less current maturities	10,593	6,765
Total long-term debt	$303,571	$357,872

Annual aggregate maturities of long-term debt at December 31, 2000 are as

follows (in thousands): 2001--$10,593; 2002--$4,536; 2003--$110,512; 2004--$128; 2005--$20; and $188,375 thereafter.

In October 1999, the Company executed an amendment to the revolving credit facility, eliminating the mandatory reduction on December 31, 1999, and revising some of the restrictive covenants. The new amendment is also subject to mandatory reductions of the facility by $80.0 million and $70.0 million on December 31, 2000 and 2001, respectively. This reduced the facility from $350.0 million to $270.0 million at December 31, 2000. The amount outstanding under this facility was $110.0 million at December 31, 2000. Interest rate alternatives include Bank of America's reference rate plus 1.00% and LIBOR plus 2.00%. The weighted average rate on amounts outstanding at December 31, 2000 was 8.79%.

The revolving credit facility contains numerous restrictive covenants that, among other things, limit the Company's ability to incur or repay other indebtedness, make advances or loans to subsidiaries and other entities, make capital expenditures, incur liens, enter into mergers or effect other fundamental corporate transactions, sell its assets, or declare dividends. In addition, the Company is required to meet certain ratios relating to its adjusted net worth, level of indebtedness, fixed charges and interest coverage.

The Company has outstanding Senior Subordinated Notes (Subordinated Notes) due on June 1, 2006. The Subordinated Notes are redeemable in whole or in part after June 1, 2002 at 104.438% of par on that date and at declining prices thereafter. On or before June 1, 2001, up to 35.0% of the issued amount may be redeemed at 108.875% of par plus accrued interest solely with the proceeds from an equity offering.

The Company has a credit agreement with Residential Funding Corporation (RFC). The credit agreement provides for a revolving line of credit, which bears interest at 1.25% per annum over LIBOR. On July 19, 2000, the Company executed an amendment to the revolving line of credit, increasing the line of credit from $50.0 million to $100.0 million, decreasing the interest rate from 1.25% to 1.00% per annum over LIBOR and extending the expiration date from August 31, 2000 to August 31, 2001. In addition, on November 8, 2000, the Company obtained a temporary line of credit increase of $52.0 million, resulting in a total line of credit equaling $152.0 million. This temporary line of credit increase expired on November 30, 2000. During the year, the Company had a maximum of $151.3 million revolving line of credit principal outstanding. At December 31, 2000, the Company had $0.4 million revolving line of credit principal outstanding.

7. Commitments and Contingencies

In December 1996, GMH Associates, Inc. (GMH) filed a lawsuit against Prudential Realty Group (Prudential) and the Company in the Superior Court of Pennsylvania, Franklin County, alleging various contractual and tort claims against Prudential, the seller of a large office complex, and the Company, its agent in the sale, contending that Prudential breached its agreement to sell the property to GMH, breached its duty to negotiate in good faith, conspired with the Company to conceal from GMH that Prudential was negotiating to sell the property to another purchaser and that Prudential and the Company misrepresented that there were no other negotiations for the sale of the property. Following a non-jury trial, the court rendered a decision in favor of GMH and against Prudential and the Company, awarding GMH $20.3 million in compensatory damages, against Prudential and the Company jointly and severally, and $10.0 million in punitive damages, allocating the punitive damage award $7.0 million as against Prudential and $3.0 million as against the Company. Following the denial of motions by Prudential and the Company for a new trial, a judgment was entered on December 3, 1998. Prudential and the Company filed an appeal of the judgment. On March 3, 2000, the appellate court in Pennsylvania reversed all of the trial courts' decisions finding that liability was not supported on any theory claimed by GMH and directed that a judgment be entered in favor of the defendants including the Company. The plaintiff filed an appeal with the Pennsylvania Supreme Court which was denied. The plaintiff has exhausted all appeal possibilities and judgment is expected to be entered shortly in favor of all defendants.

