UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2011

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

For the Transition Period from to

Commission File Number 001 – 32205

CB RICHARD ELLIS GROUP, INC.

(Exact name of Registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**94-3391143** **(I.R.S. Employer Identification Number)**
11150 Santa Monica Boulevard, Suite 1600 **Los Angeles, California** **(Address of principal executive offices)**	**90025** **(Zip Code)**
(310) 405-8900 **(Registrant's telephone number, including area code)**	**(Former name, former address and former fiscal year if changed since last report)**

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

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

The number of shares of Class A common stock outstanding at April 29, 2011 was 324,987,355.

FORM 10-Q

March 31, 2011

TABLE OF CONTENTS

		Page
	PART I—FINANCIAL INFORMATION	
Item 1.	**Financial Statements**	
	Consolidated Balance Sheets at March 31, 2011 (Unaudited) and December 31, 2010	3
	Consolidated Statements of Operations for the three months ended March 31, 2011 and 2010 (Unaudited)	4
	Consolidated Statements of Cash Flows for the three months ended March 31, 2011 and 2010 (Unaudited)	5
	Consolidated Statement of Equity for the three months ended March 31, 2011 (Unaudited)	6
	Notes to Consolidated Financial Statements (Unaudited)	7
Item 2.	**Management's Discussion and Analysis of Financial Condition and Results of Operations**	28
Item 3.	**Quantitative and Qualitative Disclosures About Market Risk**	49
Item 4.	**Controls and Procedures**	50
	PART II—OTHER INFORMATION	
Item 1.	**Legal Proceedings**	51
Item 1A.	**Risk Factors**	51
Item 6.	**Exhibits**	52
Signatures		54

Table of Contents

CB RICHARD ELLIS GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share data)

	March 31, 2011 (Unaudited)	December 31, 2010
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 427,645	$ 506,574
Restricted cash	46,533	52,257
Receivables, less allowance for doubtful accounts of $35,098 and $33,272 at March 31, 2011 and December 31, 2010, respectively	889,076	940,167
Warehouse receivables	285,673	485,433
Income taxes receivable	26,912	—
Prepaid expenses	95,523	96,951
Deferred tax assets, net	120,545	112,304
Real estate under development	27,324	—
Real estate and other assets held for sale	6,255	16,295
Other current assets	43,547	50,889
Total Current Assets	1,969,033	2,260,870
Property and equipment, net	193,367	188,397
Goodwill	1,342,850	1,323,801
Other intangible assets, net of accumulated amortization of $174,621 and $166,295 at March 31, 2011 and December 31, 2010, respectively	331,758	332,855
Investments in unconsolidated subsidiaries	146,799	138,973
Deferred tax assets, net	1,014	10,320
Real estate under development	87,845	112,819
Real estate held for investment	572,250	626,395
Available for sale securities	33,081	31,936
Other assets, net	114,901	95,202
Total Assets	$ 4,792,898	$ 5,121,568
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	$ 429,526	$ 445,337
Compensation and employee benefits payable	342,716	346,539
Accrued bonus and profit sharing	271,700	455,523
Income taxes payable	—	18,398
Short-term borrowings:		
Warehouse lines of credit	277,676	453,835
Revolving credit facility	60,690	17,516
Other	16	16
Total short-term borrowings	338,382	471,367
Current maturities of long-term debt	38,055	38,086
Notes payable on real estate	138,635	154,213
Liabilities related to real estate and other assets held for sale	5,833	12,152
Other current liabilities	16,756	15,153
Total Current Liabilities	1,581,603	1,956,768
Long-Term Debt:		
Senior secured term loans	593,000	602,500
11.625% senior subordinated notes, net of unamortized discount of $11,999 and $12,318 at March 31, 2011 and December 31, 2010, respectively	438,001	437,682
6.625% senior notes	350,000	350,000
Other long-term debt	46	54
Total Long-Term Debt	1,381,047	1,390,236
Pension liability	40,626	40,007
Non-current tax liabilities	80,554	78,306
Notes payable on real estate	427,245	461,665
Other liabilities	132,678	128,791
Total Liabilities	3,643,753	4,055,773
Commitments and contingencies	—	—
Equity:		
CB Richard Ellis Group, Inc. Stockholders' Equity:		
Class A common stock; $0.01 par value; 525,000,000 shares authorized; 324,663,281 and 323,594,919 shares issued and outstanding at March 31, 2011 and December 31, 2010, respectively	3,247	3,236
Additional paid-in capital	837,958	814,244
Accumulated earnings	219,706	185,337
Accumulated other comprehensive loss	(64,401)	(94,602)
Total CB Richard Ellis Group, Inc. Stockholders' Equity	996,510	908,215
Non-controlling interests	152,635	157,580
Total Equity	1,149,145	1,065,795
Total Liabilities and Equity	$ 4,792,898	$ 5,121,568

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

Table of Contents

CB RICHARD ELLIS GROUP, INC.

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

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Revenue	$ 1,185,105	$ 1,025,883
Costs and expenses:		
Cost of services	713,755	615,194
Operating, administrative and other	377,025	338,706
Depreciation and amortization	23,178	26,295
Total costs and expenses	1,113,958	980,195
Gain on disposition of real estate	1,972	—
Operating income	73,119	45,688
Equity income (loss) from unconsolidated subsidiaries	15,179	(6,584)
Interest income	2,668	1,800
Interest expense	33,718	49,792
Income (loss) from continuing operations before provision for income taxes	57,248	(8,888)
Provision for income taxes	23,406	7,299
Income (loss) from continuing operations	33,842	(16,187)
Income from discontinued operations, net of income taxes	10,644	—
Net income (loss)	44,486	(16,187)
Less: Net income (loss) attributable to non-controlling interests	10,117	(9,560)
Net income (loss) attributable to CB Richard Ellis Group, Inc.	$ 34,369	$ (6,627)
Basic income (loss) per share attributable to CB Richard Ellis Group, Inc. shareholders		
Income (loss) from continuing operations attributable to CB Richard Ellis Group, Inc.	$ 0.11	$ (0.02)
Income from discontinued operations attributable to CB Richard Ellis Group, Inc.	—	—
Net income (loss) attributable to CB Richard Ellis Group, Inc.	$ 0.11	$ (0.02)
Weighted average shares outstanding for basic income (loss) per share	316,563,392	312,879,640
Diluted income (loss) per share attributable to CB Richard Ellis Group, Inc. shareholders		
Income (loss) from continuing operations attributable to CB Richard Ellis Group, Inc.	$ 0.11	$ (0.02)
Income from discontinued operations attributable to CB Richard Ellis Group, Inc.	—	—
Net income (loss) attributable to CB Richard Ellis Group, Inc.	$ 0.11	$ (0.02)
Weighted average shares outstanding for diluted income (loss) per share	322,920,829	312,879,640
Amounts attributable to CB Richard Ellis Group, Inc. shareholders		
Income (loss) from continuing operations, net of tax	$ 34,369	$ (6,627)
Discontinued operations, net of tax	—	—
Net income (loss)	$ 34,369	$ (6,627)

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

[Table of Contents](#)

CB RICHARD ELLIS GROUP, INC.

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

	Three Months Ended March 31,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 44,486	$ (16,187)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Depreciation and amortization	23,469	26,295
Amortization of financing costs	1,751	2,817
Gain on sale of loans, servicing rights and other assets	(11,815)	(7,347)
Gain on disposition of real estate held for investment	(13,094)	—
Equity (income) loss from unconsolidated subsidiaries	(15,179)	6,584
Provision for doubtful accounts	1,440	3,564
Compensation expense related to stock options and non-vested stock awards	10,619	10,787
Incremental tax benefit from stock options exercised	(10,487)	(279)
Distribution of earnings from unconsolidated subsidiaries	5,833	4,483
Tenant concessions received	587	1,773
Decrease in receivables	89,002	43,598
Decrease in prepaid expenses and other assets	6,106	14,450
Decrease (increase) in real estate held for sale and under development	4,364	(4,112)
Decrease in accounts payable and accrued expenses	(25,406)	(20,990)
Decrease in compensation and employee benefits payable and accrued bonus and profit sharing	(198,356)	(69,391)
(Increase) decrease in income taxes receivable	(31,671)	11,816
Increase in other liabilities	4,374	274
Other operating activities, net	95	(1,044)
Net cash (used in) provided by operating activities	(113,882)	7,091
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(13,622)	(2,898)
Acquisition of businesses including net assets acquired, intangibles and goodwill	(244)	(3,765)
Contributions to unconsolidated subsidiaries	(7,680)	(6,326)
Distributions from unconsolidated subsidiaries	11,168	65
Net proceeds from disposition of real estate held for investment	66,748	1,845
Additions to real estate held for investment	(1,488)	(4,229)
Proceeds from the sale of servicing rights and other assets	5,207	3,346
Decrease in restricted cash	5,984	8,088
Other investing activities, net	(752)	(974)
Net cash provided by (used in) investing activities	65,321	(4,848)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of senior secured term loans	(9,500)	(54,816)
Proceeds from revolving credit facility	230,000	3,740
Repayment of revolving credit facility	(187,000)	(4,040)
Proceeds from notes payable on real estate held for investment	1,209	3,940
Repayment of notes payable on real estate held for investment	(53,237)	(10,142)
Proceeds from notes payable on real estate held for sale and under development	549	1,798
Repayment of notes payable on real estate held for sale and under development	(6,090)	(637)
Proceeds from short-term borrowings and other loans, net	—	7,498
Incremental tax benefit from stock options exercised	10,487	279
Non-controlling interests contributions	208	2,980
Non-controlling interests distributions	(14,188)	(555)
Payment of financing costs	(14,172)	(4,357)
Other financing activities, net	2,570	88
Net cash used in financing activities	(39,164)	(54,224)
Effect of currency exchange rate changes on cash and cash equivalents	8,796	(9,281)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(78,929)	(61,262)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF PERIOD	506,574	741,557
CASH AND CASH EQUIVALENTS, AT END OF PERIOD	$ 427,645	$ 680,295
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Interest	$ 12,757	$ 29,602
Income tax payments (refunds), net	$ 54,130	$ (5,094)

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

CB RICHARD ELLIS GROUP, INC.

CONSOLIDATED STATEMENT OF EQUITY
(Unaudited)
(Dollars in thousands)

	CB Richard Ellis Group, Inc. Shareholders					
	Class A common stock	Additional paid-in capital	Accumulated earnings	Accumulated other comprehensive loss	Non-controlling interests	Total
Balance at December 31, 2010	$ 3,236	$ 814,244	$ 185,337	$ (94,602)	$ 157,580	$ 1,065,795
Net income	—	—	34,369	—	10,117	44,486
Stock options exercised (including tax benefit)	10	13,086	—	—	—	13,096
Compensation expense for stock options and non-vested stock awards	—	10,619	—	—	—	10,619
Foreign currency translation gain	—	—	—	29,637	358	29,995
Unrealized gains on interest rate swaps and interest rate caps, net of tax	—	—	—	1,056	—	1,056
Contributions from non-controlling interests	—	—	—	—	208	208
Distributions to non-controlling interests	—	—	—	—	(14,188)	(14,188)
Other	1	9	—	(492)	(1,440)	(1,922)
Balance at March 31, 2011	$ 3,247	$ 837,958	$ 219,706	$ (64,401)	$ 152,635	$ 1,149,145

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

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

The accompanying consolidated financial statements of CB Richard Ellis Group, Inc. (which may be referred to in these financial statements as the "company", "we", "us" and "our") have been prepared in accordance with the rules applicable to Form 10-Q and include all information and footnotes required for interim financial statement presentation, but do not include all disclosures required under accounting principles generally accepted in the United States (GAAP) for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments, except as otherwise noted) considered necessary for a fair presentation have been included. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, and reported amounts of revenue and expenses. Such estimates include the value of real estate assets, accounts receivable, investments in unconsolidated subsidiaries and assumptions used in the calculation of income taxes, retirement and other post-employment benefits, among others. These estimates and assumptions are based on management's best judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including consideration of the current economic environment, and adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in these estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

The results of operations for the three months ended March 31, 2011 are not necessarily indicative of the results of operations to be expected for the year ending December 31, 2011. The consolidated financial statements and notes to consolidated financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2010, which contains the latest available audited consolidated financial statements and notes thereto, which are as of and for the year ended December 31, 2010.

2. New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, "*Improving Disclosures about Fair Value Measurements*," which provides amendments to the FASB Accounting Standards Codification (ASC) Subtopic 820-10 that require new disclosures regarding (i) transfers in and out of Level 1 and Level 2 fair value measurements and (ii) activity in Level 3 fair value measurements. ASU 2010-06 also clarifies existing disclosures regarding (i) the level of asset and liability disaggregation and (ii) fair value measurement inputs and valuation techniques. As required, in 2010, we adopted the new disclosures and clarifications of existing disclosure requirements, except for the disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements, which became effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The complete adoption of ASU 2010-06 did not have a material impact on the disclosure requirements for our consolidated financial statements.

In December 2010, the FASB issued ASU 2010-29, "*Business Combinations (Topic 805), Disclosure of Supplementary Pro Forma Information for Business Combinations.*" ASU 2010-29 specifies that when a public company completes a business combination, the company should disclose revenue and earnings of the combined entity as though the business combination occurred as of the beginning of the comparable prior annual reporting period. The update also expands the supplemental pro forma disclosures under Topic 805 to include a description of the nature and amount of material, non-recurring pro forma adjustments directly attributable to the business combination included in the pro forma revenue and earnings. The requirements of ASU 2010-29 will be effective for business combinations that occur on or after the beginning of the first annual reporting period beginning on or

after December 15, 2010. We do not believe the adoption of this update will have a material impact on the disclosure requirements for our consolidated financial statements.

3. REIM Acquisitions

On February 15, 2011, we announced that we had entered into definitive agreements to acquire the majority of the real estate investment management business of Netherlands-based ING Group N.V. (ING) for approximately $940 million in cash. The acquisitions include substantially all of the ING Real Estate Investment Management (REIM) operations in Europe and Asia, as well as Clarion Real Estate Securities (CRES), its U.S.-based global real estate listed securities business (collectively referred to as ING REIM). ING REIM is expected to become part of our Global Investment Management segment (which conducts business through our indirect wholly-owned subsidiary CBRE Investors), which will continue to be an independently operated business segment upon completion of the acquisitions. We also expect to acquire approximately $55 million of CRES co-investments from ING and potentially additional interests in other funds managed by ING REIM Europe and ING REIM Asia. In addition, we expect to incur transaction costs relating to the acquisitions of approximately $150 million (pre-tax), including financing, retention and integration costs. These acquisitions, which we refer to as the REIM Acquisitions, are expected to close in the second half of 2011 and are subject to approval by certain stakeholders, including regulatory agencies in the United States (U.S.), Europe and Asia. We have secured and plan to borrow $800.0 million of new delayed-draw term loans, which we anticipate using, along with cash on hand, to finance the acquisitions (see Note 9).

4. Fair Value Measurements

The "*Fair Value Measurements and Disclosures*" Topic of the FASB ASC (Topic 820) defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs. The fair value measurements employed for our impairment evaluations were generally based on a discounted cash flow approach and/or review of comparable activities in the market place. Inputs used in these evaluations included risk-free rates of return, estimated risk premiums as well as other economic variables.

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

There were no significant non-recurring fair value measurements recorded during the three months ended March 31, 2011. The following non-recurring fair value measurements were recorded during the three months ended March 31, 2010 (dollars in thousands):

	Net Carrying Value as of March 31, 2010	Fair Value Measured and Recorded Using			Total Impairment Charges for the Three Months Ended March 31, 2010
		Level 1	Level 2	Level 3	
Investments in unconsolidated subsidiaries	$ 38,172	$ —	$ —	$ 38,172	$ 6,947

During the three months ended March 31, 2010, we recorded investment write-downs of $6.9 million, of which $2.5 million were attributable to non-controlling interests. Such write-downs were included in equity loss from unconsolidated subsidiaries within our Global Investment Management segment in the accompanying consolidated statements of operations. During the three months ended March 31, 2010, $5.9 million of the investment write-downs were driven by a decrease in the estimated holding period of certain assets and $1.0 million was driven by a decline in value of an investment attributable to continued capital market disruption. When we performed our impairment analysis, the assumptions utilized reflected our outlook for the commercial real estate industry and the impact on our business. This outlook incorporated our belief that market conditions deteriorated and that these challenging conditions could persist for some time.

We do not have any material assets or liabilities that are required to be recorded at fair value on a recurring basis.

Topic 820 also requires disclosure of fair value information about financial instruments, whether or not recognized in the accompanying consolidated balance sheets, as follows:

Cash and Cash Equivalents and Restricted Cash: These balances include cash and cash equivalents as well as restricted cash with maturities of less than three months. The carrying amount approximates fair value due to the short-term maturities of these instruments.

Receivables, less Allowance for Doubtful Accounts: Due to their short-term nature, fair value approximates carrying value.

Warehouse Receivables: Due to their short-term nature, fair value approximates carrying value. Fair value is determined based on the terms and conditions of funded mortgage loans and generally reflects the values of the warehouse lines of credit outstanding for our wholly-owned subsidiary, CBRE Capital Markets.

Available for Sale Securities: These investments are carried at their fair value.

Short-Term Borrowings: The majority of this balance represents our warehouse lines of credit outstanding for CBRE Capital Markets and our revolving credit facility. Due to the short-term nature and variable interest rates of these instruments, fair value approximates carrying value.

Senior Secured Term Loans: Based upon information from third-party banks, the estimated fair value of our senior secured term loans was approximately $632.7 million at March 31, 2011. Their actual carrying value totaled $631.0 million at March 31, 2011 (see Note 9).

11.625% Senior Subordinated Notes: Based on dealers' quotes, the estimated fair value of our 11.625% senior subordinated notes was $516.8 million at March 31, 2011. Their actual carrying value totaled $438.0 million at March 31, 2011.

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

6.625% Senior Notes: Based on dealers' quotes, the estimated fair value of our 6.625% senior notes was $364.0 million at March 31, 2011. Their actual carrying value totaled $350.0 million at March 31, 2011.

Notes Payable on Real Estate: As of March 31, 2011, the carrying value of our notes payable on real estate was $571.4 million (see Note 8). These borrowings mostly have floating interest rates at spreads over a market rate index. It is likely that some portion of our notes payable on real estate have fair values lower than actual carrying values. Given our volume of notes payable and the cost involved in estimating their fair value, we determined it was not practicable to do so. Additionally, only $13.6 million of these notes payable are recourse to us as of March 31, 2011.

