

**UNITED STATES  
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): **November 21, 2013**

**CBRE GROUP, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other  
jurisdiction of  
incorporation)

**001-32205**  
(Commission File Number)

**94-3391143**  
(IRS Employer  
Identification No.)

**400 South Hope Steet, 25<sup>th</sup> Floor, Los Angeles, California**  
(Address of Principal Executive Offices)

**90071**  
(Zip Code)

**(213) 613-3333**  
Registrant's Telephone Number, Including Area Code

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12(b))
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

**Item 7.01 Regulation FD Disclosure**

The information set forth under Item 8.01 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 7.01.

**Item 8.01 Other Events**

The Company is hosting its Business Review Day conference for institutional investors in New York City on November 21, 2013 and will be discussing various aspects of its business. During the course of those discussions, certain limited financial information and other limited facts of its business will be presented to investors. The presentation materials are furnished as Exhibits 99.1, 99.2, 99.3, 99.4, 99.5, 99.6, 99.7, 99.8 and 99.9 to this report.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
99.1	Financial Overview for Business Review Day
99.2	The Global Economy and Real Estate Markets for Business Review Day
99.3	Global Services Overview for Business Review Day
99.4	Global Leasing Overview for Business Review Day
99.5	Global Corporate Services Overview for Business Review Day
99.6	Norland Acquisition Overview for Business Review Day
99.7	Global Investment Management Overview for Business Review Day
99.8	Global Capital Markets Discussion for Business Review Day
99.9	Case Study for Business Review Day

**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 hereunto duly authorized.

Date: November 21, 2013

CBRE GROUP, INC.

By: /s/ GIL BOROK  
Gil Borok  
*Chief Financial Officer*

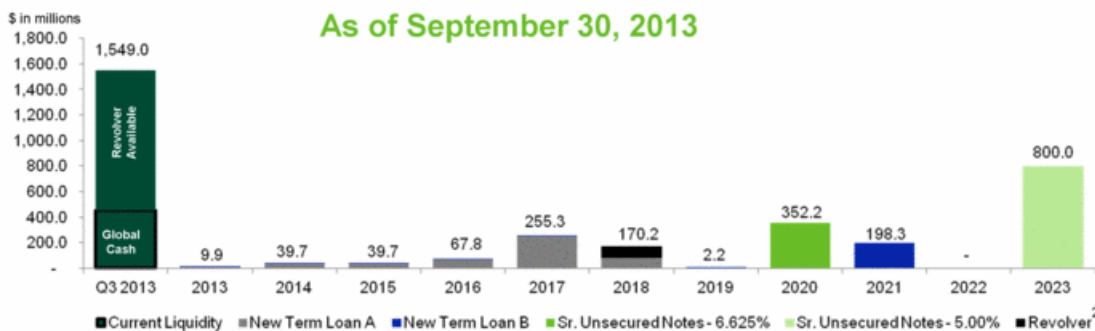
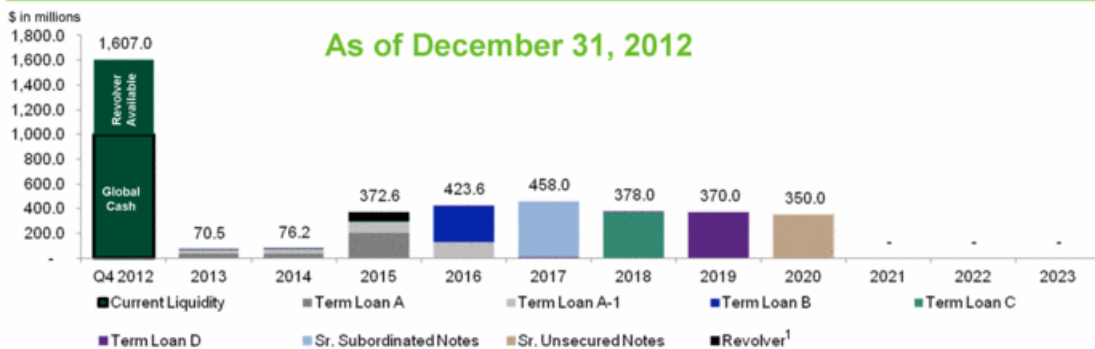


## FINANCIAL OVERVIEW

Gil Borok  
Chief Financial Officer



## MANDATORY AMORTIZATION AND MATURITY SCHEDULE



1. \$700.0 million revolver facility matures in May 2015. As of December 31, 2012, the outstanding revolver balance was \$73.0 million.  
 2. \$1,200.0 million revolver facility matures in March 2018. As of September 30, 2013, the outstanding revolver balance was \$89.9 million.



# BUSINESS OVERVIEW

## YTD Q3 2013 Business Line Highlights

Revenue (\$ in millions)			% Change Y-O-Y	
	YTD Q3 2013 <sup>1</sup>	YTD Q3 2012	USD	Local Currency
Property, Facilities & Project Management <sup>2</sup>	1,801.1	1,632.7	▲ 10	▲ 11
Leasing <sup>2</sup>	1,370.3	1,290.0	▲ 6	▲ 7
Sales	832.0	673.7	▲ 23	▲ 25
Investment Management <sup>2</sup>	370.6	359.2	▲ 3	▲ 3
Appraisal & Valuation	291.8	266.3	▲ 10	▲ 11
Commercial Mortgage Brokerage <sup>2</sup>	216.0	199.5	▲ 8	▲ 8
Development Services	35.5	44.4	▼ 20	▼ 20
Other	42.6	42.5	◀▶ 0	▲ 5
<b>Total</b>	<b>4,959.9</b>	<b>4,508.3</b>	<b>▲ 10</b>	<b>▲ 11</b>

1. Includes revenue from discontinued operations.

2. Contains recurring revenue aggregating approximately 62% and 60% of total revenue for the nine month periods ended September 30, 2013 and 2012, respectively.



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## 2013 CBRE RESULTS<sup>1</sup>

	Revenue	Normalized EBITDA	Adjusted Net Income	Adjusted EPS <sup>3</sup>
2013 Growth Outlook <sup>2</sup>	Mid to high single digits	Not provided	Not provided	15% to 20%
Q1 2013	▲ 10%	▲ 7%	▲ 12%	▲ 11%
Q2 2013	▲ 9%	▲ 10%	▲ 16%	▲ 14%
Q3 2013	▲ 11%	▲ 15%	▲ 19%	▲ 18%
YTD Q3 2013	▲ 10%	▲ 11%	▲ 16%	▲ 15%
Full Year 2013	—	—	—	▲ 15%-19% <sup>4</sup>

1. Metrics as calculated by the Company inclusive of discontinued operations.

2. Outlook is as reported on CBRE's Q4 2012 earnings call.

3. Adjusted EPS growth calculated using three decimals.

4. Based on full year EPS guidance range of \$1.40-\$1.45.



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## ADJUSTED EPS GROWTH VERSUS CONSENSUS

	Analyst Consensus <sup>1</sup>	Actual Growth <sup>2</sup>
Q1 2013	21%	11%
Q2 2013	26%	14%
Q3 2013	27%	18%
Q4 2013	7% - 16%	NA

1. Consensus is prior to earnings release for the respective quarter except for Q4 which is prior to Q1 and Q3 2013.  
 2. Adjusted EPS growth calculated using three decimals.



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## YTD Q3 2013 NORMALIZED EBITDA MARGINS

\$ in millions	Revenue <sup>1</sup>	Normalized EBITDA <sup>1</sup>	Normalized EBITDA Margin
CBRE	4,959.9	629.6	12.7%
JLL	2,952.2	267.8	9.1%
First Service	1,671.9	112.0	6.7%
C&W	1,665.0	56.2	3.4%

1. Normalized EBITDA, or equivalent metric, as calculated by the respective companies and reported in their Q3 2013 earnings press releases. For CBRE, revenue and normalized EBITDA include discontinued operations.



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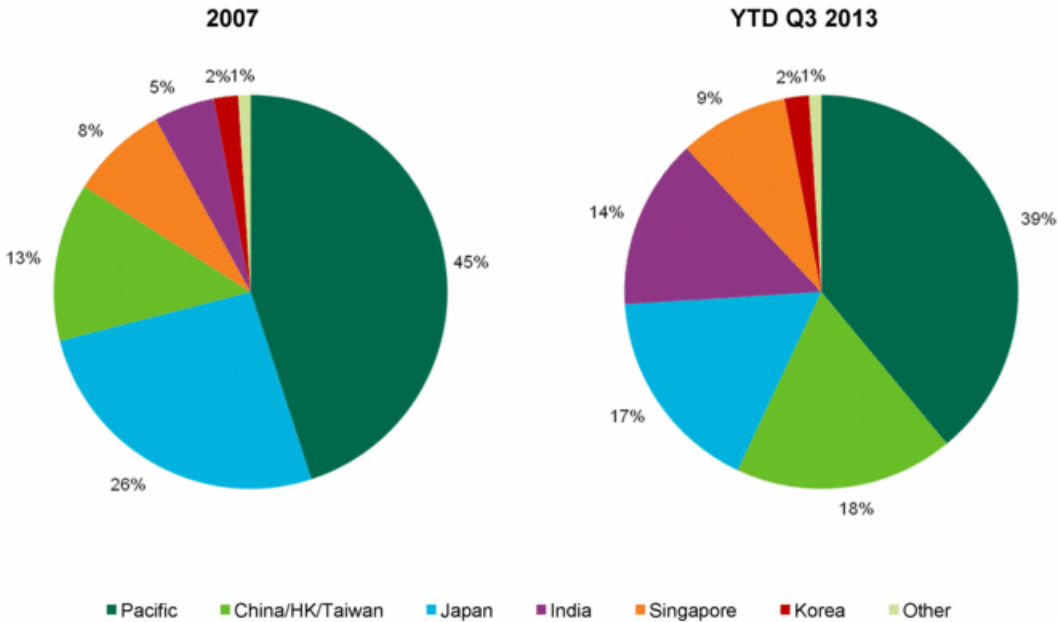
## APPENDIX