In August 1993, a former commissioned sales person of the Company filed a lawsuit against the Company in the Superior Court of New Jersey, Bergen County, alleging gender discrimination and wrongful termination by the Company. On November 20, 1996, a jury returned a verdict against the Company, awarding $1.5 million in general damages and $5.0 million in punitive damages to the plaintiff. Subsequently, the trial court awarded the plaintiff $0.6 million in attorneys' fees and costs. Following denial by the trial court of the Company's motions for new trial, reversal of the verdict and reduction of damages, the Company filed an appeal of the verdict and requested a reduction of damages. On

March 9, 1999, the appellate court ruled in the Company's favor, reversed the trial court decision and ordered a new trial. On February 16, 2000, the Supreme Court of New Jersey reversed the decision of the appellate court, concluded that the general damage award in the trial court should be sustained and returned the case to the appellate court for a determination as to whether a new trial should be ordered on the issue of punitive damages. In April 2000, the Company settled the compensatory damages claim (including interest) and all claims to date with respect to attorneys fees by paying to the plaintiff the sum of $2.75 million leaving only the punitive damage claim for resolution (the plaintiff also agreed, with very limited exceptions, that no matter what the outcome of the punitive damage claim the Company would not be responsible for more than 50% of the plaintiff's future attorney fees). In February 2001, the Company settled all remaining claims for the sum of $2.0 million and received a comprehensive release.

The Company is a party to a number of pending or threatened lawsuits arising out of, or incident to, its ordinary course of business. Based on available cash and anticipated cash flows, the Company believes that the ultimate outcome will not have an impact on the Company's ability to carry on its operations. Management

believes that any liability to the Company that may result from disposition of these lawsuits will not have a material effect on the consolidated financial position or results of operations of the Company.

The following is a schedule by years of future minimum lease payments for noncancelable leases as of December 31, 2000 (in thousands):

	Capital Leases	Operating Leases
2001	$1,167	$ 48,299
2002	895	40,686
2003	518	33,316
2004	10	25,967
2005	--	22,195
Thereafter	--	97,674
Total minimum payments required	$2,590	$268,137

The interest portion of capital lease payments represents the amount necessary to reduce net minimum lease payments to present value calculated at the Company's incremental borrowing rate at the inception of the leases. This totaled $0.3 million at December 31, 2000, resulting in a present value of net minimum lease payments of $2.3 million. At December 31, 2000, $0.9 million and $1.4 million are included in the current portion of long-term debt and long-term debt, respectively. In addition, the total minimum payments for noncancelable operating leases have not been reduced by the minimum sublease rental income of $42.9 million due in the future under noncancelable subleases.

Substantially all leases require the Company to pay maintenance costs, insurance and property taxes, and generally may be renewed for five year periods. The composition of total rental expense under noncancelable operating leases consisted of the following (in thousands):

	December 31,		
	2000	1999	1998
Minimum rentals	$56,243	$51,467	$33,126
Less sublease rentals	(1,387)	(928)	(706)
	$54,856	$50,539	$32,420

In 1999, the Company entered into an agreement with Fannie Mae in which the Company agreed to fund the purchase of a $103.6 million loan portfolio from proceeds from its RFC line of credit, which was temporarily increased to $140.0 million in 2000. In December 2000, the Company entered into an agreement with Fannie Mae in which the Company agreed to fund the purchase of an additional

$7.5 million loan from proceeds from its RFC line of credit. A 100% participation in both the original and additional loan portfolio was subsequently sold to Fannie Mae with the Company retaining the credit risk on the first 2% of loss incurred on the underlying commercial mortgage loans. The Company has collateralized a portion of its obligation to cover the first 2% of losses for both the $103.6 million loan portfolio and the additional $7.5 million loan portfolio by increasing a letter of credit in favor of Fannie Mae to total $1.1 million.