5. Investments in Unconsolidated Subsidiaries

Investments in unconsolidated subsidiaries are accounted for under the equity method of accounting. Combined condensed financial information for these entities is as follows (dollars in thousands):

	Three Months Ended March 31,	
	2011	2010
Global Investment Management:		
Revenue	$ 140,252	$ 166,234
Operating loss	$ (34,662)	$ (262,999)
Net loss	$ (50,165)	$ (334,826)
Development Services:		
Revenue	$ 19,414	$ 20,936
Operating income (loss)	$ 39,373	$ (2,670)
Net income (loss)	$ 32,442	$ (11,572)
Other:		
Revenue	$ 34,385	$ 29,146
Operating income	$ 3,790	$ 2,746
Net income	$ 3,859	$ 2,858
Total:		
Revenue	$ 194,051	$ 216,316
Operating income (loss)	$ 8,501	$ (262,923)
Net loss	$ (13,864)	$ (343,540)

During the three months ended March 31, 2010, we recorded write-downs of investments of $6.9 million within our Global Investment Management segment (see Note 4).

Our Global Investment Management segment involves investing our own capital in certain real estate investments with clients. We have provided investment management, property management, brokerage and other professional services in connection with these real estate investments on an arm's length basis and earned revenues from these unconsolidated subsidiaries. We have also provided development, property management and brokerage services to certain of our unconsolidated subsidiaries in our Development Services segment on an arm's length basis and earned revenues from these unconsolidated subsidiaries.

Table of Contents

6. Real Estate and Other Assets Held for Sale and Related Liabilities

Real estate and other assets held for sale include completed real estate projects or land for sale in their present condition that have met all of the "held for sale" criteria of the "*Property, Plant and Equipment*" Topic of the FASB ASC (Topic 360) and other assets directly related to such projects. Liabilities related to real estate and other assets held for sale have been included as a single line item in the accompanying consolidated balance sheets.

Real estate and other assets held for sale and related liabilities were as follows (dollars in thousands):

	March 31, 2011	December 31, 2010
Assets:		
Real estate held for sale (see Note 7)	$ 6,255	$ 15,399
Other current assets	—	20
Property and equipment, net	—	869
Other assets	—	7
Total real estate and other assets held for sale	6,255	16,295
Liabilities:		
Notes payable on real estate held for sale (see Note 8)	5,560	11,650
Accounts payable and accrued expenses	171	370
Other current liabilities	—	28
Other liabilities	102	104
Total liabilities related to real estate and other assets held for sale	5,833	12,152
Net real estate and other assets held for sale	$ 422	$ 4,143

7. Real Estate

We provide build-to-suit services for our clients and also develop or purchase certain projects which we intend to sell to institutional investors upon project completion or redevelopment. Therefore, we have ownership of real estate until such projects are sold or otherwise disposed. Additionally, effective January 1, 2010, we adopted ASU 2009-17 and began consolidating certain variable interest entities that hold investments in real estate. Certain real estate assets secure the outstanding balances of underlying mortgage or construction loans. Our real estate is reported in our Development Services and Global Investment Management segments and consisted of the following (dollars in thousands):

	March 31, 2011	December 31, 2010
Real estate under development (current)	$ 27,324	$ —
Real estate included in assets held for sale (see Note 6)	6,255	15,399
Real estate under development (non-current)	87,845	112,819
Real estate held for investment (1)	572,250	626,395
Total real estate (2)	$ 693,674	$ 754,613

(1) Net of accumulated depreciation of $39.7 million and $37.8 million at March 31, 2011 and December 31, 2010, respectively.

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

(2) Includes balances for lease intangibles and tenant origination costs of $9.3 million and $3.0 million, respectively, at March 31, 2011 and $10.1 million and $3.3 million, respectively, at December 31, 2010. We record lease intangibles and tenant origination costs upon acquiring real estate projects with in-place leases. The balances are shown net of amortization, which is recorded as an increase to, or a reduction of, rental income for lease intangibles and as amortization expense for tenant origination costs.

8. Notes Payable on Real Estate

We had loans secured by real estate, which consisted of the following (dollars in thousands):

	March 31, 2011	December 31, 2010
Current portion of notes payable on real estate	$ 138,635	$ 154,213
Notes payable on real estate included in liabilities related to real estate and other assets held for sale (see Note 6)	5,560	11,650
Total notes payable on real estate, current portion	144,195	165,863
Notes payable on real estate, non-current portion	427,245	461,665
Total notes payable on real estate	$ 571,440	$ 627,528

At March 31, 2011 and December 31, 2010, $11.3 million and $1.4 million, respectively, of the non-current portion of notes payable on real estate and $2.3 million of the current portion of notes payable on real estate were recourse to us, beyond being recourse to the single-purpose entity that held the real estate asset and was the primary obligor on the note payable.

9. Debt

Since 2001, we have maintained credit facilities with Credit Suisse Group AG (CS) and other lenders to fund strategic acquisitions and to provide for our working capital needs. On November 10, 2010, we entered into a new credit agreement (as amended, the Credit Agreement) with a syndicate of banks led by CS, as administrative and collateral agent, to completely refinance our previous credit facilities. On March 4, 2011, we entered into an amendment to our credit agreement to, among other things, increase flexibility to various covenants to accommodate the REIM Acquisitions and to maintain the availability of the $800.0 million incremental facility under the Credit Agreement. On March 4, 2011, we also entered into an incremental assumption agreement to allow for the establishment of new tranche C and tranche D term loan facilities.

As of March 31, 2011, our Credit Agreement provides for the following: (1) a $700.0 million revolving credit facility, including revolving credit loans, letters of credit and a swingline loan facility, maturing on May 10, 2015; (2) a $350.0 million tranche A term loan facility requiring quarterly principal payments beginning December 31, 2010 and continuing through September 30, 2015, with the balance payable on November 10, 2015, (3) a $300.0 million tranche B term loan facility requiring quarterly principal payments beginning December 31, 2010 and continuing through September 30, 2016, with the balance payable on November 10, 2016; (4) a $400.0 million delayed draw seven year tranche C term loan facility with a maturity date of March 4, 2018; (5) a $400.0 million delayed draw eight and one-half year tranche D term loan facility with a maturity date of September 4, 2019 and (6) an accordion provision which provides the ability to borrow an additional $800.0 million, which can be further expanded, subject to the satisfaction of what we believe are customary conditions. In regards to the tranche C and tranche D term loan facilities, we have up to 180 days from the date we entered into the incremental assumption agreement to draw on these facilities during which period we are required to pay a fee on the unused portions of each facility. After 180 days, any unused portions of these facilities would no longer be available for use.

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

The revolving credit facility allows for borrowings outside of the U.S., with sub-facilities of $5.0 million available to one of our Canadian subsidiaries, $35.0 million in aggregate available to one of our Australian and one of our New Zealand subsidiaries and $50.0 million available to one of our U.K. subsidiaries. Additionally, outstanding borrowings under these sub-facilities may be up to 5.0% higher as allowed under the currency fluctuation provision in the Credit Agreement. Borrowings under the revolving credit facility as of March 31, 2011 bear interest at varying rates, based at our option, on either the applicable fixed rate plus 1.65% to 3.15% or the daily rate plus 0.65% to 2.15% as determined by reference to our ratio of total debt less available cash to EBITDA (as defined in the Credit Agreement). As of March 31, 2011 and December 31, 2010, we had $60.7 million and $17.5 million, respectively, of revolving credit facility principal outstanding with related weighted average interest rates of 3.7% and 3.5%, respectively, which are included in short-term borrowings in the accompanying consolidated balance sheets. As of March 31, 2011, letters of credit totaling $20.0 million were outstanding under the revolving credit facility. These letters of credit were primarily issued in the normal course of business as well as in connection with certain insurance programs and reduce the amount we may borrow under the revolving credit facility.

Borrowings under the term loan facilities as of March 31, 2011 bear interest, based at our option, on the following: for the tranche A term loan facility, on either the applicable fixed rate plus 2.00% to 3.75% or the daily rate plus 1.00% to 2.75%, as determined by reference to our ratio of total debt less available cash to EBITDA (as defined in the Credit Agreement), for the tranche B term loan facility, on either the applicable fixed rate plus 3.25% or the daily rate plus 2.25%, for the tranche C term loan facility, on either the applicable fixed rate plus 3.25% or the daily rate plus 2.25% and for the tranche D term loan facility, on either the applicable fixed rate plus 3.50% or the daily rate plus 2.50%. As of March 31, 2011 and December 31, 2010, we had $332.5 million and $341.3 million, respectively, of tranche A term loan facility principal outstanding and $298.5 million and $299.2 million, respectively, of tranche B term loan facility principal outstanding, which are included in the accompanying consolidated balance sheets. As of March 31, 2011 and December 31, 2010, there were no amounts outstanding under our tranche C and tranche D term loan facilities.

In March 2011, we entered into five interest rate swap agreements, all with effective dates in October 2011, and immediately designated them as cash flow hedges in accordance with FASB ASC Topic 815, "*Derivatives and Hedging*." The purpose of these interest rate swap agreements is to hedge potential changes to our cash flows due to the variable interest nature of our senior secured term loan facilities. The total notional amount of these interest rate swap agreements is $400.0 million, with $200.0 million expiring on October 2, 2017 and $200.0 million expiring on September 4, 2019. There was no hedge ineffectiveness for the three months ended March 31, 2011. During the three months ended March 31, 2011, we recorded a net gain of $1.7 million to other comprehensive income in relation to these interest rate swap agreements. As of March 31, 2011, the fair values of four interest rate swap agreements were reflected as a $2.0 million asset and were included in other long-term assets in the accompanying consolidated balance sheets. The fifth interest rate swap agreement was reflected as a $0.3 million liability and was included in other long-term liabilities in the accompanying consolidated balance sheets. The fair value measurements employed for these interest rate swap agreements were based on observable market data, which falls within Level 2 of the fair value hierarchy.

The Credit Agreement is jointly and severally guaranteed by us and substantially all of our domestic subsidiaries. Borrowings under our Credit Agreement are secured by a pledge of substantially all of the capital stock of our U.S. subsidiaries and 65% of the capital stock of certain non-U.S. subsidiaries. Also, the Credit Agreement requires us to pay a fee based on the total amount of the revolving credit facility commitment.

Our Credit Agreement and the indentures governing our 6.625% senior notes and 11.625% senior subordinated notes contain numerous restrictive covenants that, among other things, limit our ability to incur

additional indebtedness, pay dividends or make distributions to stockholders, repurchase capital stock or debt, make investments, sell assets or subsidiary stock, create or permit liens on assets, engage in transactions with affiliates, enter into sale/leaseback transactions, issue subsidiary equity and enter into consolidations or mergers. Our Credit Agreement also currently requires us to maintain a minimum coverage ratio of EBITDA (as defined in the Credit Agreement) to total interest expense of 2.25x and a maximum leverage ratio of total debt less available cash to EBITDA (as defined in the Credit Agreement) of 3.75x. Our coverage ratio of EBITDA to total interest expense was 10.1x for the trailing twelve months ended March 31, 2011 and our leverage ratio of total debt less available cash to EBITDA was 1.07x as of March 31, 2011.

On April 19, 2010, we entered into a Receivables Purchase Agreement, which allowed us to transfer an undivided interest in a designated pool of U.S. accounts receivable, on an ongoing basis, to provide collateral for borrowings up to a maximum of $55.0 million. Borrowings under this arrangement generally bore interest at the commercial paper rate plus 2.75%. This agreement expired on April 18, 2011 and we did not renew this arrangement. As of March 31, 2011 and December 31, 2010, there were no amounts outstanding under this agreement.

10. Commitments and Contingencies

We are a party to a number of pending or threatened lawsuits arising out of, or incident to, the ordinary course of our business. Our management believes that any liability imposed on us that may result from disposition of these lawsuits will not have a material effect on our business, consolidated financial position, cash flows or results of operations.

We had outstanding letters of credit totaling $19.7 million as of March 31, 2011, excluding letters of credit for which we have outstanding liabilities already accrued on our consolidated balance sheet related to our subsidiaries' outstanding reserves for claims under certain insurance programs as well as letters of credit related to operating leases. These letters of credit are primarily executed by us in the ordinary course of business as well as in connection with certain insurance programs. The letters of credit expire at varying dates through May 2012.

We had guarantees totaling $10.8 million as of March 31, 2011, excluding guarantees related to pension liabilities, consolidated indebtedness and other obligations for which we have outstanding liabilities already accrued on our consolidated balance sheet, and operating leases. The $10.8 million primarily consists of guarantees of obligations of unconsolidated subsidiaries, which expire at varying dates through November 2013.

In addition, as of March 31, 2011, we had numerous completion and budget guarantees relating to development projects. These guarantees are made by us in the ordinary course of our Development Services business. Each of these guarantees requires us to complete construction of the relevant project within a specified timeframe and/or within a specified budget, with us potentially being liable for costs to complete in excess of such timeframe or budget. However, we generally have "guaranteed maximum price" contracts with reputable general contractors with respect to projects for which we provide these guarantees. These contracts are intended to pass the risk to such contractors. While there can be no assurance, we do not expect to incur any material losses under these guarantees.

From time to time, we act as a general contractor with respect to construction projects. We do not consider these activities to be a material part of our business. In connection with these activities, we seek to subcontract construction work for certain projects to reputable subcontractors. Should construction defects arise relating to the underlying projects, we could potentially be liable to the client for the costs to repair such defects, although

we would generally look to the subcontractor that performed the work to remedy the defect and also look to insurance policies that cover this work. While there can be no assurance, we do not expect to incur material losses with respect to construction defects.

In January 2008, CBRE Multifamily Capital, Inc. (CBRE MCI), a wholly-owned subsidiary of CBRE Capital Markets, Inc., entered into an agreement with Fannie Mae, under Fannie Mae's DUS Lender Program (DUS Program), to provide financing for multifamily housing with five or more units. Under the DUS Program, CBRE MCI originates, underwrites, closes and services loans without prior approval by Fannie Mae, and in selected cases, is subject to sharing up to one-third of any losses on loans originated under the DUS Program. CBRE MCI has funded loans subject to such loss sharing arrangements with unpaid principal balances of $2.3 billion at March 31, 2011. Additionally, CBRE MCI has funded loans under the DUS Program that are not subject to loss sharing arrangements with unpaid principal balances of approximately $464.7 million at March 31, 2011. CBRE MCI, under its agreement with Fannie Mae, must post cash reserves under formulas established by Fannie Mae to provide for sufficient capital in the event losses occur. As of March 31, 2011 and December 31, 2010, CBRE MCI had $2.6 million and $2.2 million, respectively, of cash deposited under this reserve arrangement, and had provided approximately $4.4 million and $4.0 million, respectively, of loan loss accruals. Fannie Mae's recourse under the DUS Program is limited to the assets of CBRE MCI, which totaled approximately $195.0 million (including $138.0 million of warehouse receivables, a substantial majority of which are pledged against warehouse lines of credit and are therefore not available to Fannie Mae) at March 31, 2011.

An important part of the strategy for our Global Investment Management business involves investing our capital in certain real estate investments with our clients. These co-investments typically range from 2% to 5% of the equity in a particular fund. As of March 31, 2011, we had aggregate commitments of $11.7 million to fund future co-investments.

Additionally, an important part of our Development Services business strategy is to invest in unconsolidated real estate subsidiaries as a principal (in most cases co-investing with our clients). As of March 31, 2011, we had committed to fund $22.2 million of additional capital to these unconsolidated subsidiaries.

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

11. Income (Loss) Per Share Information

The following is a calculation of income (loss) per share (dollars in thousands, except share data):

	Three Months Ended March 31,	
	2011	2010
Computation of basic income (loss) per share attributable to CB Richard Ellis Group, Inc. shareholders:		
Net income (loss) attributable to CB Richard Ellis Group, Inc. shareholders	$ 34,369	$ (6,627)
Weighted average shares outstanding for basic income (loss) per share	316,563,392	312,879,640
Basic income (loss) per share attributable to CB Richard Ellis Group, Inc. shareholders	$ 0.11	$ (0.02)

	Three Months Ended March 31,	
	2011	2010
Computation of diluted income (loss) per share attributable to CB Richard Ellis Group, Inc. shareholders:		
Net income (loss) attributable to CB Richard Ellis Group, Inc. shareholders	$ 34,369	$ (6,627)
Weighted average shares outstanding for basic income (loss) per share	316,563,392	312,879,640
Dilutive effect of contingently issuable shares	3,512,674	—
Dilutive effect of stock options	2,844,763	—
Weighted average shares outstanding for diluted income (loss) per share	322,920,829	312,879,640
Diluted income (loss) per share attributable to CB Richard Ellis Group, Inc. shareholders	$ 0.11	$ (0.02)

For the three months ended March 31, 2011, options to purchase 51,523 shares of common stock were excluded from the computation of diluted earnings per share because their inclusion would have had an anti-dilutive effect. For the three months ended March 31, 2010, all contingently issuable shares and stock options were anti-dilutive since we reported a net loss for the period. As a result, basic and diluted loss per share was the same for the three months ended March 31, 2010.

Had we reported net income for the three months ended March 31, 2010, options to purchase 4,497,203 shares of common stock would have been included in the computation of diluted earnings per share, while options to purchase 2,984,430 shares of common stock would have been excluded from the computation of diluted earnings per share as their inclusion would have had an anti-dilutive effect. Additionally, had we reported net income for the three months ended March 31, 2010, 9,789,081 of contingently issuable shares would have been included in the computation of diluted earnings per share, while 947,439 of contingently issuable shares would have been excluded from the computation of diluted earnings per share as their inclusion would have had an anti-dilutive effect.

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

12. Comprehensive Income (Loss)

The following table provides a summary of comprehensive income (loss) (dollars in thousands):

	Three Months Ended March 31,	
	2011	2010
Net income (loss)	$44,486	$(16,187)
Other comprehensive income (loss):		
Foreign currency translation gain (loss)	29,995	(24,126)
Unrealized gains on interest rate swaps and interest rate caps, net	1,056	122
Other, net	(492)	2,288
Total other comprehensive income (loss)	30,559	(21,716)
Comprehensive income (loss)	75,045	(37,903)
Less: Comprehensive income (loss) attributable to non-controlling interests	10,475	(9,920)
Comprehensive income (loss) attributable to CB Richard Ellis Group, Inc.	$64,570	$(27,983)

13. Pensions

We have two contributory defined benefit pension plans in the United Kingdom (U.K.), which we acquired in connection with previous acquisitions. Our subsidiaries based in the U.K. maintain the plans to provide retirement benefits to existing and former employees participating in these plans. During 2007, we reached agreements with the active members of these plans to freeze future pension plan benefits. In return, the active members became eligible to enroll in the CBRE Group Personal Pension Plan, a defined contribution plan in the U.K.

Net periodic pension cost consisted of the following (dollars in thousands):

	Three Months Ended March 31,	
	2011	2010
Interest cost	$ 4,113	$ 4,063
Expected return on plan assets	(4,236)	(3,771)
Amortization of unrecognized net loss	337	555
Net periodic pension cost	$ 214	$ 847

We contributed $0.9 million to fund our pension plans during the three months ended March 31, 2011. We expect to contribute a total of $3.7 million to fund our pension plans for the year ending December 31, 2011.

