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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 September 30, 2012

☐ **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

CBRE 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 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 October 31, 2012 was 329,232,692.

FORM 10-Q

September 30, 2012

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CBRE GROUP, INC.

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share data)

	September 30, 2012 (Unaudited)	December 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 776,260	$ 1,093,182
Restricted cash	64,600	67,138
Receivables, less allowance for doubtful accounts of $37,421 and $33,915 at September 30, 2012 and December 31, 2011, respectively	1,127,992	1,135,371
Warehouse receivables	465,794	720,061
Trading securities	97,059	151,484
Income taxes receivable	85,935	—
Prepaid expenses	103,794	111,879
Deferred tax assets, net	172,287	168,939
Real estate under development	41,833	30,617
Real estate and other assets held for sale	52,504	26,201
Available for sale securities	1,083	2,790
Other current assets	48,134	42,385
Total Current Assets	3,037,275	3,550,047
Property and equipment, net	334,860	295,488
Goodwill	1,845,387	1,828,407
Other intangible assets, net of accumulated amortization of $255,929 and $194,982 at September 30, 2012 and December 31, 2011, respectively	769,640	794,325
Investments in unconsolidated subsidiaries	214,231	166,832
Real estate under development	10,992	3,952
Real estate held for investment	360,040	403,698
Available for sale securities	54,769	34,605
Other assets, net	141,583	141,789
Total Assets	$ 6,768,777	$ 7,219,143
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	$ 515,369	$ 574,136
Compensation and employee benefits payable	387,416	398,688
Accrued bonus and profit sharing	353,048	544,628
Securities sold, not yet purchased	44,829	98,810
Income taxes payable	—	28,368
Short-term borrowings:		
Warehouse lines of credit	458,306	713,362
Revolving credit facility	72,658	44,825
Other	16	16
Total short-term borrowings	530,980	758,203
Current maturities of long-term debt	71,060	67,838
Notes payable on real estate	154,676	146,120
Liabilities related to real estate and other assets held for sale	43,902	21,482
Other current liabilities	42,976	42,375
Total Current Liabilities	2,144,256	2,680,648
Long-Term Debt:		
Senior secured term loans	1,574,661	1,615,773
11.625% senior subordinated notes, net of unamortized discount of $9,871 and $10,984 at September 30, 2012 and December 31, 2011, respectively	440,129	439,016
6.625% senior notes	350,000	350,000
Other long-term debt	6,710	59
Total Long-Term Debt	2,371,500	2,404,848
Notes payable on real estate	168,010	206,339
Deferred tax liabilities, net	163,341	148,969
Non-current tax liabilities	85,084	79,927
Pension liability	61,823	60,860
Other liabilities	255,657	220,389
Total Liabilities	5,249,671	5,801,980
Commitments and contingencies	—	—
Equity:		
CBRE Group, Inc. Stockholders' Equity:		
Class A common stock; $0.01 par value; 525,000,000 shares authorized; 329,161,194 and 327,972,156 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively	3,292	3,280
Additional paid-in capital	940,940	882,141
Accumulated earnings	567,056	424,499
Accumulated other comprehensive loss	(170,856)	(158,439)
Total CBRE Group, Inc. Stockholders' Equity	1,340,432	1,151,481
Non-controlling interests	178,674	265,682
Total Equity	1,519,106	1,417,163
Total Liabilities and Equity	$ 6,768,777	$ 7,219,143

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

CBRE GROUP, INC.

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

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Revenue	$ 1,557,147	$ 1,534,463	$ 4,508,253	$ 4,141,786
Costs and expenses:				
Cost of services	915,245	894,607	2,610,944	2,448,184
Operating, administrative and other	482,362	469,138	1,405,461	1,279,019
Depreciation and amortization	40,102	31,308	124,895	79,871
Non-amortizable intangible asset impairment	19,826	—	19,826	—
Total costs and expenses	1,457,535	1,395,053	4,161,126	3,807,074
Gain on disposition of real estate	3,983	3,595	5,231	11,594
Operating income	103,595	143,005	352,358	346,306
Equity income from unconsolidated subsidiaries	2,875	6,714	19,870	38,961
Other income (loss)	151	(5,809)	4,635	(5,809)
Interest income	1,895	2,493	5,783	7,063
Interest expense	43,651	39,080	132,043	107,014
Income from continuing operations before provision for income taxes	64,865	107,323	250,603	279,507
Provision for income taxes	22,160	47,290	102,353	117,032
Income from continuing operations	42,705	60,033	148,250	162,475
Income from discontinued operations, net of income taxes	—	—	—	16,911
Net income	42,705	60,033	148,250	179,386
Less: Net income (loss) attributable to non-controlling interests	2,996	(3,774)	5,693	19,987
Net income attributable to CBRE Group, Inc.	$ 39,709	$ 63,807	$ 142,557	$ 159,399
Basic income per share attributable to CBRE Group, Inc. shareholders				
Income from continuing operations attributable to CBRE Group, Inc.	$ 0.12	$ 0.20	$ 0.44	$ 0.50
Income from discontinued operations attributable to CBRE Group, Inc.	—	—	—	—
Net income attributable to CBRE Group, Inc.	$ 0.12	$ 0.20	$ 0.44	$ 0.50
Weighted average shares outstanding for basic income per share	322,331,850	318,867,447	321,289,017	317,718,150
Diluted income per share attributable to CBRE Group, Inc. shareholders				
Income from continuing operations attributable to CBRE Group, Inc.	$ 0.12	$ 0.20	$ 0.44	$ 0.49
Income from discontinued operations attributable to CBRE Group, Inc.	—	—	—	—
Net income attributable to CBRE Group, Inc.	$ 0.12	$ 0.20	$ 0.44	$ 0.49
Weighted average shares outstanding for diluted income per share	327,309,341	323,714,703	326,380,448	323,584,637
Amounts attributable to CBRE Group, Inc. shareholders				
Income from continuing operations, net of tax	$ 39,709	$ 63,807	$ 142,557	$ 159,399
Income from discontinued operations, net of tax	—	—	—	—
Net income	$ 39,709	$ 63,807	$ 142,557	$ 159,399

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

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CBRE GROUP, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	**2011**	**2012**	**2011**
Net income	$42,705	$ 60,033	$148,250	$179,386
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	15,422	(67,922)	(6,237)	(22,377)
Unrealized losses on interest rate swaps and interest rate caps, net	(1,938)	(16,285)	(6,298)	(23,062)
Unrealized gains (losses) on available for sale securities, net	323	(49)	137	134
Other, net	(164)	1,508	(331)	1,831
Total other comprehensive income (loss)	13,643	(82,748)	(12,729)	(43,474)
Comprehensive income (loss)	56,348	(22,715)	135,521	135,912
Less: Comprehensive income (loss) attributable to non-controlling interests	3,071	(5,785)	5,381	18,806
Comprehensive income (loss) attributable to CBRE Group, Inc.	$53,277	$(16,930)	$130,140	$117,106

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

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CBRE GROUP, INC.

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

	Nine Months Ended September 30,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 148,250	$ 179,386
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	124,895	80,396
Amortization of financing costs	7,135	5,141
Non-amortizable intangible asset impairment	19,826	—
Write-down of impaired real estate	—	1,625
Gain on sale of loans, servicing rights and other assets	(71,969)	(50,913)
Net realized and unrealized (gains) losses from investments	(4,635)	5,809
Gain on disposition of real estate held for investment	(1,539)	(20,383)
Equity income from unconsolidated subsidiaries	(19,870)	(38,961)
Provision for doubtful accounts	5,305	6,996
Compensation expense related to stock options and non-vested stock awards	37,867	32,866
Incremental tax benefit from stock options exercised	(167)	(15,266)
Distribution of earnings from unconsolidated subsidiaries	11,124	15,441
Tenant concessions received	16,140	38,669
Purchase of trading securities	(172,200)	(63,449)
Proceeds from sale of trading securities	160,029	156,876
Proceeds from securities sold, not yet purchased	126,675	108,206
Securities purchased to cover short sales	(134,696)	(90,364)
Increase in receivables	(2,345)	(35,810)
Increase in prepaid expenses and other assets	(8,840)	(15,561)
(Increase) decrease in real estate held for sale and under development	(8,637)	25,502
Decrease in accounts payable and accrued expenses	(47,990)	(32,471)
Decrease in compensation and employee benefits payable and accrued bonus and profit sharing	(231,961)	(160,634)
Increase in income taxes receivable/payable	(81,526)	(30,449)
Increase in other liabilities	8,549	5,856
Other operating activities, net	644	(4,384)
Net cash (used in) provided by operating activities	(119,936)	104,124
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(80,587)	(95,398)
Acquisition of Clarion Real Estate Securities, including net assets acquired, intangibles and goodwill, net of cash acquired	—	(215,865)
Acquisition of businesses (other than Clarion Real Estate Securities), including net assets acquired, intangibles and goodwill, net of cash acquired	(17,595)	(49,790)
Contributions to unconsolidated subsidiaries	(55,000)	(22,245)
Distributions from unconsolidated subsidiaries	14,655	42,048
Net proceeds from disposition of real estate held for investment	32,200	115,514
Additions to real estate held for investment	(5,783)	(7,454)
Proceeds from the sale of servicing rights and other assets	23,930	16,958
Decrease (increase) in restricted cash	3,698	(328,344)
Decrease in cash due to deconsolidation of CBRE Clarion U.S., L.P. (see Note 3)	(73,187)	—
Other investing activities, net	4,157	(1,965)
Net cash used in investing activities	(153,512)	(546,541)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from senior secured term loans	—	800,000
Repayment of senior secured term loans	(51,032)	(30,500)
Proceeds from revolving credit facility	41,270	993,733
Repayment of revolving credit facility	(15,230)	(967,414)
Proceeds from notes payable on real estate held for investment	4,652	5,697
Repayment of notes payable on real estate held for investment	(36,613)	(98,964)
Proceeds from notes payable on real estate held for sale and under development	14,711	4,684
Repayment of notes payable on real estate held for sale and under development	(7,625)	(26,594)
Proceeds from exercise of stock options	16,401	7,059
Incremental tax benefit from stock options exercised	167	15,266
Non-controlling interests contributions	15,956	9,400
Non-controlling interests distributions	(29,211)	(90,584)
Payment of financing costs	(199)	(22,150)
Other financing activities, net	(1,022)	(112)
Net cash (used in) provided by financing activities	(47,775)	599,521
Effect of currency exchange rate changes on cash and cash equivalents	4,301	(1,084)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(316,922)	156,020
CASH AND CASH EQUIVALENTS, AT BEGINNING OF PERIOD	1,093,182	506,574
CASH AND CASH EQUIVALENTS, AT END OF PERIOD	$ 776,260	$ 662,594
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 102,973	$ 79,077
Income tax payments, net	$ 180,911	$ 144,877

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

CBRE GROUP, INC.

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

	CBRE 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, 2011	$ 3,280	$ 882,141	$ 424,499	$ (158,439)	$ 265,682	$ 1,417,163
Net income	—	—	142,557	—	5,693	148,250
Stock options exercised (including tax benefit)	13	16,555	—	—	—	16,568
Compensation expense for stock options and non-vested stock awards	—	37,867	—	—	—	37,867
Foreign currency translation loss	—	—	—	(5,925)	(312)	(6,237)
Unrealized losses on interest rate swaps and interest rate caps, net	—	—	—	(6,298)	—	(6,298)
Unrealized gains on available for sale securities, net	—	—	—	137	—	137
Contributions from non-controlling interests	—	—	—	—	15,956	15,956
Distributions to non-controlling interests	—	—	—	—	(29,211)	(29,211)
Deconsolidation of CBRE Clarion U.S., L.P. (see Note 3)	—	—	—	—	(91,580)	(91,580)
Other	(1)	4,377	—	(331)	12,446	16,491
Balance at September 30, 2012	$ 3,292	$ 940,940	$ 567,056	$ (170,856)	$ 178,674	$ 1,519,106

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

CBRE GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

The accompanying consolidated financial statements of CBRE Group, Inc., a Delaware corporation (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 and nine months ended September 30, 2012 are not necessarily indicative of the results of operations to be expected for the year ending December 31, 2012. 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, 2011, which contains the latest available audited consolidated financial statements and notes thereto, which are as of and for the year ended December 31, 2011.

2. New Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-10, "*Property, Plant, and Equipment (Topic 360): Derecognition of in Substance Real Estate – a Scope Clarification.*" This ASU requires that a reporting entity that ceases to have a controlling financial interest in a subsidiary that is in substance real estate as a result of default on the subsidiary's nonrecourse debt would apply FASB Accounting Standards Codification (ASC) Subtopic 360-20, "*Property, Plant, and Equipment – Real Estate Sales,*" to determine whether to derecognize assets and liabilities of that subsidiary. ASU 2011-10 is effective prospectively for a deconsolidation event that takes place in fiscal years, and interim periods within those years, beginning on or after June 15, 2012. We do not believe the adoption of this update will have a material effect on our consolidated financial position or results of operations.

In December 2011, the FASB issued ASU 2011-11, "*Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities.*" This ASU adds certain additional disclosure requirements about financial instruments and derivative instruments that are subject to netting arrangements. ASU 2011-11 is effective for fiscal years, and interim periods within those years, beginning after January 1, 2013, with retrospective application required. We do not believe the adoption of this update will have a material impact on the disclosure requirements for our consolidated financial statements.

CBRE GROUP, INC.

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

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 included substantially all of ING's Real Estate Investment Management (REIM) operations in Europe and Asia, as well as substantially all of Clarion Real Estate Securities (CRES), its U.S.-based global real estate listed securities business (collectively referred to as ING REIM). On February 15, 2011, we also announced that we expected 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. Upon completion of the acquisitions (collectively referred to as the REIM Acquisitions), ING REIM became part of our Global Investment Management segment (which conducts business through our indirect wholly-owned subsidiary, CBRE Global Investors, an independently operated business segment). We completed the REIM Acquisitions in order to significantly enhance our ability to meet the needs of institutional investors across global markets with a full spectrum of investment programs and strategies.

We secured borrowings of $800.0 million of term loans to finance the REIM Acquisitions (see Note 10). Of this amount, $400.0 million was drawn on June 30, 2011 to finance the CRES portion of the REIM Acquisitions, which closed on July 1, 2011. On August 31, 2011, we drew down the remaining $400.0 million, part of which was used to finance the ING REIM Asia portion of the REIM Acquisitions, which closed on October 3, 2011, and the remainder, along with cash on hand and borrowings under our revolving credit facility, was used to finance the ING REIM Europe portion of the REIM Acquisitions, which closed on October 31, 2011.

The following represents a summary of the purchase price for the REIM Acquisitions (dollars in thousands):

Purchase of CRES on July 1, 2011	$ 332,916
Purchase of CRES co-investments on July 1, 2011	58,566
Purchase of ING REIM Asia on October 3, 2011	45,315
Purchase of ING REIM Europe on October 31, 2011	442,543
Total purchase price	$ 879,340

Our initial estimate of $940 million in total purchase price for the REIM Acquisitions has been reduced by approximately $47 million for certain fund and separate account management contracts that were not acquired and for certain balance sheet adjustments. As of September 30, 2012, there is a possibility of an additional closing of approximately $80 million and further co-investments of up to $20 million in the future related to our acquisition of ING REIM Europe.