The Company has a participation agreement with RFC whereby RFC agrees to purchase a 99% participation interest in any eligible multifamily mortgage loans owned by the Company and outstanding at quarter-end. This participation agreement, which originally expired on August 31, 2000, has been extended to August 31, 2001.

An important part of the strategy for the Company's investment management business involves investing the Company's own capital in certain real estate investments with its clients. As of December 31, 2000, the Company had committed an additional $37.7 million to fund future co-investments.

8. Income Taxes

The tax provision (benefit) for the years ended December 31, 2000, 1999 and 1998 consisted of the following (in thousands):

<TABLE>
<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Federal:			
Current	$24,924	$14,403	$ 4,265
Deferred tax	921	(1,417)	14,469
Reduction of valuation allowances	(3,000)	(6,347)	--
	22,845	6,639	18,734
State:			
Current	6,895	5,627	3,470
Deferred tax	(1,243)	(1,411)	(75)
	5,652	4,216	3,395
Foreign:			
Current	7,015	8,837	3,797
Deferred tax	(761)	(3,513)	--
	6,254	5,324	3,797
	$34,751	$16,179	$25,926

</TABLE>

The following is a reconciliation, stated as a percentage of pre-tax income, of the US statutory federal income tax rate to the Company's effective tax rate on income from operations:

<TABLE>
<CAPTION>

	Year Ended December 31		
	2000	1999	1998
<S>	<C>	<C>	<C>
Federal statutory tax rate	35%	35%	35%
Permanent differences, including goodwill, meals, entertainment and other	11	15	8
State taxes, net of federal benefit	6	9	4
Foreign income taxes	4	4	4
Reduction of valuation allowances	(5)	(22)	--
Effective tax rate	51%	41%	51%

</TABLE>

The domestic component of income before provision for income tax included in the consolidated statement of operations was $63.2 million, $32.0 million and $45.6 million, for 2000, 1999 and 1998, respectively. The international

component of income before provision for income tax was $4.9 million, $7.4 million and $4.9 million, for 2000, 1999 and 1998, respectively.

Cumulative tax effects of temporary differences are shown below at December 31, 2000 and 1999 (in thousands):

	December 31	
	2000	1999
Asset (Liability)		
Property and equipment	$ 11,910	$ 5,820
Bad debts and other reserves	12,832	15,940
Intangible amortization	(15,736)	(16,533)
Bonus, unexercised restricted stock, deferred compensation	35,343	23,990
Partnership income	6,950	7,092
Net operating loss (NOL) and alternative minimum tax credit carryforwards	6,134	23,086
Unconsolidated affiliates	1,010	(1,167)
All other, net	1,853	2,040
Net deferred tax asset before valuation allowances	60,296	60,268
Valuation allowances	(16,830)	(20,320)
Net deferred tax asset	$ 43,466	$ 39,948

The Company had federal income tax NOLs of approximately $16.3 million at December 31, 2000, corresponding to $5.7 million of the Company's $60.3 million in net deferred tax assets before valuation allowances.

The ability of the Company to utilize NOLs was limited in 1998 and will be in subsequent years as a result of the Company's 1996 public offering, the 1997 Koll acquisition and the 1998 repurchase of preferred stock which cumulatively caused a more than 50.0% change of ownership within a three year period. As a result of the limitation, the Company's ability to utilize its existing NOLs is limited to $26.0 million on an annual basis. It is anticipated that the Company will utilize the remaining NOLs in 2001.

A deferred US tax liability has not been provided on the unremitted earnings of foreign subsidiaries because it is the intent of the Company to permanently reinvest these earnings. Undistributed earnings of foreign subsidiaries, which have been or are intended to be permanently invested in accordance with APB No. 23, Accounting for Income Taxes--Special Areas, aggregated $27.7 million at December 31, 2000.