14. Discontinued Operations

In the ordinary course of business, we dispose of real estate assets, or hold real estate assets for sale, that may be considered components of an entity in accordance with Topic 360. If we do not have, or expect to have, significant continuing involvement with the operation of these real estate assets after disposition, we are required to recognize operating profits or losses and gains or losses on disposition of these assets as discontinued operations in our consolidated statements of operations in the periods in which they occur. Real estate operations

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

and dispositions accounted for as discontinued operations for the three months ended March 31, 2011 were reported in our Global Investment Management segment as follows (dollars in thousands):

	Three Months Ended March 31, 2011
Revenue	$ 1,030
Costs and expenses:	
Operating, administrative and other	382
Depreciation and amortization	291
Total costs and expenses	673
Gain on disposition of real estate	11,037
Operating income	11,394
Interest expense	750
Income from discontinued operations, before provision for income taxes	10,644
Provision for income taxes	—
Income from discontinued operations, net of income taxes	10,644
Less: Income from discontinued operations attributable to non-controlling interests	10,644
Income from discontinued operations attributable to CB Richard Ellis Group, Inc.	$ —

15. Industry Segments

We report our operations through the following segments: (1) Americas, (2) EMEA, (3) Asia Pacific, (4) Global Investment Management and (5) Development Services.

The Americas segment is our largest segment of operations and provides a comprehensive range of services throughout the U.S. and in the largest regions of Canada and selected parts of Latin America. The primary services offered consist of the following: real estate services, mortgage loan origination and servicing, valuation services, asset services and corporate services.

Our EMEA and Asia Pacific segments provide services similar to the Americas business segment. The EMEA segment has operations primarily in Europe, while the Asia Pacific segment has operations primarily in Asia, Australia and New Zealand.

Our Global Investment Management business provides investment management services to clients seeking to generate returns and diversification through direct and indirect investments in real estate in the U.S., Europe and Asia.

Our Development Services business consists of real estate development and investment activities primarily in the U.S.

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Summarized financial information by segment is as follows (dollars in thousands):

	Three Months Ended March 31,	
	2011	2010
Revenue		
Americas	$ 750,115	$ 645,611
EMEA	204,968	188,160
Asia Pacific	160,500	134,432
Global Investment Management	50,322	39,407
Development Services	19,200	18,273
	$ 1,185,105	$ 1,025,883
EBITDA		
Americas	$ 78,128	$ 61,988
EMEA	3,006	4,125
Asia Pacific	12,442	8,258
Global Investment Management	5,990	(4,930)
Development Services	13,478	5,518
	$ 113,044	$ 74,959

EBITDA represents earnings before net interest expense, income taxes, depreciation and amortization. Our management believes EBITDA is useful in evaluating our operating performance compared to that of other companies in our industry because the calculation of EBITDA generally eliminates the effects of financing and income taxes and the accounting effects of capital spending and acquisitions, which would include impairment charges of goodwill and intangibles created from acquisitions. Such items may vary for different companies for reasons unrelated to overall operating performance. As a result, our management uses EBITDA as a measure to evaluate the operating performance of our various business segments and for other discretionary purposes, including as a significant component when measuring our operating performance under our employee incentive programs. Additionally, we believe EBITDA is useful to investors to assist them in getting a more accurate picture of our results from operations.

However, EBITDA is not a recognized measurement under GAAP and when analyzing our operating performance, readers should use EBITDA in addition to, and not as an alternative for, net income as determined in accordance with GAAP. Because not all companies use identical calculations, our presentation of EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, EBITDA is not intended to be a measure of free cash flow for our management's discretionary use, as it does not consider certain cash requirements such as tax and debt service payments. The amounts shown for EBITDA also differ from the amounts calculated under similarly titled definitions in our debt instruments, which are further adjusted to reflect certain other cash and non-cash charges and are used to determine compliance with financial covenants and our ability to engage in certain activities, such as incurring additional debt and making certain restricted payments.

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Net interest expense has been expensed in the segment incurred. Provision for (benefit of) income taxes has been allocated among our segments by using applicable U.S. and foreign effective tax rates. EBITDA for our segments is calculated as follows (dollars in thousands):

	Three Months Ended March 31,	
	2011	**2010**
Americas		
Net income attributable to CB Richard Ellis Group, Inc.	$ 29,509	$ 2,546
Add:		
Depreciation and amortization	12,831	14,690
Interest expense	25,832	39,714
Royalty and management service income	(6,620)	(4,145)
Provision for income taxes	18,376	10,369
Less:		
Interest income	1,800	1,186
EBITDA	$ 78,128	$ 61,988
EMEA		
Net (loss) income attributable to CB Richard Ellis Group, Inc.	$ (149)	$ 972
Add:		
Depreciation and amortization	2,262	2,390
Interest expense	139	89
Royalty and management service expense	2,731	2,212
Benefit of income taxes	(1,460)	(1,205)
Less:		
Interest income	517	333
EBITDA	$ 3,006	$ 4,125
Asia Pacific		
Net income attributable to CB Richard Ellis Group, Inc.	$ 2,901	$ 743
Add:		
Depreciation and amortization	1,983	2,112
Interest expense	420	557
Royalty and management service expense	3,607	1,793
Provision for income taxes	3,790	3,200
Less:		
Interest income	259	147
EBITDA	$ 12,442	$ 8,258
Global Investment Management		
Net loss attributable to CB Richard Ellis Group, Inc.	$ (2,455)	$ (8,468)
Add:		
Depreciation and amortization (1)	3,786	2,857
Interest expense (2)	4,590	4,415
Royalty and management service expense	282	140
Benefit of income taxes	(160)	(3,762)
Less:		
Interest income	53	112
EBITDA (3)	$ 5,990	$ (4,930)
Development Services		
Net income (loss) attributable to CB Richard Ellis Group, Inc.	$ 4,563	$ (2,420)
Add:		
Depreciation and amortization	2,607	4,246
Interest expense	3,487	5,017
Provision for (benefit of) income taxes	2,860	(1,303)
Less:		
Interest income	39	22
EBITDA	$ 13,478	$ 5,518

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

(1) Includes depreciation and amortization related to discontinued operations of $0.3 million for the three months ended March 31, 2011.
(2) Includes interest expense related to discontinued operations of $0.7 million for the three months ended March 31, 2011.
(3) Includes EBITDA related to discontinued operations of $1.0 million for the three months ended March 31, 2011.

16. Guarantor and Nonguarantor Financial Statements

The following condensed consolidating financial information includes:

(1) Condensed consolidating balance sheets as of March 31, 2011 and December 31, 2010; condensed consolidating statements of operations for the three months ended March 31, 2011 and 2010; and condensed consolidating statements of cash flows for the three months ended March 31, 2011 and 2010 of (a) CB Richard Ellis Group, Inc. as the parent, (b) CB Richard Ellis Services, Inc. (CBRE) as the subsidiary issuer, (c) the guarantor subsidiaries, (d) the nonguarantor subsidiaries and (e) CB Richard Ellis Group, Inc. on a consolidated basis; and

(2) Elimination entries necessary to consolidate CB Richard Ellis Group, Inc. as the parent, with CBRE and its guarantor and nonguarantor subsidiaries.

Investments in consolidated subsidiaries are presented using the equity method of accounting. The principal elimination entries eliminate investments in consolidated subsidiaries and intercompany balances and transactions.

Table of Contents

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

CONDENSED CONSOLIDATING BALANCE SHEET
AS OF MARCH 31, 2011
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Current Assets:						
Cash and cash equivalents	$ 4	$ 204,454	$ 41,980	$ 181,207	$ —	$ 427,645
Restricted cash	—	4,836	16,818	24,879	—	46,533
Receivables, net	—	—	388,809	500,267	—	889,076
Warehouse receivables (a)	—	—	285,673	—	—	285,673
Income taxes receivable	3,634	10	—	23,389	(121)	26,912
Prepaid expenses	—	3,039	33,441	59,043	—	95,523
Deferred tax assets, net	—	—	92,178	28,367	—	120,545
Real estate under development	—	—	—	27,324	—	27,324
Real estate and other assets held for sale	—	—	558	5,697	—	6,255
Other current assets	—	—	28,670	14,877	—	43,547
Total Current Assets	3,638	212,339	888,127	865,050	(121)	1,969,033
Property and equipment, net	—	—	123,461	69,906	—	193,367
Goodwill	—	—	803,075	539,775	—	1,342,850
Other intangible assets, net	—	—	303,778	27,980	—	331,758
Investments in unconsolidated subsidiaries	—	—	90,503	56,296	—	146,799
Investments in consolidated subsidiaries	1,256,889	986,937	1,094,369	—	(3,338,195)	—
Intercompany loan receivable	—	1,512,535	635,000	210,003	(2,357,538)	—
Deferred tax assets, net	—	—	—	31,412	(30,398)	1,014
Real estate under development	—	—	—	87,845	—	87,845
Real estate held for investment	—	—	4,217	568,033	—	572,250
Available for sale securities	—	—	33,081	—	—	33,081
Other assets, net	—	46,646	26,329	41,926	—	114,901
Total Assets	$ 1,260,527	$ 2,758,457	$ 4,001,940	$ 2,498,226	$ (5,726,252)	$ 4,792,898
Current Liabilities:						
Accounts payable and accrued expenses	$ —	$ 28,208	$ 132,079	$ 269,239	$ —	$ 429,526
Compensation and employee benefits payable	—	626	201,655	140,435	—	342,716
Accrued bonus and profit sharing	—	—	92,158	179,542	—	271,700
Income taxes payable	—	—	121	—	(121)	—
Short-term borrowings:						
Warehouse lines of credit (a)	—	—	277,676	—	—	277,676
Revolving credit facility	—	53,444	—	7,246	—	60,690
Other	—	—	16	—	—	16
Total short-term borrowings	—	53,444	277,692	7,246	—	338,382
Current maturities of long-term debt	—	38,000	—	55	—	38,055
Notes payable on real estate	—	—	—	138,635	—	138,635
Liabilities related to real estate and other assets held for sale	—	—	26	5,807	—	5,833
Other current liabilities	—	—	14,437	2,319	—	16,756
Total Current Liabilities	—	120,278	718,168	743,278	(121)	1,581,603
Long-Term Debt:						
Senior secured term loans	—	593,000	—	—	—	593,000
11.625% senior subordinated notes, net	—	438,001	—	—	—	438,001
6.625% senior notes	—	350,000	—	—	—	350,000
Other long-term debt	—	—	—	46	—	46
Intercompany loan payable	264,017	—	2,093,521	—	(2,357,538)	—
Total Long-Term Debt	264,017	1,381,001	2,093,521	46	(2,357,538)	1,381,047
Deferred tax liabilities, net	—	—	30,398	—	(30,398)	—
Pension liability	—	—	—	40,626	—	40,626
Non-current tax liabilities	—	—	80,554	—	—	80,554
Notes payable on real estate	—	—	—	427,245	—	427,245
Other liabilities	—	289	92,362	40,027	—	132,678
Total Liabilities	264,017	1,501,568	3,015,003	1,251,222	(2,388,057)	3,643,753
Commitments and contingencies	—	—	—	—	—	—
Equity:						
CB Richard Ellis Group, Inc. Stockholders' Equity	996,510	1,256,889	986,937	1,094,369	(3,338,195)	996,510
Non-controlling interests	—	—	—	152,635	—	152,635
Total Equity	996,510	1,256,889	986,937	1,247,004	(3,338,195)	1,149,145
Total Liabilities and Equity	$ 1,260,527	$ 2,758,457	$ 4,001,940	$ 2,498,226	$ (5,726,252)	$ 4,792,898

(a) Although CBRE Capital Markets is included among our domestic subsidiaries, which jointly and severally guarantee our 11.625% senior subordinated notes, our 6.625% senior notes and our Credit Agreement, a substantial majority of warehouse receivables funded under the Fannie Mae As Soon As Pooled (ASAP) Program, JP Morgan Chase Bank, N.A. (JP Morgan), Bank of America (BofA), Kemps Landing Capital Company, LLC (Kemps Landing) and TD Bank, N.A. (TD Bank) lines of credit are pledged to Fannie Mae, JP Morgan, BofA, Kemps Landing and TD Bank, and accordingly, are not included as collateral for these notes or our other outstanding debt.

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

CONDENSED CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2010
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Current Assets:						
Cash and cash equivalents	$ 4	$ 223,845	$ 96,862	$ 185,863	$ —	$ 506,574
Restricted cash	—	4,830	16,086	31,341	—	52,257
Receivables, net	—	—	364,634	575,533	—	940,167
Warehouse receivables (a)	—	—	485,433	—	—	485,433
Income taxes receivable	16,581	28,957	—	3,915	(49,453)	—
Prepaid expenses	—	—	40,653	56,298	—	96,951
Deferred tax assets, net	—	—	92,205	20,099	—	112,304
Real estate and other assets held for sale	—	—	558	15,737	—	16,295
Other current assets	—	—	31,401	19,488	—	50,889
Total Current Assets	16,585	257,632	1,127,832	908,274	(49,453)	2,260,870
Property and equipment, net	—	—	118,425	69,972	—	188,397
Goodwill	—	—	803,075	520,726	—	1,323,801
Other intangible assets, net	—	—	304,639	28,216	—	332,855
Investments in unconsolidated subsidiaries	—	—	82,593	56,380	—	138,973
Investments in consolidated subsidiaries	1,132,091	856,753	1,042,686	—	(3,031,530)	—
Intercompany loan receivable	—	1,434,571	635,000	177,302	(2,246,873)	—
Deferred tax assets, net	—	—	—	40,185	(29,865)	10,320
Real estate under development	—	—	—	112,819	—	112,819
Real estate held for investment	—	—	4,214	622,181	—	626,395
Available for sale securities	—	—	31,936	—	—	31,936
Other assets, net	—	31,274	22,985	40,943	—	95,202
Total Assets	$ 1,148,676	$ 2,580,230	$ 4,173,385	$ 2,576,998	$ (5,357,721)	$ 5,121,568
Current Liabilities:						
Accounts payable and accrued expenses	$ —	$ 9,211	$ 138,613	$ 297,513	$ —	$ 445,337
Compensation and employee benefits payable	—	626	204,034	141,879	—	346,539
Accrued bonus and profit sharing	—	—	235,694	219,829	—	455,523
Income taxes payable	—	—	67,851	—	(49,453)	18,398
Short-term borrowings:						
Warehouse lines of credit (a)	—	—	453,835	—	—	453,835
Revolving credit facility	—	10,120	—	7,396	—	17,516
Other	—	—	16	—	—	16
Total short-term borrowings	—	10,120	453,851	7,396	—	471,367
Current maturities of long-term debt	—	38,000	—	86	—	38,086
Notes payable on real estate	—	—	—	154,213	—	154,213
Liabilities related to real estate and other assets held for sale	—	—	86	12,066	—	12,152
Other current liabilities	—	—	12,621	2,532	—	15,153
Total Current Liabilities	—	57,957	1,112,750	835,514	(49,453)	1,956,768
Long-Term Debt:						
Senior secured term loans	—	602,500	—	—	—	602,500
11.625% senior subordinated notes, net	—	437,682	—	—	—	437,682
6.625% senior notes	—	350,000	—	—	—	350,000
Other long-term debt	—	—	—	54	—	54
Intercompany loan payable	240,461	—	2,006,412	—	(2,246,873)	—
Total Long-Term Debt	240,461	1,390,182	2,006,412	54	(2,246,873)	1,390,236
Deferred tax liabilities, net	—	—	29,865	—	(29,865)	—
Pension liability	—	—	—	40,007	—	40,007
Non-current tax liabilities	—	—	78,306	—	—	78,306
Notes payable on real estate	—	—	—	461,665	—	461,665
Other liabilities	—	—	89,299	39,492	—	128,791
Total Liabilities	240,461	1,448,139	3,316,632	1,376,732	(2,326,191)	4,055,773
Commitments and contingencies	—	—	—	—	—	—
Equity:						
CB Richard Ellis Group, Inc. Stockholders' Equity	908,215	1,132,091	856,753	1,042,686	(3,031,530)	908,215
Non-controlling interests	—	—	—	157,580	—	157,580
Total Equity	908,215	1,132,091	856,753	1,200,266	(3,031,530)	1,065,795
Total Liabilities and Equity	$ 1,148,676	$ 2,580,230	$ 4,173,385	$ 2,576,998	$ (5,357,721)	$ 5,121,568

(a) Although CBRE Capital Markets is included among our domestic subsidiaries, which jointly and severally guarantee our 11.625% senior subordinated notes, our 6.625% senior notes and our Credit Agreement, a substantial majority of warehouse receivables funded under the Kemps Landing, JP Morgan, BofA and Fannie Mae ASAP lines of credit are pledged to Kemps Landing, JP Morgan, BofA and Fannie Mae, and accordingly, are not included as collateral for these notes or our other outstanding debt.