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## REVENUE BY COUNTRY

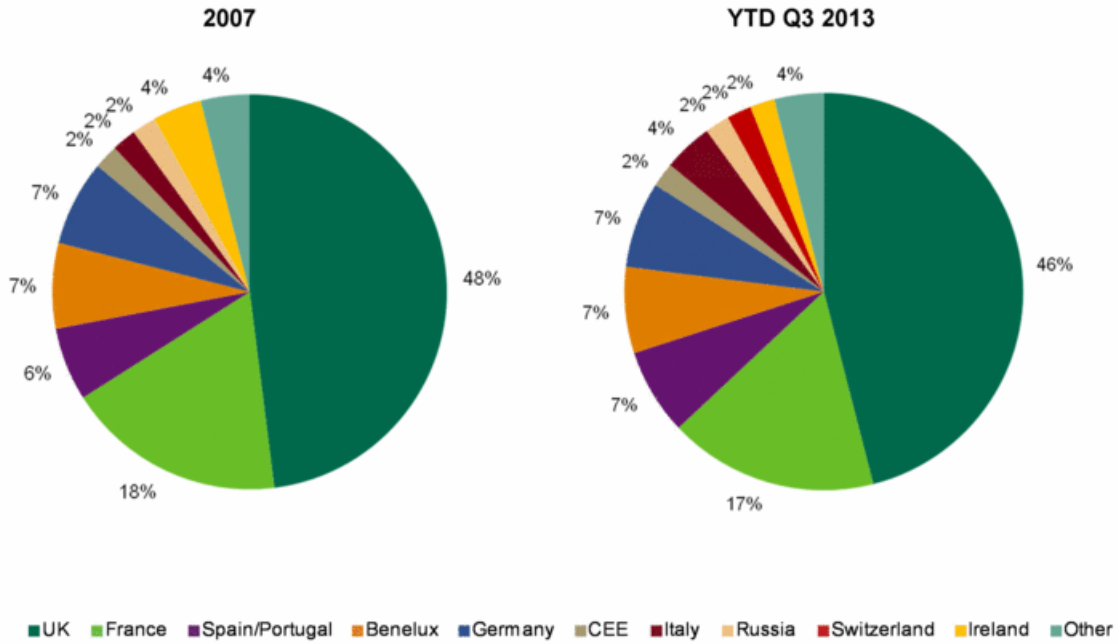
### Asia Pacific Revenue by Country



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# REVENUE BY COUNTRY

## EMEA Revenue by Country





# THE GLOBAL ECONOMY AND REAL ESTATE MARKETS

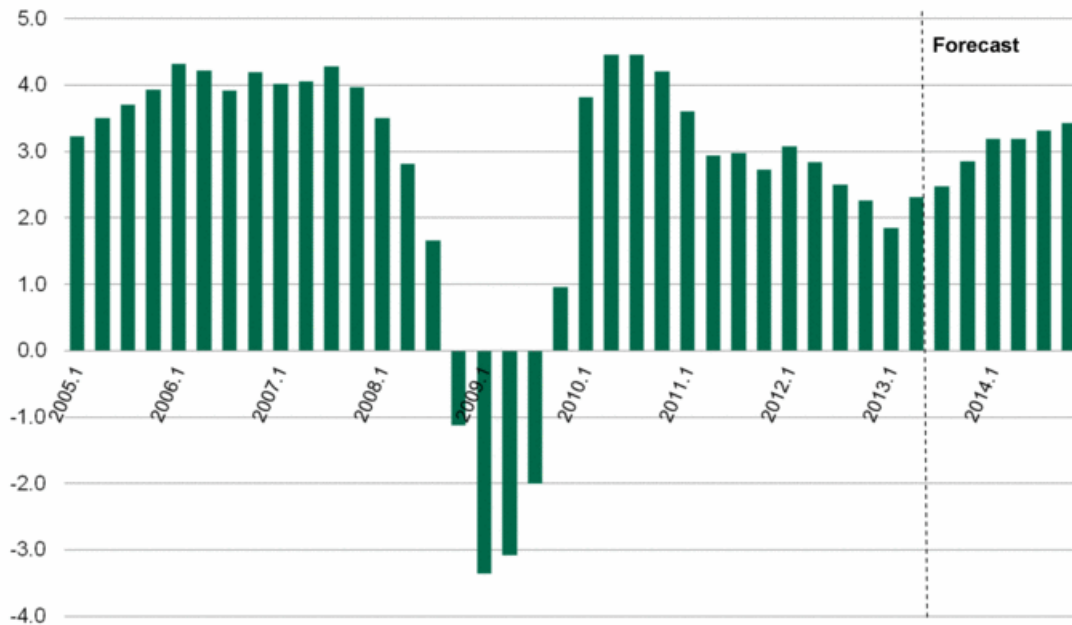
Raymond Torto

Chairman, Global Research



## GLOBAL OUTLOOK: MODEST BUT IMPROVING!

Quarterly Real GDP, Year-over-Year % Change

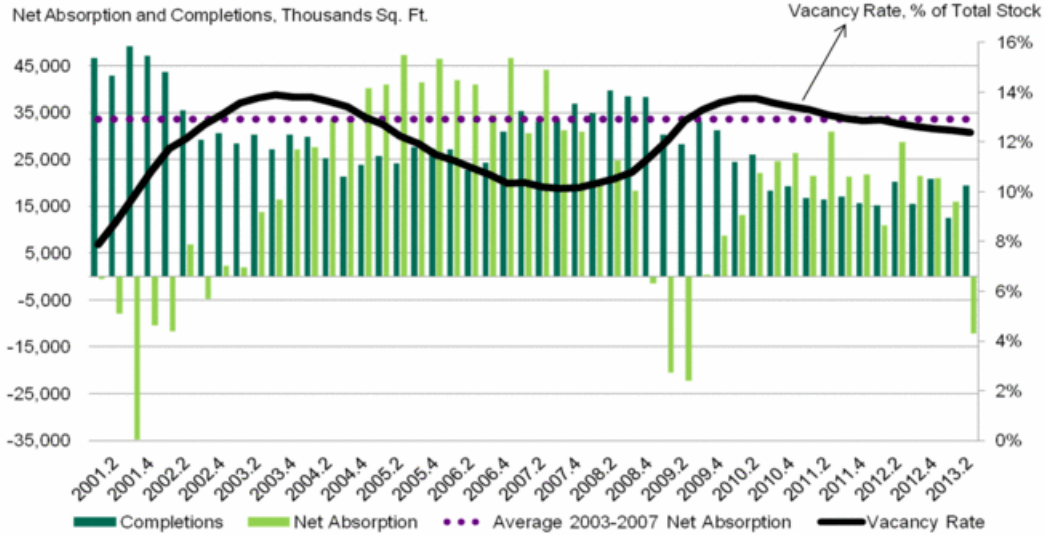


Source: IHS Global Insight, Q3 2013.





# GLOBAL SUPPLY AND DEMAND



- The global series is a simple aggregation of the three regional series; EMEA, Asia, US/Canada.
- The Asian markets include: Beijing, Shanghai, Guangzhou, Hong Kong, Taipei, Tokyo, Seoul, Singapore, Bangkok, Manila, HCMC, Hanoi, Kuala Lumpur, New Delhi, Mumbai, and Bangalore.
- The EMEA markets include: Amsterdam, Barcelona, Berlin, Brussels, Copenhagen, Dublin, Frankfurt, London City, London West End, Madrid, Munich, Paris, Prague, Vienna, Warsaw and Zurich.
- The US and Canadian Markets include CBRE-Econometric Advisors' Sum of Markets.
- This chart covers all office stock, not just prime.

Source: CBRE Research Q2 2013



## U.S. INTEREST RATES AND COMMERCIAL REAL ESTATE PRICING



## CONCEPTUAL CAP RATE COMPOSITION (%)

Cap rate (%) is composed of:

- ⊕ Risk free rate
- ⊕ Risk premium
- ⊕ Liquidity premium
- ⊖ Expected NOI growth

Susceptible to Rate Shock?

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**GROWTH IS NOT ENOUGH**

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## A CHANGING WORKFORCE



**50%** of the US workforce is predicted to be independent contractors by 2020.

Source: U.S. Bureau of Labor Statistics



**40%** of knowledge workers will have abandoned or removed their desk phone by the end of 2013.

Source: Gartner Research

## A WAR FOR TALENT



CEOs have a new strategy in the unending war for talent. They are creating more open and collaborative cultures – encouraging employees to connect, learn from each other and thrive in a world of rapid change.

Source: IBM Global CEO Insights Report 2012

## UNDERUTILIZATION OF SPACE



Traditional office space has a utilization rate of

**50%**

Source: Various Industry Studies



Real estate currently represents one of the

**largest costs**

of doing business, second only to labor.