9. Earnings Per Share Information

Basic earnings (loss) per share was computed by dividing net income (loss), less preferred dividend requirements as applicable, by the weighted average number of common shares outstanding during each period. The computation of diluted earnings (loss) per share further assumes the dilutive effect of stock options, stock warrants and other stock-based compensation programs, as well as the conversion of the preferred stock during periods when preferred stock was outstanding and was dilutive.

In January 1998, the Company repurchased all 4.0 million shares of its outstanding convertible preferred stock. The portion of the purchase price in excess of the carrying value represents the deemed dividend charge to net income applicable to common shareholders when computing basic and diluted earnings (loss) per share for the year ended December 31, 1998.

The following is a calculation of earnings (loss) per share for the years ended December 31 (in thousands, except share and per share data):

<TABLE>

<CAPTION>

	2000			1999			1998		
	Income	Shares	Per-Share Amount	Income	Shares	Per-Share Amount	Income	Shares	Per-Share Amount
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Basic earnings (loss) per share:									
Net income............	$33,388			$23,282			$ 24,557		
Deemed dividend on preferred stock repurchase...........	--			--			(32,273)		
Net income (loss) applicable to common stockholders..........	$33,388	20,931,111	$1.60	$23,282	20,998,097	$1.11	$ (7,716)	20,136,117	$(0.38)
Diluted earnings (loss) per share:									
Net income (loss) applicable to common stockholders..........	$33,388	20,931,111		$23,282	20,998,097		$ (7,716)	20,136,117	
Diluted effect of exercise of options outstanding..........		35,594			74,339			--	
Diluted effect of stock-based compensation programs.............		130,535			--			--	
Net income (loss) applicable to common stockholders..........	$33,388	21,097,240	$1.58	$23,282	21,072,436	$1.10	$ (7,716)	20,136,117	$(0.38)

</TABLE>

The following items were not included in the computation of diluted earnings per share because their effect in the aggregate was anti-dilutive for the years ended December 31,

<TABLE>
<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Stock options			
Outstanding.................	2,574,029	2,008,659	2,337,118
Price ranges................	$11.81-$36.75	$16.38-$36.75	$0.30-$37.31
Expiration ranges...........	6/8/04-8/31/10	6/8/04-5/31/09	4/18/99-7/22/08
Stock warrants			
Outstanding.................	598,387	599,967	599,967
Price.......................	$30.00	$30.00	$30.00
Expiration date.............	8/28/04	8/28/04	8/28/04

</TABLE>

10. Disclosures About Fair Value of Financial Instruments

Long-term Debt. Based on dealer's quote, the estimated fair value of the Company's $173.3 million Senior Subordinated Note, discussed in Note 6, is $155.8 million.

Estimated fair values for the Revolving Credit Facilities and the remaining long-term debts are not presented because the Company believes that it is not materially different from book value, primarily because the majority of the Company's debt is based on variable rates.

11. Industry Segments

In July 1999, the Company undertook a reorganization to streamline its US operations which resulted in a change in its segment reporting from four to three segments. The Company has a number of lines of business which are aggregated, reported and managed through these three segments: Transaction Management, Financial Services and Management Services. The Transaction Management segment is our largest generator of revenue and operating income and includes Brokerage Services, Corporate Services and Investment Property activities. Brokerage Services includes activities that provide sales, leasing

and consulting services in connection with commercial real estate and is the Company's primary revenue source. Corporate Services focuses on building relationships with large corporate clients which generate recurring revenue. Investment Property activities provide brokerage services for commercial real property marketed for sale to institutional and private investors. The Financial Services segment provides commercial mortgage, valuation, investment management and consulting and research services. The Management Services segment provides facility management services to corporate real estate users and property management and related services to owners. The following table summarizes the revenue, cost and expenses, and operating income (loss) by operating segment for the year ended December 31, 2000, 1999 and 1998 (in thousands):