In connection with our acquisition of CRES, we acquired CRES co-investments from ING in three funds (CRES Funds) for an aggregate purchase price of $58.6 million, which has been included above. We determined that the CRES Funds were not variable interest entities and accordingly determined the method of accounting based upon voting control. The limited partners/members of the CRES Funds lack substantive rights that would overcome our presumption of control. Accordingly, we began consolidating the CRES Funds as of the acquisition date of July 1, 2011. Included in the consolidation of the CRES Funds on July 1, 2011 was $182.9 million of non-controlling interests. In connection with the REIM Acquisitions, we also acquired three ING REIM Asia co-investments from ING for an aggregate amount of $13.9 million on October 3, 2011 and several ING REIM Europe co-investments, including one for $7.4 million on October 31, 2011, and nine additional co-investments for an aggregate amount of $35.2 million during the nine months ended September 30, 2012.

In January 2012, one of the CRES Funds (CBRE Clarion U.S., L.P.) was converted to a registered mutual fund, the CBRE Clarion Long/Short Fund (the Fund). As a result of this triggering event, we determined that the

Fund became a variable interest entity and that we were not the primary beneficiary. Accordingly, in the first quarter of 2012, the Fund was deconsolidated from our consolidated financial statements and we recorded an investment in available for sale securities of $14.3 million. No gain or loss was recognized in our consolidated statement of operations as a result of this deconsolidation. We continue to act as the Fund's adviser, make investment decisions for the Fund and review, supervise and administer the Fund's investment program.

The purchase accounting for the CRES and ING REIM Asia portions of the REIM Acquisitions has been finalized. The preliminary purchase accounting adjustments related to the ING REIM Europe portion of the REIM Acquisitions has been recorded in the accompanying consolidated financial statements. The excess purchase price over the estimated fair value of net assets acquired has been recorded to goodwill. The purchase price allocation is expected to be completed as soon as practicable, but no later than one year from the acquisition date.

Unaudited pro forma results, assuming the REIM Acquisitions had occurred as of January 1, 2011 for purposes of the 2011 pro forma disclosures, are presented below. They include certain adjustments for the three and nine months ended September 30, 2011, including $3.3 million and $16.1 million, respectively, of increased amortization expense as a result of intangible assets acquired in the REIM Acquisitions, $2.5 million and $18.7 million, respectively, of additional interest expense as a result of debt incurred to finance the REIM Acquisitions, the removal of $14.9 million and $27.6 million, respectively, of direct costs incurred by us and ING related to the REIM Acquisitions, and the tax impact of the pro forma adjustments. These unaudited pro forma results have been prepared for comparative purposes only and do not purport to be indicative of what operating results would have been had the REIM Acquisitions occurred on January 1, 2011 and may not be indicative of future operating results (dollars in thousands, except share data):

	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2011
Revenue	$ 1,593,226	$ 4,360,982
Operating income	$ 158,192	$ 394,434
Net income attributable to CBRE Group, Inc.	$ 73,291	$ 185,983
Basic income per share	$ 0.23	$ 0.59
Weighted average shares outstanding for basic income per share	318,867,447	317,718,150
Diluted income per share	$ 0.23	$ 0.57
Weighted average shares outstanding for diluted income per share	323,714,703	323,584,637

4. Variable Interest Entities (VIEs)

A consolidated subsidiary (the Venture) in our Global Investment Management segment has sponsored investments by third-party investors in certain commercial properties through the formation of tenant-in-common limited liability companies and Delaware Statutory Trusts (collectively referred to as the Entities) that are owned by the third-party investors. The Venture also has formed and is a member of a limited liability company for each property that serves as master tenant (Master Tenant). Each Master Tenant leases the property from the Entities through a master lease agreement. Pursuant to the master lease agreements, the Master Tenant has the power to direct the day-to-day asset management activities that most significantly impact the economic performance of the Entities. As a result, the Entities were deemed to be VIEs since the third-party investors holding the equity investment at risk in the Entities do not direct the day-to-day activities that most significantly impact the economic performance of the properties held by the Entities. The Venture has made and may continue to make voluntary contributions to each of these properties to support their operations beyond the cash flow generated by

CBRE GROUP, INC.

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

the properties themselves. As of the most recent reconsideration date, such financial support has been significant enough that the Venture was deemed to be the primary beneficiary of each Entity.

An additional Entity was consolidated during the nine months ended September 30, 2012. The related real estate assets held for investment were $26.3 million, nonrecourse mortgage notes payable were $15.8 million and non-controlling interests were $10.6 million as of September 30, 2012.

During both the nine months ended September 30, 2012 and 2011, the Venture funded $0.2 million of financial support to the Entities.

Operating results relating to the Entities for the three and nine months ended September 30, 2012 and 2011 include the following (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenue	$ 3,791	$ 7,055	$10,385	$22,873
Operating, administrative and other expenses	$ 2,121	$ 4,057	$ 6,146	$11,689
Income from discontinued operations, net of income taxes	$ —	$ —	$ —	$16,911
Net (loss) income attributable to non-controlling interests	$ (887)	$(1,914)	$ (2,904)	$11,154

Investments in real estate of $85.7 million and $61.3 million and nonrecourse mortgage notes payable of $77.4 million ($17.1 million of which is current) and $60.9 million ($1.2 million of which is current) are included in real estate held for investment and notes payable on real estate, respectively, in the accompanying consolidated balance sheets as of September 30, 2012 and December 31, 2011, respectively. In addition, non-controlling interests of $9.9 million and $1.6 million in the accompanying consolidated balance sheets as of September 30, 2012 and December 31, 2011, respectively, are attributable to the Entities.

We hold variable interests in certain VIEs in our Global Investment Management and Development Services segments which are not consolidated as it was determined that we are not the primary beneficiary. Our involvement with these entities is in the form of equity co-investments and fee arrangements.

As of September 30, 2012 and December 31, 2011, our maximum exposure to loss related to the VIEs which are not consolidated was as follows (dollars in thousands):

	September 30, 2012	December 31, 2011
Investments in unconsolidated subsidiaries	$ 48,309	$ 15,483
Available for sale securities	14,205	—
Other assets, current	3,099	—
Co-investment commitments	7,649	37,019
Maximum exposure to loss	$ 73,262	$ 52,502

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5. 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.

There were no significant transfers in and out of Level 1 and Level 2 during the three and nine months ended September 30, 2012 and 2011.

The following tables present the fair value of assets and liabilities measured at fair value on a recurring basis as of September 30, 2012 and December 31, 2011 (dollars in thousands):

	As of September 30, 2012			
	Fair Value Measured and Recorded Using			
	Level 1	Level 2	Level 3	Total
Assets				
Available for sale securities:				
U.S. treasury securities	$ 9,834	$ —	$ —	$ 9,834
Debt securities issued by U.S. federal agencies	—	2,210	—	2,210
Corporate debt securities	—	9,001	—	9,001
Asset-backed securities	—	5,307	—	5,307
Collateralized mortgage obligations	—	2,931	—	2,931
Total debt securities	9,834	19,449	—	29,283
Equity securities	26,569	—	—	26,569
Total available for sale securities	36,403	19,449	—	55,852
Trading securities	97,059	—	—	97,059
Warehouse receivables	—	465,794	—	465,794
Total assets at fair value	$ 133,462	$ 485,243	$ —	$618,705
Liabilities				
Securities sold, not yet purchased	$ 44,829	$ —	$ —	$ 44,829
Interest rate swaps	—	50,199	—	50,199
Total liabilities at fair value	$ 44,829	$ 50,199	$ —	$ 95,028

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	As of December 31, 2011			
	Fair Value Measured and Recorded Using			
	Level 1	Level 2	Level 3	Total
Assets				
Available for sale securities:				
U.S. treasury securities	$ 6,838	$ —	$ —	$ 6,838
Debt securities issued by U.S. federal agencies	—	6,024	—	6,024
Corporate debt securities	—	9,969	—	9,969
Asset-backed securities	—	5,226	—	5,226
Collateralized mortgage obligations	—	3,037	—	3,037
Total debt securities	6,838	24,256	—	31,094
Equity securities	6,301	—	—	6,301
Total available for sale securities	13,139	24,256	—	37,395
Trading securities	151,484	—	—	151,484
Warehouse receivables	—	720,061	—	720,061
Total assets at fair value	$ 164,623	$ 744,317	$ —	$908,940
Liabilities				
Securities sold, not yet purchased	$ 98,810	$ —	$ —	$ 98,810
Interest rate swaps	—	39,872	—	39,872
Total liabilities at fair value	$ 98,810	$ 39,872	$ —	$138,682

Fair value measurements for our available for sale securities are obtained from independent pricing services which utilize observable market data that may include quoted market prices, dealer quotes, market spreads, cash flows, the U.S. treasury yield curve, trading levels, market consensus prepayment speeds, credit information and the instrument's terms and conditions.

The trading securities and securities sold, not yet purchased are primarily in the United States (U.S.) and are generally valued at the last reported sales price on the day of valuation or, if no sales occurred on the valuation date, at the mean of the bid and asked prices on such date.

The fair values of the warehouse receivables are calculated based on already locked in security buy prices. At September 30, 2012 and December 31, 2011, all of the warehouse receivables included in the accompanying consolidated balance sheets were either under commitment to be purchased by Freddie Mac or had confirmed forward trade commitments for the issuance and purchase of Fannie Mae mortgage backed securities that will be secured by the underlying warehouse lines of credit. These assets are classified as Level 2 in the fair value hierarchy as all inputs are readily observable.

The valuation of interest rate swaps is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate forward curves. To comply with the provisions of Topic 820, we incorporate

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credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees. In conjunction with our adoption of ASU 2011-04, "*Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*," we made an accounting policy election to measure the credit risk of our derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio. Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by us and our counterparties. However, as of September 30, 2012, we have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 in the fair value hierarchy.

The following non-recurring fair value measurements were recorded during the three and nine months ended September 30, 2012 and 2011 (dollars in thousands):

	Net Carrying Value as of September 30, 2012	Fair Value Measured and Recorded Using			Total Impairment Charges for the Three and Nine Months Ended September 30, 2012
		Level 1	Level 2	Level 3	
Other intangible assets	$ —	$ —	$ —	$ —	$ 19,826

	Net Carrying Value as of September 30, 2011	Fair Value Measured and Recorded Using			Total Impairment Charges for the Three and Nine Months Ended September 30, 2011
		Level 1	Level 2	Level 3	
Investments in unconsolidated subsidiaries	$ 22,054	$ —	$ —	$ 22,054	$ 4,601
Real estate	$ 31,619	$ —	$ —	$ 31,619	1,625
Total impairment charges					$ 6,226

Other Intangible Assets

During the three and nine months ended September 30, 2012, we recorded a non-amortizable intangible asset impairment of $19.8 million in our EMEA segment. This non-cash write-off related to the discontinuation of the use of a trade name in the United Kingdom (U.K.).

Investments in Unconsolidated Subsidiaries

During the three and nine months ended September 30, 2011, we recorded write-downs of $4.6 million, of which $4.5 million was reported in our Global Investment Management segment and $0.1 million was reported in our Development Services segment. These write-downs were primarily driven by a decrease in the estimated holding period of certain assets.

All of our impairment charges related to investments in unconsolidated subsidiaries were included in equity income from unconsolidated subsidiaries in the accompanying consolidated statements of operations. When we

performed our impairment analysis, the assumptions utilized reflected our outlook for the commercial real estate industry and the expected impact on our business. This outlook incorporated our belief that market conditions deteriorated and that these challenging conditions could persist for some time.

Real Estate

During the three and nine months ended September 30, 2011, we recorded a $1.3 million provision for losses on real estate held for sale. This charge reduced the carrying value of certain assets to their fair value, less cost to sell, primarily due to reduced expected selling prices resulting from continued challenging market conditions. In addition, during the three and nine months ended September 30, 2011, we recorded an impairment charge of $0.3 million related to real estate held for investment, the majority of which was attributable to non-controlling interests. This investment write-down was attributable to slower than expected leasing.

All of our impairment charges related to real estate were included in operating, administrative and other expenses in the accompanying consolidated statements of operations within our Development Services segment. If conditions in the broader economy, commercial real estate industry, specific markets or product types in which we operate worsen, we may be required to evaluate additional projects or re-evaluate previously impaired projects for potential impairment. These evaluations could result in additional impairment charges, which may be material.

FASB ASC Topic 825, "*Financial Instruments*" requires disclosure of fair value information about financial instruments, whether or not recognized in the accompanying consolidated balance sheets. Our financial instruments, excluding those included in the preceding fair value tables above, are 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.

Short-Term Borrowings: The majority of this balance represents our revolving credit facility and our warehouse lines of credit outstanding for CBRE Capital Markets. 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 (which falls within Level 2 of the fair value hierarchy), the estimated fair value of our senior secured term loans was approximately $1.6 billion at September 30, 2012, which approximates their carrying value at September 30, 2012 (see Note 10).

11.625% Senior Subordinated Notes: Based on dealers' quotes (which falls within Level 2 of the fair value hierarchy), the estimated fair value of our 11.625% senior subordinated notes was $495.1 million at September 30, 2012. Their actual carrying value totaled $440.1 million at September 30, 2012.

6.625% Senior Notes: Based on dealers' quotes (which falls within Level 2 of the fair value hierarchy), the estimated fair value of our 6.625% senior notes was $383.3 million at September 30, 2012. Their actual carrying value totaled $350.0 million at September 30, 2012.

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Notes Payable on Real Estate: As of September 30, 2012, the carrying value of our notes payable on real estate was $365.6 million (see Note 9). 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 September 30, 2012.

6. 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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Global Investment Management:				
Revenue	$209,747	$144,728	$581,362	$ 443,883
Operating loss	$ (3,776)	$ (88,371)	$ (10,663)	$ (131,669)
Net income	$101,655	$157,754	$ 71,998	$ 87,487
Development Services:				
Revenue	$ 24,554	$ 38,235	$ 66,194	$ 85,816
Operating income	$ 4,216	$ 8,218	$ 36,696	$ 85,015
Net (loss) income	$ (1,540)	$ (2,463)	$ 18,431	$ 56,668
Other:				
Revenue	$ 41,930	$ 54,300	$111,907	$ 121,102
Operating income	$ 5,249	$ 9,655	$ 12,978	$ 18,088
Net income	$ 5,276	$ 9,840	$ 13,925	$ 18,339
Total:				
Revenue	$276,231	$237,263	$759,463	$ 650,801
Operating income (loss)	$ 5,689	$ (70,498)	$ 39,011	$ (28,566)
Net income	$105,391	$165,131	$104,354	$ 162,494

During the three and nine months ended September 30, 2011, we recorded non-cash write-downs of investments of $4.6 million within our Global Investment Management and Development Services segments. See Note 5 for additional information.

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.

7. 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.

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

	September 30, 2012	December 31, 2011
Assets:		
Real estate held for sale (see Note 8)	$ 49,562	$ 21,833
Other current assets	891	531
Property and equipment, net	235	—
Other assets	1,816	3,837
Total real estate and other assets held for sale	52,504	26,201
Liabilities:		
Notes payable on real estate held for sale (see Note 9)	42,904	20,453
Accounts payable and accrued expenses	798	891
Other current liabilities	88	8
Other liabilities	112	130
Total liabilities related to real estate and other assets held for sale	43,902	21,482
Net real estate and other assets held for sale	$ 8,602	$ 4,719

8. 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. 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):

	September 30, 2012	December 31, 2011
Real estate included in assets held for sale (see Note 7)	$ 49,562	$ 21,833
Real estate under development (current)	41,833	30,617
Real estate under development (non-current)	10,992	3,952
Real estate held for investment (1)	360,040	403,698
Total real estate (2)	$ 462,427	$ 460,100

(1) Net of accumulated depreciation of $42.0 million and $40.7 million at September 30, 2012 and December 31, 2011, respectively.
(2) Includes balances for lease intangibles and tenant origination costs of $8.3 million and $1.6 million, respectively, at September 30, 2012 and $8.7 million and $2.0 million, respectively, at December 31, 2011. 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.