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## BOSTON CENTER OF GRAVITY

March 5, 1770



Built in 1705

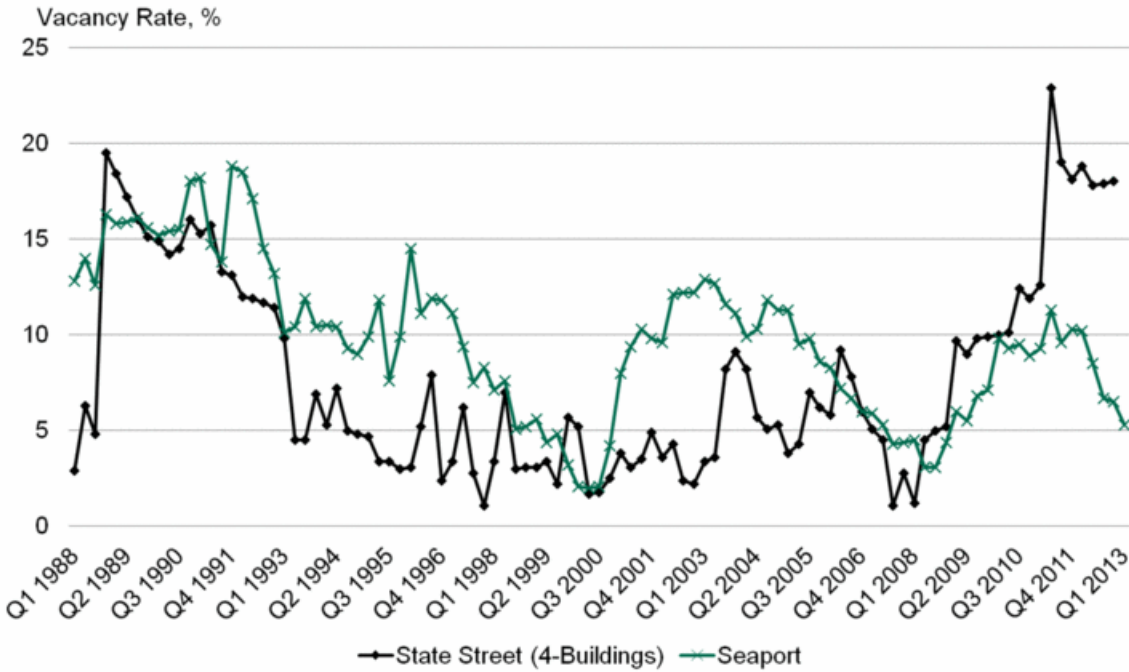


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# BOSTON 4 TOWERS AT CENTER VS. SEAPORT SUB-MARKET



Source: CBRE Econometric Advisors, data as of Q4 2012.





## GLOBAL SERVICES OVERVIEW

Mike Lafitte  
Chief Operating Officer



## PRIORITIES



Continue growth of core Brokerage business  
• Accelerate market share gains



Drive growth agenda for other key business lines:  
• CBRE Global Investors • Asset Services  
• Global Corporate Services • Valuations



Expand business opportunities with top 100 global customers  
• Global client care and development



Enhance talent pool/fill gaps  
• M&A  
• Strategic recruiting



Invest in platform to improve operational excellence and sustain long-term growth



# OUR CLIENT SERVICE MODEL

Provide a complete suite of premier services to property investors and occupiers across the globe.



# PLATFORM ENHANCEMENTS

## TOOLS & TECHNOLOGY



Global Research Gateway



Global CRM



## ENGAGED



## PEOPLE



Mandy Edwards  
Chief Information Officer



Nick Axford  
Global Head of Research



Paul Suchman  
Chief Marketing Officer



Frank Callaghan  
SVP Global Sourcing



Mandana Soleimani  
SVP Global PMO



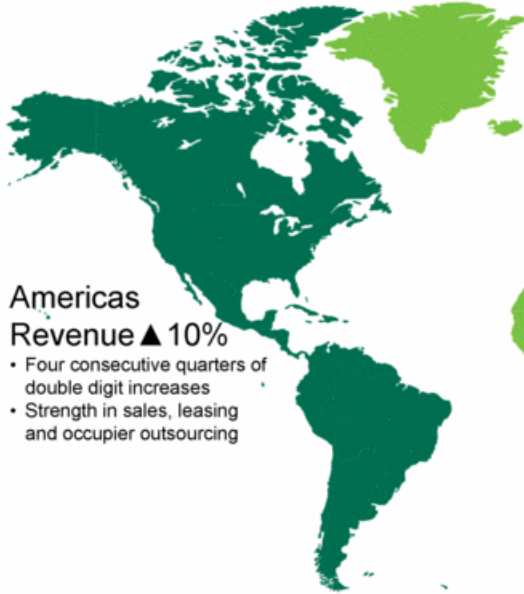
Laura O'Brien  
Global Director HR & Workplace Strategy

## WORKPLACE 360



# BUSINESS OVERVIEW

## YTD Q3 2013 Region Highlights



### Americas Revenue ▲ 10%

- Four consecutive quarters of double digit increases
- Strength in sales, leasing and occupier outsourcing

### EMEA Revenue ▲ 16%

- Paced by resurgent property sales
- Double-digit growth across all major business lines



### Asia Pacific Revenue ▲ 9%

▲ 15% local currency

- 43% growth in property sales (52% in local currency), led by Australia and Japan

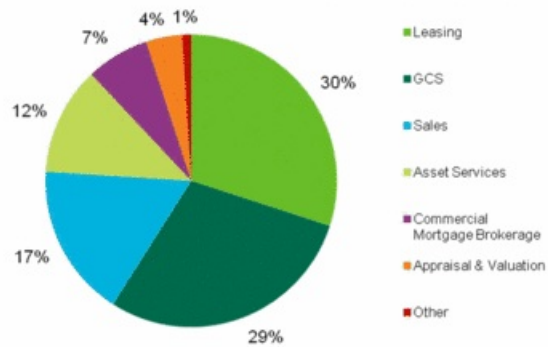


# AMERICAS OVERVIEW

## 2013 HIGHLIGHTS

- YTD Q3 2013 revenue of \$3.1 billion
  - Up 10% from YTD Q3 2012
- Solid growth across all business lines
  - YTD Q3 2013 19% increase in property sales revenue versus the same period in 2012
- Achieving market share gains
  - YTD Q3 leasing up 8% versus decrease of 10% for the market as a whole
  - #1 U.S. investment sales market share
- Strong growth in global occupier outsourcing
  - 64 new clients and 49 renewals/expansions

## REVENUE BY SERVICE LINE YTD Q3 2013



## 2013 NOTABLE TRANSACTIONS



**MEXICO**  
Resort Hotel Portfolio  
Joint Venture Advisory



**LOS ANGELES**  
One Wilshire Boulevard  
Property Sale



**SEATTLE**  
Northwest Corporate Park  
Acquisition Financing



**ATLANTA**  
IntercontinentalExchange (ICE)  
Tenant Representation



**NEW YORK**  
Simpson Thacher  
Tenant Representation

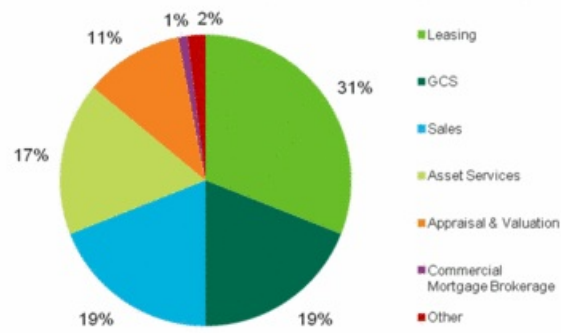


# EMEA OVERVIEW

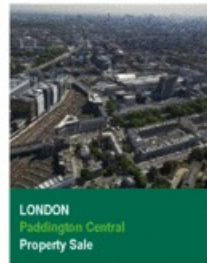
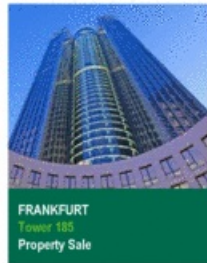
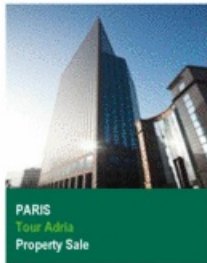
## 2013 HIGHLIGHTS

- YTD Q3 2013 revenue of \$784.4 million
  - Up 16% from YTD Q3 2012
- Strong growth across all major business lines
  - 27% YTD Q3 increase in property sales revenue over the same period in 2012
- Achieving market share gains
  - Leasing gains in 11 CBDs, including Paris and London
  - #1 UK investment sales in Q3 2013
- Strong growth in outsourcing
  - 8 new clients and 9 renewals/expansions

## REVENUE BY SERVICE LINE YTD Q3 2013



## 2013 NOTABLE TRANSACTIONS

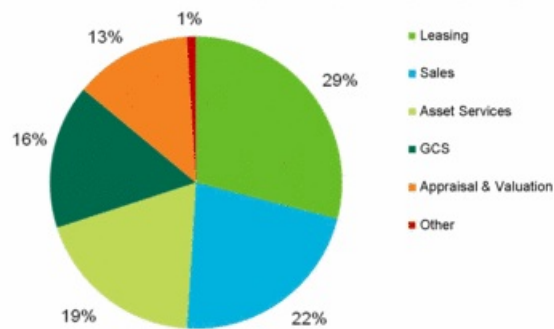


# APAC OVERVIEW

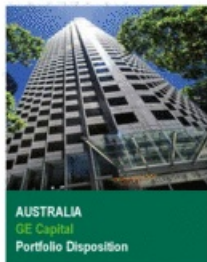
## 2013 HIGHLIGHTS

- YTD Q3 2013 revenue of \$617.3 million
  - Up 9% from YTD Q3 2012 (15% in local currency)
- Growth across all business lines (in local currency)
  - 43% increase YTD Q3 in property sales revenue (52% in local currency)
  - Japan Investment Sales business has been particularly strong
- Signs of growth in Outsourcing
  - Revenue up 5% YTD Q3 (11% in local currency)