<TABLE>
<CAPTION>

<S>	Year Ended December 31 2000 <C>	1999 <C>	1998 <C>
Revenue:			
Transaction Management			
Leases	$ 510,287	$ 426,108	$ 352,811
Sales	378,486	383,726	330,206
Other consulting and referral fees(1)	61,479	71,095	79,934
Total revenue	950,252	880,929	762,951
Financial Services			
Appraisal fees	72,861	69,007	48,090
Loan origination and servicing fees	58,188	45,938	39,402
Investment management fees	40,433	27,323	32,591
Other(1)	42,622	35,059	25,167
Total revenue	214,104	177,327	145,250
Management Services			
Property management fees	83,251	79,994	67,300
Facilities management fees	23,069	25,597	17,219
Other(1)	52,928	49,192	41,783
Total revenue	159,248	154,783	126,302
Consolidated revenues	$1,323,604	$1,213,039	$1,034,503
Operating income (loss)			
Transaction Management	$ 83,305	$ 68,382	$ 81,232
Financial Services	17,712	7,113	6,849
Management Services	6,268	1,404	6,980
Merger-related and other nonrecurring charges	--	--	(16,585)
	107,285	76,899	78,476
Interest income	2,554	1,930	3,054
Interest expense	41,700	39,368	31,047
Income before provision for income taxes	$ 68,139	$ 39,461	$ 50,483

</TABLE>

<TABLE>
<CAPTION>

<S>	Year Ended December 31 2000 <C>	1999 <C>	1998 <C>
Depreciation and amortization			
Transaction Management	$21,342	$20,676	$13,722
Financial Services	12,001	10,719	11,025
Management Services	9,856	9,075	7,438
	$43,199	$40,470	$32,185

</TABLE>

<TABLE>
<CAPTION>

	Year Ended December 31 2000	1999	1998

Capital expenditures			
Transaction Management	$15,435	$15,830	$12,669
Financial Services	6,674	11,030	10,179
Management Services	4,812	8,270	6,867
	$26,921	$35,130	$29,715
Equity interest in earnings of unconsolidated subsidiaries			
Transaction Management	$ 3,930	$ 2,542	$ 315
Financial Services	1,162	4,030	706
Management Services	2,020	956	2,422
	$ 7,112	$ 7,528	$ 3,443

- --------
(1) Revenue is allocated by material line of business specific to each segment. "Other" includes types of revenue that have not been broken out separately due to their immaterial balances and/or nonrecurring nature within each segment. Certain revenue types disclosed on the consolidated statements of operations may not be derived directly from amounts shown in this table.

	December 31	
	2000	1999
Identifiable assets		
Transaction Management	$477,268	$444,422
Financial Services	261,682	246,151
Management Services	159,835	171,118
Corporate	64,320	67,792
	$963,105	$929,483

Identifiable assets by industry segment are those assets used in the Company operations in each segment. Corporate identified assets are principally made up of cash and cash equivalents and deferred taxes.

	December 31	
	2000	1999
Investment in and advances to unconsolidated subsidiaries		
Transaction Management	$ 14,208	$ 11,352
Financial Services	15,199	18,587
Management Services	11,918	8,575
	$41,325	$ 38,514

Geographic Information:

	Year Ended December 31		
	2000	1999	1998
Revenue			
Americas			
United States	$1,027,359	$ 940,341	$ 884,304
Canada, South and Central America	46,721	42,112	16,473
	1,074,080	982,453	900,777
Asia Pacific	84,985	79,420	46,528
Europe, Middle East and Africa	164,539	151,166	87,198

	$1,323,604	$1,213,039	$1,034,503

</TABLE>

<TABLE>
<CAPTION>

	December 31	
	2000	1999
<S>	<C>	<C>
Long-Lived assets		
United States	$55,100	$51,064
All other countries	20,892	19,085
	$75,992	$70,149

</TABLE>

Long lived assets include property, plant and equipment.