During the three and nine months ended September 30, 2011, we recorded a $1.3 million provision for losses on real estate held for sale within our Development Services segment. In addition, during the three and nine months ended September 30, 2011, we recorded an impairment charge of $0.3 million related to real estate held for investment. See Note 5 for additional information.

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9. Notes Payable on Real Estate

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

	September 30, 2012	December 31, 2011
Current portion of notes payable on real estate	$ 154,676	$ 146,120
Notes payable on real estate included in liabilities related to real estate and other assets held for sale (see Note 7)	42,904	20,453
Total notes payable on real estate, current portion	197,580	166,573
Notes payable on real estate, non-current portion	168,010	206,339
Total notes payable on real estate	$ 365,590	$ 372,912

At September 30, 2012 and December 31, 2011, $13.5 million and $2.4 million, respectively, of the current portion of notes payable on real estate and $0.1 million and $11.2 million, respectively, of the non-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.

10. 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. On November 10, 2011, we entered into an incremental assumption agreement led jointly by HSBC Bank USA, N.A. and J.P. Morgan Securities LLC to allow for the establishment of a new tranche A-1 term loan facility, which also reduced the $800.0 million incremental facility under the Credit Agreement.

As of September 30, 2012, 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, which began on December 31, 2010 and continue through September 30, 2015, with the balance payable on November 10, 2015; (3) a £187.0 million (approximately $300.0 million) tranche A-1 term loan facility requiring quarterly principal payments, which began on December 30, 2011 and continue through March 31, 2016, with the balance payable on May 10, 2016; (4) a $300.0 million tranche B term loan facility requiring quarterly principal payments, which began on December 31, 2010 and continue through September 30, 2016, with the balance payable on November 10, 2016; (5) a $400.0 million tranche C term loan facility requiring quarterly principal payments, which began on September 30, 2011 and continue through December 31, 2017, with the balance payable on March 4, 2018; (6) a $400.0 million tranche D term loan facility requiring quarterly principal payments, which began on September 30, 2011 and continue through June 30, 2019, with the balance payable on September 4, 2019 and (7) an accordion provision which provides the ability to borrow additional funds under an incremental facility. The incremental facility is equivalent to the sum of $800.0 million and the aggregate amount of all repayments of term loans and permanent reductions of revolver commitments under the Credit Agreement. However, at no time may the sum of all outstanding amounts under the Credit Agreement exceed $2.95 billion. On November 10, 2011, we utilized the incremental facility to issue the tranche A-1 term loan facility.

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In regards to the tranche C and tranche D term loan facilities, we had up to 180 days from the date we entered into the related incremental assumption agreement to draw on these facilities during which period we were required to pay a fee on the unused portions of each facility. On June 30, 2011, we drew down $400.0 million of the tranche D term loan facility to finance the CRES portion of the REIM Acquisitions, which closed on July 1, 2011. On August 31, 2011, we drew down $400.0 million of the tranche C term loan facility, part of which was used to finance the ING REIM Asia portion of the REIM Acquisitions, which closed on October 3, 2011. The remaining borrowings were used to finance the acquisition of ING REIM's operations in Europe, which closed on October 31, 2011.

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 September 30, 2012 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 September 30, 2012 and December 31, 2011, we had $72.7 million and $44.8 million, respectively, of revolving credit facility principal outstanding with related weighted average interest rates of 3.3% and 4.3%, respectively, which are included in short-term borrowings in the accompanying consolidated balance sheets. As of September 30, 2012, letters of credit totaling $17.3 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 September 30, 2012 bear interest, based at our option, on the following: for the tranche A and A-1 term loan facilities, 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 September 30, 2012 and December 31, 2011, we had $280.0 million and $306.3 million, respectively, of tranche A term loan facility principal outstanding, $279.3 million and $285.1 million, respectively, of tranche A-1 term loan facility principal outstanding, $294.0 million and $296.3 million, respectively, of tranche B term loan facility principal outstanding, $395.0 million and $398.0 million, respectively, of tranche C term loan facility principal outstanding and $395.0 million and $398.0 million, respectively, of tranche D term loan facility principal outstanding, which are included in the accompanying consolidated balance sheets.

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 in October 2017 and $200.0 million expiring in September 2019. There was no hedge ineffectiveness for the three and nine months ended September 30, 2012 and 2011. We recorded net losses of $3.2 million and $10.3 million, respectively, during the three and nine months ended September 30, 2012 and $27.5 million and $39.1 million, respectively, during the three and nine months ended September 30, 2011 to other comprehensive loss in relation to these interest rate

swap agreements. As of September 30, 2012 and December 31, 2011, the fair values of these interest rate swap agreements were reflected as a $50.2 million liability and a $39.9 million liability, respectively, and were included in other long-term liabilities in the accompanying consolidated balance sheets.

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 65.0% 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 10.19x for the trailing twelve months ended September 30, 2012 and our leverage ratio of total debt less available cash to EBITDA was 1.74x as of September 30, 2012.

11. Commitments and Contingencies

We are a party to a number of pending or threatened lawsuits arising out of, or incident to, our ordinary course of business. Our management believes that any losses in excess of the amounts accrued arising from such lawsuits are remote, but that litigation is inherently uncertain and there is the potential for a material adverse effect on our financial statements if one or more matters are resolved in a particular period in an amount in excess of that anticipated by management.

We had outstanding letters of credit totaling $16.9 million as of September 30, 2012, 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 and expire at varying dates through July 2013.

We had guarantees totaling $32.4 million as of September 30, 2012, 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 $32.4 million primarily consists of guarantees related to our defined benefit pension plans in the U.K. (in excess of our outstanding pension liability of $61.8 million as of September 30, 2012), which are continuous guarantees that will not expire until all amounts have been paid out for our pension liabilities. The remainder of the guarantees mainly represents guarantees of obligations of unconsolidated subsidiaries, which expire at varying dates through September 2015, as well as various guarantees of management contracts in our operations overseas, which expire at the end of each of the respective agreements.

In addition, as of September 30, 2012, 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

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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.

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 $4.9 billion at September 30, 2012. Additionally, CBRE MCI has funded loans under the DUS Program that are not subject to loss sharing arrangements with unpaid principal balances of approximately $544.2 million at September 30, 2012. 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 September 30, 2012 and December 31, 2011, CBRE MCI had $7.5 million and $4.6 million, respectively, of cash deposited under this reserve arrangement, and had provided approximately $9.2 million and $6.4 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 $299.7 million (including $203.6 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 September 30, 2012.

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 2.0% to 5.0% of the equity in a particular fund. As of September 30, 2012, we had aggregate commitments of $33.1 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 September 30, 2012, we had committed to fund $15.5 million of additional capital to these unconsolidated subsidiaries.

12. Income Per Share Information

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Computation of basic income per share attributable to CBRE Group, Inc. shareholders:				
Net income attributable to CBRE Group, Inc. shareholders	$ 39,709	$ 63,807	$ 142,557	$ 159,399
Weighted average shares outstanding for basic income per share	322,331,850	318,867,447	321,289,017	317,718,150
Basic income per share attributable to CBRE Group, Inc. shareholders	$ 0.12	$ 0.20	$ 0.44	$ 0.50

CBRE GROUP, INC.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Computation of diluted income per share attributable to CBRE Group, Inc. shareholders:				
Net income attributable to CBRE Group, Inc. shareholders	$ 39,709	$ 63,807	$ 142,557	$ 159,399
Weighted average shares outstanding for basic income per share	322,331,850	318,867,447	321,289,017	317,718,150
Dilutive effect of contingently issuable shares	3,377,782	3,125,397	3,377,132	3,559,385
Dilutive effect of stock options	1,599,709	1,721,859	1,714,299	2,307,102
Weighted average shares outstanding for diluted income per share	327,309,341	323,714,703	326,380,448	323,584,637
Diluted income per share attributable to CBRE Group, Inc. shareholders	$ 0.12	$ 0.20	$ 0.44	$ 0.49

For the three and nine months ended September 30, 2012, 2,261,549 and 2,257,069 contingently issuable shares, respectively, were excluded from the computation of diluted earnings per share because their inclusion would have had an anti-dilutive effect. For the three and nine months ended September 30, 2012, options to purchase 103,423 shares of common stock were also excluded from the computation of diluted earnings per share because their inclusion would have had an anti-dilutive effect.

For the three and nine months ended September 30, 2011, 547,434 and 11,880 contingently issuable shares, respectively, were excluded from the computation of diluted earnings per share because their inclusion would have had an anti-dilutive effect. For the three and nine months ended September 30, 2011, options to purchase 132,749 and 55,587 shares, respectively, of common stock were also excluded from the computation of diluted earnings per share because their inclusion would have had an anti-dilutive effect.

13. Pensions

We have two contributory defined benefit pension plans in the 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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Interest cost	$ 3,869	$ 4,182	$ 11,627	$ 12,504
Expected return on plan assets	(3,597)	(4,295)	(10,831)	(12,868)
Amortization of unrecognized net loss	582	343	1,750	1,025
Net periodic pension cost	$ 854	$ 230	$ 2,546	$ 661

CBRE GROUP, INC.

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

We contributed $1.5 million and $4.4 million to fund our pension plans during the three and nine months ended September 30, 2012, respectively. We expect to contribute a total of $6.0 million to fund our pension plans for the year ending December 31, 2012.

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 and dispositions accounted for as discontinued operations for the nine months ended September 30, 2011 were reported in our Global Investment Management segment as follows (dollars in thousands):

Revenue	$ 2,385
Costs and expenses:	
Operating, administrative and other	1,234
Depreciation and amortization	525
Total costs and expenses	1,759
Gain on disposition of real estate	17,638
Operating income	18,264
Interest expense	1,353
Income from discontinued operations before provision for income taxes	16,911
Provision for income taxes	—
Income from discontinued operations, net of income taxes	16,911
Less: Income from discontinued operations attributable to non-controlling interests	16,911
Income from discontinued operations attributable to CBRE 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 key markets in 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 North America, Europe and Asia.

CBRE GROUP, INC.

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

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenue				
Americas	$ 996,380	$ 954,213	$ 2,855,899	$ 2,602,156
EMEA	228,737	275,958	674,367	742,013
Asia Pacific	199,950	208,055	568,396	557,101
Global Investment Management	114,306	77,426	359,180	185,302
Development Services	17,774	18,811	50,411	55,214
	$ 1,557,147	$ 1,534,463	$ 4,508,253	$ 4,141,786

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
EBITDA				
Americas	$ 128,749	$ 126,156	$ 379,304	$ 319,659
EMEA	(8,141)	21,089	507	45,470
Asia Pacific	16,448	21,817	42,047	51,696
Global Investment Management	22,658	6,154	77,925	14,614
Development Services	3,839	3,776	16,108	26,692
	$ 163,553	$ 178,992	$ 515,891	$ 458,131

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 complete 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.

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CBRE 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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Americas				
Net income attributable to CBRE Group, Inc.	$ 48,403	$ 54,908	$142,634	$ 136,432
Add:				
Depreciation and amortization	20,744	15,855	58,555	43,517
Interest expense	35,403	30,197	106,367	81,769
Royalty and management service income	(6,921)	(7,188)	(20,779)	(20,703)
Provision for income taxes	32,283	34,196	96,000	83,523
Less:				
Interest income	1,163	1,812	3,473	4,879
EBITDA	$ 128,749	$ 126,156	$379,304	$ 319,659
EMEA				
Net (loss) income attributable to CBRE Group, Inc.	$ (17,893)	$ 3,929	$ (18,956)	$ 14,321
Add:				
Depreciation and amortization	3,181	3,191	9,674	7,706
Non-amortizable intangible asset impairment	19,826	—	19,826	—
Interest expense	2,175	30	6,738	187
Royalty and management service expense	3,182	3,507	8,966	9,660
(Benefit of) provision for income taxes	(13,473)	10,680	(11,339)	14,468
Less:				
Interest income	5,139	248	14,402	872
EBITDA	$ (8,141)	$ 21,089	$ 507	$ 45,470
Asia Pacific				
Net income attributable to CBRE Group, Inc.	$ 10,001	$ 6,585	$ 17,670	$ 15,672
Add:				
Depreciation and amortization	2,905	2,979	8,458	6,950
Interest expense	1,124	1,395	3,188	2,624
Royalty and management service expense	3,704	3,468	11,700	10,314
(Benefit of) provision for income taxes	(1,182)	7,550	1,653	17,085
Less:				
Interest income	104	160	622	949
EBITDA	$ 16,448	$ 21,817	$ 42,047	$ 51,696
Global Investment Management				
Net income (loss) attributable to CBRE Group, Inc.	$ 291	$ (17)	$ 1,957	$ (12,249)
Add:				
Depreciation and amortization (1)	10,524	6,281	39,803	13,472
Interest expense (2)	7,162	4,097	20,981	14,186
Royalty and management service expense	35	213	113	729
Provision for (benefit of) income taxes	4,966	(4,156)	15,911	(1,223)
Less:				
Interest income	320	264	840	301
EBITDA (3)	$ 22,658	$ 6,154	$ 77,925	$ 14,614
Development Services				
Net (loss) income attributable to CBRE Group, Inc.	$ (1,093)	$ (1,598)	$ (748)	$ 5,223
Add:				
Depreciation and amortization	2,748	3,002	8,405	8,751
Interest expense	2,691	3,361	8,602	9,601
(Benefit of) provision for income taxes	(434)	(980)	128	3,179
Less:				
Interest income	73	9	279	62
EBITDA	$ 3,839	$ 3,776	$ 16,108	$ 26,692

(1) Includes depreciation and amortization related to discontinued operations of $0.5 million for the nine months ended September 30, 2011.
(2) Includes interest expense related to discontinued operations of $1.4 million for the nine months ended September 30, 2011.
(3) Includes EBITDA related to discontinued operations of $1.9 million for the nine months ended September 30, 2011.

16. Guarantor and Nonguarantor Financial Statements

The following condensed consolidating financial information includes:

(1) Condensed consolidating balance sheets as of September 30, 2012 and December 31, 2011; condensed consolidating statements of operations for the three and nine months ended September 30, 2012 and 2011; condensed consolidating statements of comprehensive income (loss) for the three and nine months ended September 30, 2012 and 2011; and condensed consolidating statements of cash flows for the nine months ended September 30, 2012 and 2011, of (a) CBRE Group, Inc. as the parent, (b) CBRE Services, Inc. (CBRE) as the subsidiary issuer, (c) the guarantor subsidiaries, (d) the nonguarantor subsidiaries and (e) CBRE Group, Inc. on a consolidated basis; and

(2) Elimination entries necessary to consolidate CBRE 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.

CBRE GROUP, INC.