## REVENUE BY SERVICE LINE YTD Q3 2013



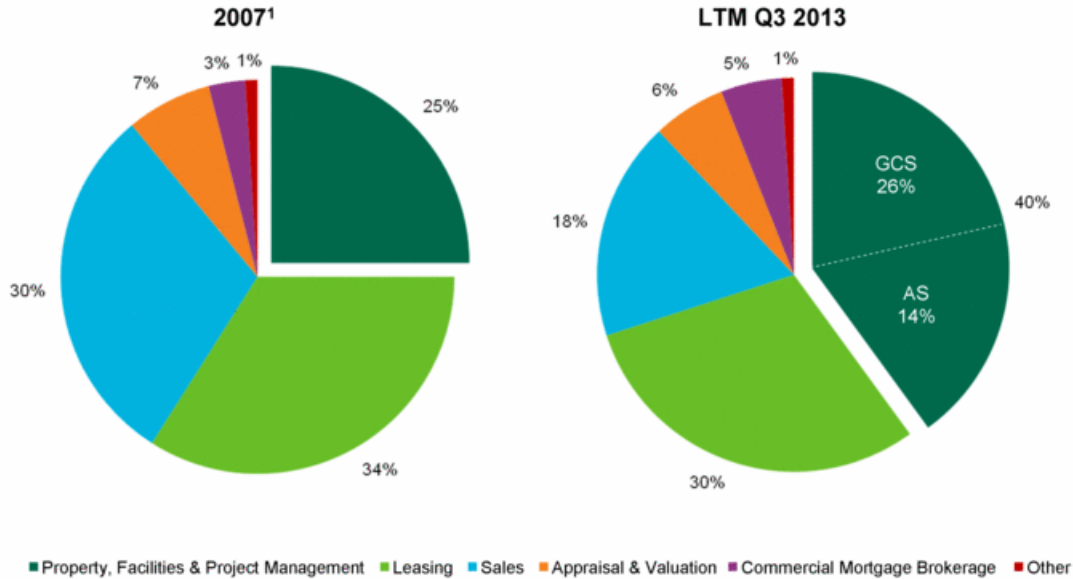
## 2013 NOTABLE TRANSACTIONS





# GLOBAL SERVICES DIVERSIFICATION

## Revenue by Service Line



1. GCS and AS breakdown not available in 2007.



# GLOBAL ASSET SERVICES

## 2013 HIGHLIGHTS

- Approximately 2 billion sq. ft. under management
- National Real Estate Investor - Top Property Manager
- Premier Properties Initiative
  - 275+ properties in global portfolio (approximately 250 million sq. ft.)
  - High profile properties added throughout 2013
- Named a President, Americas Asset Services & Agency Leasing

## KEY STRATEGIC ACCOUNTS



## ICONIC OFFICE PROPERTIES UNDER MANAGEMENT

Shanghai Tower



Shanghai

Boulevard Mall



Las Vegas

The Gherkin



London

Century New Building



Mumbai

Festival Tower



Dubai

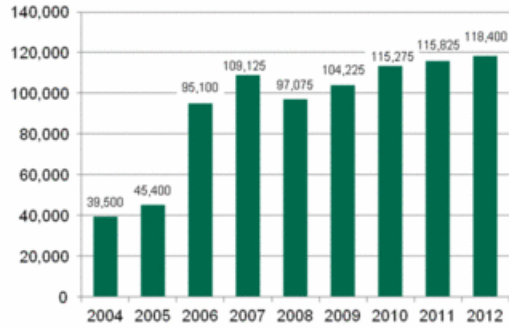


# GLOBAL APPRAISAL AND VALUATION SERVICES

## 2013 HIGHLIGHTS

- YTD Q3 2013 revenue of \$291.8 million
  - Up 10% from YTD Q3 2012
- *Euromoney* Global Valuation Advisor of the Year
- Implementing single integrated technology platform worldwide
- Named a Global President, Valuations

## NUMBER OF GLOBAL APPRAISALS



## CLIENT TYPES: INSTITUTIONAL, LENDER, LIFE INSURANCE COMPANIES, SPECIAL SERVICERS, REITS

### Largest Clients Americas



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### Largest Clients EMEA



### Largest Clients Asia Pacific





# GLOBAL LEASING OVERVIEW

Jack Durburg

Global President, Transaction Services



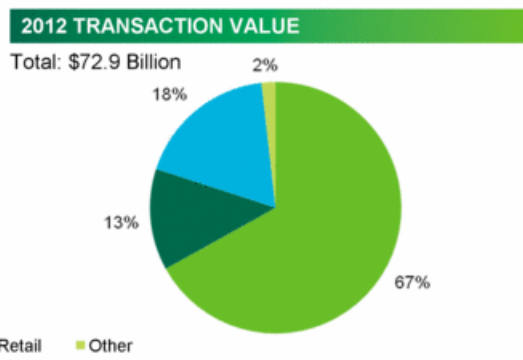
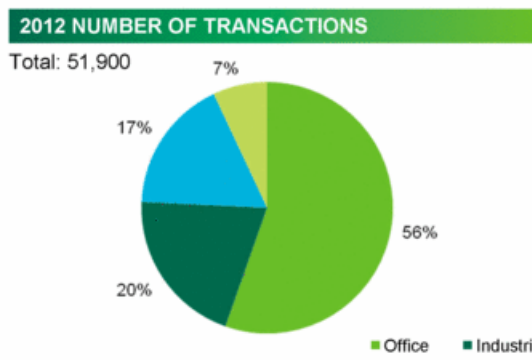
## OVERVIEW

- 

Serve both **Occupiers** and **Investors**
- 

Tailored service delivery by **property type** and **industry/market specialization**
- 

Approximately **4,100<sup>1</sup>** leasing professionals worldwide



1. As of January 1, 2013.  
 2. Includes Trammell Crow Company's revenue for the period from December 20, 2006 through December 31, 2006.



# 2013 HIGHLIGHTS

## Market-Leading Transactions and New Business Wins

 <p><b>NEW YORK</b> Hudson Yards / Coach / L'Oreal Leasing/Acquisition</p>	 <p><b>HONG KONG</b> Manulife Financial Corp. Space Acquisition</p>	 <p><b>LONDON</b> QNB &amp; Sellar PropertyGroup/ UK News Agency Leasing</p>	 <p><b>GLOBAL</b> H.J. Heinz Transaction Management</p>	 <p><b>NEW YORK</b> Ralph Lauren Retail Lease</p>	 <p><b>HOUSTON</b> Petroleum Geo-Services Tenant Representation</p>
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## MACRO TRENDS

### U.S. Leasing

	Market Volume ↘	Market Rents ↗
Overall	<ul style="list-style-type: none"> <li>• Slow economic growth is enough to produce positive absorption</li> <li>• Recovery withstood the Federal budget "sequester" in Q3 2013</li> <li>• Partial federal government shutdown added uncertainty but likely will have minimal impact on economy in Q4 2013</li> <li>• Technology and energy sectors have done exceptionally well during the recovery</li> </ul>	
Office	<ul style="list-style-type: none"> <li>• Office market continues to show steady recovery                             <ul style="list-style-type: none"> <li>– Vacancy down 50bps from a year ago</li> <li>– Majority of markets saw vacancy declines in Q3 2013</li> <li>– Rents up 1.74% in past year</li> <li>– Absorption was 21.65 million sq. ft. for YTD Q3 2013</li> <li>– Dearth of new office construction will continue to help the market to recover</li> </ul> </li> </ul>	

	Q3 2013	YTD Q3 2013
CBRE Leasing Revenue <sup>1</sup>	↑ 12%	↑ 8%
Overall Market Volume	↓ 9%	↓ 10%

1. Americas leasing revenue.



## MACRO TRENDS

### EMEA Leasing

Market Volume ↘ Market Rents →		
Overall	<ul style="list-style-type: none"> <li>Marked country disparities in demand for space linked to relative economic performance</li> <li>UK and Germany in lead with signs of stronger leasing demand</li> <li>Broader-based pick-up in leasing activity contingent on return of stronger economic conditions</li> </ul>	
Office	<ul style="list-style-type: none"> <li>Leasing activity still subdued and highly uneven pattern across cities</li> <li>London is standout with very strong Q3 pushing YTD 2013 take-up 40% above 2012 levels</li> <li>German markets also relatively strong</li> <li>YTD Q3 2013 absorption totaled 88.97 million sq. ft.</li> <li>Prime office rents basically flat – some growth in London and Germany, declines in parts of Southern, Central and Eastern Europe</li> </ul>	
	Q3 2013	YTD Q3 2013
CBRE Leasing Revenue	↑ 20%	↑ 10%
Overall Market Volume	↓ 9%	↓ 3%

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## MACRO TRENDS

### Asia Pacific Leasing

Market Volume → Market Rents →		
Overall	<ul style="list-style-type: none"> <li>Transaction volumes lower due to subdued demand from occupiers</li> <li>Demand strongest from domestic firms                             <ul style="list-style-type: none"> <li>– Multi-National Corporations comparatively less active, especially financial sector</li> </ul> </li> <li>Office rents flat since early 2012; retail rental growth decelerating</li> </ul>	
Office	<ul style="list-style-type: none"> <li>Q3 2013 rents decline slightly due to weak overall demand across APAC</li> <li>Japan and a few markets in Southeast Asia see growth</li> <li>Upbeat market sentiment in Japan thanks to improved demand from expanding domestic corporations</li> <li>Financial and legal sectors remain cautious but Technology/Media sector turns more active</li> </ul>	
	Q3 2013	YTD Q3 2013
CBRE Leasing Revenue	↑ 6% <sup>1</sup>	↑ 1% <sup>1</sup>
Overall Market Volume	NA	NA







<sup>1</sup>. Local currency

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# CBRE ADVANTAGES

People and Culture	Platform
 <b>Top talent across service lines in each office</b>	 <b>Geographic footprint – 400 offices in 60 countries<sup>1</sup></b>
 <b>Collaboration</b>	 <b>Depth of service offering</b>
 <b>Creativity and innovation</b>	 <b>Managed Brokerage enabling an integrated service approach</b>

1. Includes affiliate offices as of December 31, 2012.



# GROWTH OPPORTUNITIES

 <b>Market Builder</b> – Understand market share and opportunity
 <b>Recruiting &amp; Retention program</b>
 <b>Infill Mergers &amp; Acquisitions</b>
 <b>Global Client Care &amp; Development program</b> – Grow existing client relationships
 <b>Process-oriented and managed approach to secure new clients (Managed Brokerage)</b> – Aggressive and targeted business development to increase number of opportunities – Finishing First process to increase win rate – Increase number of opportunities + increase win rate = <b>increase in market share and revenue</b>