12. Subsequent Event

On February 24, 2001, the Company announced that it had entered into a merger agreement providing for the acquisition of the Company by Blum CB Corporation (Blum CB) for $16.00 per share in cash. Blum CB is an affiliate of Blum Capital Partners, Freeman Spogli & Co. and certain directors and executive officers of the Company.

The agreement provides that the Company employees will have the option to roll over their existing shares in the Company's deferred compensation plan and a portion of the Company shares held in their 401(k) accounts. Employees will also be provided the opportunity to make a direct equity investment in the surviving company.

The acquisition, which is expected to close early in the third quarter, remains subject to certain conditions, including the receipt of Blum CB's debt financing, the approval of the merger by the holders of two-thirds of the outstanding shares of the Company not owned by the buying group, the expiration or termination of waiting periods under applicable antitrust laws and a successful tender offer for at least 51% of the Company's outstanding 8 7/8% Senior Subordinated Notes. The Company will pay a termination fee of $7.5 million and reimburse up to $3.0 million of the buying group's expenses if the Company wishes to accept a superior acquisition proposal.

CB RICHARD ELLIS SERVICES, INC.

QUARTERLY RESULTS OF OPERATIONS AND OTHER FINANCIAL DATA
(Unaudited)

The following table sets forth the Company's unaudited quarterly results of operations. The unaudited quarterly information should be read in conjunction with the audited consolidated financial statements of the Company and the notes thereto. The operating results for any quarter are not necessarily indicative of the results for any future period.

<TABLE>
<CAPTION>

	2000				1999			
	Dec. 31	Sept. 30	June 30	March 31	Dec. 31	Sept. 30	June 30	March 31
	(Dollars in thousands)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Results of Operation:								
Revenue	$ 418,280	$ 326,521	$ 317,884	$ 260,919	$ 395,653	$ 307,018	$ 277,167	$ 233,201
Operating income	$ 50,617	$ 24,884	$ 22,545	$ 9,239	$ 35,197	$ 20,046	$ 16,580	$ 5,076
Interest expense, net	$ 9,018	$ 10,039	$ 10,893	$ 9,196	$ 9,629	$ 9,503	$ 9,667	$ 8,639
Net income (loss)	$ 20,914	$ 6,977	$ 5,477	$ 20	$ 17,031	$ 4,648	$ 3,356	$ (1,753)
Basic EPS(1)	$ 0.99	$ 0.34	$ 0.26	$ --	$ 0.81	$ 0.22	$ 0.16	$ (0.08)