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

CONDENSED CONSOLIDATING BALANCE SHEET
AS OF SEPTEMBER 30, 2012
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Current Assets:						
Cash and cash equivalents	$ 228	$ 50,186	$ 394,973	$ 330,873	$ —	$ 776,260
Restricted cash	—	4,863	27,352	32,385	—	64,600
Receivables, net	—	—	478,366	649,626	—	1,127,992
Warehouse receivables (a)	—	—	465,794	—	—	465,794
Trading securities	—	—	107	96,952	—	97,059
Income taxes receivable	13,060	15,382	—	61,765	(4,272)	85,935
Prepaid expenses	—	627	40,037	63,130	—	103,794
Deferred tax assets, net	—	—	144,473	27,814	—	172,287
Real estate under development	—	—	—	41,833	—	41,833
Real estate and other assets held for sale	—	—	—	52,504	—	52,504
Available for sale securities	—	—	1,083	—	—	1,083
Other current assets	—	—	30,418	17,716	—	48,134
Total Current Assets	13,288	71,058	1,582,603	1,374,598	(4,272)	3,037,275
Property and equipment, net	—	—	228,124	106,736	—	334,860
Goodwill	—	—	1,004,312	841,075	—	1,845,387
Other intangible assets, net	—	—	524,401	245,239	—	769,640
Investments in unconsolidated subsidiaries	—	—	123,914	90,317	—	214,231
Investments in consolidated subsidiaries	1,710,681	2,249,957	1,228,713	—	(5,189,351)	—
Intercompany loan receivable	—	1,590,015	700,000	—	(2,290,015)	—
Real estate under development	—	—	798	10,194	—	10,992
Real estate held for investment	—	—	4,006	356,034	—	360,040
Available for sale securities	—	—	51,817	2,952	—	54,769
Other assets, net	—	43,161	56,041	42,381	—	141,583
Total Assets	$1,723,969	$3,954,191	$ 5,504,729	$ 3,069,526	$ (7,483,638)	$ 6,768,777
Current Liabilities:						
Accounts payable and accrued expenses	$ —	$ 28,060	$ 136,902	$ 350,407	$ —	$ 515,369
Compensation and employee benefits payable	—	626	210,559	176,231	—	387,416
Accrued bonus and profit sharing	—	—	210,700	142,348	—	353,048
Securities sold, not yet purchased	—	—	—	44,829	—	44,829
Income taxes payable	—	—	4,272	—	(4,272)	—
Short-term borrowings:						
Warehouse lines of credit (a)	—	—	458,306	—	—	458,306
Revolving credit facility	—	10,496	—	62,162	—	72,658
Other	—	—	16	—	—	16
Total short-term borrowings	—	10,496	458,322	62,162	—	530,980
Current maturities of long-term debt	—	46,000	2,403	22,657	—	71,060
Notes payable on real estate	—	—	—	154,676	—	154,676
Liabilities related to real estate and other assets held for sale	—	—	—	43,902	—	43,902
Other current liabilities	—	—	41,000	1,976	—	42,976
Total Current Liabilities	—	85,182	1,064,158	999,188	(4,272)	2,144,256
Long-Term Debt:						
Senior secured term loans	—	1,318,000	—	256,661	—	1,574,661
11.625% senior subordinated notes, net	—	440,129	—	—	—	440,129
6.625% senior notes	—	350,000	—	—	—	350,000
Other long-term debt	—	—	6,652	58	—	6,710
Intercompany loan payable	383,537	—	1,830,761	75,717	(2,290,015)	—
Total Long-Term Debt	383,537	2,108,129	1,837,413	332,436	(2,290,015)	2,371,500
Notes payable on real estate	—	—	—	168,010	—	168,010
Deferred tax liabilities, net	—	—	148,012	15,329	—	163,341
Non-current tax liabilities	—	—	79,731	5,353	—	85,084
Pension liability	—	—	—	61,823	—	61,823
Other liabilities	—	50,199	125,458	80,000	—	255,657
Total Liabilities	383,537	2,243,510	3,254,772	1,662,139	(2,294,287)	5,249,671
Commitments and contingencies	—	—	—	—	—	—
Equity:						
CBRE Group, Inc. Stockholders' Equity	1,340,432	1,710,681	2,249,957	1,228,713	(5,189,351)	1,340,432
Non-controlling interests	—	—	—	178,674	—	178,674
Total Equity	1,340,432	1,710,681	2,249,957	1,407,387	(5,189,351)	1,519,106
Total Liabilities and Equity	$1,723,969	$3,954,191	$ 5,504,729	$ 3,069,526	$ (7,483,638)	$ 6,768,777

(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 JP Morgan Chase Bank, N.A. (JP Morgan), TD Bank, N.A. (TD Bank), Capital One, N.A. (Capital One), Fannie Mae As Soon As Pooled (ASAP) Program and Bank of America (BofA) lines of credit are pledged to JP Morgan, TD Bank, Capital One, Fannie Mae and BofA, and accordingly, are not included as collateral for these notes or our other outstanding debt.

CBRE GROUP, INC.

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

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

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Current Assets:						
Cash and cash equivalents	$ 5	$ 298,370	$ 375,176	$ 419,631	$ —	$ 1,093,182
Restricted cash	—	4,845	21,827	40,466	—	67,138
Receivables, net	—	—	405,902	729,469	—	1,135,371
Warehouse receivables (a)	—	—	720,061	—	—	720,061
Trading securities	—	—	83	151,401	—	151,484
Income taxes receivable	15,526	6,879	—	3,669	(26,074)	—
Prepaid expenses	—	—	46,040	65,839	—	111,879
Deferred tax assets, net	—	—	143,065	25,874	—	168,939
Real estate under development	—	—	—	30,617	—	30,617
Real estate and other assets held for sale	—	—		26,201	—	26,201
Available for sale securities	—	—	2,790	—	—	2,790
Other current assets	—	—	26,468	15,917	—	42,385
Total Current Assets	15,531	310,094	1,741,412	1,509,084	(26,074)	3,550,047
Property and equipment, net	—	—	202,674	92,814	—	295,488
Goodwill	—	—	1,004,875	823,532	—	1,828,407
Other intangible assets, net	—	—	510,219	284,106	—	794,325
Investments in unconsolidated subsidiaries	—	—	105,664	61,168	—	166,832
Investments in consolidated subsidiaries	1,432,638	1,832,044	1,211,409	—	(4,476,091)	—
Intercompany loan receivable	—	1,490,897	700,000	34,378	(2,225,275)	—
Real estate under development	—	—	693	3,259	—	3,952
Real estate held for investment	—	—	4,007	399,691	—	403,698
Available for sale securities	—	—	34,605	—	—	34,605
Other assets, net	—	49,389	48,603	43,797	—	141,789
Total Assets	$1,448,169	$3,682,424	$ 5,564,161	$ 3,251,829	$ (6,727,440)	$ 7,219,143
Current Liabilities:						
Accounts payable and accrued expenses	$ —	$ 11,674	$ 151,260	$ 411,202	$ —	$ 574,136
Compensation and employee benefits payable	—	626	208,692	189,370	—	398,688
Accrued bonus and profit sharing	—	—	308,748	235,880	—	544,628
Securities sold, not yet purchased	—	—	—	98,810	—	98,810
Income taxes payable	—	—	54,442	—	(26,074)	28,368
Short-term borrowings:						
Warehouse lines of credit (a)	—	—	713,362	—	—	713,362
Revolving credit facility	—	10,098	—	34,727	—	44,825
Other	—	—	16	—	—	16
Total short-term borrowings	—	10,098	713,378	34,727	—	758,203
Current maturities of long-term debt	—	46,000	—	21,838	—	67,838
Notes payable on real estate	—	—	—	146,120	—	146,120
Liabilities related to real estate and other assets held for sale	—	—	—	21,482	—	21,482
Other current liabilities	—	—	39,885	2,490	—	42,375
Total Current Liabilities	—	68,398	1,476,405	1,161,919	(26,074)	2,680,648
Long-Term Debt:						
Senior secured term loans	—	1,352,500	—	263,273	—	1,615,773
11.625% senior subordinated notes, net	—	439,016	—	—	—	439,016
6.625% senior notes	—	350,000	—	—	—	350,000
Other long-term debt	—	—	—	59	—	59
Intercompany loan payable	296,688	—	1,928,587	—	(2,225,275)	—
Total Long-Term Debt	296,688	2,141,516	1,928,587	263,332	(2,225,275)	2,404,848
Notes payable on real estate	—	—	—	206,339	—	206,339
Deferred tax liabilities, net	—	—	135,500	13,469	—	148,969
Non-current tax liabilities	—	—	77,595	2,332	—	79,927
Pension liability	—	—	—	60,860	—	60,860
Other liabilities	—	39,872	114,030	66,487	—	220,389
Total Liabilities	296,688	2,249,786	3,732,117	1,774,738	(2,251,349)	5,801,980
Commitments and contingencies	—	—	—	—	—	—
Equity:						
CBRE Group, Inc. Stockholders' Equity	1,151,481	1,432,638	1,832,044	1,211,409	(4,476,091)	1,151,481
Non-controlling interests	—	—	—	265,682	—	265,682
Total Equity	1,151,481	1,432,638	1,832,044	1,477,091	(4,476,091)	1,417,163
Total Liabilities and Equity	$1,448,169	$3,682,424	$ 5,564,161	$ 3,251,829	$ (6,727,440)	$ 7,219,143

(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, TD Bank, Fannie Mae ASAP Program and BofA lines of credit are pledged to Kemps Landing, JP Morgan, TD Bank, Fannie Mae and BofA, and accordingly, are not included as collateral for these notes or our other outstanding debt.

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CBRE GROUP, INC.

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

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Revenue	$ —	$ —	$ 940,373	$ 616,774	$ —	$1,557,147
Costs and expenses:						
Cost of services	—	—	568,573	346,672	—	915,245
Operating, administrative and other	14,452	1,778	224,740	241,392	—	482,362
Depreciation and amortization	—	—	23,343	16,759	—	40,102
Non-amortizable intangible asset impairment	—	—	—	19,826	—	19,826
Total costs and expenses	14,452	1,778	816,656	624,649	—	1,457,535
Gain on disposition of real estate	—	—	—	3,983	—	3,983
Operating (loss) income	(14,452)	(1,778)	123,717	(3,892)	—	103,595
Equity income (loss) from unconsolidated subsidiaries	—	—	3,142	(267)	—	2,875
Other income (loss)	—	—	201	(50)	—	151
Interest income	—	23,673	789	1,098	(23,665)	1,895
Interest expense	—	35,822	23,046	8,448	(23,665)	43,651
Royalty and management service (income) expense	—	—	(8,366)	8,366	—	—
Income (loss) from consolidated subsidiaries	48,779	57,520	(10,264)	—	(96,035)	—
Income (loss) before (benefit of) provision for income taxes	34,327	43,593	102,905	(19,925)	(96,035)	64,865
(Benefit of) provision for income taxes	(5,382)	(5,186)	45,385	(12,657)	—	22,160
Net income (loss)	39,709	48,779	57,520	(7,268)	(96,035)	42,705
Less: Net income attributable to non-controlling interests	—	—	—	2,996	—	2,996
Net income (loss) attributable to CBRE Group, Inc.	$ 39,709	$48,779	$ 57,520	$ (10,264)	$ (96,035)	$ 39,709

CBRE GROUP, INC.

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

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Revenue	$ —	$ —	$ 889,381	$ 645,082	$ —	$1,534,463
Costs and expenses:						
Cost of services	—	—	531,466	363,141	—	894,607
Operating, administrative and other	12,272	3,027	244,144	209,695	—	469,138
Depreciation and amortization	—	—	19,458	11,850	—	31,308
Total costs and expenses	12,272	3,027	795,068	584,686	—	1,395,053
Gain on disposition of real estate	—	—	2,814	781	—	3,595
Operating (loss) income	(12,272)	(3,027)	97,127	61,177	—	143,005
Equity income (loss) from unconsolidated subsidiaries	—	—	7,174	(460)	—	6,714
Other loss	—	—	12	5,797	—	5,809
Interest income	—	26,866	709	2,378	(27,460)	2,493
Interest expense	—	30,621	28,514	7,405	(27,460)	39,080
Royalty and management service (income) expense	—	—	(8,373)	8,373	—	—
Income from consolidated subsidiaries	71,461	75,710	20,730	—	(167,901)	—
Income from continuing operations before (benefit of) provision for income taxes	59,189	68,928	105,587	41,520	(167,901)	107,323
(Benefit of) provision for income taxes	(4,618)	(2,533)	29,877	24,564	—	47,290
Net income	63,807	71,461	75,710	16,956	(167,901)	60,033
Less: Net loss attributable to non-controlling interests	—	—	—	(3,774)	—	(3,774)
Net income attributable to CBRE Group, Inc.	$ 63,807	$71,461	$ 75,710	$ 20,730	$(167,901)	$ 63,807

CBRE GROUP, INC.

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

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Revenue	$ —	$ —	$ 2,684,488	$ 1,823,765	$ —	$ 4,508,253
Costs and expenses:						
Cost of services	—	—	1,620,203	990,741	—	2,610,944
Operating, administrative and other	35,073	4,088	655,443	710,857	—	1,405,461
Depreciation and amortization	—	—	66,548	58,347	—	124,895
Non-amortizable intangible asset impairment	—	—	—	19,826	—	19,826
Total costs and expenses	35,073	4,088	2,342,194	1,779,771	—	4,161,126
Gain on disposition of real estate	—	—	—	5,231	—	5,231
Operating (loss) income	(35,073)	(4,088)	342,294	49,225	—	352,358
Equity income from unconsolidated subsidiaries	—	—	19,597	273	—	19,870
Other income	—	—	1,465	3,170	—	4,635
Interest income	—	70,335	2,490	3,259	(70,301)	5,783
Interest expense	—	107,556	68,495	26,293	(70,301)	132,043
Royalty and management service (income) expense	—	—	(24,778)	24,778	—	—
Income (loss) from consolidated subsidiaries	164,570	190,497	(2,584)	—	(352,483)	—
Income before (benefit of) provision for income taxes	129,497	149,188	319,545	4,856	(352,483)	250,603
(Benefit of) provision for income taxes	(13,060)	(15,382)	129,048	1,747	—	102,353
Net income	142,557	164,570	190,497	3,109	(352,483)	148,250
Less: Net income attributable to non-controlling interests	—	—	—	5,693	—	5,693
Net income (loss) attributable to CBRE Group, Inc.	$ 142,557	$ 164,570	$ 190,497	$ (2,584)	$ (352,483)	$ 142,557

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CBRE GROUP, INC.

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

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Revenue	$ —	$ —	$ 2,420,468	$ 1,721,318	$ —	$ 4,141,786
Costs and expenses:						
Cost of services	—	—	1,454,736	993,448	—	2,448,184
Operating, administrative and other	31,514	4,915	684,384	558,206	—	1,279,019
Depreciation and amortization	—	—	46,063	33,808	—	79,871
Total costs and expenses	31,514	4,915	2,185,183	1,585,462	—	3,807,074
Gain on disposition of real estate	—	—	2,814	8,780	—	11,594
Operating (loss) income	(31,514)	(4,915)	238,099	144,636	—	346,306
Equity income from unconsolidated subsidiaries	—	—	35,601	3,360	—	38,961
Other loss	—	—	12	5,797	—	5,809
Interest income	—	79,413	1,950	5,919	(80,219)	7,063
Interest expense	—	82,494	80,664	24,075	(80,219)	107,014
Royalty and management service (income) expense	—	—	(24,608)	24,608	—	—
Income from consolidated subsidiaries	179,158	184,171	41,487	—	(404,816)	—
Income from continuing operations before (benefit of) provision for income taxes	147,644	176,175	261,069	99,435	(404,816)	279,507
(Benefit of) provision for income taxes	(11,755)	(2,983)	76,898	54,872	—	117,032
Income from continuing operations	159,399	179,158	184,171	44,563	(404,816)	162,475
Income from discontinued operations, net of income taxes	—	—	—	16,911	—	16,911
Net income	159,399	179,158	184,171	61,474	(404,816)	179,386
Less: Net income attributable to non-controlling interests	—	—	—	19,987	—	19,987
Net income attributable to CBRE Group, Inc.	$ 159,399	$ 179,158	$ 184,171	$ 41,487	$ (404,816)	$ 159,399

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CBRE GROUP, INC.