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2011
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Revenue	$ —	$ —	$ 696,135	$ 488,970	$ —	$ 1,185,105
Costs and expenses:						
Cost of services	—	—	420,960	292,795	—	713,755
Operating, administrative and other	9,805	187	208,423	158,610	—	377,025
Depreciation and amortization	—	—	12,285	10,893	—	23,178
Total costs and expenses	9,805	187	641,668	462,298	—	1,113,958
Gain on disposition of real estate	—	—	—	1,972	—	1,972
Operating (loss) income	(9,805)	(187)	54,467	28,644	—	73,119
Equity income (loss) from unconsolidated subsidiaries	—	—	16,448	(1,269)	—	15,179
Interest income	—	26,055	841	1,502	(25,730)	2,668
Interest expense	—	25,894	24,494	9,060	(25,730)	33,718
Royalty and management service (income) expense	—	—	(8,247)	8,247	—	—
Income from consolidated subsidiaries	40,539	40,555	5,430	—	(86,524)	—
Income from continuing operations before (benefit of) provision for income taxes	30,734	40,529	60,939	11,570	(86,524)	57,248
(Benefit of) provision for income taxes	(3,635)	(10)	20,384	6,667	—	23,406
Net income from continuing operations	34,369	40,539	40,555	4,903	(86,524)	33,842
Income from discontinued operations, net of income taxes	—	—	—	10,644	—	10,644
Net income	34,369	40,539	40,555	15,547	(86,524)	44,486
Less: Net income attributable to non-controlling interests	—	—	—	10,117	—	10,117
Net income attributable to CB Richard Ellis Group, Inc.	$ 34,369	$ 40,539	$ 40,555	$ 5,430	$ (86,524)	$ 34,369

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2010
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Revenue	$ —	$ —	$ 602,434	$ 423,449	$ —	$ 1,025,883
Costs and expenses:						
Cost of services	—	—	367,146	248,048	—	615,194
Operating, administrative and other	10,376	363	175,192	152,775	—	338,706
Depreciation and amortization	—	—	14,217	12,078	—	26,295
Total costs and expenses	10,376	363	556,555	412,901	—	980,195
Operating (loss) income	(10,376)	(363)	45,879	10,548	—	45,688
Equity loss from unconsolidated subsidiaries	—	—	(3,591)	(2,993)	—	(6,584)
Interest income	—	58	860	1,072	(190)	1,800
Interest expense	—	40,136	122	9,724	(190)	49,792
Royalty and management service (income) expense	—	—	(5,001)	5,001	—	—
(Loss) income from consolidated subsidiaries	(372)	24,006	(6,112)	—	(17,522)	—
(Loss) income before (benefit of) provision for income taxes	(10,748)	(16,435)	41,915	(6,098)	(17,522)	(8,888)
(Benefit of) provision for income taxes	(4,121)	(16,063)	17,909	9,574	—	7,299
Net (loss) income	(6,627)	(372)	24,006	(15,672)	(17,522)	(16,187)
Less: Net loss attributable to non-controlling interests	—	—	—	(9,560)	—	(9,560)
Net (loss) income attributable to CB Richard Ellis Group, Inc.	$ (6,627)	$ (372)	$ 24,006	$ (6,112)	$ (17,522)	$ (6,627)

Table of Contents

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2011 (Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Consolidated Total
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	$ 17,396	$ 46,679	$ (184,459)	$ 6,502	$ (113,882)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	—	—	(10,798)	(2,824)	(13,622)
Acquisition of businesses including net assets acquired, intangibles and goodwill	—	—	—	(244)	(244)
Contributions to unconsolidated subsidiaries	—	—	(7,649)	(31)	(7,680)
Distributions from unconsolidated subsidiaries	—	—	11,149	19	11,168
Net proceeds from disposition of real estate held for investment	—	—	—	66,748	66,748
Additions to real estate held for investment	—	—	—	(1,488)	(1,488)
Proceeds from the sale of servicing rights and other assets	—	—	5,185	22	5,207
(Increase) decrease in restricted cash	—	(6)	(732)	6,722	5,984
Other investing activities, net	—	—	(753)	1	(752)
Net cash (used in) provided by investing activities	—	(6)	(3,598)	68,925	65,321
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of senior secured term loans	—	(9,500)	—	—	(9,500)
Proceeds from revolving credit facility	—	230,000	—	—	230,000
Repayment of revolving credit facility	—	(187,000)	—	—	(187,000)
Proceeds from notes payable on real estate held for investment	—	—	—	1,209	1,209
Repayment of notes payable on real estate held for investment	—	—	—	(53,237)	(53,237)
Proceeds from notes payable on real estate held for sale and under development	—	—	—	549	549
Repayment of notes payable on real estate held for sale and under development	—	—	—	(6,090)	(6,090)
Incremental tax benefit from stock options exercised	10,487	—	—	—	10,487
Non-controlling interests contributions	—	—	—	208	208
Non-controlling interests distributions	—	—	—	(14,188)	(14,188)
Payment of financing costs	—	(14,017)	—	(155)	(14,172)
(Increase) decrease in intercompany receivables, net	(30,492)	(85,547)	133,175	(17,136)	—
Other financing activities, net	2,609	—	—	(39)	2,570
Net cash (used in) provided by financing activities	(17,396)	(66,064)	133,175	(88,879)	(39,164)
Effect of currency exchange rate changes on cash and cash equivalents	—	—	—	8,796	8,796
NET DECREASE IN CASH AND CASH EQUIVALENTS	—	(19,391)	(54,882)	(4,656)	(78,929)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF PERIOD	4	223,845	96,862	185,863	506,574
CASH AND CASH EQUIVALENTS, AT END OF PERIOD	$ 4	$ 204,454	$ 41,980	$ 181,207	$ 427,645
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:					
Cash paid during the period for:					
Interest	$ —	$ 5,120	$ 12	$ 7,625	$ 12,757
Income tax payments, net	$ —	$ —	$ 36,171	$ 17,959	$ 54,130

Table of Contents

CB RICHARD ELLIS GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2010
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Consolidated Total
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	$ 2,929	$ 35,254	$ (24,277)	$ (6,815)	$ 7,091
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	—	—	(1,206)	(1,692)	(2,898)
Acquisition of businesses including net assets acquired, intangibles and goodwill	—	—	(1,144)	(2,621)	(3,765)
Contributions to unconsolidated subsidiaries	—	—	(4,970)	(1,356)	(6,326)
Distributions from unconsolidated subsidiaries	—	—	52	13	65
Net proceeds from disposition of real estate held for investment	—	—	—	1,845	1,845
Additions to real estate held for investment	—	—	—	(4,229)	(4,229)
Proceeds from the sale of servicing rights and other assets	—	—	3,337	9	3,346
Decrease in restricted cash	—	—	3,457	4,631	8,088
Other investing activities, net	—	—	(974)	—	(974)
Net cash used in investing activities	—	—	(1,448)	(3,400)	(4,848)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of senior secured term loans	—	(54,816)	—	—	(54,816)
Proceeds from revolving credit facility	—	—	—	3,740	3,740
Repayment of revolving credit facility	—	—	—	(4,040)	(4,040)
Proceeds from notes payable on real estate held for investment	—	—	—	3,940	3,940
Repayment of notes payable on real estate held for investment	—	—	—	(10,142)	(10,142)
Proceeds from notes payable on real estate held for sale and under development	—	—	—	1,798	1,798
Repayment of notes payable on real estate held for sale and under development	—	—	—	(637)	(637)
(Repayment of) proceeds from short-term borrowings and other loans, net	—	—	(2)	7,500	7,498
Incremental tax benefit from stock options exercised	279	—	—	—	279
Non-controlling interests contributions	—	—	—	2,980	2,980
Non-controlling interests distributions	—	—	—	(555)	(555)
Payment of financing costs	—	(4,137)	—	(220)	(4,357)
(Increase) decrease in intercompany receivables, net	(3,434)	10,948	26,358	(33,872)	—
Other financing activities, net	226	—	—	(138)	88
Net cash (used in) provided by financing activities	(2,929)	(48,005)	26,356	(29,646)	(54,224)
Effect of currency exchange rate changes on cash and cash equivalents	—	—	—	(9,281)	(9,281)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	—	(12,751)	631	(49,142)	(61,262)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF PERIOD	4	242,586	283,251	215,716	741,557
CASH AND CASH EQUIVALENTS, AT END OF PERIOD	$ 4	$229,835	$ 283,882	$ 166,574	$ 680,295
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:					
Cash paid (received) during the period for:					
Interest	$ —	$ 25,065	$ 13	$ 4,524	$ 29,602
Income tax (refunds) payments, net	$ —	$ —	$ (10,803)	$ 5,709	$ (5,094)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-Q for CB Richard Ellis Group, Inc. for the three months ended March 31, 2011 represents an update to the more detailed and comprehensive disclosures included in our Annual Report on Form 10-K for the year ended December 31, 2010. Accordingly, you should read the following discussion in conjunction with the information included in our Annual Report on Form 10-K as well as the unaudited financial statements included elsewhere in this Quarterly Report on Form 10-Q.

In addition, some of the statements and assumptions in this Quarterly Report on Form 10-Q are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934, each as amended, including, in particular, statements about our plans, strategies and prospects as well as estimates of industry growth for the second quarter and beyond. For important information regarding these forward-looking statements, please see the discussion below under the caption "Forward-Looking Statements."

Overview

We are the world's largest commercial real estate services firm, based on 2010 revenue, with leading full-service operations in major metropolitan areas throughout the world. We offer a full range of services to occupiers, owners, lenders and investors in office, retail, industrial, multi-family and other types of commercial real estate. As of December 31, 2010, we operated more than 300 offices worldwide, excluding affiliate offices, with approximately 31,000 employees providing commercial real estate services under the "CB Richard Ellis" and "CBRE" brand names and development services under the "Trammell Crow" brand name. Our business is focused on several competencies, including commercial property and corporate facilities management, tenant representation, property/agency leasing, property sales, valuation, real estate investment management, commercial mortgage origination and servicing, capital markets (equity and debt) solutions, development services and proprietary research. We generate revenues from contractual management fees and on a per-project or transactional basis. Since 2006, we have been the only commercial real estate services company included in the S&P 500. In every year since 2008, we have been the only commercial real estate services firm to be included in the *Fortune 500*. Additionally, the International Association of Outsourcing Professionals has included us among the top 100 global outsourcing companies across all industries for five consecutive years, including in 2011 when we ranked 6th overall and were the highest ranked commercial real estate services company. In 2010, we were named the premier real estate services provider globally by a number of institutions, including *The Financial Times*, *Euromoney* and the International Property Awards, sponsored by Bloomberg. In 2011, we were the highest ranked commercial real estate services company among the *Fortune* Most Admired Companies.

When you read our financial statements and the information included in this Quarterly Report, you should consider that we have experienced, and continue to experience, several material trends and uncertainties that have affected our financial condition and results of operations that make it challenging to predict our future performance based on our historical results. We believe that the following material trends and uncertainties are crucial to an understanding of the variability in our historical earnings and cash flows and the potential for continued variability in the future:

Macroeconomic Conditions

Economic trends and government policies affect global and regional commercial real estate markets as well as our operations directly. These include: overall economic activity and employment growth, interest rate levels, the cost and availability of credit and the impact of tax and regulatory policies. Periods of economic weakness or recession, significantly rising interest rates, declining employment levels, decreasing demand for real estate, falling real estate values, or the public perception that any of these events may occur, will negatively affect the performance of some or all of our business lines. From late 2007 through 2009, the severe global economic

downturn and credit market crisis had significant adverse effects on our operations by depressing transaction activity, decreasing occupancy and rental rates, sharply lowering property values and restraining corporate spending. These trends, in turn, adversely affected our revenue from property management fees and commissions derived from property sales, leasing, valuation and financing, and funds available to invest in commercial real estate and related assets. These negative trends began to reverse in 2010 as commercial real estate markets improved in step with the stabilization and recovery of global economic activity.

Weak economic conditions from late 2007 through 2009 also affected our compensation expense, which is structured to generally decrease in line with a fall in revenue. Compensation is our largest expense and the sales and leasing professionals in our largest line of business, advisory services, generally are paid on a commission and bonus basis that correlates with our revenue performance. As a result, the negative effect of difficult market conditions on our operating margins was partially mitigated by the inherent variability of our compensation cost structure. In addition, at times when negative economic conditions are particularly severe, as they were in 2008 and 2009, our management has moved decisively to improve operational performance by lowering operating expenses through such actions as reducing discretionary bonuses, curtailing capital expenditures and adjusting overall staffing levels, among others. We began to restore some of these expenses in 2010 as general economic conditions and company performance improved. Notwithstanding the recovery in 2010, a return of adverse global and regional economic trends remains one of the most significant risks to the financial condition and performance of our operations.

Economic conditions first began to negatively affect our performance in the Americas, our largest segment in terms of revenue, beginning in the third quarter of 2007, and the decline in economic activity (particularly in the United States) accelerated throughout 2008 and most of 2009. The economic weakness became most severe following the global capital markets disruption in late 2008, which caused a significant and prolonged decline in property sales, leasing, financing and investment activity that adversely affected all of our business lines. Commercial real estate fundamentals began to stabilize in early 2010 and to improve in the second half of 2010 and early 2011 following a return to positive economic growth in the United States beginning in late 2009. The continued recovery has been characterized by slowly decreasing vacancy rates, stabilizing rental rates, broadening credit availability and increasing property sales and leasing activity. These recovery trends appeared to gain momentum in late 2010 and early 2011, but market activity generally remained well below levels experienced in 2006 and 2007.

In Europe, weakening market conditions first began to manifest in the United Kingdom in late 2007 and throughout the continent in early 2008. The major European economies also entered into a recession in 2008, which deepened and persisted through 2009. Economic growth improved in 2010, but remained behind other parts of the world, amid concerns about sovereign debt issues and the need for fiscal austerity. As a result, leasing activity in most of Europe continued to be subdued in 2010 and early 2011. Investment sales in Europe were adversely affected by the financial crisis in late 2008 and most of 2009. However, larger markets like London and Paris began to show increases in investment sales beginning in late 2009 and continuing into 201l. The recovery of sales activity also began to spread to more markets across Europe, particularly in Germany, in 2010 and 2011. Real estate markets in Asia Pacific were also affected, though generally to a lesser degree than in the United States and Europe, by the global credit market dislocation and economic downturn. This resulted in lower investment sales and leasing activity in the region in 2008 and most of 2009. Transaction activity revived significantly in late 2009, reflecting strong economic growth in countries such as Australia, China, India and Singapore, and this trend has continued into 2011. The natural disasters that affected parts of the Asia Pacific region, notably Japan, Australia and New Zealand, in late 2010 and early 2011 did not have a material impact on our business performance in Asia Pacific during the three months ended March 31, 2011.

Deteriorating conditions also adversely affected real estate investment management and property development activity beginning in late 2007 as property values declined sharply, and both financing and disposal options became more limited. However, the financing and sale markets began to improve in 2010 with the pace of recovery picking up later in the year and continuing in early 2011.

For our global sales, leasing, investment management and development services operations to continue strengthening, more vigorous economic growth and higher aggregate employment will be needed in major countries, especially the United States, and the global credit markets and business and consumer sentiment must continue to improve.

Effects of Acquisitions

Our management historically has made significant use of strategic acquisitions to add new service competencies, to increase our scale within existing competencies and to expand our presence in various geographic regions around the world. In December 2006, we acquired the Trammell Crow Company (the Trammell Crow Company Acquisition), our largest acquisition to date, which deepened our outsourcing services offerings for corporate and institutional clients, especially project and facilities management, strengthened our ability to provide integrated management solutions across geographies, and established resources and expertise to offer real estate development services throughout the United States.

On February 15, 2011, we announced that we had entered into definitive agreements to acquire the majority of the real estate investment management business of Netherlands-based ING Group N.V., or ING, for approximately $940 million in cash. The acquisitions include substantially all of the ING Real Estate Investment Management, or REIM, operations in Europe and Asia, as well as Clarion Real Estate Securities, or CRES, its U.S.-based global real estate listed securities business (collectively referred to as ING REIM). ING REIM is expected to become part of our Global Investment Management segment (whose business is conducted through our indirect wholly-owned subsidiary CBRE Investors), which will continue to be an independently operated business segment upon completion of the acquisitions. CBRE Investors has primarily focused on value-add funds and separate accounts. ING REIM has primarily focused on core funds and global listed real estate securities funds, except in Asia, where ING REIM manages value-add and opportunity funds. There is expected to be little overlap in the companies' client bases, with a majority of CBRE Investors' clients being U.S.-based and a majority of ING REIM's clients based in Europe. We also expect to acquire approximately $55 million of CRES co-investments from ING and potentially additional interests in other funds managed by ING REIM Europe and ING REIM Asia. These acquisitions, which we refer to as the REIM Acquisitions, are expected to close in the second half of 2011 and are subject to approval by certain stakeholders, including regulatory agencies in the United States, Europe and Asia.

As of December 31, 2010, the assets under management, or AUM, in the ING REIM portfolio we are acquiring totaled approximately $59.8 billion. CBRE Investors' assets under management totaled $37.6 billion as of December 31, 2010. ING REIM, when combined with our existing Global Investment Management operations, will provide us with a significantly enhanced ability to meet the needs of institutional investors across global markets with a full spectrum of investment programs and strategies.

AUM generally refers to the properties and other assets with respect to which we provide (or participate in) oversight, investment management services and other advice, and which generally consist of real estate properties or loans, securities portfolios and investments in operating companies and joint ventures. Our AUM is intended principally to reflect the extent of our presence in the real estate market, not the basis for determining our management fees. Our material assets under management consist of:

a) the total fair market value of the real estate properties and other assets either wholly-owned or held by joint ventures and other entities in which our sponsored funds or investment vehicles and client accounts have invested or to which they have provided financing. Committed (but unfunded) capital from investors in our sponsored funds is not included in this component of our AUM. The value of development properties is included at estimated completion cost. In the case of real estate operating companies, the total value of real properties controlled by the companies, generally through joint ventures, is included in AUM; and

b) the net asset value of our managed securities portfolios, including investments (which may be comprised of committed but uncalled capital) in private real estate funds under our fund of funds program.

Our calculation of AUM may differ from the calculations of other asset managers (including ING REIM, as described below), and as a result this measure may not be comparable to similar measures presented by other asset managers. Our definition of AUM is not based on any definition of assets under management that is set forth in the agreements governing the investment funds that we manage. The methodologies used by the ING REIM business units and CBRE Investors to determine their respective AUM are not the same and, accordingly, the reported AUM of ING REIM would be different if calculated using a methodology consistent with that of CBRE Investors' methodology. To the extent applicable, ING REIM's reported AUM at December 31, 2010 was converted from Euros to U.S. dollars using an exchange rate of $1.3379 per €1.

Strategic in-fill acquisitions, which tend to be smaller purchases of local and/or niche market companies, have also played a key role in expanding our geographic coverage and broadening and strengthening our service offerings. From 2005 to 2008, we completed 58 in-fill acquisitions for an aggregate purchase price of approximately $592 million. In light of the economic environment, we did not complete any acquisitions in 2009 and made two small niche acquisitions in 2010, an industrial practice in the United Kingdom in the second quarter of 2010 and a commercial property asset management and consultancy services firm in Hong Kong in the fourth quarter of 2010. The companies we acquired have generally been quality regional firms or niche specialty firms that complement our existing platform within a region, or affiliates in which, in some cases, we held an equity interest. As market conditions continue to improve, we expect to make additional acquisitions to supplement our organic growth.

Although our management believes that strategic acquisitions can significantly decrease the cost, time and commitment of management resources necessary to attain a meaningful competitive position within targeted markets or to expand our presence within our current markets, our management also believes that most acquisitions will initially have an adverse impact on our operating and net income, both as a result of transaction-related expenditures, which can include severance, lease termination, deferred financing and merger-related costs, among others, and the charges and costs of integrating the acquired business and its financial and accounting systems into our own. For example, we incurred $196.6 million of transaction-related expenditures in connection with our acquisition of Trammell Crow Company in 2006 and $10.9 million of transaction-related expenditures in connection with the expected REIM Acquisitions through March 31, 2011. In addition, through March 31, 2011, we incurred expenses of $62.3 million related to Trammell Crow Company in connection with the integration of its business lines, as well as accounting and other systems, into our own. As with prior material acquisitions, we anticipate incurring significant integration expenses associated with the expected REIM Acquisitions in 2011 and beyond. We expect the total (pre-tax) transaction costs relating to the REIM Acquisitions, including financing, retention and integration costs, to be approximately $150.0 million.