Weighted average shares outstanding for basic EPS(1)................	21,217,685	20,086,651	20,879,218	20,819,268	20,928,615	21,098,757	21,032,324	20,640,438
Diluted EPS(1)..........	$ 0.97	$ 0.33	$ 0.26	$ --	$ 0.81	$ 0.22	$ 0.16	$ (0.08)
Weighted average shares outstanding for diluted EPS(1)................	21,554,942	20,881,092	20,906,117	20,851,184	20,964,066	21,162,334	21,125,074	20,640,438
Other Financial Data:								
EBITDA, excluding merger-related and other nonrecurring charges................	$ 61,682	$ 35,718	$ 33,276	$ 19,808	$ 45,704	$ 30,047	$ 26,548	$ 15,070
Net cash provided by (used in) operating activities............	$ 86,601	$ 48,528	$ 16,505	$ (67,522)	$ 71,174	$ 47,062	$ 10,122	$ (54,347)
Net cash (used in) provided by investing activities............	$ (7,350)	$ (16,255)	$ (18,431)	$ 6,314	$ (5,417)	$ (6,863)	$ (16,327)	$ 1,840
Net cash (used in) provided by financing activities............	$ (80,037)	$ (28,824)	$ (3,456)	$ 58,794	$ (62,330)	$ (27,820)	$ 2,389	$ 50,040
Balance Sheet Data:								
Cash and cash equivalents...........	$ 20,854	$ 20,724	$ 19,195	$ 24,791	$ 27,844	$ 25,122	$ 12,553	$ 17,425
Total assets...........	$ 963,105	$ 930,029	$ 904,925	$ 897,756	$ 929,483	$ 871,159	$ 841,311	$ 824,757
Total long-term debt....	$ 303,571	$ 390,624	$ 418,231	$ 416,531	$ 357,872	$ 413,227	$ 435,419	$ 431,135
Total liabilities.......	$ 724,018	$ 717,618	$ 693,416	$ 687,765	$ 715,874	$ 670,685	$ 648,801	$ 634,707
Total stockholders equity.................	$ 235,339	$ 209,569	$ 208,276	$ 206,711	$ 209,737	$ 196,324	$ 187,819	$ 185,259
Number of shares outstanding...........	20,605,023	20,246,122	20,270,560	20,408,692	20,435,692	20,686,995	20,794,165	20,640,865
Ratios:								
Debt/equity............	1.33	1.88	2.03	2.04	1.74	2.13	2.35	2.37
EBITDA, excluding merger-related and other nonrecurring charges net interest expense................	6.84	3.56	3.05	2.15	4.75	3.16	2.75	1.74
EBITDA, excluding merger-related and other nonrecurring charges as a percentage of revenue............	14.7%	10.9%	10.5%	7.6%	11.6%	9.8%	9.6%	6.5 %
Net income as a percentage of revenue..	5.0%	2.1%	1.7%	--	4.3%	1.5%	1.2%	(0.8)%
International revenue as a percentage of								

consolidated revenue...	21.6%	21.8%	22.7%	23.9%	22.5%	22.5%	22.3%	22.6 %

</TABLE>

- --------
(1) EPS is defined as earnings (loss) per share

(b) Pro Forma Financial Information.

The pro forma financial information required by Item 7(b) is not included in this filing. The Company intends to file such information as an amendment to this Form 8-K not later than October 2, 2001.

(c) Exhibits.

2.1 Amended and Restated Agreement and Plan of Merger dated as of May 31, 2001 by and among CB Richard Ellis Services, Inc., CBRE Holding, Inc., and BLUM CB Corp. (incorporated by reference from Exhibit 2.1 of Amendment No. 1 to the Registration Statement on Form S-1, filed by CBRE Holding, Inc. on June 12, 2001, File No. 333-59440).

2.2 Amended and Restated Contribution and Voting Agreement, dated as of May 31, 2001, by and among CBRE Holding, Inc., BLUM CB Corp., RCBA Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., Raymond E. Wirta, W. Brett White, Frederic V. Malek and The Koll Holding Company (incorporated by reference from Exhibit 4.2(a) of Amendment No. 1 to Form S-1, filed by CBRE Holding, Inc. on June 12, 2001, File No. 333-59440).

2.3 Amendment, dated as of July 19, 2001, to the Amended and Restated Contribution and Voting Agreement, by and among CBRE Holding, Inc., BLUM CB Corp., RCBA Strategic Partners, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., Raymond E. Wirta, W. Brett White, Frederic V. Malek and The Koll Holding Company (incorporated by reference from Exhibit 23 of Amendment No. 9 to the Schedule 13D, filed by RCBA GP, L.L.C., RCBA Strategic Partners, L.P., Richard C. Blum & Associates, Inc., BLUM Capital Partners, L.P., Richard C. Blum and CBRE Holding, Inc. on July 25, 2001, File No. 005-46943).