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

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Net income (loss)	$39,709	$48,779	$ 57,520	$ (7,268)	$ (96,035)	$ 42,705
Other comprehensive (loss) income:						
Foreign currency translation gain	—	—	—	15,422	—	15,422
Unrealized losses on interest rate swaps and interest rate caps, net	—	(1,918)	—	(20)	—	(1,938)
Unrealized gains on available for sale securities, net	—	—	312	11	—	323
Other, net	—	—	(164)	—	—	(164)
Total other comprehensive (loss) income	—	(1,918)	148	15,413	—	13,643
Comprehensive income	39,709	46,861	57,668	8,145	(96,035)	56,348
Less: Comprehensive income attributable to non-controlling interests	—	—	—	3,071	—	3,071
Comprehensive income attributable to CBRE Group, Inc.	$39,709	$46,861	$ 57,668	$ 5,074	$ (96,035)	$ 53,277

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CBRE GROUP, INC.

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

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Net income	$63,807	$ 71,461	$ 75,710	$ 16,956	$ (167,901)	$ 60,033
Other comprehensive (loss) income:						
Foreign currency translation loss	—	—	—	(67,922)	—	(67,922)
Unrealized losses on interest rate swaps and interest rate caps, net	—	(16,279)	—	(6)	—	(16,285)
Unrealized losses on available for sale securities, net	—	—	(49)	—	—	(49)
Other, net	—	—	1,508	—	—	1,508
Total other comprehensive (loss) income	—	(16,279)	1,459	(67,928)	—	(82,748)
Comprehensive income (loss)	63,807	55,182	77,169	(50,972)	(167,901)	(22,715)
Less: Comprehensive loss attributable to non-controlling interests	—	—	—	(5,785)	—	(5,785)
Comprehensive income (loss) attributable to CBRE Group, Inc.	$63,807	$ 55,182	$ 77,169	$ (45,187)	$ (167,901)	$ (16,930)

CBRE GROUP, INC.

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

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Net income	$ 142,557	$ 164,570	$ 190,497	$ 3,109	$ (352,483)	$ 148,250
Other comprehensive loss:						
Foreign currency translation loss	—	—	—	(6,237)	—	(6,237)
Unrealized losses on interest rate swaps and interest rate caps, net	—	(6,234)	—	(64)	—	(6,298)
Unrealized gains (losses) on available for sale securities, net	—	—	304	(167)	—	137
Other, net	—	—	(331)	—	—	(331)
Total other comprehensive loss	—	(6,234)	(27)	(6,468)	—	(12,729)
Comprehensive income (loss)	142,557	158,336	190,470	(3,359)	(352,483)	135,521
Less: Comprehensive income attributable to non-controlling interests	—	—	—	5,381	—	5,381
Comprehensive income (loss) attributable to CBRE Group, Inc.	$ 142,557	$ 158,336	$ 190,470	$ (8,740)	$ (352,483)	$ 130,140

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CBRE GROUP, INC.

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

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Elimination	Consolidated Total
Net income	$ 159,399	$ 179,158	$ 184,171	$ 61,474	$ (404,816)	$ 179,386
Other comprehensive (loss) income:						
Foreign currency translation loss	—	—	—	(22,377)	—	(22,377)
Unrealized (losses) gains on interest rate swaps and interest rate caps, net	—	(23,092)	—	30	—	(23,062)
Unrealized gains on available for sale securities, net	—	—	134	—	—	134
Other, net	—	—	1,831	—	—	1,831
Total other comprehensive (loss) income	—	(23,092)	1,965	(22,347)	—	(43,474)
Comprehensive income	159,399	156,066	186,136	39,127	(404,816)	135,912
Less: Comprehensive income attributable to non-controlling interests	—	—	—	18,806	—	18,806
Comprehensive income attributable to CBRE Group, Inc.	$ 159,399	$ 156,066	$ 186,136	$ 20,321	$ (404,816)	$ 117,106

CBRE GROUP, INC.

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

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Consolidated Total
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	$ 22,640	$ (11,305)	$ (40,521)	$ (90,750)	$ (119,936)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	—	—	(44,883)	(35,704)	(80,587)
Acquisition of business, including net assets acquired, intangibles and goodwill, net of cash acquired	—	—	—	(17,595)	(17,595)
Contributions to unconsolidated subsidiaries	—	—	(18,974)	(36,026)	(55,000)
Distributions from unconsolidated subsidiaries	—	—	10,255	4,400	14,655
Net proceeds from disposition of real estate held for investment	—	—	—	32,200	32,200
Additions to real estate held for investment	—	—	—	(5,783)	(5,783)
Proceeds from the sale of servicing rights and other assets	—	—	23,862	68	23,930
(Increase) decrease in restricted cash	—	(18)	(5,525)	9,241	3,698
Decrease in cash due to deconsolidation of CBRE Clarion U.S., L.P.	—	—	—	(73,187)	(73,187)
Other investing activities, net	—	—	4,157	—	4,157
Net cash used in investing activities	—	(18)	(31,108)	(122,386)	(153,512)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of senior secured term loans	—	(34,500)	—	(16,532)	(51,032)
Proceeds from revolving credit facility	—	—	—	41,270	41,270
Repayment of revolving credit facility	—	—	—	(15,230)	(15,230)
Proceeds from notes payable on real estate held for investment	—	—	—	4,652	4,652
Repayment of notes payable on real estate held for investment	—	—	—	(36,613)	(36,613)
Proceeds from notes payable on real estate held for sale and under development	—	—	—	14,711	14,711
Repayment of notes payable on real estate held for sale and under development	—	—	—	(7,625)	(7,625)
Proceeds from exercise of stock options	16,401	—	—	—	16,401
Incremental tax benefit from stock options exercised	167	—	—	—	167
Non-controlling interests contributions	—	—	—	15,956	15,956
Non-controlling interests distributions	—	—	—	(29,211)	(29,211)
Payment of financing costs	—	(25)	—	(174)	(199)
(Increase) decrease in intercompany receivables, net	(38,938)	(202,336)	92,379	148,895	—
Other financing activities, net	(47)	—	(953)	(22)	(1,022)
Net cash (used in) provided by financing activities	(22,417)	(236,861)	91,426	120,077	(47,775)
Effect of currency exchange rate changes on cash and cash equivalents	—	—	—	4,301	4,301
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	223	(248,184)	19,797	(88,758)	(316,922)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF PERIOD	5	298,370	375,176	419,631	1,093,182
CASH AND CASH EQUIVALENTS, AT END OF PERIOD	$ 228	$ 50,186	$ 394,973	$ 330,873	$ 776,260
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:					
Cash paid during the period for:					
Interest	$ —	$ 82,790	$ 19	$ 20,164	$ 102,973
Income tax payments, net	$ —	$ —	$ 109,639	$ 71,272	$ 180,911

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CBRE GROUP, INC.

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

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011
(Dollars in thousands)

	Parent	CBRE	Guarantor Subsidiaries	Nonguarantor Subsidiaries	Consolidated Total
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	$ 17,933	$ 44,370	$ (27,891)	$ 69,712	$ 104,124
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	—	—	(71,393)	(24,005)	(95,398)
Acquisition of Clarion Real Estate Securities, including net assets acquired, intangibles and goodwill, net of cash acquired	—	—	(215,865)	—	(215,865)
Acquisition of businesses (other than Clarion Real Estate Securities), including net assets acquired, intangibles and goodwill, net of cash acquired	—	—	(2,290)	(47,500)	(49,790)
Contributions to unconsolidated subsidiaries	—	—	(22,012)	(233)	(22,245)
Distributions from unconsolidated subsidiaries	—	—	31,068	10,980	42,048
Net proceeds from disposition of real estate held for investment	—	—	—	115,514	115,514
Additions to real estate held for investment	—	—	—	(7,454)	(7,454)
Proceeds from the sale of servicing rights and other assets	—	—	16,865	93	16,958
(Increase) decrease in restricted cash	—	(335,023)	(1,827)	8,506	(328,344)
Other investing activities, net	—	—	(1,965)	—	(1,965)
Net cash (used in) provided by investing activities	—	(335,023)	(267,419)	55,901	(546,541)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from senior secured term loans	—	800,000	—	—	800,000
Repayment of senior secured term loans	—	(30,500)	—	—	(30,500)
Proceeds from revolving credit facility	—	967,000	—	26,733	993,733
Repayment of revolving credit facility	—	(967,000)	—	(414)	(967,414)
Proceeds from notes payable on real estate held for investment	—	—	—	5,697	5,697
Repayment of notes payable on real estate held for investment	—	—	—	(98,964)	(98,964)
Proceeds from notes payable on real estate held for sale and under development	—	—	—	4,684	4,684
Repayment of notes payable on real estate held for sale and under development	—	—	—	(26,594)	(26,594)
Proceeds from exercise of stock options	7,059	—	—	—	7,059
Incremental tax benefit from stock options exercised	15,266	—	—	—	15,266
Non-controlling interests contributions	—	—	—	9,400	9,400
Non-controlling interests distributions	—	—	—	(90,584)	(90,584)
Payment of financing costs	—	(21,526)	—	(624)	(22,150)
(Increase) decrease in intercompany receivables, net	(40,257)	(515,715)	264,858	291,114	—
Other financing activities, net	—	—	—	(112)	(112)
Net cash (used in) provided by financing activities	(17,932)	232,259	264,858	120,336	599,521
Effect of currency exchange rate changes on cash and cash equivalents	—	—	—	(1,084)	(1,084)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1	(58,394)	(30,452)	244,865	156,020
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	$ 5	$ 165,451	$ 66,410	$ 430,728	$ 662,594
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:					
Cash paid during the period for:					
Interest	$ —	$ 57,822	$ 13	$ 21,242	$ 79,077
Income tax payments, net	$ —	$ —	$ 85,328	$ 59,549	$ 144,877

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

This Quarterly Report on Form 10-Q for CBRE Group, Inc. for the three months ended September 30, 2012 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, 2011. 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 third quarter and beyond. For important information regarding these forward-looking statements, please see the discussion below under the caption "Cautionary Note on Forward-Looking Statements."

Overview

We are the world's largest commercial real estate services firm, based on 2011 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, multifamily and other types of commercial real estate. As of December 31, 2011, we operated more than 300 offices worldwide, excluding affiliate offices, with approximately 34,000 employees providing commercial real estate services under the "CBRE" brand name, investment management services under the "CBRE Global Investors" brand name and development services under the "Trammell Crow" brand name. Our business is focused on several competencies, including commercial property and corporate facilities management, occupier and 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 revenue from management fees on a contractual and per-project basis, and from commissions on transactions. We have been the only commercial real estate services company in the S&P 500 since 2006, and in the *Fortune 500* since 2008. In 2012, for the second year in a row, we were the highest ranked commercial real estate services company among the *Fortune* Most Admired Companies, and were also named the Global Real Estate Advisor of the Year by *Euromoney*. Additionally, the International Association of Outsourcing Professionals has included us among the top 100 global outsourcing companies across all industries for six consecutive years, including 2012 when we ranked fourth overall and were the highest ranked commercial real estate services company. In 2011, we achieved the highest brand reputation ranking among all commercial real estate companies in a survey of *Wall Street Journal* subscribers.

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 and reduced 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 and 2011 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, when negative economic conditions are particularly severe, as they were in 2008 and 2009, we have moved decisively to improve financial performance by lowering operating expenses. As general economic conditions and our financial performance improved, we restored certain expenses beginning in 2010. Notwithstanding the ongoing market recovery, a return of adverse global and regional economic trends remains one of the most significant risks to the performance of our operations and our financial condition.

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. The effects became more severe as the decline in economic activity (particularly in the United States) accelerated throughout 2008 and most of 2009. The global capital markets disruption in late 2008, in particular, caused a significant and prolonged decline in property sales, leasing, financing and investment activity that adversely affected all our business lines. Commercial real estate fundamentals began to stabilize in early 2010 and to improve later that year and in 2011 following a return to positive economic growth in the United States. The recovery has continued at a slow pace in 2012, with vacancy rates dipping moderately and rental rates stabilizing or edging up slightly. While the ready availability of low-cost credit has sustained property sales activity, U.S. political and fiscal uncertainty has caused investors and occupiers to become more cautious and constrained both sales and leasing activity. Overall market activity continues to be well below levels experienced in 2006 and 2007.

In Europe, weakened market conditions first began to manifest in the United Kingdom in late 2007 and in countries on the continent in early 2008. The major European economies also fell into recession in 2008, which deepened and persisted throughout 2009. Economic activity improved in 2010, but began to wane again in 2011 and 2012, due to the effects of the European sovereign debt crisis. As a result, since 2011, economic growth in Europe has lagged behind other parts of the world. While rents have essentially remained flat, leasing velocity has slowed in many major markets in Europe. Investment sales in Europe were adversely affected by the financial crisis in late 2008 and most of 2009. Investment sales recovered in Europe in 2010, particularly in larger markets. However, activity across most of Europe peaked in 2011 and, as a result of the ongoing European sovereign debt crisis, has been weak in 2012, with markets perceived as safe havens, such as the United Kingdom, attracting investment capital.

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, and improved through 2010 and most of 2011. However, transaction activity moderated in the later part of 2011 and in 2012, reflecting slower domestic economic activity, particularly in China, and the effects of heightened global economic uncertainty stemming from the European sovereign debt crisis and sluggish U.S. growth, both of which have adversely affected Asian exports.

Real estate investment management and property development activity were also adversely affected by deteriorating conditions beginning in late 2007, as property values declined sharply, and both financing and disposition options became more constrained. However, the macro environment for these businesses has generally improved as the real estate credit and investment sales markets have recovered since late 2010.

The further recovery of our global sales, leasing, investment management and development services operations depends on continued improvement in market fundamentals, including more robust economic growth and stronger job creation; stable and healthy global credit markets; and increased business and investor confidence.

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. (ING) for approximately $940 million in cash. The acquisitions included substantially all of ING's Real Estate Investment Management (REIM) operations in Europe and Asia, as well as substantially all of Clarion Real Estate Securities (CRES), its U.S.-based global real estate listed securities business (collectively referred to as ING REIM). On February 15, 2011, we also announced that we expected 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. Upon completion of the acquisitions, which we refer to as the REIM Acquisitions, ING REIM became part of our Global Investment Management segment (which conducts business through our indirect wholly-owned subsidiary, CBRE Global Investors, an independently operated business segment). The ING REIM businesses were highly complementary to our existing investment management business, with little overlap in client base and different investment strategies. CBRE Global Investors traditionally focused on value-add funds and separate accounts. ING REIM primarily focused on core funds and global listed real estate securities funds, except in Asia, where ING REIM managed value-add and opportunistic funds. The combined entity provides 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.