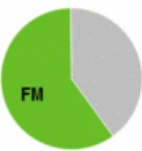


# GLOBAL CORPORATE SERVICES (GCS) OVERVIEW

Bill Concannon  
Chief Executive Officer, Global Corporate Services



## GCS OVERVIEW

GCS is a Full Service Outsourcing Business

 <b>Facilities Management</b>	 <b>Transaction and Portfolio Services</b>	 <b>Project Management</b>	 <b>Strategic Consulting</b>
<ul style="list-style-type: none"> <li>Operations and maintenance</li> <li>Energy services</li> <li>Health, safety and security</li> <li>Environment and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Global execution of transactions with a portfolio-wide focus</li> <li>Portfolio optimization</li> <li>Lease administration services</li> <li>Multiple-transaction focus</li> </ul>	<ul style="list-style-type: none"> <li>Program management</li> <li>One-off project management</li> <li>Moves, adds, changes</li> <li>FUSION sourcing platform</li> </ul>	<ul style="list-style-type: none"> <li>Organizational design</li> <li>Workplace strategy</li> <li>Land use analysis and strategy</li> <li>Fiscal and economic impact analysis</li> </ul>
 <p><b>Approx. 1 billion SF managed in 105 countries</b></p>	 <p><b>5,600+ Transaction professionals worldwide<sup>1</sup></b></p>	 <p><b>2,700 PJM professionals worldwide</b></p>	<p><i>Strategic Consulting services often lead to long-term contracts in FM, TAP, and PJM</i></p> <p><b>Approx. 200 consultants</b></p>

# GCS 2013 HIGHLIGHTS

- Ranked as the **top real estate firm in the Global Outsourcing 100** (#4 out of 100)
- Global **GCS Revenue** was \$1.4B through YTD Q3 2013, which represents 13% increase YOY
- Progress made against key initiatives related to **Talent, Enhancing Client Solutions and Driving Operational Excellence**
- Closed an acquisition in the **Healthcare vertical** (KLMK Group) and announced an agreement to acquire a **UK-based Facilities Management Engineering Services company** (Norland Managed Services)



NEW CONTRACTS	EXPANSIONS	RENEWALS

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# MACRO TRENDS

## Driving Demand for GCS Outsourcing Services

CORPORATE REAL ESTATE (CRE) TREND	OPPORTUNITY FOR GCS
Demand for top talent	➔ Opportunity to demonstrate subject matter expertise in areas such as Energy & Sustainability, Strategic Sourcing, and Labor Analytics
Workplace transformation continues	➔ Opportunity to help organizations through Portfolio Advisory, Transactions and Alternative Workplace Strategy
Centralization and globalization of CRE departments	➔ Opportunity to leverage global, integrated platform to help multi-national corporations manage real estate across multiple geographies
Demand for self performance of technical services	➔ Opportunity for CBRE to grow revenues across a larger portion of the facilities supply chain

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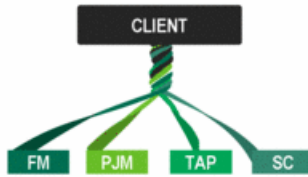


# CBRE ADVANTAGES



## FULL SERVICE PROVIDER WITH GLOBAL SCALE

- Operates and manages over 100K buildings, serving 300+ clients in over 50 countries
- Integrated offering serving virtually all corporate real estate needs
- Strong technology platform with constant innovation to better serve the client
- Few competitors have the scale and depth of GCS



## CLIENT-CENTRIC OPERATING MODEL

- Organization structured to provide executive oversight on each major account
- Leadership and Executive Team obsessively focused on top clients
- External client surveys conducted yearly through a 3<sup>rd</sup> party. Account satisfaction consistently monitored



## INVESTMENTS IN STRATEGIC GROWTH AREAS

- Top line has grown by double digits over the past 4 years
- Growth provides ability to continually re-invest in platform (e.g. People and Technology)
- Strong brand recognition in key product offerings



# GCS GROWTH OPPORTUNITIES

## EXPAND OUTSIDE NORTH AMERICA



## M&A ACTIVITY



## EXPAND SHARE OF WALLET



300+ Corporate Accounts

Estimated total market: \$50-\$60 billion

## EXPAND SELF-PERFORM MODEL

**\$32 B**  
GLOBAL OPEX SPEND  
INCLUDING ENERGY

### Technical Services expansion:

- Building Engineering and Technical work
- Energy Management & Sustainability
- Critical Environments
- Mobile Maintenance





## NORLAND STRATEGIC OPPORTUNITY

Jim Groch

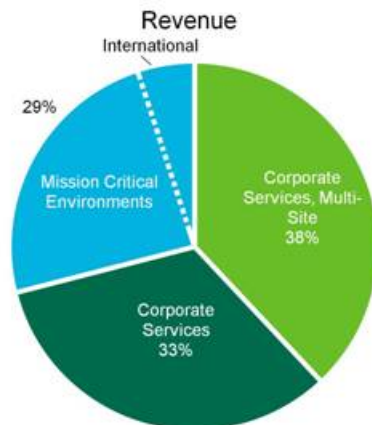
Executive Vice President & Global Chief Investment Officer



## NORLAND

Norland provides technical building engineering services and Facilities Management (FM):

- Mission Critical Environments – e.g. Data centers
- Corporate Services, Multi-site – ~1,000 client dedicated mobile engineers
- Corporate Services, On-site – dedicated Facilities Management teams for corporate customers



Note: Norland's International Mission Critical Environment business is located in the US and Singapore. Norland reported revenue of £385 million (~\$616 million) for FY March 31, 2012 to April 5, 2013. Pie chart reflects estimated FYE April 5, 2014 revenue mix.



## REPRESENTATIVE NORLAND CLIENTS

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Morgan Stanley



CBRE



HALLIBURTON



CBRE

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CBRE | BUSINESS REVIEW DAY

## NORLAND - STRATEGIC RATIONALE

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- Global Corporate Services ("GCS") is a key growth driver for CBRE
- Facilities Management is our fastest growing business within GCS
- Demand for Facilities Management in Europe is rising rapidly but our platform in Europe lacked the scale required to lead
- Norland was our #1 choice to shift to a leadership position in FM in Europe
- This acquisition enhances our ability to play to our competitive strengths...
  - To win and execute large integrated accounts with CBRE dedicated account leadership providing Transaction, Facilities, and Project Management services
  - To deepen the value proposition to clients in key business verticals such as mission critical environments, financial and healthcare
  - To strengthen our integrated service offering across Europe

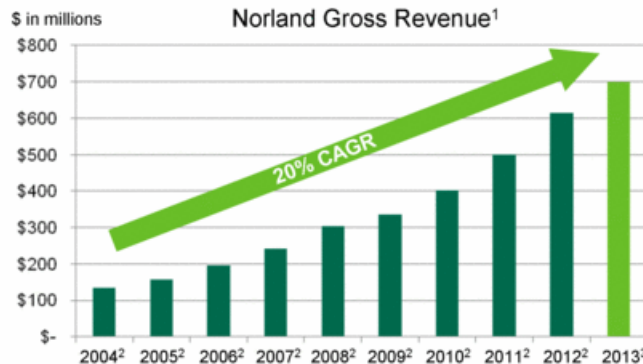
CBRE

4

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## NORLAND - STRONG AND CONSISTENT GROWTH

- Revenue and profit growth over the last ten years has exceeded a 20% compound annual growth rate
- While we do not report margins for individual business lines, Norland's margins are consistent with CBRE's global Facilities Management business
- Facilities Management:
  - Is the stickiest and the fastest growing line of business within Global Corporate Services ("GCS")
  - Requires minimal capital to grow organically
  - Typically includes significant reimbursed staff or subcontracted work in gross revenues resulting in more moderate margins, on a gross revenue basis, than the rest of GCS



1. Assumed constant USD : GBP = 1.6x.
2. Year represents ~9 months in the designated year and ~3 months in the following year.
3. Norland's FYE April 4, 2014 revenue is projected to be ~\$700 million.



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## NORLAND – TRANSACTION STRUCTURE

As further outlined in the November 12, 2013 press release:

- CBRE will acquire Norland for £250 million (~\$400 million) plus up to £50 million (~\$80 million) of deferred contingent consideration
- The transaction will be financed with cash on hand (~\$500 million at Q3) and borrowings under our existing revolving credit facility (~\$1.1 billion available at Q3)
- CBRE anticipates that the transaction will be accretive to its earnings immediately after closing
- The acquisition is expected to close before year end 2013, subject to clearance from the European Commission



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## KEY TAKEAWAYS

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Norland is a strong complement to our global platform:

- Highly strategic acquisition
  - Fills void in rapidly growing European Facilities Management business
  - Enables integrated offering for outsourcing clients
  - Adds premier critical environments capabilities
- High quality business:
  - High growth that is mostly organic and non-cyclical
  - Excellent client base typically served under long term contracts
  - Strong and cohesive management team
  - Does not require capital to grow organically
- Strong financial return
- Attractive, low-risk investment opportunity



# GLOBAL INVESTMENT MANAGEMENT

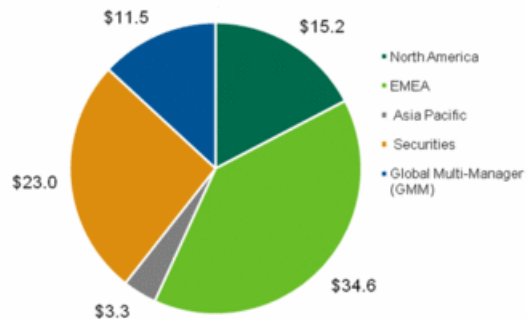
Matt Khourie  
 Chief Executive Officer  
 CBRE Global Investors



## OVERVIEW

-  Global real estate investment manager founded in 1972
-  31 offices in 21 countries<sup>1</sup>
-  \$87.6B of assets under management (AUM)<sup>1,2</sup>
-  Approximately 1,000 employees<sup>1</sup>
-  More than 600 clients globally<sup>1</sup>
-  Full range of investment programs spanning the risk spectrum
-  41 direct funds and 66 direct separate accounts<sup>1,3</sup>

Assets Under Management<sup>1,2</sup>  
 By Region or Program (\$B)



1. As of September 30, 2013.  
 2. AUM refers to fair market value of real estate-related assets with respect to which CBRE Global Investors provides, on a global basis, oversight, investment management services and other advice, and which generally consist of properties and real estate-related loans; securities portfolios; and investments in operating companies, joint ventures and in private real estate funds under its fund of funds program. This AUM is intended principally to reflect the extent of CBRE Global Investors' presence in the global real estate market, and its calculation of AUM may differ from the calculations of other asset managers.  
 3. Excludes Joint-Ventures and Co-Investment vehicles.