International Operations

As we increase our international operations through either acquisitions or organic growth, fluctuations in the value of the U.S. dollar relative to the other currencies in which we may generate earnings could adversely affect our business, financial condition and operating results. Our management team generally seeks to mitigate our exposure by balancing assets and liabilities that are denominated in the same currency and by maintaining cash positions outside the United States only at levels necessary for operating purposes. In addition, from time to time we enter into foreign currency exchange contracts to mitigate our exposure to exchange rate changes related to particular transactions and to hedge risks associated with the translation of foreign currencies into U.S. dollars. Due to the constantly changing currency exposures to which we are subject and the volatility of currency exchange rates, we cannot predict the effect of exchange rate fluctuations upon future operating results. In addition, fluctuations in currencies relative to the U.S. dollar may make it more difficult to perform period-to-period comparisons of our reported results of operations.

Our international operations also are subject to, among other things, political instability and changing regulatory environments, which may adversely affect our future financial condition and results of operations. Our management routinely monitors these risks and related costs and evaluates the appropriate amount of resources to allocate towards business activities in foreign countries where such risks and costs are particularly significant.

Leverage

We are highly leveraged and have significant debt service obligations. As of March 31, 2011, our total debt, excluding our notes payable on real estate and warehouse lines of credit (both of which are generally nonrecourse to us), was approximately $1.5 billion. In connection with the REIM Acquisitions, we have secured and expect to borrow approximately $800.0 million of new delayed-draw term loans under our secured credit agreement to finance such acquisitions.

Our level of indebtedness and the operating and financial restrictions in our debt agreements place constraints on the operation of our business. Although our management believes that long-term indebtedness has been an important lever in the development of our business, including facilitating our acquisition of Trammell Crow Company and the proposed REIM Acquisitions, the cash flow necessary to service this debt is not available for other general corporate purposes, which may limit our flexibility in planning for, or reacting to, changes in our business and in the commercial real estate services industry. Our management seeks to mitigate this exposure both through the refinancing of debt when available on attractive terms and through selective repayment and retirement of indebtedness.

Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States, which require management to make estimates and assumptions that affect reported amounts. The estimates and assumptions are based on historical experience and on other factors that management believes to be reasonable. Actual results may differ from those estimates. Critical accounting policies represent the areas where more significant judgments and estimates are used in the preparation of our consolidated financial statements. A discussion of such critical accounting policies, which include revenue recognition, our consolidation policy, goodwill and other intangible assets, real estate and income taxes can be found in our Annual Report on Form 10-K for the year ended December 31, 2010. There have been no material changes to these policies as of March 31, 2011.

Results of Operations

The following table sets forth items derived from our consolidated statements of operations for the three months ended March 31, 2011 and 2010, presented in dollars and as a percentage of revenue (dollars in thousands):

	Three Months Ended March 31,			
	2011		2010	
Revenue	$1,185,105	100.0%	$1,025,883	100.0%
Costs and expenses:				
Cost of services	713,755	60.2	615,194	60.0
Operating, administrative and other	377,025	31.8	338,706	33.0
Depreciation and amortization	23,178	2.0	26,295	2.5
Total costs and expenses	1,113,958	94.0	980,195	95.5
Gain on disposition of real estate	1,972	0.2	—	—
Operating income	73,119	6.2	45,688	4.5
Equity income (loss) from unconsolidated subsidiaries	15,179	1.3	(6,584)	(0.7)
Interest income	2,668	0.2	1,800	0.2
Interest expense	33,718	2.9	49,792	4.9
Income (loss) from continuing operations before provision for income taxes	57,248	4.8	(8,888)	(0.9)
Provision for income taxes	23,406	1.9	7,299	0.7
Income (loss) from continuing operations	33,842	2.9	(16,187)	(1.6)
Income from discontinued operations, net of income taxes	10,644	0.9	—	—
Net income (loss)	44,486	3.8	(16,187)	(1.6)
Less: Net income (loss) attributable to non-controlling interests	10,117	0.9	(9,560)	(1.0)
Net income (loss) attributable to CB Richard Ellis Group, Inc.	$ 34,369	2.9%	$ (6,627)	(0.6)%
EBITDA (1)	$ 113,044	9.5%	$ 74,959	7.3%
EBITDA, as adjusted (1)	$ 120,555	10.2%	$ 87,453	8.5%

(1) Includes EBITDA related to discontinued operations of $1.0 million for the three months ended March 31, 2011.

EBITDA represents earnings before net interest expense, income taxes, depreciation and amortization. Our management believes EBITDA is useful in evaluating our operating performance compared to that of other companies in our industry because the calculation of EBITDA generally eliminates the effects of financing and income taxes and the accounting effects of capital spending and acquisitions, which would include impairment charges of goodwill and intangibles created from acquisitions. Such items may vary for different companies for reasons unrelated to overall operating performance. As a result, our management uses EBITDA as a measure to evaluate the operating performance of our various business segments and for other discretionary purposes, including as a significant component when measuring our operating performance under our employee incentive programs. Additionally, we believe EBITDA is useful to investors to assist them in getting a more accurate picture of our results from operations.

However, EBITDA is not a recognized measurement under U.S. generally accepted accounting principles, or GAAP, and when analyzing our operating performance, readers should use EBITDA in addition to, and not as an alternative for, net income as determined in accordance with GAAP. Because not all companies use identical calculations, our presentation of EBITDA may not be comparable to similarly titled measures of other companies. Furthermore, EBITDA is not intended to be a measure of free cash flow for our management's discretionary use, as it does not consider certain cash requirements such as tax and debt service payments. The

amounts shown for EBITDA also differ from the amounts calculated under similarly titled definitions in our debt instruments, which are further adjusted to reflect certain other cash and non-cash charges and are used to determine compliance with financial covenants and our ability to engage in certain activities, such as incurring additional debt and making certain restricted payments. Amounts shown for EBITDA, as adjusted, remove the impact of certain cash and non-cash charges related to acquisitions, cost containment and asset impairments.

EBITDA and EBITDA, as adjusted for selected charges are calculated as follows:

	Three Months Ended March 31,	
	2011	2010
Net income (loss) attributable to CB Richard Ellis Group, Inc.	$ 34,369	$ (6,627)
Add:		
Depreciation and amortization (1)	23,469	26,295
Interest expense (2)	34,468	49,792
Provision for income taxes	23,406	7,299
Less:		
Interest income	2,668	1,800
EBITDA (3)	$ 113,044	$ 74,959
Adjustments:		
Integration and other costs related to acquisitions	7,511	1,006
Cost containment expenses	—	7,035
Write-down of impaired assets	—	4,453
EBITDA, as adjusted (3)	$ 120,555	$ 87,453

(1) Includes depreciation and amortization related to discontinued operations of $0.3 million for the three months ended March 31, 2011.
(2) Includes interest expense related to discontinued operations of $0.7 million for the three months ended March 31, 2011.
(3) Includes EBITDA related to discontinued operations of $1.0 million for the three months ended March 31, 2011.

Three Months Ended March 31, 2011 Compared to the Three Months Ended March 31, 2010

We reported consolidated net income of $34.4 million for the three months ended March 31, 2011 on revenue of $1.2 billion as compared to a consolidated net loss of $6.6 million on revenue of $1.0 billion for the three months ended March 31, 2010.

Our revenue on a consolidated basis for the three months ended March 31, 2011 increased by $159.2 million, or 15.5%, as compared to the three months ended March 31, 2010. This increase was primarily driven by higher worldwide sales (up 34.5%), leasing (up 7.9%) and outsourcing (up 13.7%) activity. Foreign currency translation had an $18.5 million positive impact on total revenue during the three months ended March 31, 2011.

Our cost of services on a consolidated basis increased by $98.6 million, or 16.0%, during the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. Our sales and leasing professionals generally are paid on a commission basis, which substantially correlates with our revenue performance. Accordingly, the increase in revenue led to a corresponding increase in commission accruals. In addition, commission reinstatements in the third quarter of 2010 contributed to the increase. Higher salaries and related costs associated with our global property and facilities management contracts and additions to headcount in anticipation of revenue growth also contributed to the increase in cost of services in the current year. Foreign

currency translation had an $11.0 million negative impact on cost of services during the three months ended March 31, 2011. Cost of services as a percentage of revenue was relatively consistent at 60.2% for the three months ended March 31, 2011 versus 60.0% for the three months ended March 31, 2010.

Our operating, administrative and other expenses on a consolidated basis increased by $38.3 million, or 11.3%, during the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. The increase was primarily driven by higher payroll-related costs, including bonuses, which resulted from our improved operating performance and slightly increased headcount, as well as the restoration of salaries to pre-financial crisis levels in the third quarter of 2010 and substantially restored bonus target levels in the fourth quarter of 2010. Also contributing to the increase was increased marketing and travel costs in support of our growing revenue during the three months ended March 31, 2011. Foreign currency translation had a $4.7 million negative impact on total operating expenses during the three months ended March 31, 2011. Operating expenses as a percentage of revenue decreased to 31.8% for the three months ended March 31, 2011 from 33.0% for the three months ended March 31, 2010, which is indicative of effective cost control in the indirect and support areas of our business.

Our depreciation and amortization expense on a consolidated basis decreased by $3.1 million, or 11.9%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. This decrease was primarily attributable to lower depreciation expense within our Americas segment in the current year.

Our gain on disposition of real estate on a consolidated basis was $2.0 million for the three months ended March 31, 2011. These gains resulted from activity within our Development Services segment.

Our equity income from unconsolidated subsidiaries on a consolidated basis was $15.2 million for the three months ended March 31, 2011 as compared to an equity loss from unconsolidated subsidiaries of $6.6 million for the three months ended March 31, 2010. The increase in equity income in the current year was primarily driven by higher equity earnings associated with gains on property sales within our Development Services segment. Also contributing to the increase was lower impairment charges associated with equity investments in our Global Investment Management segment in the current year.

Our consolidated interest income was $2.7 million for the three months ended March 31, 2011, an increase of $0.9 million, or 48.2%, as compared to the three months ended March 31, 2010. This increase was mainly driven by higher interest income reported in our Americas segment.

Our consolidated interest expense decreased by $16.1 million, or 32.3%, during the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. The decrease was primarily due to lower interest expense associated with our credit agreement due to debt repayments made in the second half of 2010. This decrease was partially offset by interest expense incurred related to the $350.0 million of 6.625% senior notes issued on October 8, 2010.

Our provision for income taxes on a consolidated basis was $23.4 million for the three months ended March 31, 2011 as compared to $7.3 million for the three months ended March 31, 2010. Our effective tax rate from continuing operations, after adjusting pre-tax income (loss) to remove the portion attributable to non-controlling interests, decreased to 40.5% for the three months ended March 31, 2011 as compared to 1,086.2% for the three months ended March 31, 2010. The changes in our provision for income taxes and our effective tax rate were primarily the result of a significant increase in income reported in the current year as well as a change in our mix of domestic and foreign earnings (losses). We currently expect that our full year 2011 effective tax rate will be slightly lower than our effective tax rate for the three months ended March 31, 2011.

Our consolidated income from discontinued operations, net of income taxes, was $10.6 million for the three months ended March 31, 2011. This income was reported in our Global Investment Management segment and mostly related to a gain from a property sale, which was all attributable to non-controlling interests.

Our net income attributable to non-controlling interests on a consolidated basis was $10.1 million for the three months ended March 31, 2011 as compared to a net loss attributable to non-controlling interests of $9.6 million for the three months ended March 31, 2010. This activity primarily reflects our non-controlling interests' share of income and losses within our Global Investment Management and Development Services segments.

Segment Operations

We report our operations through the following segments: (1) Americas, (2) EMEA, (3) Asia Pacific, (4) Global Investment Management and (5) Development Services. The Americas consists of operations located in the United States, Canada and selected parts of Latin America. EMEA mainly consists of operations in Europe, while Asia Pacific includes operations in Asia, Australia and New Zealand. The Global Investment Management business consists of investment management operations in the United States, Europe and Asia. The Development Services business consists of real estate development and investment activities primarily in the United States.

Table of Contents

The following table summarizes our revenue, costs and expenses and operating income (loss) by our Americas, EMEA, Asia Pacific, Global Investment Management and Development Services operating segments for the three months ended March 31, 2011 and 2010 (dollars in thousands):

	Three Months Ended March 31,			
	2011		2010	
Americas				
Revenue	$750,115	100.0%	$645,611	100.0%
Costs and expenses:				
Cost of services	477,329	63.6	410,287	63.6
Operating, administrative and other	197,417	26.3	174,841	27.1
Depreciation and amortization	12,831	1.8	14,690	2.2
Operating income	$ 62,538	8.3%	$ 45,793	7.1%
EBITDA (1)	$ 78,128	10.4%	$ 61,988	9.6%
EMEA				
Revenue	$204,968	100.0%	$188,160	100.0%
Costs and expenses:				
Cost of services	131,273	64.0	119,451	63.5
Operating, administrative and other	70,782	34.5	64,976	34.5
Depreciation and amortization	2,262	1.2	2,390	1.3
Operating income	$ 651	0.3%	$ 1,343	0.7%
EBITDA (1)	$ 3,006	1.5%	$ 4,125	2.2%
Asia Pacific				
Revenue	$160,500	100.0%	$134,432	100.0%
Costs and expenses:				
Cost of services	105,153	65.5	85,456	63.6
Operating, administrative and other	42,104	26.2	40,705	30.3
Depreciation and amortization	1,983	1.3	2,112	1.5
Operating income	$ 11,260	7.0%	$ 6,159	4.6%
EBITDA (1)	$ 12,442	7.8%	$ 8,258	6.1%
Global Investment Management				
Revenue	$ 50,322	100.0%	$ 39,407	100.0%
Costs and expenses:				
Operating, administrative and other	45,556	90.5	40,939	103.9
Depreciation and amortization	3,495	7.0	2,857	7.2
Operating income (loss)	$ 1,271	2.5%	$ (4,389)	(11.1)%
EBITDA (1) (2)	$ 5,990	11.9%	$ (4,930)	(12.5)%
Development Services				
Revenue	$ 19,200	100.0%	$ 18,273	100.0%
Costs and expenses:				
Operating, administrative and other	21,166	110.2	17,245	94.4
Depreciation and amortization	2,607	13.6	4,246	23.2
Gain on disposition of real estate	1,972	10.3	—	—
Operating loss	$ (2,601)	(13.5)%	$ (3,218)	(17.6)%
EBITDA (1)	$ 13,478	70.2%	$ 5,518	30.2%

(1) See Note 15 of the Notes to Consolidated Financial Statements (Unaudited) for a reconciliation of segment EBITDA to the most comparable financial measure calculated and presented in accordance with GAAP, which is segment net income (loss) attributable to CB Richard Ellis Group, Inc.
(2) Includes EBITDA related to discontinued operations of $1.0 million for the three months ended March 31, 2011.

Three Months Ended March 31, 2011 Compared to the Three Months Ended March 31, 2010

Americas

Revenue increased by $104.5 million, or 16.2%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. This improvement was primarily driven by higher sales and leasing activity as well as increased commercial mortgage brokerage and outsourcing activity. Foreign currency translation had a $5.9 million positive impact on total revenue during the three months ended March 31, 2011.

Cost of services increased by $67.0 million, or 16.3%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010, primarily due to increased commission expense resulting from higher sales and lease transaction revenue. In addition, commission reinstatements in the third quarter of 2010 contributed to the increase. Higher salaries and related costs associated with our property and facilities management contracts also contributed to an increase in cost of services in the current year. Foreign currency translation had a $3.7 million negative impact on cost of services during the three months ended March 31, 2011. Cost of services as a percentage of revenue was consistent at 63.6% for both the three months ended March 31, 2011 and 2010.

Operating, administrative and other expenses increased by $22.6 million, or 12.9%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. The increase was primarily driven by higher payroll-related costs, including bonuses, which resulted from increased headcount and improved operating performance as well as the restoration of salaries to pre-recession levels in the third quarter of 2010 and substantially restored bonus target levels in the fourth quarter of 2010. Also contributing to the increase were higher marketing and travel costs in support of our growing revenue. Foreign currency translation had a $1.4 million negative impact on total operating expenses during the three months ended March 31, 2011.

EMEA

Revenue increased by $16.8 million, or 8.9%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. This increase was primarily attributable to higher outsourcing activities throughout the region, and increased sales activity, led by France and Germany. Foreign currency translation had a $0.3 million positive impact on total revenue during the three months ended March 31, 2011.

Cost of services increased by $11.8 million, or 9.9%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. This increase was primarily driven by higher salaries and related costs associated with our property and facilities management contracts. Also contributing to the increase was aggressive hiring in the region in anticipation of improving transaction based revenues. Foreign currency translation had a $0.5 million positive impact on cost of services during the three months ended March 31, 2011. Cost of services as a percentage of revenue increased to 64.0% for the three months ended March 31, 2011 from 63.5% for the three months ended March 31, 2010, primarily driven by a shift in the mix of revenue, with outsourcing revenue comprising a greater portion of the total than in the prior year, as well as the previously mentioned additions to headcount.

Operating, administrative and other expenses increased by $5.8 million, or 8.9%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. This increase was primarily driven by higher payroll-related costs, including bonuses, largely resulting from additions to headcount. Higher marketing

and travel costs in support of our growing revenue also contributed to the increase. Foreign currency translation had a $0.2 million positive impact on total operating expenses during the three months ended March 31, 2011.

Asia Pacific

Revenue increased by $26.1 million, or 19.4%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. This revenue increase was primarily driven by higher sales and leasing activity, particularly in Australia, China, Japan and Singapore. Higher outsourcing activity in Asia, most notably in India, also contributed to the increase. Foreign currency translation had a $12.3 million positive impact on total revenue during the three months ended March 31, 2011.

Cost of services increased by $19.7 million, or 23.0%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. Cost of services as a percentage of revenue increased to 65.5% for the three months ended March 31, 2011 as compared to 63.6% for the three months ended March 31, 2010. These increases were primarily driven by higher salaries and related costs associated with our property and facilities management contracts as well as increases in headcount throughout the region. Also contributing to the increase in cost of services was higher commission expense resulting from increased transaction revenue. Foreign currency translation had a $7.8 million negative impact on cost of services during the three months ended March 31, 2011.

Operating, administrative and other expenses increased by $1.4 million, or 3.4%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. This increase was primarily due to foreign currency translation, which had a $3.5 million negative impact on total operating expenses during the three months ended March 31, 2011, partially offset by lower legal fees incurred in the current year.

Global Investment Management

Revenue increased by $10.9 million, or 27.7%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. This was largely driven by higher asset management and acquisition fees in the current year. Foreign currency translation had a negligible impact on total revenue during the three months ended March 31, 2011.

Operating, administrative and other expenses increased by $4.6 million, or 11.3%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. This increase was primarily driven by costs incurred in the current year associated with the anticipated REIM Acquisitions, partially offset by lower provisions for bad debt in the current year. Foreign currency translation had a negligible impact on total operating expenses during the three months ended March 31, 2011.

Total AUM as of March 31, 2011 amounted to $37.9 billion, up 1% from year-end 2010 and 14% from the first quarter of 2010.

Development Services

Revenue increased by $0.9 million, or 5.1%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 primarily due to higher incentive fees, partially offset by lower rental income as a result of property dispositions.