On July 1, 2011, we completed the acquisition of CRES for $332.9 million and CRES co-investments from ING for an aggregate amount of $58.6 million. On October 3, 2011, we completed the acquisition of ING REIM Asia for $45.3 million and three ING REIM Asia co-investments from ING for an aggregate amount of $13.9 million. On October 31, 2011, we completed the acquisition of ING REIM Europe for $442.5 million and one co-investment from ING for $7.4 million. During the nine months ended September 30, 2012, we also funded nine additional co-investments for an aggregate amount of $35.2 million related to ING REIM Europe. Our initial estimate of $940 million in total purchase price for the REIM Acquisitions has been reduced by approximately $47 million for certain fund and separate account management contracts that were not acquired and for certain balance sheet adjustments. There is a possibility of an additional closing of approximately $80 million and further co-investments of up to $20 million in the future related to our acquisition of ING REIM Europe.

As of September 30, 2012, CBRE Global Investors' assets under management, or AUM, totaled $90.4 billion. 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, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

Strategic in-fill acquisitions have also played a key role in expanding our geographic coverage and broadening and strengthening our service offerings. 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. From 2005 to 2010, we completed 60 in-fill acquisitions for an aggregate purchase price of approximately $601 million, with most of these completed before the recession in 2008. In 2011, we completed five in-fill acquisitions, including a valuation business in Australia, a retail property management business in central and eastern Europe, our former affiliate company in Switzerland, a retail services business in the United Kingdom and a shopping center management business in the Netherlands. During the nine months ended September 30, 2012, we completed three in-fill acquisitions, including our former affiliate companies in Turkey and Vietnam, and a niche real estate investment advisor in the United Kingdom. As market conditions continue to improve, we believe acquisitions may once again serve as a growth engine, supplementing 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 include severance, lease termination, transaction and deferred financing costs, among others, and the charges and costs of integrating the acquired business and its financial and accounting systems into our own. For example, through September 30, 2012, we incurred $258.9 million of transaction-related expenditures and integration costs in connection with the Trammell Crow Company Acquisition. In addition, through September 30, 2012, we incurred $103.5 million of transaction-related expenditures and integration costs in connection with the REIM Acquisitions. As with prior material acquisitions, we anticipate incurring significant integration expenses associated with the REIM Acquisitions in 2012 and beyond. We expect the total transaction costs relating to the REIM Acquisitions, including retention and integration costs, to be approximately $150 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.

With the closing of the REIM Acquisitions, our Global Investment Management business now has a significant amount of Euro-denominated assets under management as well as associated revenue and earnings in Europe, which has seen a developing crisis in sovereign debt resulting in a more pronounced movement in the value of the Euro against the U.S. dollar. Fluctuations in foreign currency exchange rates have resulted and may continue to result in corresponding fluctuations in our AUM, revenue and earnings.

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 September 30, 2012, 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 $2.5 billion.

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 the Trammell Crow Company Acquisition and the 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, 2011. There have been no material changes to these policies as of September 30, 2012.

Results of Operations

The following table sets forth items derived from our consolidated statements of operations for the three and nine months ended September 30, 2012 and 2011, presented in dollars and as a percentage of revenue (dollars in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2012		2011		2012		2011	
Revenue	$1,557,147	100.0%	$1,534,463	100.0%	$4,508,253	100.0%	$4,141,786	100.0%
Costs and expenses:								
Cost of services	915,245	58.8	894,607	58.3	2,610,944	57.9	2,448,184	59.1
Operating, administrative and other	482,362	31.0	469,138	30.6	1,405,461	31.2	1,279,019	30.9
Depreciation and amortization	40,102	2.5	31,308	2.0	124,895	2.8	79,871	1.9
Non-amortizable intangible asset impairment	19,826	1.3	—	—	19,826	0.4	—	—
Total costs and expenses	1,457,535	93.6	1,395,053	90.9	4,161,126	92.3	3,807,074	91.9
Gain on disposition of real estate	3,983	0.3	3,595	0.2	5,231	0.1	11,594	0.3
Operating income	103,595	6.7	143,005	9.3	352,358	7.8	346,306	8.4
Equity income from unconsolidated subsidiaries	2,875	0.2	6,714	0.4	19,870	0.5	38,961	0.9
Other income (loss)	151	—	(5,809)	(0.4)	4,635	0.1	(5,809)	(0.2)
Interest income	1,895	0.1	2,493	0.2	5,783	0.1	7,063	0.2
Interest expense	43,651	2.8	39,080	2.5	132,043	2.9	107,014	2.6
Income from continuing operations before provision for income taxes	64,865	4.2	107,323	7.0	250,603	5.6	279,507	6.7
Provision for income taxes	22,160	1.5	47,290	3.1	102,353	2.3	117,032	2.8
Income from continuing operations	42,705	2.7	60,033	3.9	148,250	3.3	162,475	3.9
Income from discontinued operations, net of income taxes	—	—	—	—	—	—	16,911	0.4
Net income	42,705	2.7	60,033	3.9	148,250	3.3	179,386	4.3
Less: Net income (loss) attributable to non-controlling interests	2,996	0.1	(3,774)	(0.3)	5,693	0.1	19,987	0.5
Net income attributable to CBRE Group, Inc.	$ 39,709	2.6%	$ 63,807	4.2%	$ 142,557	3.2%	$ 159,399	3.8%
EBITDA (1)	$ 163,553	10.5%	$ 178,992	11.7%	$ 515,891	11.4%	$ 458,131	11.1%
EBITDA, as adjusted (1)	$ 195,346	12.5%	$ 194,802	12.7%	$ 566,782	12.6%	$ 487,724	11.8%

(1) Includes EBITDA related to discontinued operations of $1.9 million for the nine months ended September 30, 2011.

EBITDA represents earnings before net interest expense, income taxes, depreciation and amortization, while amounts shown for EBITDA, as adjusted, remove the impact of certain cash and non-cash charges related to acquisitions, cost containment and asset impairments. Our management believes that both of these measures are useful in evaluating our operating performance compared to that of other companies in our industry because the calculations of EBITDA and EBITDA, as adjusted, generally eliminate 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 these measures to evaluate operating performance and for other discretionary purposes, including as a significant component when measuring our operating performance under our employee incentive programs. Additionally, we believe EBITDA and EBITDA, as adjusted, are useful to investors to assist them in getting a more complete picture of our results from operations.

However, EBITDA and EBITDA, as adjusted, are not recognized measurements under U.S. generally accepted accounting principles, or GAAP, and when analyzing our operating performance, readers should use EBITDA and EBITDA, as adjusted, 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 and EBITDA, as adjusted, may not be comparable to similarly titled measures of other companies. Furthermore, EBITDA and EBITDA, as adjusted, are not intended to be measures of free cash flow for our management's discretionary use, as they do not consider certain cash requirements such as tax and debt service payments. The amounts shown for EBITDA and EBITDA, as adjusted, 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.

EBITDA and EBITDA, as adjusted for selected charges are calculated as follows (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net income attributable to CBRE Group, Inc.	$ 39,709	$ 63,807	$ 142,557	$ 159,399
Add:				
Depreciation and amortization (1)	40,102	31,308	124,895	80,396
Non-amortizable intangible asset impairment	19,826	—	19,826	—
Interest expense (2)	43,651	39,080	132,043	108,367
Provision for income taxes	22,160	47,290	102,353	117,032
Less:				
Interest income	1,895	2,493	5,783	7,063
EBITDA (3)	$ 163,553	$ 178,992	$ 515,891	$ 458,131
Adjustments:				
Cost containment expenses	17,578	—	17,578	—
Integration and other costs related to acquisitions	14,215	9,921	33,313	23,704
Write-down of impaired assets	—	5,889	—	5,889
EBITDA, as adjusted (3)	$ 195,346	$ 194,802	$ 566,782	$ 487,724

(1) Includes depreciation and amortization related to discontinued operations of $0.5 million for the nine months ended September 30, 2011.
(2) Includes interest expense related to discontinued operations of $1.4 million for the nine months ended September 30, 2011.
(3) Includes EBITDA related to discontinued operations of $1.9 million for the nine months ended September 30, 2011.

Three Months Ended September 30, 2012 Compared to the Three Months Ended September 30, 2011

We reported consolidated net income of $39.7 million for the three months ended September 30, 2012 on revenue of $1.6 billion as compared to consolidated net income of $63.8 million on revenue of $1.5 billion for the three months ended September 30, 2011.

Our revenue on a consolidated basis for the three months ended September 30, 2012 increased by $22.7 million, or 1.5%, as compared to the three months ended September 30, 2011. This increase was driven by contributions from the ING REIM Europe and ING REIM Asia portions of the REIM Acquisitions (acquired in the fourth quarter of 2011) as well as higher commercial mortgage brokerage activity (up 11.4%) and outsourcing activity (up 7.1%). These increases were partially offset by lower worldwide leasing (down 8.2%) and sales (down 7.3%) transaction revenue. Foreign currency translation had a $47.6 million negative impact on total revenue during the three months ended September 30, 2012.

Our cost of services on a consolidated basis increased by $20.6 million, or 2.3%, during the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. This increase was primarily due to higher salaries and related costs associated with our global property and facilities management contracts. Additionally, included in cost of services for the three months ended September 30, 2012 were cost containment expenses of $7.0 million. These costs primarily represent severance costs incurred in our EMEA and Asia Pacific segments as we continue to calibrate our staffing levels to the current market environment. Foreign currency translation had a $28.2 million positive impact on cost of services during the three months ended September 30, 2012. Cost of services as a percentage of revenue increased from 58.3% for the three months ended September 30, 2011 to 58.8% for the three months ended September 30, 2012, primarily attributable to the aforementioned cost containment expenses and our mix of revenue, with outsourcing revenue comprising a greater portion of the total than in the prior year period as well as a decline in transaction revenue in certain countries that have a significant fixed cost compensation structure. These items were partially offset by a higher composition of revenue being non-commissionable in the current year as a result of the REIM Acquisitions.

Our operating, administrative and other expenses on a consolidated basis increased by $13.2 million, or 2.8%, during the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. Operating expenses as a percentage of revenue increased to 31.0% for the three months ended September 30, 2012 from 30.6% for the three months ended September 30, 2011. These increases were primarily driven by an increase in costs attributable to the ING REIM Europe and ING REIM Asia portions of the REIM Acquisitions, including transaction and integration costs. Additionally, included in operating, administrative and other expenses for the three months ended September 30, 2012 were cost containment expenses of $10.6 million. These costs primarily represent severance costs incurred in our EMEA and Asia Pacific segments as we continue to calibrate our staffing levels to the current market environment. These added costs were partially offset by lower worldwide bonus accruals primarily resulting from weaker operating performance. Foreign currency translation had a $17.8 million positive impact on total operating expenses during the three months ended September 30, 2012.

Our depreciation and amortization expense on a consolidated basis increased by $8.8 million, or 28.1%, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. This increase was primarily attributable to higher amortization expense relative to intangibles acquired in the REIM Acquisitions. Higher depreciation expense in our Americas segment also contributed to the increase.

Our non-amortizable intangible asset impairment on a consolidated basis was $19.8 million for the three months ended September 30, 2012. This non-cash write-off related to the discontinuation of a trade name in the United Kingdom.

Our gain on disposition of real estate on a consolidated basis was $4.0 million for the three months ended September 30, 2012 as compared to $3.6 million for the three months ended September 30, 2011. These gains resulted from activity within our Development Services and Global Investment Management segments.

Our equity income from unconsolidated subsidiaries on a consolidated basis decreased by $3.8 million, or 57.2%, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. This decrease was primarily driven by lower equity earnings associated with an investment in our Americas segment.

Our other income was $0.2 million for the three months ended September 30, 2012 as compared to other loss of $5.8 million for the three months ended September 30, 2011. This activity was primarily reported within our Global Investment Management segment and represented net realized and unrealized gains and losses related to trading securities, which we acquired in our acquisition of CRES.

Our consolidated interest income decreased by $0.6 million, or 24.0%, as compared to the three months ended September 30, 2011. This decrease was mainly driven by lower interest income reported in our Americas segment in the current year.

Our consolidated interest expense increased by $4.6 million, or 11.7%, during the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. The increase was primarily due to higher interest expense attributable to additional borrowings made to finance the REIM Acquisitions and the British pound sterling A-1 term loan facility entered into in the fourth quarter of 2011.

Our provision for income taxes on a consolidated basis was $22.2 million for the three months ended September 30, 2012 as compared to $47.3 million for the three months ended September 30, 2011. Our effective tax rate from continuing operations, after adjusting pre-tax income to remove the portion attributable to non-controlling interests, decreased to 35.8% for the three months ended September 30, 2012 as compared to 42.6% for the three months ended September 30, 2011. The changes in our provision for income taxes and our effective tax rate were primarily the result of a change in our mix of domestic and foreign earnings (losses), including a greater impact in the current year quarter of losses sustained in jurisdictions where no tax benefit could be provided, offset by the impact of discrete items, including the current year quarter benefit from a legal reorganization of certain entities in Asia Pacific. We anticipate our full year 2012 effective tax rate to be in the range of 35.0 to 38.0%.

Our net income attributable to non-controlling interests on a consolidated basis was $3.0 million for the three months ended September 30, 2012 as compared to a net loss attributable to non-controlling interests of $3.8 million for the three months ended September 30, 2011. This activity primarily reflects our non-controlling interests’ share of income within our Global Investment Management and Development Services segments.

Nine Months Ended September 30, 2012 Compared to the Nine Months Ended September 30, 2011

We reported consolidated net income of $142.6 million for the nine months ended September 30, 2012 on revenue of $4.5 billion as compared to consolidated net income of $159.4 million on revenue of $4.1 billion for the nine months ended September 30, 2011.

Our revenue on a consolidated basis for the nine months ended September 30, 2012 increased by $366.5 million, or 8.8%, as compared to the nine months ended September 30, 2011. This increase was driven by contributions from the REIM Acquisitions (acquired in the second half of 2011). Increased commercial mortgage brokerage activity (up 27.9%) and outsourcing activity (up 8.9%), as well as higher worldwide sales transaction revenue (up 5.2%) also contributed to the variance. Worldwide leasing transaction revenue decreased slightly (down 2.1%) in the current year, reflective of weak employment growth globally. Foreign currency translation had a $102.1 million negative impact on total revenue during the nine months ended September 30, 2012.

Our cost of services on a consolidated basis increased by $162.8 million, or 6.6%, during the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. This increase was primarily due to higher salaries and related costs associated with our global property and facilities management

contracts. In addition, our sales professionals generally are paid on a commission basis, which substantially correlates with our transaction revenue performance. Accordingly, the increase in sales transaction revenue led to a corresponding increase in commission accruals. Also, included in cost of services for the nine months ended September 30, 2012 were cost containment expenses of $7.0 million. Foreign currency translation had a $55.9 million positive impact on cost of services during the nine months ended September 30, 2012. Cost of services as a percentage of revenue decreased from 59.1% for the nine months ended September 30, 2011 to 57.9% for the nine months ended September 30, 2012, primarily attributable to our mix of revenue, with a higher composition of revenue being non-commissionable in the current year as a result of the REIM Acquisitions. In addition, all costs associated with the ING REIM businesses are included in operating, administrative and other expenses.