# 2013 HIGHLIGHTS

- **Cross-Regional Separate Accounts** – nearly \$900M of projected equity raise in 2013 to be deployed outside of home region
  - Asian capital leading this trend
- **Strategic Partners** U.S. Value 5 providing 20% IRR and significant carried interest revenue; Strategic Partners U.S. Value 6 deployment of more than \$980M of capital; opportunity for follow-on fund
- **Core Funds** around the world gaining traction
- **Global Multi Manager** (fund of funds) capital raising is robust
- **Investors targeting Europe** have started allocating/deploying capital
- Recent commitments to **CBRE Clarion Securities** valued at up to \$450M by two large Asian institutions shows growing acceptance of listed real estate in the region



1. Excludes global securities.  
2. Excludes capital raised by ING REIM business units prior to their respective acquisition dates.



# MACRO TRENDS

## Historical Real Estate Investment Returns

### 5-Year Returns

- 5 years after the global financial crisis, real estate investment returns have turned positive with a weighted annual global return of 2.4%
- The U.S. underperformed over this period as the result of large losses in capital value, while Australia and Korea have outperformed
- Industrial properties posted the strongest returns



### 1-Year Return

- Weighted global returns in 2012 were 7.3% boosted by strong performance in North America
- Returns in the U.S. were among the highest globally in 2012, with strong performance across all property sectors



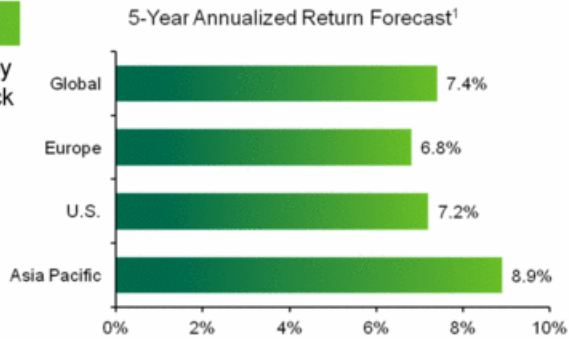
1. Source: IPD. Annualized returns from 2008-2012.

# MACRO TRENDS

## Projected Real Estate Investment Returns

### 5-Year Returns

- Asia Pacific is expected to outperform, driven by a structural shortage of modern real estate stock
- U.S. returns are expected to be driven by reasonable economic growth, low construction pipelines and generally attractive, below-replacement cost pricing
- European return forecasts have improved over the past year



### CBRE Global Investors RARE Program

- Risk Adjusted Returns at Equilibrium
- Utilized to create and manage portfolios that best meet return goals and risk tolerance relative to investors' benchmark portfolios
- Global research teams collaborate to produce a consistent and standardized output comparing more than 200 market and sector combinations

# CBRE ADVANTAGES

CBRE Global Investors has a global footprint that is unmatched by our competitors and that offers our investors a compelling value proposition



Unique Insight



Commitment to Research



Real Estate Operators



Investor-First Culture



# GROWTH OPPORTUNITIES

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Broaden and deepen **Enterprise Client** relationships



**Expand Value-Add** offerings in Europe and Asia; enlarge Strategic Partners U.S. initiative



Provide best global selection of **Core Offerings** – funds and separate accounts – in the industry



**Expand Infrastructure Securities** initiative



Lead the industry in **Global Separate Account** business



Promote increased **Cross-Border Investing**



Increase utilization of **CBRE services** to gain access to deal flow



## GLOBAL CAPITAL MARKETS DISCUSSION

**Chris Ludeman**  
(moderator)  
Global President  
Capital Markets

**Danny Queenan**  
Chief Operating Officer  
Asia Pacific  
Chief Executive Officer  
Trammell Crow Company

**Martin Samworth**  
Managing Director  
Europe, Middle East & Africa

**Brian Stoffers**  
President  
Debt & Equity Finance



## ACCESS TO INTERNATIONAL CAPITAL

### CANADA

- CPP
- CDPO
- OMERS
- Ontario Teachers
- Oxford Properties
- PSP
- SITQ

### BENELUX

- APG
- Anthos AM
- Blue Sky Group
- Fortis
- Shell AM
- MN Services
- PGGM
- PPF
- Stena
- Syntus Achmea
- TKP Investments

### DENMARK

- AP Pension
- ATP
- Danske Bank
- FSP Pension
- Pension Denmark

### NORWAY

- KLP
- Norges Bank
- Norsk Hydros
- Storebrand AS
- Vital

### USA

- Alaska Pension
- Allstate
- Blackrock
- CalSTRS
- CalPERS
- CBRE Global Investors
- Clarion
- Cortland
- DB
- Franklin Templeton
- Harvard
- NY Common
- OSTRS
- OPERS
- PCA
- Russel
- Texas Teachers
- TIAA CREF
- Townsend
- USAA
- WSIB
- Yale

### SWITZERLAND

- Credit Suisse
- LGT
- Migros
- SCM
- Swiss RE
- UBS
- Partners Group
- Quilvest

### AUSTRALIA

- Access Economics
- Ascalon
- Future Fund
- Pacific Super
- Pinnacle Property
- QIC
- Sovereign
- State Super
- Sun Super
- Telstra

### MIDDLE EAST

- ADIA
- ADIC
- EIA Mubadala
- KIA
- QIA
- SAMA
- Oman SGRF

### ISLAMIC

- Al-Rajhi Bank
- Al-Khabeer
- KFH
- NCB Capital
- SEDCO

### KOREA

- KIC
- Lotte
- Korea Life
- NPS
- Korea Teachers
- Korea Teachers Credit
- Samsung Life
- Government Employees Pension
- Green Gross Life
- KMMA

### Singapore and SE Asia

- GIC
- NTUC
- Temasek
- Thai GPF
- SSO

### CHINA

- CIC
- People's Insurance Com
- China Life
- Ping An Trust
- Citic Capital
- China Pacific Insurance
- BOC Investment
- SAFE

### FRANCE

- Axa
- BNPP
- Credit Agricole
- CNP Insurance
- CDC
- Massena
- SCOR

### UK & IRELAND

- Aviva
- BBC
- BP
- Church Commissioners
- Friends Provident
- Henderson GI
- Hermes
- Legal & General
- M&G
- NTMA
- Railpen
- Scottish Widows
- Schroders PIM
- Standard Life
- Wellcome Trust

### GERMANY

- AEVWL
- Allianz
- Ampega Gerling
- BVK
- DEKA
- E.ON
- VKB



# CBRE INVESTMENT ACTIVITY 2010-Q3 2013

Q3 YTD 2013 US\$100m+ Deals			Q3 YTD 2013 US\$250m+ Deals		
	# Deals	Value (US\$m)		# Deals	Value (US\$m)
AMERICAS	80	18,474	AMERICAS	16	9,089
APAC	15	4,336	APAC	7	2,902
EMEA	59	14,274	EMEA	20	8,480
<b>GLOBALLY</b>	<b>154</b>	<b>37,084</b>	<b>GLOBALLY</b>	<b>43</b>	<b>20,471</b>