Operating, administrative and other expenses increased by $3.9 million, or 22.7%, for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. This increase was primarily driven by higher bonus accruals resulting from improved business performance primarily from gains on property sales in the current year, partially offset by lower property operating expenses as a result of the property dispositions noted above.

Development projects in process as of March 31, 2011 totaled $4.9 billion, unchanged from year-end 2010 and up $0.2 billion from first-quarter 2010. The inventory of deals in the pipeline as of March 31, 2011 stood at $1.5 billion, up $0.3 billion from year-end 2010 and up $0.6 billion from first-quarter 2010.

Liquidity and Capital Resources

We believe that we can satisfy our working capital requirements and funding of investments with internally generated cash flow and, as necessary, borrowings under our revolving credit facility. Our 2011 expected capital requirements include up to $100 million of anticipated net capital expenditures. During the three months ended March 31, 2011, we incurred $13.0 million of net capital expenditures. As of March 31, 2011, we had aggregate commitments of $11.7 million to fund future co-investments in our Global Investment Management business, all of which is expected to be funded in 2011. Additionally, as of March 31, 2011, we had committed to fund $22.2 million of additional capital to unconsolidated subsidiaries within our Development Services business, which we may be required to fund at any time. In recent years, the global credit markets have experienced unprecedented tightening, which could affect both the availability and cost of our funding sources in the future.

On February 15, 2011, we announced that we had entered into definitive agreements to acquire the majority of the real estate investment management business of Netherlands-based ING for approximately $940 million in cash. The acquisitions include substantially all of the ING REIM operations in Europe and Asia, as well as CRES, its U.S.-based global real estate listed securities business. We also expect to acquire approximately $55 million of CRES co-investments from ING and potentially additional interests in other funds managed by ING REIM Europe and ING REIM Asia. In addition, we expect to incur transaction costs relating to the acquisitions of approximately $150 million (pre-tax), including financing, retention and integration costs. The acquisitions are expected to close in the second half of 2011 and are subject to approval by certain stakeholders, including regulatory agencies in the United States, Europe and Asia. We have secured and expect to borrow $800.0 million of new delayed-draw term loans, which we anticipate using, along with cash on hand, to finance the acquisitions.

During 2003 and 2006, we required substantial amounts of equity and debt financing to fund our acquisitions of Insignia and Trammell Crow Company. In the past two years, we also conducted two debt offerings. The first, in 2009, was part of a capital restructuring in response to the global economic recession, and the second, in 2010, was to take advantage of low interest rates and term availability. Absent extraordinary transactions such as these and the equity offerings we completed during the unprecedented recent global capital markets disruption in 2008 and 2009, we historically have not sought external sources of financing and have relied on our internally generated cash flow and our revolving credit facility to fund our working capital, capital expenditure and investment requirements. In the absence of such extraordinary events, our management anticipates that our cash flow from operations and our revolving credit facility would be sufficient to meet our anticipated cash requirements for the foreseeable future, but at a minimum for the next 12 months.

As evidenced above, from time to time, we consider potential strategic acquisitions. We believe that any future significant acquisitions that we make most likely would require us to obtain additional debt or equity financing. In the past, we have been able to obtain such financing for material transactions on terms that we believed to be reasonable. However, it is possible that we may not be able to find acquisition financing on favorable terms in the future if we decide to make any further material acquisitions.

Our long-term liquidity needs, other than those related to ordinary course obligations and commitments such as operating leases, generally are comprised of two elements. The first is the repayment of the outstanding and anticipated principal amounts of our long-term indebtedness. We are unable to project with certainty whether our long-term cash flow from operations will be sufficient to repay our long-term debt when it comes due. If this cash flow is insufficient, then we expect that we would need to refinance such indebtedness or otherwise amend its terms to extend the maturity dates. We cannot make any assurances that such refinancing or amendments would be available on attractive terms, if at all.

The second long-term liquidity need is the repayment of obligations under our pension plans in the United Kingdom. Our subsidiaries based in the United Kingdom maintain two contributory defined benefit pension plans to provide retirement benefits to existing and former employees participating in the plans. With respect to these plans, our historical policy has been to contribute annually an amount to fund pension cost as actuarially determined and as required by applicable laws and regulations. Our contributions to these plans are invested and, if these investments do not perform in the future as well as we expect, we will be required to provide additional funding to cover the shortfall. The underfunded status of our pension plans included in pension liability in the accompanying consolidated balance sheets was $40.6 million and $40.0 million at March 31, 2011 and December 31, 2010, respectively. We expect to contribute a total of $3.7 million to fund our pension plans for the year ending December 31, 2011, of which $0.9 million was funded as of March 31, 2011.

Historical Cash Flows

Operating Activities

Net cash used in operating activities totaled $113.9 million for the three months ended March 31, 2011 as compared to net cash provided by operating activities of $7.1 million for the three months ended March 31, 2010. The increase in cash used in operating activities in the current year versus the same period last year was primarily due to higher bonuses, commissions and income taxes paid in the current year. These items were partially offset by a greater decrease in receivables and an increase in bonus accruals in the current year as well as improved operating performance in the current year.

Investing Activities

Net cash provided by investing activities totaled $65.3 million for the three months ended March 31, 2011 as compared to net cash used in investing activities of $4.8 million for the three months ended March 31, 2010. The increase in cash provided by investing activities in the current year versus the prior year period was primarily driven by higher net proceeds received from the disposition of real estate held for investment and higher distributions received from investments in unconsolidated subsidiaries. These increases were partially offset by higher capital expenditures in the current year period.

Financing Activities

Net cash used in financing activities totaled $39.2 million for the three months ended March 31, 2011, a decrease of $15.1 million as compared to the three months ended March 31, 2010. The decrease was primarily due to higher net repayments of our senior secured term loans in the prior year as well as higher net borrowings under our revolving credit facility in the current year. These items were partially offset by higher net repayments of notes payable on real estate, greater distributions to non-controlling interests and an increase in financing costs paid in the current year.

Significant Indebtedness

Our level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay when due, the principal of, interest on or other amounts due in respect of our indebtedness and other obligations. In addition, we may incur additional debt from time to time to finance strategic acquisitions, investments, joint ventures or for other purposes, subject to the restrictions contained in the documents governing our indebtedness. If we incur additional debt, the risks associated with our leverage, including our ability to service our debt, would increase.

Since 2001, we have maintained credit facilities with Credit Suisse Group AG, or CS, and other lenders to fund strategic acquisitions and to provide for our working capital needs. On November 10, 2010, we entered into a new credit agreement (as amended, the Credit Agreement) with a syndicate of banks led by CS, as administrative and collateral agent, to completely refinance our previous credit facilities. On March 4, 2011, we

entered into an amendment to our credit agreement to, among other things, increase flexibility to various covenants to accommodate the REIM Acquisitions and to maintain the availability of the $800.0 million incremental facility under the Credit Agreement. On March 4, 2011, we also entered into an incremental assumption agreement to allow for the establishment of new tranche C and tranche D term loan facilities.

Our Credit Agreement currently provides for the following: (1) a $700.0 million revolving credit facility, including revolving credit loans, letters of credit and a swingline loan facility, maturing on May 10, 2015; (2) a $350.0 million tranche A term loan facility requiring quarterly principal payments beginning December 31, 2010 and continuing through September 30, 2015, with the balance payable on November 10, 2015, (3) a $300.0 million tranche B term loan facility requiring quarterly principal payments beginning December 31, 2010 and continuing through September 30, 2016, with the balance payable on November 10, 2016; (4) a $400.0 million delayed draw seven year tranche C term loan facility with a maturity date of March 4, 2018; (5) a $400.0 million delayed draw eight and one-half year tranche D term loan facility with a maturity date of September 4, 2019 and (6) an accordion provision which provides the ability to borrow an additional $800.0 million, which can be further expanded, subject to the satisfaction of what we believe are customary conditions. In regards to the tranche C and tranche D term loan facilities, we have up to 180 days from the date we entered into the incremental assumption agreement to draw on these facilities during which period we are required to pay a fee on the unused portions of each facility. After 180 days, any unused portions of these facilities will no longer be available for use.

The revolving credit facility allows for borrowings outside of the U.S., with sub-facilities of $5.0 million available to one of our Canadian subsidiaries, $35.0 million in aggregate available to one of our Australian and one of our New Zealand subsidiaries and $50.0 million available to one of our U.K. subsidiaries. Additionally, outstanding borrowings under these sub-facilities may be up to 5.0% higher as allowed under the currency fluctuation provision in the Credit Agreement. Borrowings under the revolving credit facility as of March 31, 2011 bear interest at varying rates, based at our option, on either the applicable fixed rate plus 1.65% to 3.15% or the daily rate plus 0.65% to 2.15% as determined by reference to our ratio of total debt less available cash to EBITDA (as defined in the Credit Agreement). As of March 31, 2011 and December 31, 2010, we had $60.7 million and $17.5 million, respectively, of revolving credit facility principal outstanding with related weighted average interest rates of 3.7% and 3.5%, respectively, which are included in short-term borrowings in the consolidated balance sheets set forth in Item 1 of this Quarterly Report. As of March 31, 2011, letters of credit totaling $20.0 million were outstanding under the revolving credit facility. These letters of credit were primarily issued in the normal course of business as well as in connection with certain insurance programs and reduce the amount we may borrow under the revolving credit facility.

Borrowings under the term loan facilities as of March 31, 2011 bear interest, based at our option, on the following: for the tranche A term loan facility, on either the applicable fixed rate plus 2.00% to 3.75% or the daily rate plus 1.00% to 2.75%, as determined by reference to our ratio of total debt less available cash to EBITDA (as defined in the Credit Agreement), for the tranche B term loan facility, on either the applicable fixed rate plus 3.25% or the daily rate plus 2.25%, for the tranche C term loan facility, on either the applicable fixed rate plus 3.25% or the daily rate plus 2.25% and for the tranche D term loan facility, on either the applicable fixed rate plus 3.50% or the daily rate plus 2.50%. As of March 31, 2011 and December 31, 2010, we had $332.5 million and $341.3 million, respectively, of tranche A term loan facility principal outstanding and $298.5 million and $299.2 million, respectively, of tranche B term loan facility principal outstanding, which are included in the consolidated balance sheets set forth in Item 1 of this Quarterly Report. As of March 31, 2011 and December 31, 2010, there were no amounts outstanding under our tranche C and tranche D term loan facilities.

In March 2011, we entered into five interest rate swap agreements, all with effective dates in October 2011, and immediately designated them as cash flow hedges in accordance with Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 815, "*Derivatives and Hedging*." The purpose of these interest rate swap agreements is to hedge potential changes to our cash flows due to the variable interest nature of our senior secured term loan facilities. The total notional amount of these interest rate swap agreements is $400.0 million, with $200.0 million expiring on October 2, 2017 and $200.0 million expiring on September 4,

2019. There was no hedge ineffectiveness for the three months ended March 31, 2011. As of March 31, 2011, the fair values of four interest rate swap agreements were reflected as a $2.0 million asset and were included in other long-term assets in the consolidated balance sheets set forth in Item 1 of this Quarterly Report. The fifth interest rate swap agreement was reflected as a $0.3 million liability and was included in other long-term liabilities in the consolidated balance sheets set forth in Item 1 of this Quarterly Report.

The Credit Agreement is jointly and severally guaranteed by us and substantially all of our domestic subsidiaries. Borrowings under our Credit Agreement are secured by a pledge of substantially all of the capital stock of our U.S. subsidiaries and 65% of the capital stock of certain non-U.S. subsidiaries. Also, the Credit Agreement requires us to pay a fee based on the total amount of the revolving credit facility commitment.

On October 8, 2010, CB Richard Ellis Services, Inc., or CBRE, our wholly-owned subsidiary, issued $350.0 million in aggregate principal amount of 6.625% senior notes due October 15, 2020. The 6.625% senior notes are unsecured obligations of CBRE, senior to all of its current and future subordinated indebtedness, but effectively subordinated to all of its current and future secured indebtedness. The 6.625% senior notes are jointly and severally guaranteed on a senior basis by us and each subsidiary of CBRE that guarantees our Credit Agreement. Interest accrues at a rate of 6.625% per year and is payable semi-annually in arrears on April 15 and October 15, having commenced on April 15, 2011. The 6.625% senior notes are redeemable at our option, in whole or in part, on or after October 15, 2014 at a redemption price of 104.969% of the principal amount on that date and at declining prices thereafter. At any time prior to October 15, 2014, the 6.625% senior notes may be redeemed by us, in whole or in part, at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest and an applicable premium (as defined in the indenture governing these notes), which is based on the present value of the October 15, 2014 redemption price plus all remaining interest payments through October 15, 2014. In addition, prior to October 15, 2013, up to 35.0% of the original issued amount of the 6.625% senior notes may be redeemed at a redemption price of 106.625% of the principal amount, plus accrued and unpaid interest, solely with the net cash proceeds from public equity offerings. If a change of control triggering event (as defined in the indenture governing our 6.625% senior notes) occurs, we are obligated to make an offer to purchase the remaining 6.625% senior notes at a redemption price of 101.0% of the principal amount, plus accrued and unpaid interest. The amount of the 6.625% senior notes included in the consolidated balance sheets set forth in Item 1 of this Quarterly Report was $350.0 million at both March 31, 2011 and December 31, 2010.

On June 18, 2009, CBRE issued $450.0 million in aggregate principal amount of 11.625% senior subordinated notes due June 15, 2017 for approximately $435.9 million, net of discount. The 11.625% senior subordinated notes are unsecured senior subordinated obligations of CBRE and are jointly and severally guaranteed on a senior subordinated basis by us and our domestic subsidiaries that guarantee our Credit Agreement. Interest accrues at a rate of 11.625% per year and is payable semi-annually in arrears on June 15 and December 15. The 11.625% senior subordinated notes are redeemable at our option, in whole or in part, on or after June 15, 2013 at 105.813% of par on that date and at declining prices thereafter. At any time prior to June 15, 2013, the 11.625% senior subordinated notes may be redeemed by us, in whole or in part, at a price equal to 100% of the principal amount, plus accrued and unpaid interest and an applicable premium (as defined in the indenture governing these notes), which is based on the present value of the June 15, 2013 redemption price plus all remaining interest payments through June 15, 2013. In addition, prior to June 15, 2012, up to 35.0% of the original issued amount of the 11.625% senior subordinated notes may be redeemed at 111.625% of par, plus accrued and unpaid interest, solely with the net cash proceeds from public equity offerings. In the event of a change of control (as defined in the indenture governing our 11.625% senior subordinated notes), we are obligated to make an offer to purchase the remaining 11.625% senior subordinated notes at a redemption price of 101.0% of the principal amount, plus accrued and unpaid interest. The amount of the 11.625% senior subordinated notes included in the consolidated balance sheets set forth in Item 1 of this Quarterly Report, net of unamortized discount, was $438.0 million and $437.7 million at March 31, 2011 and December 31, 2010, respectively.

Our Credit Agreement and the indentures governing our 6.625% senior notes and 11.625% senior subordinated notes contain numerous restrictive covenants that, among other things, limit our ability to incur additional indebtedness, pay dividends or make distributions to stockholders, repurchase capital stock or debt,

make investments, sell assets or subsidiary stock, create or permit liens on assets, engage in transactions with affiliates, enter into sale/leaseback transactions, issue subsidiary equity and enter into consolidations or mergers. Our Credit Agreement also currently requires us to maintain a minimum coverage ratio of EBITDA (as defined in the Credit Agreement) to total interest expense of 2.25x and a maximum leverage ratio of total debt less available cash to EBITDA (as defined in the Credit Agreement) of 3.75x. Our coverage ratio of EBITDA to total interest expense was 10.1x for the trailing twelve months ended March 31, 2011 and our leverage ratio of total debt less available cash to EBITDA was 1.07x as of March 31, 2011. We may from time to time, in our sole discretion, look for opportunities to reduce our outstanding debt under our Credit Agreement and under our 6.625% senior notes and 11.625% senior subordinated notes.

From time to time, Moody's Investor Service, Inc., or Moody's, and Standard & Poor's Ratings Services, or Standard & Poor's, rate our senior debt. Neither the Moody's nor the Standard & Poor's ratings impact our ability to borrow under our Credit Agreement. However, these ratings may impact our ability to borrow under new agreements in the future and the interest rates of any such future borrowings.

We had short-term borrowings of $338.4 million and $471.4 million with related average interest rates of 2.6% and 2.8% as of March 31, 2011 and December 31, 2010, respectively.

On March 2, 2007, we entered into a $50.0 million credit note with Wells Fargo Bank for the purpose of purchasing eligible investments, which include cash equivalents, agency securities, A1/P1 commercial paper and eligible money market funds. The proceeds of this note are not made generally available to us, but instead deposited in an investment account maintained by Wells Fargo Bank and used and applied solely to purchase eligible investment securities. This agreement has been amended several times and currently provides for a $40.0 million revolving credit note, bears interest at 0.25% and has a maturity date of December 1, 2011. As of March 31, 2011 and December 31, 2010, there were no amounts outstanding under this note.

On March 4, 2008, we entered into a $35.0 million credit and security agreement with Bank of America, or BofA, for the purpose of purchasing eligible financial instruments, which include A1/P1 commercial paper, U.S. Treasury securities, GSE discount notes (as defined in the credit and security agreement) and money market funds. The proceeds of this loan are not made generally available to us, but instead deposited in an investment account maintained by BofA and used and applied solely to purchase eligible financial instruments. This agreement has been amended several times and currently provides for a $5.0 million credit line, bears interest at 1% and has a maturity date of February 28, 2012. As of March 31, 2011 and December 31, 2010, there were no amounts outstanding under this agreement.

On August 19, 2008, we entered into a $15.0 million uncommitted facility with First Tennessee Bank for the purpose of purchasing investments, which include cash equivalents, agency securities, A1/P1 commercial paper and eligible money market funds. The proceeds of this facility are not made generally available to us, but instead are held in a collateral account maintained by First Tennessee Bank. This agreement has been amended several times and currently provides for a $4.0 million credit line, bears interest at 0.25% and has a maturity date of August 4, 2011. As of March 31, 2011 and December 31, 2010, there were no amounts outstanding under this facility.

On April 19, 2010, we entered into a Receivables Purchase Agreement, which allowed us to transfer an undivided interest in a designated pool of U.S. accounts receivable, on an ongoing basis, to provide collateral for borrowings up to a maximum of $55.0 million. Borrowings under this arrangement generally bore interest at the commercial paper rate plus 2.75%. This agreement expired on April 18, 2011 and we did not renew this arrangement. As of March 31, 2011 and December 31, 2010, there were no amounts outstanding under this agreement.

Our wholly-owned subsidiary CBRE Capital Markets has the following warehouse lines of credit: credit agreements with JP Morgan Chase Bank, N.A., or JP Morgan, BofA, TD Bank, N.A., or TD Bank, and Kemps Landing Capital Company, LLC, or Kemps Landing, for the purpose of funding mortgage loans that will be resold and a funding arrangement with Fannie Mae for the purpose of selling a percentage of certain closed multi-family loans.