Our operating, administrative and other expenses on a consolidated basis increased by $126.4 million, or 9.9%, during the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. This increase was primarily driven by an increase in costs attributable to the REIM Acquisitions, including transaction and integration costs. Additionally, included in operating, administrative and other expenses for the nine months ended September 30, 2012 were cost containment expenses of $10.6 million. Foreign currency translation had a $36.8 million positive impact on total operating expenses during the nine months ended September 30, 2012. Operating expenses as a percentage of revenue increased slightly to 31.2% for the nine months ended September 30, 2012 from 30.9% for the nine months ended September 30, 2011.

Our depreciation and amortization expense on a consolidated basis increased by $45.0 million, or 56.4%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. This increase was primarily attributable to higher amortization expense relative to intangibles acquired in the REIM Acquisitions. Higher depreciation expense in our Americas segment also contributed to the increase.

Our non-amortizable intangible asset impairment on a consolidated basis was $19.8 million for the nine months ended September 30, 2012. This non-cash write-off related to the discontinuation of a trade name in the United Kingdom.

Our gain on disposition of real estate on a consolidated basis was $5.2 million for the nine months ended September 30, 2012 as compared to $11.6 million for the nine months ended September 30, 2011. These gains resulted from activity within our Development Services and Global Investment Management segments.

Our equity income from unconsolidated subsidiaries on a consolidated basis decreased by $19.1 million, or 49.0%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. This decrease was primarily driven by higher equity earnings associated with gains on property sales within our Development Services segment in the prior year, which did not occur to the same extent in the current year. Also contributing to the decrease was lower equity earnings associated with an investment in our Americas segment in the current year.

Our other income on a consolidated basis was $4.6 million for the nine months ended September 30, 2012 as compared to other loss of $5.8 million for the nine months ended September 30, 2011. This activity was primarily reported within our Global Investment Management segment and represented net realized and unrealized gains and losses related to trading securities, which we acquired in our acquisition of CRES.

Our consolidated interest income decreased by $1.3 million, or 18.1%, as compared to the nine months ended September 30, 2011. This decrease was mainly driven by lower interest income reported in our Americas segment in the current year.

Our consolidated interest expense increased by $25.0 million, or 23.4%, during the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. The increase was primarily due to higher interest expense attributable to additional borrowings made to finance the REIM Acquisitions and the British pound sterling A-1 term loan facility entered into in the fourth quarter of 2011.

Our provision for income taxes on a consolidated basis was $102.4 million for the nine months ended September 30, 2012 as compared to $117.0 million for the nine months ended September 30, 2011. Our effective tax rate from continuing operations, after adjusting pre-tax income to remove the portion attributable to non-controlling interests, decreased to 41.8% for the nine months ended September 30, 2012 as compared to 42.3% for the nine months ended September 30, 2011. The changes in our provision for income taxes and our effective tax rate were primarily the result of a change in our mix of domestic and foreign earnings (losses), including a greater impact in the current year of losses sustained in jurisdictions where no tax benefit could be provided, offset by the impact of discrete items, including the current year benefit from a legal reorganization of certain entities in Asia Pacific.

Our consolidated income from discontinued operations, net of income taxes, was $16.9 million for the nine months ended September 30, 2011. This income was reported in our Global Investment Management segment and mostly related to gains from property sales, which were all attributable to non-controlling interests.

Our net income attributable to non-controlling interests on a consolidated basis was $5.7 million for the nine months ended September 30, 2012 as compared to $20.0 million for the nine months ended September 30, 2011. This activity primarily reflects our non-controlling interests' share of income 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 key markets in 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 North America, Europe and Asia. The Development Services business consists of real estate development and investment activities primarily in the United States.

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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 and nine months ended September 30, 2012 and 2011 (dollars in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2012		2011		2012		2011	
Americas								
Revenue	$996,380	100.0%	$954,213	100.0%	$2,855,899	100.0%	$2,602,156	100.0%
Costs and expenses:								
Cost of services	638,138	64.0	600,168	62.9	1,818,162	63.7	1,644,835	63.2
Operating, administrative and other	232,108	23.3	231,181	24.2	665,157	23.3	646,071	24.8
Depreciation and amortization	20,744	2.1	15,855	1.7	58,555	2.0	43,517	1.7
Operating income	$105,390	10.6%	$107,009	11.2%	$ 314,025	11.0%	$ 267,733	10.3%
EBITDA (1)	$128,749	12.9%	$126,156	13.2%	$ 379,304	13.3%	$ 319,659	12.3%
EMEA								
Revenue	$228,737	100.0%	$275,958	100.0%	$ 674,367	100.0%	$ 742,013	100.0%
Costs and expenses:								
Cost of services	150,729	65.9	165,450	60.0	426,486	63.2	452,461	61.0
Operating, administrative and other	86,662	37.9	89,853	32.6	248,751	36.9	244,830	33.0
Depreciation and amortization	3,181	1.4	3,191	1.1	9,674	1.4	7,706	1.0
Non-amortizable intangible asset impairment	19,826	8.6	—	—	19,826	3.0	—	—
Operating (loss) income	$ (31,661)	(13.8)%	$ 17,464	6.3%	$ (30,370)	(4.5)%	$ 37,016	5.0%
EBITDA (1)	$ (8,141)	(3.6)%	$ 21,089	7.6%	$ 507	0.1%	$ 45,470	6.1%
Asia Pacific								
Revenue	$199,950	100.0%	$208,055	100.0%	$ 568,396	100.0%	$ 557,101	100.0%
Costs and expenses:								
Cost of services	126,378	63.2	128,989	62.0	366,296	64.4	350,888	63.0
Operating, administrative and other	56,792	28.4	56,835	27.3	159,433	28.0	152,801	27.4
Depreciation and amortization	2,905	1.5	2,979	1.4	8,458	1.6	6,950	1.3
Operating income	$ 13,875	6.9%	$ 19,252	9.3%	$ 34,209	6.0%	$ 46,462	8.3%
EBITDA (1)	$ 16,448	8.2%	$ 21,817	10.5%	$ 42,047	7.4%	$ 51,696	9.3%
Global Investment Management								
Revenue	$114,306	100.0%	$ 77,426	100.0%	$ 359,180	100.0%	$ 185,302	100.0%
Costs and expenses:								
Operating, administrative and other	91,658	80.2	71,770	92.7	282,952	78.8	175,268	94.6
Depreciation and amortization	10,524	9.2	6,281	8.1	39,803	11.1	12,947	7.0
Gain on disposition of real estate	—	—	345	0.4	—	—	345	0.2
Operating income (loss)	$ 12,124	10.6%	$ (280)	(0.4)%	$ 36,425	10.1%	$ (2,568)	(1.4)%
EBITDA (1) (2)	$ 22,658	19.8%	$ 6,154	7.9%	$ 77,925	21.7%	$ 14,614	7.9%
Development Services								
Revenue	$ 17,774	100.0%	$ 18,811	100.0%	$ 50,411	100.0%	$ 55,214	100.0%
Costs and expenses:								
Operating, administrative and other	15,142	85.2	19,499	103.7	49,168	97.5	60,049	108.8
Depreciation and amortization	2,748	15.4	3,002	15.9	8,405	16.7	8,751	15.8
Gain on disposition of real estate	3,983	22.4	3,250	17.3	5,231	10.4	11,249	20.4
Operating income (loss)	$ 3,867	21.8%	$ (440)	(2.3)%	$ (1,931)	(3.8)%	$ (2,337)	(4.2)%
EBITDA (1)	$ 3,839	21.6%	$ 3,776	20.1%	$ 16,108	32.0%	$ 26,692	48.3%

(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 CBRE Group, Inc.
(2) Includes EBITDA related to discontinued operations of $1.9 million for the nine months ended September 30, 2011.

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Three Months Ended September 30, 2012 Compared to the Three Months Ended September 30, 2011

Americas

Revenue increased by $42.2 million, or 4.4%, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. This improvement was primarily driven by higher outsourcing activity and increased commercial mortgage brokerage revenue, partially offset by lower sales and lease transaction revenue. Foreign currency translation had an $8.9 million negative impact on total revenue during the three months ended September 30, 2012.

Cost of services increased by $38.0 million, or 6.3%, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011, primarily due to higher salaries and related costs associated with our property and facilities management contracts. Foreign currency translation had a $5.1 million positive impact on cost of services during the three months ended September 30, 2012. Cost of services as a percentage of revenue increased to 64.0% for the three months ended September 30, 2012 from 62.9% for the three months ended September 30, 2011, primarily due to a shift in the mix of revenue, with outsourcing revenue comprising a greater portion of the total than in the prior year period.

Operating, administrative and other expenses were relatively consistent at $232.1 million for the three months ended September 30, 2012 versus $231.2 for the three months ended September 30, 2011. Foreign currency translation had a $2.6 million positive impact on total operating expenses during the three months ended September 30, 2012.

EMEA

Revenue decreased by $47.2 million, or 17.1%, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. Foreign currency translation had a $21.2 million negative impact on total revenue during the three months ended September 30, 2012. In addition, the continued impact of Europe's sovereign debt crisis resulted in lower sales, leasing and outsourcing activity in the region. Total revenue grew modestly in the United Kingdom, but this was more than offset by reduced revenue in other countries in the region, most notably in France and Germany.

Cost of services decreased by $14.7 million, or 8.9%, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011, driven by foreign currency translation, which had a $14.7 million positive impact on cost of services in the current year period. Included in cost of services for the three months ended September 30, 2012, were cost containment expenses of $5.9 million, primarily representing severance costs incurred as we continue to calibrate our staffing levels to the current market environment. These costs were offset by lower salaries and related costs associated with our property and facilities management contracts. Cost of services as a percentage of revenue increased to 65.9% for the three months ended September 30, 2012 from 60.0% for the three months ended September 30, 2011, primarily driven by the aforementioned cost containment expenses in the current year and our mix of revenue, with outsourcing revenue comprising a greater portion of the total than in the prior year period as well as a decline in transaction revenue in certain countries that have a significant fixed cost compensation structure.

Operating, administrative and other expenses decreased by $3.2 million, or 3.6%, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. Included in operating, administrative and other expenses for the three months ended September 30, 2012, were cost containment expenses of $9.4 million, which primarily represented severance costs incurred as we continue to calibrate our staffing levels to the current market environment. Such costs were more than offset by foreign currency translation, which had a $7.4 million positive impact on total operating expenses during the three months ended September 30, 2012, as well as lower bonus accruals in the current year due to weaker operating performance.

Asia Pacific

Revenue decreased by $8.1 million, or 3.9%, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011, reflecting weaker overall performance in several countries, particularly Australia, China and Japan. Foreign currency translation had an $11.4 million negative impact on total revenue during the three months ended September 30, 2012. Sales and leasing activity declined throughout the region, while outsourcing activity showed modest improvement.

Cost of services decreased by $2.6 million, or 2.0%, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. Included in cost of services for the three months ended September 30, 2012, were cost containment expenses of $1.1 million, primarily representing severance costs incurred as we continue to calibrate our staffing levels to the current market environment. In addition, in the current year, there was an increase in salaries and related costs associated with our property and facilities management contracts. These costs were more than offset by foreign currency translation, which had an $8.4 million positive impact on cost of services during the three months ended September 30, 2012, and a decrease in commission expense as a result of lower transaction revenue. Cost of services as a percentage of revenue increased to 63.2% for the three months ended September 30, 2012 as compared to 62.0% for the three months ended September 30, 2011, primarily driven by the aforementioned cost containment expenses in the current year as well as a shift in the mix of revenue, with outsourcing revenue comprising a greater portion of the total than in the prior year period.

Operating, administrative and other expenses remained flat at $56.8 million for both the three months ended September 30, 2012 and 2011. Foreign currency translation had a $1.8 million positive impact on total operating expenses during the three months ended September 30, 2012. This was mostly offset by cost containment expenses of $1.2 million in the current year, which primarily represented severance costs incurred as we continue to calibrate our staffing levels to the current market environment.

Global Investment Management

Revenue increased by $36.9 million, or 47.6%, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011, driven by contributions from the ING REIM Europe and ING REIM Asia portions of the REIM Acquisitions acquired in the fourth quarter of 2011. Foreign currency translation had a $6.1 million negative impact on total revenue during the three months ended September 30, 2012.

Operating, administrative and other expenses increased by $19.9 million, or 27.7%, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. This increase was primarily driven by an increase in costs attributable to the REIM Acquisitions, including transaction and integration costs. Foreign currency translation had a $6.0 million positive impact on total operating expenses during the three months ended September 30, 2012.

Total AUM as of September 30, 2012 amounted to $90.4 billion at the end of the third quarter, a decrease of 1% from the second quarter of 2012 and 4% from year-end 2011.

Development Services

Revenue decreased slightly to $17.8 million for the three months ended September 30, 2012 as compared to $18.8 million for the three months ended September 30, 2011.

Operating, administrative and other expenses decreased by $4.4 million, or 22.3%, for the three months ended September 30, 2012 as compared to the three months ended September 30, 2011. The prior year quarter included real estate asset impairments, which did not recur in the current year, and higher incentive compensation.

As of September 30, 2012, development projects in process totaled $4.6 billion, down $0.1 billion from the second quarter of 2012 and $0.3 billion from year-end 2011. The inventory of pipeline deals totaled $1.9 billion, up $0.5 billion from the second quarter of 2012 and $0.7 billion from year-end 2011.

Nine Months Ended September 30, 2012 Compared to the Nine Months Ended September 30, 2011

Americas

Revenue increased by $253.7 million, or 9.8%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. This improvement was primarily driven by higher sales, leasing and outsourcing activity as well as increased commercial mortgage brokerage revenue. Foreign currency translation had a $23.2 million negative impact on total revenue during the nine months ended September 30, 2012.

Cost of services increased by $173.3 million, or 10.5%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011, primarily due to higher salaries and related costs associated with our property and facilities management contracts. Increased commission expense resulting from higher sales and lease transaction revenue also contributed to an increase in cost of services in the current year. Foreign currency translation had an $11.7 million positive impact on cost of services during the nine months ended September 30, 2012. Cost of services as a percentage of revenue increased to 63.7% for the nine months ended September 30, 2012 from 63.2% for the nine months ended September 30, 2011, primarily due to a shift in the mix of revenue, with outsourcing revenue comprising a greater portion of the total than in the prior year period.

Operating, administrative and other expenses increased by $19.1 million, or 3.0%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. The increase was primarily driven by higher payroll-related costs, including bonuses, which resulted from increased headcount and improved operating performance. Foreign currency translation had a $7.1 million positive impact on total operating expenses during the nine months ended September 30, 2012.

EMEA

Revenue decreased by $67.6 million, or 9.1%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. Foreign currency translation had a $47.2 million negative impact on total revenue during the nine months ended September 30, 2012. In addition, Europe's continuing weak employment growth resulted in lower leasing activity market-wide. However, outsourcing revenue improved despite uncertainty created by the region's sovereign debt challenges. Revenue grew modestly in the Netherlands and the United Kingdom, but this was offset by reduced revenue in other countries in the region, most notably in France, which had a particularly strong prior year.

Cost of services decreased by $26.0 million, or 5.7%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. Foreign currency translation had a $30.1 million positive impact on cost of services during the nine months ended September 30, 2012. In addition, salaries and related costs associated with our property and facilities management contracts were lower in the current year. These items were partially offset by cost containment expenses of $5.9 million incurred in the current year and higher costs associated with increased headcount attributable to in-fill acquisitions completed in mid to late 2011. Cost of services as a percentage of revenue increased to 63.2% for the nine months ended September 30, 2012 from 61.0% for the nine months ended September 30, 2011, primarily driven by the aforementioned cost containment expenses in the current year and our mix of revenue, with outsourcing revenue comprising a greater portion of the total than in the prior year period, as well as a decline in transaction revenue in certain countries that have a significant fixed cost compensation structure.