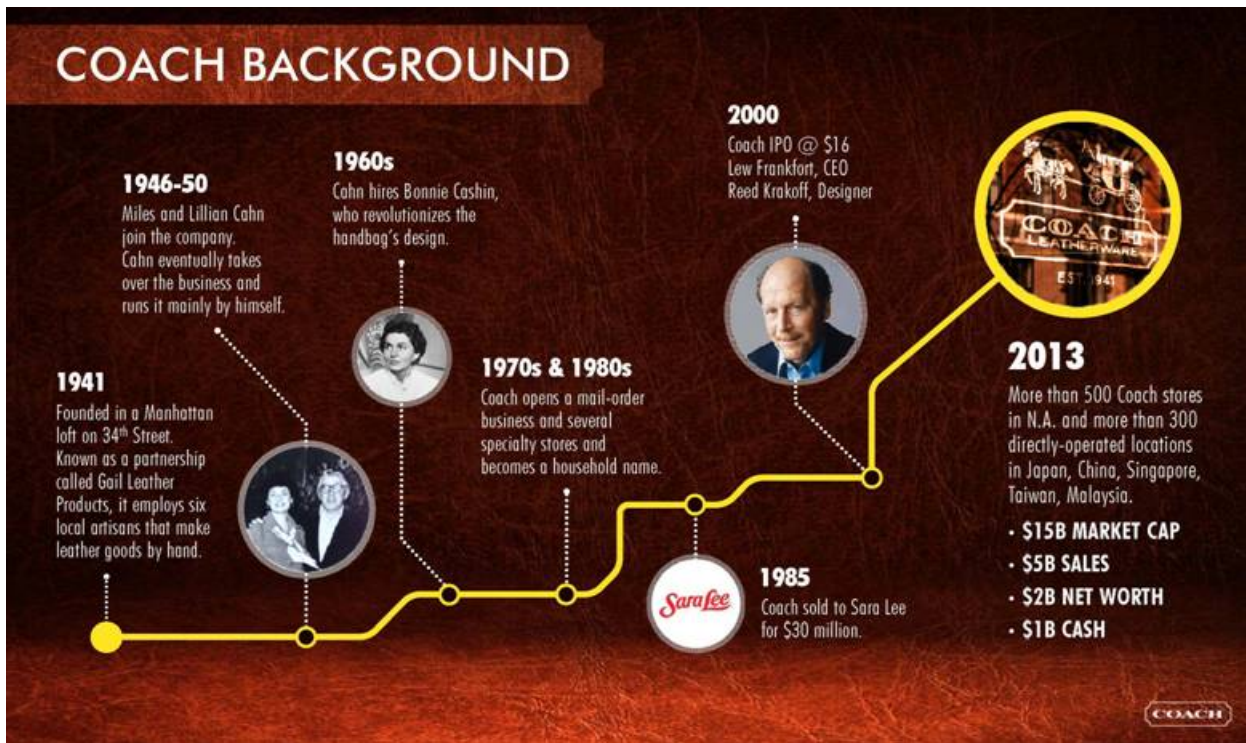
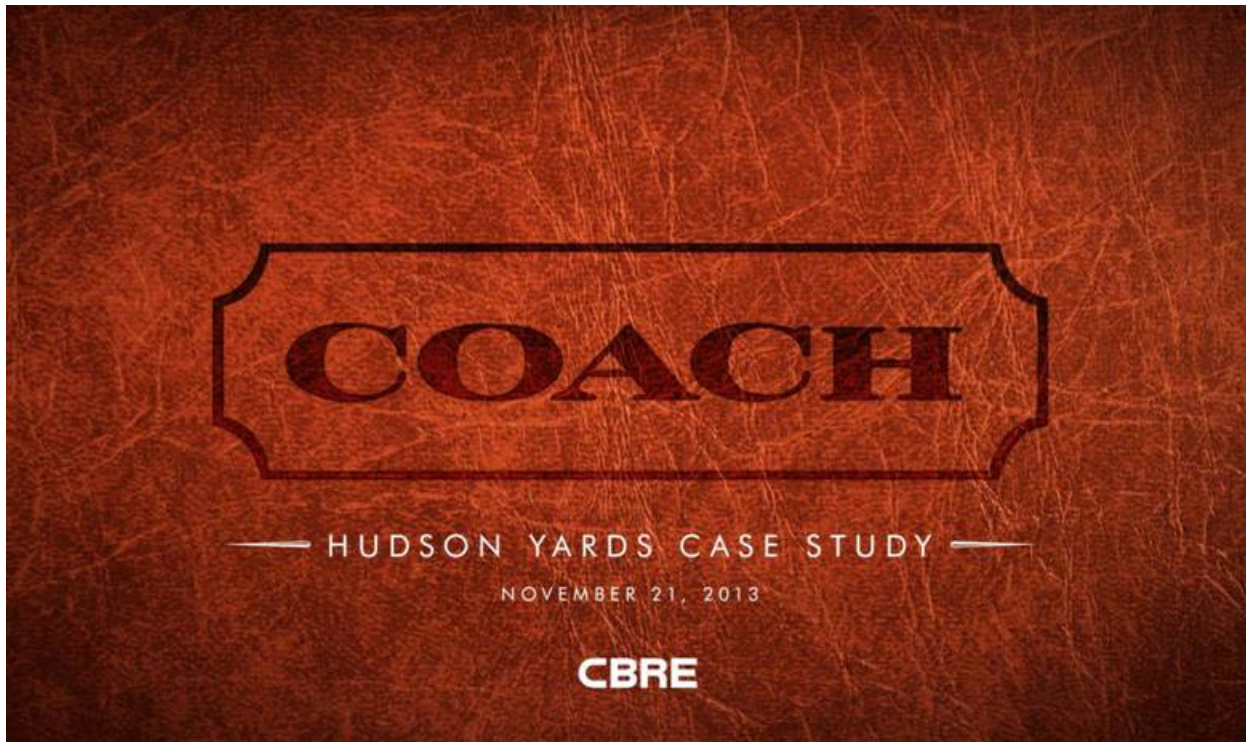
  

	US\$100m+	US\$250m+	
2012 US\$100m+ Deals			Value (US\$m)
AMERICAS			13,535
APAC			998
EMEA			13,926
<b>GLOBALLY</b>	<b># Transactions</b>	<b>575</b>	<b>173</b>
2011 US\$100m+ Deals			Value (US\$m)
AMERICAS			8,859
APAC			736
EMEA			7,655
<b>GLOBALLY</b>	<b>Value</b>	<b>\$144b</b>	<b>\$82b</b>

2010 US\$100m+ Deals			2010 US\$250m+ Deals		
	# Deals	Value (US\$m)		# Deals	Value (US\$m)
AMERICAS	36	7,463	AMERICAS	9	3,306
APAC	15	3,052	APAC	4	1,602
EMEA	63	16,654	EMEA	24	10,437
<b>GLOBALLY</b>	<b>114</b>	<b>27,169</b>	<b>GLOBALLY</b>	<b>37</b>	<b>15,344</b>





# 2007: CBRE RETAINED



**COACH**

510-516 WEST 34<sup>TH</sup> STREET

- 220,000 – 270,000 RSF
- Lease → Own



**COACH**

450 WEST 33<sup>RD</sup> STREET

- Expanded from 135,000 to 200,000 RSF
- 6/30/2015 LXD

# 2007-2008: CRITERIA DEVELOPED



**COACH**

— GOAL —>

**WAREHOUSE**  
IN THE NEIGHBORHOOD



# WAREHOUSE

IN THE NEIGHBORHOOD



EXISTING  
MANHATTAN  
BUILDINGS



# WAREHOUSE

IN THE NEIGHBORHOOD



EXISTING  
MANHATTAN  
BUILDINGS

LARGER THAN  
500,000 RSF





# WAREHOUSE

IN THE NEIGHBORHOOD



EXISTING  
MANHATTAN  
BUILDINGS

LARGER THAN  
500,000 RSF

FLOORPLATES  
> 25,000 RSF

GEOGRAPHICALLY  
ACCEPTABLE

POTENTIAL BLOCK  
AVAILABLE



# WAREHOUSE

IN THE NEIGHBORHOOD



EXISTING  
MANHATTAN  
BUILDINGS

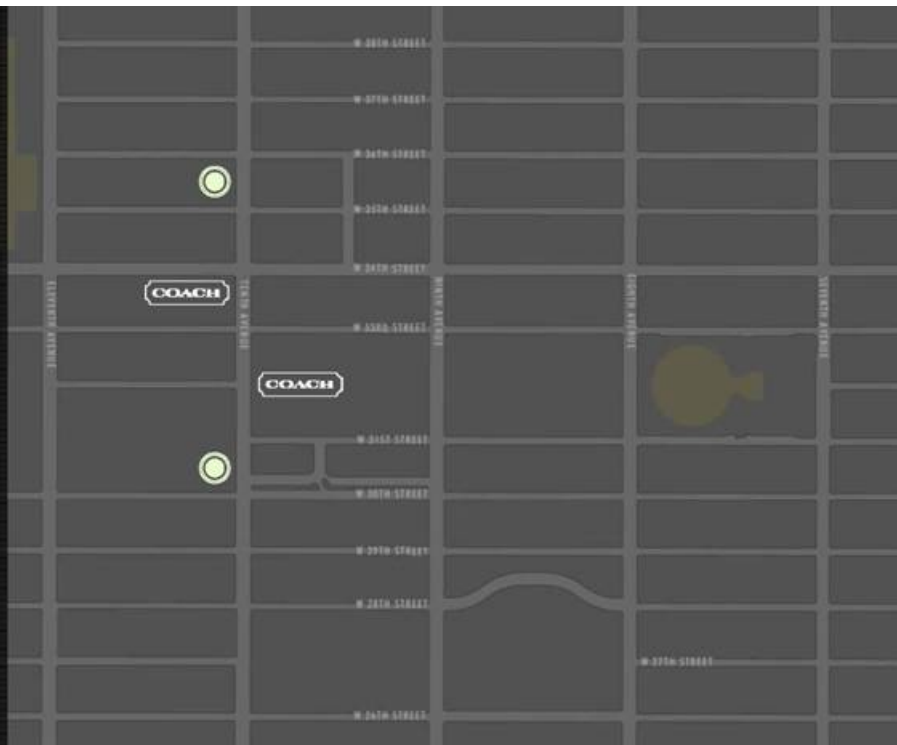
LARGER THAN  
500,000 RSF

FLOORPLATES  
> 25,000 RSF

GEOGRAPHICALLY  
ACCEPTABLE

POTENTIAL BLOCK  
AVAILABLE

ACCEPTABLE  
IMAGE





**2009-2010: STUDYING THE MARKET**



**WAREHOUSE**

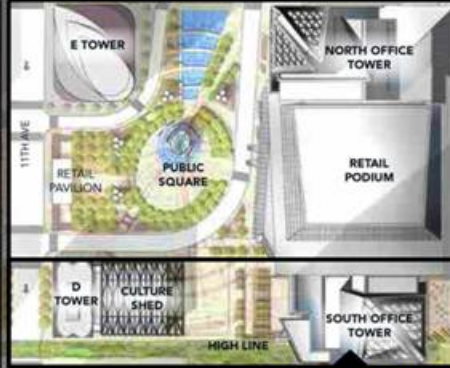
**NEW  
CONSTRUCTION**



**HUDSON RAIL YARDS**

# EASTERN RAIL YARDS

- 3.9M RSF Office
- 1.5M SF Residential
- 1.0M SF Retail
- 300,000 SF Hotel
- 200,000 SF Cultural