On November 15, 2005, CBRE Capital Markets entered into a secured credit agreement with JP Morgan to establish a warehouse line of credit. Effective October 12, 2010 through January 10, 2011, the warehouse line of credit was temporarily increased from $210.0 million to $250.0 million. Effective November 22, 2010 through February 1, 2011, the warehouse line of credit was temporarily increased further from $250.0 million to $300.0 million. This agreement has been amended several times and currently provides for a $210.0 million senior secured revolving line of credit, bears interest at the daily Chase-London LIBOR plus 2.50% and has a maturity date of September 28, 2011.

On April 16, 2008, CBRE Capital Markets entered into a secured credit agreement with BofA to establish a warehouse line of credit. This agreement has been amended several times and currently provides for a $125.0 million senior secured revolving line of credit, bears interest at the daily one-month LIBOR plus 2.50% with a maturity date of May 31, 2011.

In August 2009, CBRE Capital Markets entered into a funding arrangement with Fannie Mae under its Multifamily As Soon As Pooled Plus Agreement and its Multifamily As Soon As Pooled Sale Agreement, or ASAP Program. Under the ASAP Program, CBRE Capital Markets may elect, on a transaction by transaction basis, to sell a percentage of certain closed multifamily loans to Fannie Mae on an expedited basis. After all contingencies are satisfied, the ASAP Program requires that CBRE Capital Markets repurchase the interest in the multifamily loan previously sold to Fannie Mae followed by either a full delivery back to Fannie Mae via whole loan execution or a securitization into a mortgage backed security. Under this agreement, the maximum outstanding balance under the ASAP Program cannot exceed $150.0 million and, between the sale date to Fannie Mae and the repurchase date by CBRE Capital Markets, the outstanding balance bears interest and is payable to Fannie Mae at the daily LIBOR rate plus 1.35% with a LIBOR floor of 0.35%.

On December 21, 2010, CBRE Capital Markets entered into a secured credit agreement with TD Bank to establish a warehouse line of credit. This agreement provides for a $75.0 million senior secured revolving line of credit, bears interest at the daily one-month LIBOR plus 2.00% with a maturity date of December 31, 2011.

On December 21, 2010, CBRE Capital Markets entered into an uncommitted funding arrangement with Kemps Landing providing CBRE Capital Markets with the ability to fund Freddie Mac multi-family loans. Under the agreement, the maximum outstanding balance cannot exceed $200.0 million, outstanding borrowings bear interest at LIBOR plus 2.75% with a LIBOR floor of 0.25% and the agreement expires on December 20, 2011.

During the three months ended March 31, 2011, we had a maximum of $557.0 million of warehouse lines of credit principal outstanding. As of March 31, 2011 and December 31, 2010, we had $277.7 million and $453.8 million of warehouse lines of credit principal outstanding, respectively, which are included in short-term borrowings in the consolidated balance sheets set forth in Item 1 of this Quarterly Report. Additionally, we had $285.7 million and $485.4 million of mortgage loans held for sale (warehouse receivables), which substantially represented mortgage loans funded through the lines of credit that, while committed to be purchased, had not yet been purchased as of March 31, 2011 and December 31, 2010, respectively, and which are also included in the consolidated balance sheets set forth in Item 1 of this Quarterly Report.

Off-Balance Sheet Arrangements

We had outstanding letters of credit totaling $19.7 million as of March 31, 2011, excluding letters of credit for which we have outstanding liabilities already accrued on our consolidated balance sheet related to our subsidiaries' outstanding reserves for claims under certain insurance programs as well as letters of credit related to operating leases. These letters of credit are primarily executed by us in the ordinary course of business as well as in connection with certain insurance programs. The letters of credit expire at varying dates through May 2012.

We had guarantees totaling $10.8 million as of March 31, 2011, excluding guarantees related to pension liabilities, consolidated indebtedness and other obligations for which we have outstanding liabilities already accrued on our consolidated balance sheet, and operating leases. The $10.8 million primarily consists of guarantees of obligations of unconsolidated subsidiaries, which expire at varying dates through November 2013.

In addition, as of March 31, 2011, we had numerous completion and budget guarantees relating to development projects. These guarantees are made by us in the ordinary course of our Development Services business. Each of these guarantees requires us to complete construction of the relevant project within a specified timeframe and/or within a specified budget, with us potentially being liable for costs to complete in excess of such timeframe or budget. However, we generally have "guaranteed maximum price" contracts with reputable general contractors with respect to projects for which we provide these guarantees. These contracts are intended to pass the risk to such contractors. While there can be no assurance, we do not expect to incur any material losses under these guarantees.

From time to time, we act as a general contractor with respect to construction projects. We do not consider these activities to be a material part of our business. In connection with these activities, we seek to subcontract construction work for certain projects to reputable subcontractors. Should construction defects arise relating to the underlying projects, we could potentially be liable to the client for the costs to repair such defects, although we would generally look to the subcontractor that performed the work to remedy the defect and also look to insurance policies that cover this work. While there can be no assurance, we do not expect to incur material losses with respect to construction defects.

In January 2008, CBRE Multifamily Capital, Inc., or CBRE MCI, a wholly-owned subsidiary of CBRE Capital Markets, Inc., entered into an agreement with Fannie Mae, under Fannie Mae's Delegated Underwriting and Servicing Lender Program, or DUS Program, to provide financing for multifamily housing with five or more units. Under the DUS Program, CBRE MCI originates, underwrites, closes and services loans without prior approval by Fannie Mae, and in selected cases, is subject to sharing up to one-third of any losses on loans originated under the DUS Program. CBRE MCI has funded loans subject to such loss sharing arrangements with unpaid principal balances of $2.3 billion at March 31, 2011. Additionally, CBRE MCI has funded loans under the DUS Program that are not subject to loss sharing arrangements with unpaid principal balances of approximately $464.7 million at March 31, 2011. CBRE MCI, under its agreement with Fannie Mae, must post cash reserves under formulas established by Fannie Mae to provide for sufficient capital in the event losses occur. As of March 31, 2011 and December 31, 2010, CBRE MCI had $2.6 million and $2.2 million, respectively, of cash deposited under this reserve arrangement, and had provided approximately $4.4 million and $4.0 million, respectively, of loan loss accruals. Fannie Mae's recourse under the DUS Program is limited to the assets of CBRE MCI, which totaled approximately $195.0 million (including $138.0 million of warehouse receivables, a substantial majority of which are pledged against warehouse lines of credit and are therefore not available to Fannie Mae) at March 31, 2011.

An important part of the strategy for our Global Investment Management business involves investing our capital in certain real estate investments with our clients. These co-investments typically range from 2% to 5% of the equity in a particular fund. As of March 31, 2011, we had aggregate commitments of $11.7 million to fund future co-investments, all of which is expected to be funded in 2011. In addition to required future capital contributions, some of the co-investment entities may request additional capital from us and our subsidiaries holding investments in those assets and the failure to provide these contributions could have adverse consequences to our interests in these investments.

Additionally, an important part of our Development Services business strategy is to invest in unconsolidated real estate subsidiaries as a principal (in most cases co-investing with our clients). As of March 31, 2011, we had committed to fund $22.2 million of additional capital to these unconsolidated subsidiaries, which may be called at any time.

[Table of Contents](#)

Seasonality

A significant portion of our revenue is seasonal, which can affect an investor's ability to compare our financial condition and results of operations on a quarter-by-quarter basis. Historically, this seasonality has caused our revenue, operating income, net income and cash flow from operating activities to be lower in the first two quarters and higher in the third and fourth quarters of each year. Earnings and cash flow have historically been particularly concentrated in the fourth quarter due to investors and companies focusing on completing transactions prior to calendar year-end. This has historically resulted in lower profits or a loss in the first quarter, with revenue and profitability improving in each subsequent quarter.

New Accounting Pronouncements

In January 2010, the FASB issued Accounting Standards Update, or ASU, 2010-06, "*Improving Disclosures about Fair Value Measurements*," which provides amendments to the FASB ASC Subtopic 820-10 that require new disclosures regarding (i) transfers in and out of Level 1 and Level 2 fair value measurements and (ii) activity in Level 3 fair value measurements. ASU 2010-06 also clarifies existing disclosures regarding (i) the level of asset and liability disaggregation and (ii) fair value measurement inputs and valuation techniques. As required, in 2010, we adopted the new disclosures and clarifications of existing disclosure requirements, except for the disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements, which became effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The complete adoption of ASU 2010-06 did not have a material impact on the disclosure requirements for our consolidated financial statements.

In December 2010, the FASB issued ASU 2010-29, "*Business Combinations (Topic 805), Disclosure of Supplementary Pro Forma Information for Business Combinations*." ASU 2010-29 specifies that when a public company completes a business combination, the company should disclose revenue and earnings of the combined entity as though the business combination occurred as of the beginning of the comparable prior annual reporting period. The update also expands the supplemental pro forma disclosures under Topic 805 to include a description of the nature and amount of material, non-recurring pro forma adjustments directly attributable to the business combination included in the pro forma revenue and earnings. The requirements of ASU 2010-29 will be effective for business combinations that occur on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. We do not believe the adoption of this update will have a material impact on the disclosure requirements for our consolidated financial statements.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The words "anticipate," "believe," "could," "should," "propose," "continue," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will" and similar terms and phrases are used in this Quarterly Report on Form 10-Q to identify forward-looking statements. Except for historical information contained herein, the matters addressed in this Quarterly Report are forward-looking statements. These statements relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies.

These forward-looking statements are made based on our management's expectations and beliefs concerning future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. These uncertainties and factors could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements.

The following factors are among those, but are not only those, that may cause actual results to differ materially from the forward-looking statements:

- our ability to close the REIM Acquisitions;
- integration issues arising out of the REIM Acquisitions and other companies we may acquire;

- costs relating to the REIM Acquisitions and other businesses we may acquire;
- the sustainability of the recovery in our investment sales and leasing business from the recessionary levels in 2008 and 2009;
- disruptions in general economic and business conditions, particularly in geographies where our business may be concentrated;
- volatility and disruption of the securities, capital and credit markets, interest rate increases, the cost and availability of capital for investment in real estate, clients' willingness to make real estate or long-term contractual commitments and other factors impacting the value of real estate assets;
- continued high levels of, or increases in, unemployment and general slowdowns in commercial activity;
- the impairment or weakened financial condition of certain of our clients;
- client actions to restrain project spending and reduce outsourced staffing levels as well as the potential loss of clients in our outsourcing business due to consolidation or bankruptcies;
- our ability to diversify our revenue model to offset cyclical economic trends in the commercial real estate industry;
- foreign currency fluctuations;
- our ability to attract new user and investor clients;
- our ability to retain major clients and renew related contracts;
- a reduction by companies in their reliance on outsourcing for their commercial real estate needs, which would impact our revenues and operating performance;
- trends in pricing for commercial real estate services;
- changes in tax laws in the United States or in other jurisdictions in which our business may be concentrated that reduce or eliminate deductions or other tax benefits we receive;
- our ability to compete globally, or in specific geographic markets or business segments that are material to us;
- our ability to manage fluctuations in net earnings and cash flow, which could result from poor performance in our investment programs, including our participation as a principal in real estate investments;
- our ability to leverage our global services platform to maximize and sustain long-term cash flow;
- our exposure to liabilities in connection with real estate brokerage and property management activities;
- the ability of our Global Investment Management segment to realize values in investment funds sufficient to offset incentive compensation expense related thereto;
- liabilities under guarantees, or for construction defects, that we incur in our Development Services business;
- the ability of CBRE Capital Markets to periodically amend, or replace, on satisfactory terms the agreements for its warehouse lines of credit;
- the effect of implementation of new accounting rules and standards; and
- the other factors described elsewhere in this Quarterly Report on Form 10-Q, included under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies" and "Quantitative and Qualitative Disclosures About Market Risk" or as described in our Annual Report on Form 10-K for the year ended December 31, 2010.

Forward-looking statements speak only as of the date the statements are made. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information,

except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. Additional information concerning these and other risks and uncertainties is contained in our other periodic filings with the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information in this section should be read in connection with the information on market risk related to changes in interest rates and non-U.S. currency exchange rates in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in our Annual Report on Form 10-K for the year ended December 31, 2010. Our exposure to market risk consists of foreign currency exchange rate fluctuations related to our international operations and changes in interest rates on debt obligations.

During the three months ended March 31, 2011, approximately 39% of our business was transacted in local currencies of foreign countries, the majority of which includes the Euro, the British pound sterling, the Canadian dollar, the Hong Kong dollar, the Japanese yen, the Singapore dollar, the Australian dollar and the Indian rupee. We attempt to manage our exposure primarily by balancing assets and liabilities and maintaining cash positions in foreign currencies only at levels necessary for operating purposes. We routinely monitor our exposure to currency exchange rate changes in connection with transactions and sometimes enter into foreign currency exchange swap, option and forward contracts to limit our exposure to such transactions, as appropriate. In the normal course of business, we also sometimes utilize derivative financial instruments in the form of foreign currency exchange contracts to mitigate foreign currency exchange exposure resulting from inter-company loans, expected cash flow and earnings. We apply the "*Derivatives and Hedging*" Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) (Topic 815) when accounting for any such contracts. In all cases, we view derivative financial instruments as a risk management tool and, accordingly, do not engage in any speculative activities with respect to foreign currency.

On February 2, 2011, we entered into four option agreements, including one to sell a notional amount of 0.4 million Euros, which expired on March 29, 2011, one to sell a notional amount of 6.5 million Euros, which expires on June 28, 2011, one to sell a notional amount of 6.5 million Euros, which expires on September 28, 2011 and one to sell a notional amount of 22.0 million Euros, which expires on December 28, 2011. On February 3, 2011, we entered into an additional four option agreements, including one to sell a notional amount of 4.0 million British pounds sterling, which was exercised on March 29, 2011, one to sell a notional amount of 7.4 million British pounds sterling, which expires on June 28, 2011, one to sell a notional amount of 6.8 million British pounds sterling, which expires on September 28, 2011 and one to sell a notional amount of 12.0 million British pounds sterling, which expires on December 28, 2011. On February 23, 2011, we entered into three additional option agreements, including one to sell a notional amount of 2.1 million British pounds sterling, which expires on June 28, 2011, one to sell a notional amount of 2.0 million British pounds sterling, which expires on September 28, 2011 and one to sell a notional amount of 2.8 million British pounds sterling, which expires on December 28, 2011. Included in the consolidated statement of operations set forth in Item 1 of this Quarterly Report were charges of $1.4 million for the three months ended March 31, 2011 resulting from net losses on foreign currency exchange option agreements.

In March 2011, we entered into five interest rate swap agreements, all with effective dates in October 2011, and immediately designated them as cash flow hedges in accordance with FASB ASC Topic 815. The purpose of these interest rate swap agreements is to hedge potential changes to our cash flows due to the variable interest nature of our senior secured term loan facilities. The total notional amount of these interest rate swap agreements is $400.0 million, with $200.0 million expiring on October 2, 2017 and $200.0 million expiring on September 4, 2019. There was no hedge ineffectiveness for the three months ended March 31, 2011. As of March 31, 2011, the fair values of four interest rate swap agreements were reflected as a $2.0 million asset and were included in other long-term assets in the consolidated balance sheets set forth in Item 1 of this Quarterly Report. The fifth interest rate swap agreement was reflected as a $0.3 million liability and was included in other long-term liabilities in the consolidated balance sheets set forth in Item 1 of this Quarterly Report.

We also enter into loan commitments that relate to the origination or acquisition of commercial mortgage loans that will be held for resale. FASB ASC Topic 815 requires that these commitments be recorded at their fair values as derivatives. The net impact on our financial position and earnings resulting from these derivatives contracts has not been significant.

Based upon information from third-party banks, the estimated fair value of our senior secured term loans was approximately $632.7 million at March 31, 2011. Based on dealers' quotes, the estimated fair values of our 6.625% and 11.625% senior subordinated notes were $364.0 million and $516.8 million, respectively, at March 31, 2011.

We utilize sensitivity analyses to assess the potential effect of our variable rate debt. If interest rates were to increase by 10% on our outstanding variable rate debt, excluding notes payable on real estate, at March 31, 2011, the net impact of the additional interest cost would be a decrease of $0.7 million on pre-tax income and an increase of $0.7 million on cash used in operating activities for the three months ended March 31, 2011.

We also have $571.4 million of notes payable on real estate as of March 31, 2011. Interest costs relating to notes payable on real estate include both interest that is expensed and interest that is capitalized as part of the cost of real estate. If interest rates were to increase by 10%, our total estimated interest cost related to notes payable would increase by approximately $0.8 million for the three months ended March 31, 2011. From time to time, we enter into interest rate swap and cap agreements in order to limit our interest expense related to our notes payable on real estate. If any of these agreements are not designated as effective hedges, then they are marked to market each period with the change in fair value recognized in current period earnings. The net impact on our earnings resulting from gains and/or losses on interest rate swap and cap agreements associated with notes payable on real estate has not been significant.

ITEM 4. CONTROLS AND PROCEDURES

Our policy for disclosure controls and procedures provides guidance on the evaluation of disclosure controls and procedures and is designed to ensure that all corporate disclosure is complete and accurate in all material respects and that all information required to be disclosed in the periodic reports submitted by us under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods and in the manner specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Securities Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Our Disclosure Committee consisting of the principal accounting officer, general counsel, chief communication officer, senior officers of each significant business line and other select employees assisted the Chief Executive Officer and the Chief Financial Officer in this evaluation. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as required by the Securities Exchange Act Rule 13a-15(c) as of the end of the period covered by this report.

No changes in our internal control over financial reporting occurred during the fiscal quarter ended March 31, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no material changes to our legal proceedings as previously disclosed in our Form 10-K for the annual period ended December 31, 2010.

ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors as previously disclosed in our Form 10-K for the annual period ended December 31, 2010.