99.1 Securityholders' Agreement, dated as of July 20, 2001, by and among RCBA Strategic Partners, L.P., Blum Strategic Partners II, L.P., FS Equity Partners III, L.P., FS Equity Partners International, L.P., The Koll Holding Company, California Public Employees' Retirement System, Frederic V. Malek, DLJ Investment Funding, Inc., Credit Suisse Boston Corporation, Raymond E. Wirta, W. Brett White, CB Richard Ellis Services, Inc. and CBRE Holding, Inc. (incorporated by reference from Exhibit 25 of Amendment No. 9 to the Schedule 13D, filed by RCBA GP, L.L.C., RCBA Strategic Partners, L.P., Richard C. Blum & Associates, Inc., BLUM Capital Partners, L.P., Richard C. Blum and CBRE Holding, Inc. on July 25, 2001, File No. 005-46943).

99.2 Press Release of CB Richard Ellis Services, Inc. (filed herewith).

SIGNATURE

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 thereunto duly authorized.

Date: August 3, 2001 CBRE HOLDING, INC.

By: /s/ Walter V. Stafford

Walter V. Stafford
Secretary

Index to Exhibits

Exhibit No.	Title
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Exhibit 99.2

CB [LOGO] Richard Ellis

P R E S S R E L E A S E

CB Richard Ellis, Inc.
North Headquarters
200 North Sepulveda
Suite 300
El Segundo, CA 90245
T 310 563 8600
F 210 563 8670
www.cbre.com

FOR IMMEDIATE RELEASE - 20 July 2001

For further information regarding CB Richard Ellis Services:		For further information regarding BLUM Capital Partners:
Joseph L. Fitzpatrick	Walt Stafford	Owen Blicksilver
CB Richard Ellis	CB Richard Ellis	Citigate Sard Verbinnen
213-683-4317	415-733-5502	212-687-8080 ext. 221

CB RICHARD ELLIS COMPLETES $800 MILLION GOING-PRIVATE TRANSACTION

CB Richard Ellis Services, Inc. (NYSE: CBG) announced that on July 20,2001, it completed its merger with BLUM CB Corp., which is controlled by BLUM Capital Partners. The transaction is valued at approximately $800 million.

Under the terms of the merger agreement, each share of CB Richard Ellis Services common stock, other than those held by members of the buying group, has been converted into the right to receive $16.00. In addition to BLUM Capital, the buying group includes key members of CB Richard Ellis management, Freeman Spogli & Co. and certain directors of CB Richard Ellis. As a result of the merger, CB Richard Ellis shares will no longer be listed on the New York Stock Exchange.

"We are pleased that the vision for and commitment to this effort has been affirmed by our shareholders," said Ray Wirta, Chief Executive Officer, CB Richard Ellis. "In light of the complexity of such a transaction, in the face of a volatile economic market, we would like to thank our employees for their faith and support at the same time we acknowledge the commitment and contribution of BLUM Capital Partners."

The company will continue its operations as CB Richard Ellis throughout its worldwide service network.

CB Richard Ellis also announced today the successful completion of the tender offer and consent solicitation for all of the outstanding principal amount of its 8 7/8% Senior Subordinated Notes due 2006 (the "Notes"). As of the Expiration Date, which is today, 100% of the outstanding principal amount of the Notes had been validly tendered. Upon the terms set forth in the Offer to Purchase and Consent Solicitation Statement dated May 25, 2001, the Company purchased all the Notes today, which is the Payment Date under the terms of the offer.

About CB Richard Ellis

CB Richard Ellis is the world's leading real estate services company. Headquartered in Los Angeles with 10,000 employees worldwide, the company serves real estate owners, investors and occupiers through nearly 250 offices in 44 countries. Services include property sales and leasing, property management, corporate services, facilities management, commercial mortgage services, investment management, appraisal/valuation, research and consulting. CB Richard Ellis had 2000 revenues of $1.3 billion. For more information about CB Richard Ellis, visit the company's website at www.cbre.com.

About Blum Capital Partners

Blum Capital is a leading private equity and strategic block investment firm with approximately $4 billion of equity capital under management, including affiliates. Blum Capital was founded 25 years ago and has invested in a wide variety of businesses in partnership with management teams to create long-term value.