TERRA FIRMA

## 2008: RELATED SELECTED AS DEVELOPER



# AND THEN...

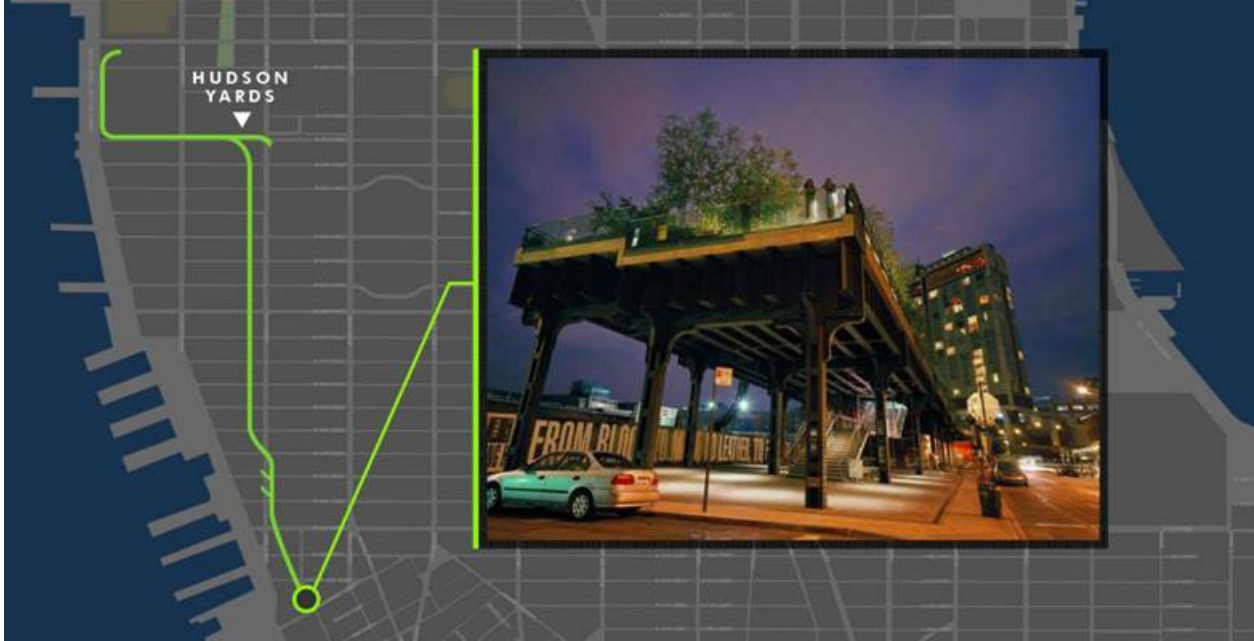


...THERE WERE TWO

- 39,518 SF footprint
- Owned and optioned parcels
- 24 FAR → 948,432 ZSF potential (1.1 RSF)  
10 FAR - As of right
  - 8 FAR - District Improvement Fund (cheap \$)
  - 6 FAR - HYDC (FMV)
- 40% PILOT discount if:
  - First 5 mm ZSF
  - > 1mm ZSF
  - > 90% commercial use
- Alloy agrees to JV with Boston Properties



# 2009: PHASE I OF HIGHLINE OPENS





# THE BASICS



- 600,000-750,000 RSF
- Ownership – Condo
- Land price + cost of construction
- 40% PILOT Reduction



# — THE VISION THING —



BILL PEDERSEN  
KPF



REED KRAKOFF  
COACH



# — TERM SHEET —

## CBRE

200 Park Avenue, 22<sup>nd</sup> Floor  
New York, NY 10166  
Tel: 212-984-8000  
Fax: 212-984-8040  
www.cbre.com

- ✓ JV structure
- ✓ Land price
- ✓ Development fee
- ✓ Cost allocation methodology
- ✓ GMP
- ✓ Funding process/timing
- ✓ ERY CAM (phasing)
- ✓ Lobby/elevator bank
- ✓ Initial/future expansion
- ✓ Major approval areas (JV)
- ✓ Retail/office restrictions
- ✓ Holdover indemnity
- ✓ ROFN
- ✓ Exclusivity period

COACH

**WHAT ABOUT ...  
516?**

**Sale to Related  
with closing  
upon Coach  
relocation**

The image shows a map of Manhattan with a callout box pointing to a building at 516 W 23rd Street. The callout box contains the text "WHAT ABOUT ... 516?" and "Sale to Related with closing upon Coach relocation". The building is a multi-story brick building with many windows. The map shows the surrounding streets, including W 23rd Street, W 24th Street, and W 25th Street.

## CELEBRATION #1 (SEPT. 2011): Letter of Intent



## MORE TO DO...



- ✓ Construction logistics
- ✓ Budgets – GMP, Coach specific item allowances
- ✓ Change order process
- ✓ Hurricane Sandy
- ✓ Related guarantees
- ✓ Project Labor Agreement (PLA)
- ✓ Condo dec and by laws
- ✓ Signage

COACH

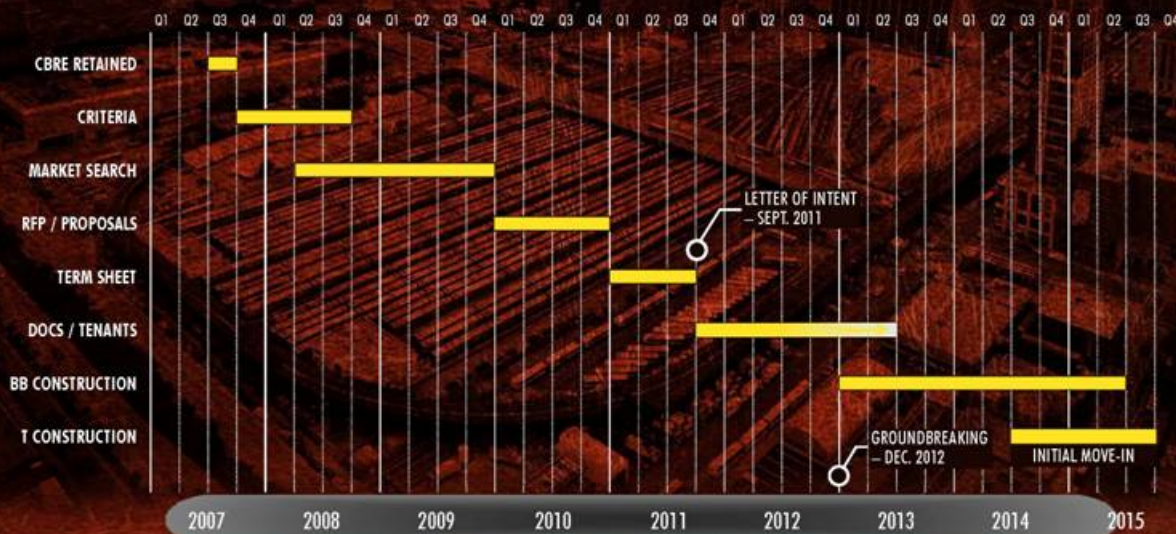


# CELEBRATION #2 (DEC. 2012): Groundbreaking

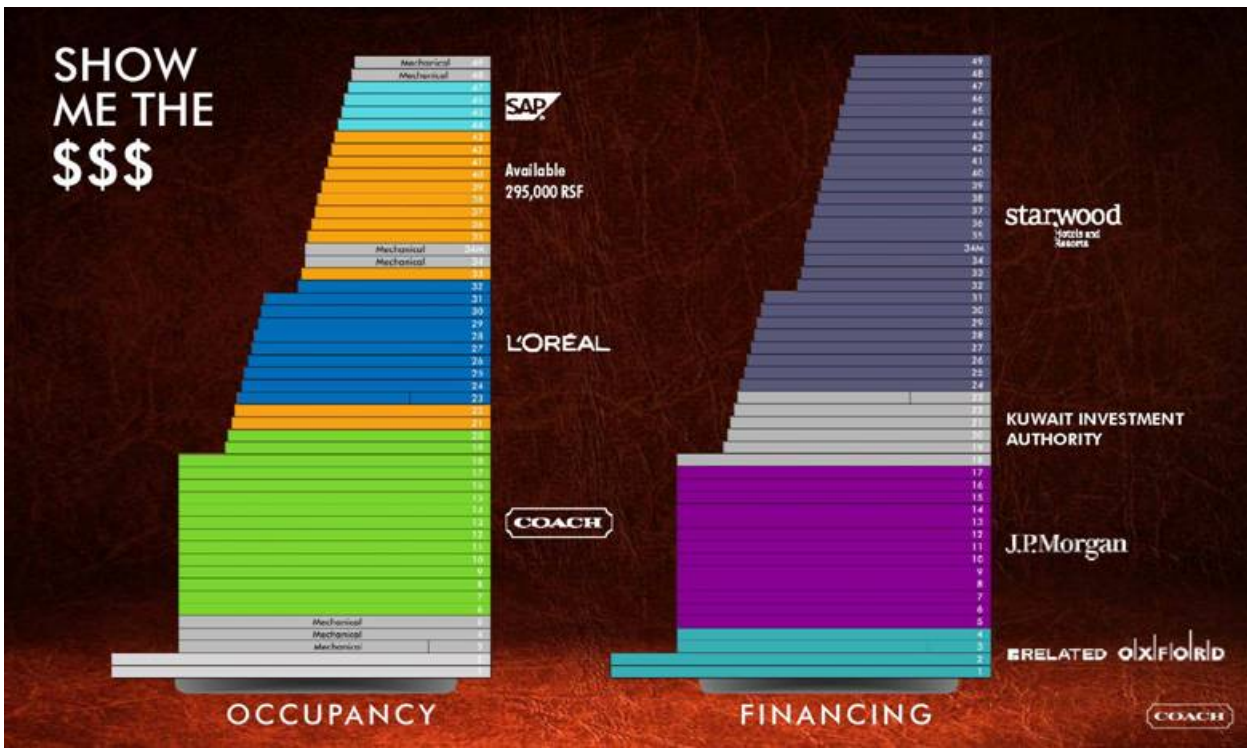


COACH

## STAYING ON TRACK



COACH



## THE CLOSING: April 10, 2013

- ✓ Joint Venture agreement
- ✓ Development agreement
- ✓ Condo dec
- ✓ PSA for 516
- ✓ Related guarantees
- ✓ Expansion lease
- ✓ L'Oreal lease
- ✓ SAP lease
- ✓ MTA lease
- ✓ KIA equity
- ✓ JPMC equity
- ✓ Starwood loan
- ✓ MTA
- ✓ Intercreditor agreements
- ✓ SNDAS
- ✓ Escrow agreement

**CELEBRATION #3: The Cocktail Party (After the Closing)**



**April 2013: 200+ Active Participants**

COACH

**COACH**