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1	Share Purchase Agreement, dated as of February 15, 2011, by and among ING Real Estate Investment Management Holding B.V. and others, and CB Richard Ellis, Inc. and others (incorporated by reference to Exhibit 2.1 of the CB Richard Ellis Group, Inc. Current Report on Form 8-K filed with the SEC on February 18, 2011)
2.2	Share Purchase Agreement, dated as of February 15, 2011, by and among ING Real Estate Investment Management Holding B.V. and others, and CB Richard Ellis, Inc. and others (incorporated by reference to Exhibit 2.2 of the CB Richard Ellis Group, Inc. Current Report on Form 8-K filed with the SEC on February 18, 2011)
3.1	Restated Certificate of Incorporation of CB Richard Ellis Group, Inc. filed on June 16, 2004, as amended by the Certificate of Amendment filed on June 4, 2009 (incorporated by reference to Exhibit 3.1 of the CB Richard Ellis Group, Inc. Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009)
3.2	Amended and Restated By-laws of CB Richard Ellis Group, Inc. (incorporated by reference to Exhibit 3.2 of the CB Richard Ellis Group, Inc. Current Report on Form 8-K filed with the SEC on December 5, 2008)
4.1(a)	Securityholders' Agreement, dated as of July 20, 2001 ("Securityholders' Agreement"), by and among, CB Richard Ellis Group, Inc., CB Richard Ellis Services, Inc., Blum Strategic Partners, L.P., Blum Strategic Partners II, L.P., Blum Strategic Partners II GmbH & Co. KG, FS Equity Partners III, L.P., FS Equity Partners International, L.P., Credit Suisse First Boston Corporation, DLJ Investment Funding, Inc., The Koll Holding Company, Frederic V. Malek, the management investors named therein and the other persons from time to time party thereto (incorporated by reference to Exhibit 25 to Amendment No. 9 to Schedule 13D with respect to CB Richard Ellis Services, Inc. filed with the SEC on July 25, 2001)
4.1(b)	Amendment and Waiver to Securityholders' Agreement, dated as of April 14, 2004, by and among, CB Richard Ellis Group, Inc., CB Richard Ellis Services, Inc. and the other parties to the Securityholders' Agreement (incorporated by reference to Exhibit 4.2(b) of the CB Richard Ellis Group, Inc. Amendment No. 2 to Registration Statement on Form S-1 filed with the SEC (No. 333-112867) on April 30, 2004)
4.1(c)	Second Amendment and Waiver to Securityholders' Agreement, dated as of November 24, 2004, by and among CB Richard Ellis Group, Inc., CB Richard Ellis Services, Inc. and certain of the other parties to the Securityholders' Agreement (incorporated by reference to Exhibit 4.2(c) of the CB Richard Ellis Group, Inc. Amendment No. 1 to Registration Statement on Form S-1 filed with the SEC (No. 333-120445) on November 24, 2004)
4.1(d)	Third Amendment and Waiver to Securityholders' Agreement, dated as of August 1, 2005, by and among CB Richard Ellis Group, Inc., CB Richard Ellis Services, Inc. and certain of the other parties to the Securityholders' Agreement (incorporated by reference to Exhibit 4.1 of the CB Richard Ellis Group, Inc. Current Report on Form 8-K filed with the SEC on August 2, 2005)
4.2(a)	Indenture, dated as of June 18, 2009, among CB Richard Ellis Services, Inc., CB Richard Ellis Group, Inc., the other guarantors party thereto and Wells Fargo Bank, National Association, as trustee, for the 11.625% Senior Subordinated Notes Due June 15, 2017 (incorporated by reference to Exhibit 4.1 of the CB Richard Ellis Group, Inc. Current Report on Form 8-K filed with the SEC on June 23, 2009)

Exhibit Number	Description
4.2(b)	Form of Supplemental Indenture among CB Richard Ellis Services, Inc., CB Richard Ellis Group, Inc., certain new U.S. subsidiaries from time-to-time, the other guarantors party thereto and Wells Fargo Bank, National Association, as trustee, for the 11.625% Senior Subordinated Notes Due June 15, 2017 (incorporated by reference to Exhibit 4.1 of the CB Richard Ellis Group, Inc. Current Report on Form 8-K filed with the SEC on September 10, 2009)
4.3(a)	Indenture, dated as of October 8, 2010, among CB Richard Ellis Services, Inc., CB Richard Ellis Group, Inc., the other guarantors party thereto and Wells Fargo Bank, National Association, as trustee, for the 6.625% Senior Notes Due October 15, 2020 (incorporated by reference to Exhibit 4.1 of the CB Richard Ellis Group, Inc. Current Report on Form 8-K filed with the SEC on October 12, 2010)
4.3(b)	Form of Supplemental Indenture among CB Richard Ellis Services, Inc., CB Richard Ellis Group, Inc., certain new U.S. subsidiaries from time-to-time, the other guarantors party thereto and Wells Fargo Bank, National Association, as trustee, for the 6.625% Senior Notes Due October 15, 2020 (incorporated by reference to Exhibit 4.1 of the CB Richard Ellis Group, Inc. Current Report on Form 8-K filed with the SEC on November 17, 2010)
10.1	Amendment No. 1 to the Credit Agreement, dated as of March 4, 2011, among CB Richard Ellis Group, Inc., CB Richard Ellis Services, Inc., certain subsidiaries of CB Richard Ellis Services, Inc., the lenders party thereto and Credit Suisse AG, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 of the CB Richard Ellis Group, Inc. Current Report on Form 8-K filed with the SEC on March 10, 2011)
10.2	Incremental Assumption Agreement, dated as of March 4, 2011, among CB Richard Ellis Group, Inc., CB Richard Ellis Services, Inc., certain subsidiaries of CB Richard Ellis Services, Inc., the lenders party thereto and Credit Suisse AG, as administrative agent (incorporated by reference to Exhibit 10.2 of the CB Richard Ellis Group, Inc. Current Report on Form 8-K filed with the SEC on March 10, 2011)
10.3	Executive Bonus Plan, amended and restated as of February 10, 2011*+
11	Statement concerning Computation of Per Share Earnings (filed as Note 11 of the Consolidated Financial Statements)
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002*
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002*
101.INS	XBRL Instance Document**
101.SCH	XBRL Taxonomy Extension Schema Document**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document**
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document**

\+ Denotes a management contract or compensatory arrangement

* Filed herewith

** XBRL (Extensible Business Reporting Language) information is furnished and not filed herewith, is not a part of a registration statement or Prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

Table of Contents

SIGNATURES

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.

CB RICHARD ELLIS GROUP, INC.

Date: May 10, 2011	/s/ GIL BOROK **Gil Borok** **Chief Financial Officer (principal financial officer)**
Date: May 10, 2011	/s/ ARLIN GAFFNER **Arlin Gaffner** **Chief Accounting Officer (principal accounting officer)**

Executive Bonus Plan (EBP)

Amended and Restated
as of February 10, 2011

1. PLAN OBJECTIVE

The Executive Bonus Plan ("**EBP**" or "**the Plan**") has been designed to reward and incent the efforts of the executive officers of CB Richard Ellis ("**CBRE**" or "**the Company**") to successfully attain the Company's goals by directly tying the Participant's compensation to Company and individual results. The EBP is also designed to:

(a) provide competitive compensation opportunities for executive officers; and

(b) assist in retaining and attracting key employees for CBRE.

2. EFFECTIVE DATE AND PLAN YEAR

This amended Plan shall be effective January 1, 2011 and supersedes and replaces, in total, all prior versions of this Plan or any other bonus guarantees. A **Plan Year**" starts on January 1 and ends December 31 of the same year.

3. PLAN ADMINISTRATION

Human Resources will administer the Plan, including participation, eligibility criteria and payment of Awards, subject to final review and approval by the Chief Executive Officer and the Board of Directors. The Board of Directors may delegate any of its duties hereunder in its discretion to its Compensation Committee.

4. ELIGIBILITY

4.1 Eligibility for participation in the EBP and receipt of bonus awards pursuant to the terms and conditions of the Plan ("**Awards**") will be limited to the Chief Executive Officer and other executive officers specifically designated and approved by the Chief Executive Officer and the Board of Directors each year ("**Participants**"). Unless otherwise specifically approved by the Chief Executive Officer and the Board of Directors, employees who participate in any other Company bonus plan and employees who are paid on a commission basis or participate in the bonus plan for commissioned salespersons, are not eligible to participate in the EBP.

4.2 Participation for a Participant begins the first day of employment or the designated effective date of an employee's eligibility to participate in the Plan. Eligibility for the Plan does not guarantee payment of an Award, since payment is dependent upon earning the Award and the other provisions of the Plan, including both individual and Company performance.

4.3 Participants who are newly hired, transfer to a new position or become eligible to participate during a Plan Year are eligible to earn an Award as follows:

(a) Newly-hired Participants will be eligible for a pro-rated award based on the number of full calendar weeks worked in the eligible position from the first date of employment or the designated effective date during the Plan Year.

(b) Participants who transfer to a new position that is not currently eligible for the Plan will be eligible for a prorated Award based on the number of full calendar weeks worked in the eligible position during the Plan Year.

(c) Participants who transfer or are promoted to another position and remain eligible for another bonus plan, will be eligible to earn a prorated Award for each position based on the number of full weeks worked in each position during the Plan Year. Eligibility to earn Awards will be based on the number of full weeks an employee worked in each position and the applicable Target Awards and/or ratings for each position.

4.4 If the employment status of a Participant changes prior to the Payment Date (defined below), eligibility for an Award will depend on the reason for the status change:

(a) **Resignation or voluntary termination for any reason**: Eligibility for Awards is forfeited on resignation or voluntary termination for any reason before the Payment Date.

(b) **Involuntary termination for Cause**: Eligibility for Awards is forfeited on resignation or involuntary termination for Cause before the Payment Date. As used herein, the term "**Cause**" shall mean: (i) an uncured material breach by Participant of one or more of the material terms and conditions of a Participant's employment agreement, or (ii) a material violation by Participant of the Company's published policies without permission or just cause, or (iii) Participant's substantial and continuing non-performance under Participant's employment agreement, or (iv) any act of fraud, embezzlement or other dishonesty in connection with Participant's duties and obligations, or (v) any intentional act by Participant that would jeopardize the Company's license to do business, or (vi) the commission by Participant of any illegal and/or unethical act in connection with Participant's business activities that would adversely and materially impact on the character, goodwill and public reputation of the Company.

(c) **Involuntary termination not for Cause**: Eligibility for Awards is forfeited on involuntary termination not for Cause before the Payment Date. Participants classified as a Highly Compensated Employee ("**HCE**") and eligible for severance benefits as defined by the Severance Pay Policy are eligible to receive a discretionary, pro-rated target bonus under the provisions of the Company's Severance Pay Policy then in effect.

(d) **Retirement**: If a Participant retires who meets the Company's criteria of age 55 or older with at least 15 years of service or 65 years of age with at least 10 years

of service and participated in the Plan for at least six months of the Plan Year, eligibility for an Award may be prorated based on the number of full weeks of participation in the Plan Year. A prorated Award will be paid at the time Awards are paid to all Participants. If participation in the Plan is less than six months during the Plan Year, the employee is not eligible for an Award for that Plan Year.

(e) **Death or disability**: Eligibility to earn an Award for any Participant who dies or becomes disabled during a Plan Year will be prorated based on the number of full weeks of participation in the Plan Year. Any Award will be paid at the time other Awards and bonuses are paid to all Participants. A Participant will be considered "disabled" if the Participant is disabled as defined under the provisions of the Company's Long-Term Disability Plan then in effect. For a Participant who dies prior to the Payment Date, the Award will be paid to the Participant's beneficiary as designated in the Participant's group term life insurance at the time of death.

5. DISCRETIONARY COMPANY THRESHOLDS

Awards may not be paid to any Participant if the Company fails to achieve one or more minimum financial performance targets (the "**Discretionary Company Thresholds**") as determined and set by the Company in its sole discretion. The Discretionary Company Thresholds may be set and/or amended by the Company at its sole discretion at any time during the Plan Year and up to the date of payment of the Awards under the Plan. The Company will communicate the Discretionary Company Thresholds to Participants from time to time, but no later than the date on which the Awards are paid.

6. TIMING OF CALCULATIONS, PAYMENTS

6.1 Awards are earned by performance during the Plan Year and by remaining employed by the Company through the date Awards are paid.

6.2 Subject to final approval by the Chief Executive Officer and the Board of Directors, Awards will be paid on or before March 15 following the end of the fiscal year ("**Payment Date**").

6.3 If a Participant's employment terminates prior to the Payment Date, the award is forfeited, unless the termination results from Participant's retirement, death or disability, or is the result of involuntary termination not for Cause, in which case payment is governed by Section 4.4 above.

6.4 It is intended that all Awards earned will be paid in cash. However, the Company reserves the right to distribute common stock in the Company or other non-cash forms of compensation in lieu of cash in the event economic circumstances dictate such action.

6.5 Federal and state income taxes and other required taxes will be withheld from bonuses under applicable law.

6.6 To the extent that any Bonus under the Plan is subject to Section 409A of the Internal Revenue Code, the terms and administration of such Bonus shall comply with the provisions of such Section, applicable IRS guidance and good faith reasonable interpretations thereof, and, to the extent necessary to achieve compliance, shall be modified, replaced, or terminated at the discretion of the Compensation Committee.

7. MAXIMUM ANNUAL BONUSES

The maximum Award to be received by any Participant shall not exceed 200% of the Target Award (as defined below), inclusive of CEO Awards (defined below).

8. CEO AWARDS

The Company reserves the right to award to a Participant a supplemental discretionary bonus award in cases of exceptional and exceedingly deserving circumstances, the amount of which shall be determined in the Chief Executive Officer's sole discretion (subject to the ratification by the Board of Directors), referred to as a "**CEO's Award**."

9. AWARD CALCULATION

9.1 Employees are eligible for an Award each Plan Year, based on (a) financial measures ('**Financial Performance Targets**") for the Company, business unit or line of business, and (b) individual achievement of important Company or individual objectives in each Participant's area of responsibility ("**Strategic Performance Measures**").

9.2 **Target Awards**:

(a) Each Participant will be assigned a "**Target Award**" by the Company in its sole discretion (generally based on a Participant's position and that position's potential contribution to the Company) by March 31 of each Plan Year. For new hires or newly eligible Participants (whether by transfer or promotion), the Target Award will be set within ninety (90) days of eligibility for the Plan.

(b) Target Awards will be determined based on Financial Performance Targets and Strategic Performance Measures established at or near the beginning of a Plan Year for each Participant. Awards will be determined as set forth in Section 9.5 below by making an initial determination of the Award based on achievement of Financial Performance Targets and adjusting that amount for each Participant based on performance against Strategic Performance Measures as determined by the Committee. At the Committee's direction, Strategic Performance Measures account for 20% to 40% of the Target Award (depending on the executive category).

(c) In the event that a Target Award amount is changed during a Plan Year, the payment of that year's bonus award will be pro-rated based on the number of full weeks that each respective Target was in force, unless other written agreements supersede this provision.

9.3 **Financial Performance Targets**:

Financial Performance Targets are approved by the Board of Directors at or near the beginning of each Plan Year. Until otherwise designated by the Board of Directors, EBITDA is the metric utilized to set Financial Performance Targets for the Company, regions, business units and lines of business. The Company reserves the right to change the Financial Performance Target metric each year without the necessity of amending the Plan.

9.4 **Strategic Performance Measures**:

(a) Participants must have a minimum of three and a maximum of six measurable Strategic Performance Measures set by the Company in writing by March 31 of each Plan Year.

(b) For new hires or newly eligible Participants (whether by transfer or promotion), the Strategic Performance Measures must be set within ninety (90) days of eligibility for the Plan.

(c) Non-submission of Strategic Performance Measures to the Board of Directors will make the Participant ineligible for an Award.

9.5 **Calculation of Awards**: At the conclusion of the Plan Year, assuming the Discretionary Company Thresholds are satisfied, Awards are calculated as follows.

(a) **Adjustment Factor**: Actual financial performance is compared to the Financial Performance Targets and an Adjustment Factor is determined as follows:

Achievement Against Financial Performance Target	Adjustment Factor	Example
0 – 70%	0	0% Adjustment Factor
71% and above	3.3% for every 1% over 70% up to a maximum adjustment factor of 200%	90% of target = 66% Adjustment Factor (20% x 3.3)

The Adjustment Factor is then multiplied by the dollar amount of the full Target Award. This amount equals the "Preliminary Award."

(b) **Impact of Strategic Performance Measures:** The Preliminary Award is adjusted based on performance against Strategic Performance Measures as follows: Performance against each Strategic Performance Measure will be rated on a scorecard using a scale of 1 through 5, with 1 being "far below expectations" or its equivalent and 5 being "far exceeds expectations" or its equivalent. The scorecard will also contain space for qualitative comments regarding the Participant's performance (e.g., describing special circumstances). The information on the scorecard, taken as a whole, is then used to determine the amount of the Strategic Performance Measure Award, from zero to a maximum of 150% of the amount of the Preliminary Award allocated to Strategic Performance Measures (*i.e.,* 20% to 40%).

For example:

Target Award = $100,000
Achievement Against Financial Performance = 110%, which equals an adjustment factor of 1.33 (10 x 3.33)
"Preliminary Award" = $133,000 ($100,000 x 1.33)
Achievement of Strategic Performance Measures = 95%
Percent of award attributable to Strategic Performance Measures = 20%, or $26,600 ($133,000 x 20%)
Amount of Strategic Performance Measure Award = $25,270 ($26,600 x 95%)
Final Award = $131,670 ($133,000 - $26,600 + $25,270)

(c) The Preliminary Award and final Strategic Performance Measure Award payout recommendation will be made by the Chief Executive Officer and approved by the Board of Directors.

(d) Notwithstanding the foregoing, if Discretionary Company Thresholds are not met, no Award will be paid under this Plan.

10. SUSPENSION, AMENDMENT OR TERMINATION OF THE PLAN

The Company reserves the right at any time prior to payment of the Awards to review, interpret, alter, amend, or terminate (discontinue) – with or without notice – the Plan, including, without limitation, the calculation and method of and eligibility for Award payments. This Plan does not constitute a contract of employment (express or implied) and cannot be relied upon as such. This Plan does not alter the at will employment relationship between the Company and the Plan Participants.

11. ETHICS

The Board of Directors shall have the right to withhold or decrease a Participant's Award on account of a Participant's violation(s) of the Standards of Business Conduct or other Company policies, including, without limitation, the failure to model and enforce the Company's high standards of ethical conduct or to demonstrate a commitment to a discrimination, retaliation and harassment-free workplace. Conversely, the Board of Directors may increase incentive compensation (up to the total maximum Award under this Plan) for a Participant who demonstrates extraordinary achievements in these critical areas for the Company.

EXHIBIT 31.1

CERTIFICATION

I, Brett White, certify that:

1) I have reviewed this quarterly report on Form 10-Q of CB Richard Ellis Group, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2011

/s/ BRETT WHITE

Brett White
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Gil Borok, certify that:

1) I have reviewed this quarterly report on Form 10-Q of CB Richard Ellis Group, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2011

/s/ GIL BOROK

Gil Borok

Chief Financial Officer

EXHIBIT 32

WRITTEN STATEMENT
PURSUANT TO
18 U.S.C. SECTION 1350

The undersigned, Brett White, Chief Executive Officer, and Gil Borok, Chief Financial Officer of CB Richard Ellis Group, Inc. (the "Company"), hereby certify as of the date hereof, solely for the purposes of 18 U.S.C. §1350, that:

(i) the Quarterly Report on Form 10-Q for the period ended March 31, 2011, of the Company (the "Report") fully complies with the requirements of Section 13(a) and 15(d), as applicable, of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Dated: May 10, 2011

/s/ BRETT WHITE
Brett White
Chief Executive Officer

/s/ GIL BOROK
Gil Borok
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.