Operating, administrative and other expenses increased by $3.9 million, or 1.6%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011, primarily due to cost

containment expenses of $9.4 million incurred in the current year and higher costs, including payroll-related and occupancy costs, partly stemming from in-fill acquisitions made in mid to late 2011. These costs were largely offset by foreign currency translation, which had a $15.7 million positive impact on total operating expenses during the nine months ended September 30, 2012, as well as lower bonus accruals in the current year due to weaker operating performance.

Asia Pacific

Revenue increased by $11.3 million, or 2.0%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011, reflecting improved overall performance in several countries, particularly Australia, India and Singapore. Investment sales in the region saw decidedly less activity than in the prior year period. However, this was more than offset by growth in our outsourcing and appraisal revenue. Foreign currency translation had an $18.4 million negative impact on total revenue during the nine months ended September 30, 2012.

Cost of services increased by $15.4 million, or 4.4%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011, driven by higher salaries and related costs associated with our property and facilities management contracts throughout the region and increases in headcount, particularly in Australia (partially due to an in-fill acquisition completed in May 2011) as well as investments in China. These increases were partially offset by foreign currency translation, which had a $14.1 million positive impact on cost of services during the nine months ended September 30, 2012 as well as lower commission expense attributable to the decrease in sales transaction revenue. Cost of services as a percentage of revenue increased to 64.4% for the nine months ended September 30, 2012 as compared to 63.0% for the nine months ended September 30, 2011, 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 period.

Operating, administrative and other expenses increased by $6.6 million, or 4.3%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. The increase was partially due to higher costs stemming from an in-fill acquisition completed in Australia as well as investments in China. Foreign currency translation had a $1.6 million positive impact on total operating expenses during the nine months ended September 30, 2012.

Global Investment Management

Revenue increased by $173.9 million, or 93.8%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011, driven by contributions from the REIM Acquisitions acquired in the second half of 2011. Foreign currency translation had a $13.3 million negative impact on total revenue during the nine months ended September 30, 2012.

Operating, administrative and other expenses increased by $107.7 million, or 61.4%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. This increase was primarily driven by an increase in costs attributable to the REIM Acquisitions, including transaction and integration costs. Foreign currency translation had a $12.4 million positive impact on total operating expenses during the nine months ended September 30, 2012.

Development Services

Revenue decreased by $4.8 million, or 8.7%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011, attributable to a decrease in incentive fees and lower rental income as a result of property dispositions in the later quarters of 2011.

Operating, administrative and other expenses decreased by $10.9 million, or 18.1%, for the nine months ended September 30, 2012 as compared to the nine months ended September 30, 2011. This decrease was

primarily driven by lower bonus accruals partially due to higher gains on property sales in the prior year as well as lower property operating expenses as a result of the property dispositions noted above in this segment's revenue discussion.

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 2012 expected capital requirements include up to approximately $150 million of anticipated net capital expenditures, including requirements associated with the REIM Acquisitions. During the nine months ended September 30, 2012, we incurred $64.4 million of net capital expenditures. As of September 30, 2012, we had aggregate commitments of $33.1 million to fund future co-investments in our Global Investment Management business, $11.1 million of which is expected to be funded in 2012. Additionally, as of September 30, 2012, we had committed to fund $15.5 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 included substantially all of the ING REIM operations in Europe and Asia, as well as substantially all of CRES, its U.S.-based global real estate listed securities business. On February 15, 2011, we also announced that we expected 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. On July 1, 2011, we acquired CRES for $332.9 million and CRES co-investments from ING for an aggregate amount of $58.6 million, using borrowings from our tranche D term loan facility under our credit agreement to finance these transactions. On October 3, 2011, we acquired ING REIM's operations in Asia for $45.3 million and three ING REIM Asia co-investments from ING for an aggregate amount of $13.9 million, using borrowings from our tranche C term loan facility under our credit agreement to finance these transactions. On October 31, 2011, we completed the ING REIM Europe portion of the REIM Acquisitions, acquiring ING REIM's operations in Europe for $442.5 million and one co-investment from ING for $7.4 million, using borrowings from our tranche C term loan facility under our credit agreement, cash on hand and borrowings under our revolving credit facility to finance these transactions. During the nine months ended September 30, 2012, we also funded nine additional co-investments for an aggregate amount of $35.2 million related to ING REIM Europe. Our initial estimate of $940 million in total purchase price for the REIM Acquisitions has been reduced by approximately $47 million for certain fund and separate account management contracts that were not acquired and for certain balance sheet adjustments. There is a possibility of an additional closing of approximately $80 million and further co-investments of up to $20 million in the future related to our acquisition of ING REIM Europe.

During 2003 and 2006, we required substantial amounts of equity and debt financing to fund our acquisitions of Insignia and Trammell Crow Company. We also conducted two debt offerings in recent years. 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 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. From time to time, we may seek to take advantage of market opportunities to refinance existing debt securities with new debt securities at lower interest rates, longer maturities or better terms.

As evidenced above, from time to time we consider potential strategic acquisitions. We believe that any future significant acquisitions that we may 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, or at all, 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 our 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 any shortfall. The underfunded status of our defined benefit pension plans included in pension liability in the consolidated balance sheets set forth in Item 1 of this Quarterly Report was $61.8 million and $60.9 million at September 30, 2012 and December 31, 2011, respectively. We expect to contribute a total of $6.0 million to fund our pension plans for the year ending December 31, 2012, of which $4.4 million was funded as of September 30, 2012.

Historical Cash Flows

Operating Activities

Net cash used in operating activities totaled $119.9 million for the nine months ended September 30, 2012 versus net cash provided by operating activities of $104.1 million for the nine months ended September 30, 2011. The increase in cash used in operating activities in the current year was primarily due to higher bonuses and income taxes paid, an increase in real estate held for sale and under development and activities associated with securities acquired in our acquisition of CRES. These items were partially offset by an increase in depreciation and amortization expense in the current year and a greater increase in receivables in the prior year.

Investing Activities

Net cash used in investing activities totaled $153.5 million for the nine months ended September 30, 2012, a decrease of $393.0 million as compared to the nine months ended September 30, 2011. The decrease in cash used in investing activities in the current year was primarily driven by an increase in restricted cash in the prior year attributable to borrowings under our tranche C term loan facility which were held in escrow in anticipation of the completion of the ING REIM Europe portion of the REIM Acquisitions, cash paid for the acquisition of CRES in the prior year and greater payments associated with in-fill acquisitions in the prior year. These items were partially offset by higher net proceeds received from the disposition of real estate held for investment in the prior year, a decrease in cash as a result of the deconsolidation of CBRE Clarion U.S., L.P. in the current year and higher contributions to investments in unconsolidated subsidiaries in the current year.

Financing Activities

Net cash used in financing activities totaled $47.8 million for the nine months ended September 30, 2012 versus net cash provided by financing activities of $599.5 million for the nine months ended September 30, 2011. The increase in cash used in financing activities was primarily due to $800.0 million of tranche C and D term loan facilities drawn in the prior year to finance the REIM Acquisitions. This was partially offset by higher net

repayments of notes payable on real estate in the prior year, greater distributions to non-controlling interests in the prior year as well as more financing costs paid in the prior 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. On November 10, 2011, we entered into an incremental assumption agreement led jointly by HSBC Bank USA, N.A. and J.P. Morgan Securities LLC to allow for the establishment of a new tranche A-1 term loan facility, which also reduced the $800.0 million incremental facility under the Credit Agreement.

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, which began on December 31, 2010 and continue through September 30, 2015, with the balance payable on November 10, 2015; (3) a £187.0 million (approximately $300.0 million) tranche A-1 term loan facility requiring quarterly principal payments, which began on December 30, 2011 and continue through March 31, 2016, with the balance payable on May 10, 2016; (4) a $300.0 million tranche B term loan facility requiring quarterly principal payments, which began on December 31, 2010 and continue through September 30, 2016, with the balance payable on November 10, 2016; (5) a $400.0 million tranche C term loan facility requiring quarterly principal payments, which began on September 30, 2011 and continue through December 31, 2017, with the balance payable on March 4, 2018; (6) a $400.0 million tranche D term loan facility requiring quarterly principal payments, which began on September 30, 2011 and continue through June 30, 2019, with the balance payable on September 4, 2019 and (7) an accordion provision which provides the ability to borrow additional funds under an incremental facility. The incremental facility is equivalent to the sum of $800.0 million and the aggregate amount of all repayments of term loans and permanent reductions of revolver commitments under the Credit Agreement. However, at no time may the sum of all outstanding amounts under the Credit Agreement exceed $2.95 billion. On November 10, 2011, we utilized the incremental facility to issue the tranche A-1 term loan facility.

In regards to the tranche C and tranche D term loan facilities, we had up to 180 days from the date we entered into the related incremental assumption agreement to draw on these facilities during which period we were required to pay a fee on the unused portions of each facility. On June 30, 2011, we drew down $400.0 million of the tranche D term loan facility to finance the CRES portion of the REIM Acquisitions, which closed on July 1, 2011. On August 31, 2011, we drew down $400.0 million of the tranche C term loan facility, part of which was used to finance the ING REIM Asia portion of the REIM Acquisitions, which closed on October 3, 2011. The remaining borrowings were used to finance the acquisition of ING REIM’s operations in Europe, which closed on October 31, 2011.

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 September 30, 2012 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 September 30, 2012 and December 31, 2011, we had $72.7 million and $44.8 million, respectively, of revolving credit facility principal outstanding with related weighted average interest rates of 3.3% and 4.3%, respectively, which are included in short-term borrowings in the consolidated balance sheets set forth in Item 1 of this Quarterly Report. As of September 30, 2012, letters of credit totaling $17.3 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 September 30, 2012 bear interest, based at our option, on the following: for the tranche A and A-1 term loan facilities, 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 September 30, 2012 and December 31, 2011, we had $280.0 million and $306.3 million, respectively, of tranche A term loan facility principal outstanding, $279.3 million and $285.1 million, respectively, of tranche A-1 term loan facility principal outstanding, $294.0 million and $296.3 million, respectively, of tranche B term loan facility principal outstanding, $395.0 million and $398.0 million, respectively, of tranche C term loan facility principal outstanding and $395.0 million and $398.0 million, respectively, of tranche D term loan facility principal outstanding, which are included in the consolidated balance sheets set forth in Item 1 of this Quarterly Report.

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 in October 2017 and $200.0 million expiring in September 2019. There was no hedge ineffectiveness for the three and nine months ended September 30, 2012 and 2011. As of September 30, 2012 and December 31, 2011, the fair values of these interest rate swap agreements were reflected as a $50.2 million liability and a $39.9 million liability, respectively, and were 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 65.0% 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, CBRE 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 September 30, 2012 and December 31, 2011.

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 $440.1 million and $439.0 million at September 30, 2012 and December 31, 2011, 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 10.19x for the trailing twelve months ended September 30, 2012 and our leverage ratio of total debt less available cash to EBITDA was 1.74x as of September 30, 2012. We may from time to time, in our sole discretion, look for opportunities to refinance or 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 $531.0 million and $758.2 million with related average interest rates of 2.5% and 2.9% as of September 30, 2012 and December 31, 2011, respectively, which are included in the consolidated balance sheets set forth in Item 1 of this Quarterly Report.

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 are 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 31, 2012. As of September 30, 2012 and December 31, 2011, 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 are 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, 2013. As of September 30, 2012 and December 31, 2011, 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, 2013. As of September 30, 2012 and December 31, 2011, there were no amounts outstanding under this facility.

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 Capital One, N.A., or Capital One, 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 multifamily 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 July 26, 2012, the warehouse line of credit was temporarily increased from $210.0 million to $300.0 million until August 15, 2012, after which it reverted back to the $210.0 million limit. Effective October 29, 2012, the warehouse line of credit was reduced to $200.0 million. This agreement has been amended several times and currently bears interest at the daily LIBOR plus 2.50% and has a maturity date of October 28, 2013.

On April 16, 2008, CBRE Capital Markets entered into a secured credit agreement with BofA to establish a warehouse line of credit. Effective March 2, 2012, the warehouse line of credit was increased from $125.0 million to $150.0 million. Effective June 13, 2012, the warehouse line of credit was further increased to $200.0 million. The senior secured revolving line of credit bears interest at the daily one-month LIBOR plus 2.0% with a maturity date of May 29, 2013.

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. Effective July 10, 2012, the maximum outstanding balance under the ASAP Program increased from $150.0 million to $200.0 million. 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. Effective October 13, 2011, the warehouse line of credit was increased from $75.0 million to $100.0 million. Effective June 26, 2012, the warehouse line of credit was further increased to $150.0 million. The secured revolving line of credit bears interest at the daily one-month LIBOR plus 2.0% with a maturity date of June 30, 2013.

On December 21, 2010, CBRE Capital Markets entered into an uncommitted funding arrangement with Kemps Landing Capital Company, LLC, or Kemps Landing, providing CBRE Capital Markets with the ability to fund Freddie Mac multifamily loans. Effective March 2, 2012, the maximum outstanding balance allowed under this arrangement was decreased from $500.0 million to $475.0 million. Effective June 13, 2012, the maximum outstanding balance allowed under this arrangement was decreased further to $375.0 million. The outstanding borrowings bore interest at LIBOR plus 2.75% with a LIBOR floor of 0.25%. On January 6, 2012, the Federal Housing Finance Agency announced a termination of Freddie Mac's purchase commitment agreement with Kemps Landing effective June 30, 2012. On September 14, 2012, our agreement with Kemps Landing was terminated.

On July 30, 2012, CBRE Capital Markets entered into a secured credit agreement with Capital One to establish a warehouse line of credit. This agreement provides for a $200.0 million senior secured revolving line of credit and bears interest at the daily one-month LIBOR plus 1.9% with a maturity date of July 29, 2013.

On September 21, 2012, CBRE Capital Markets entered into a repurchase facility with JP Morgan for additional warehouse capacity pursuant to a Master Repurchase Agreement. This agreement provides for a $300.0 million warehouse facility and bears interest at the daily one-month LIBOR plus 2.25% with a maturity date of September 20, 2013.

During the nine months ended September 30, 2012, we had a maximum of $826.4 million of warehouse lines of credit principal outstanding. As of September 30, 2012 and December 31, 2011, we had $458.3 million and $713.4 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 $465.8 million and $720.1 million of mortgage loans held for sale (warehouse receivables), as of September 30, 2012 and December 31, 2011, respectively, which substantially represented mortgage loans funded through the lines of credit that, while committed to be purchased, had not yet been purchased 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 $16.9 million as of September 30, 2012, 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 and expire at varying dates through July 2013.

We had guarantees totaling $32.4 million as of September 30, 2012, 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 $32.4 million primarily consists of guarantees related to our defined benefit pension plans in the United Kingdom (in excess of our outstanding pension liability of $61.8 million as of September 30, 2012), which are continuous guarantees that will not expire until all amounts have been paid out for our pension liabilities. The remainder of the guarantees mainly represents guarantees of obligations of unconsolidated subsidiaries, which expire at varying dates through September 2015, as well as various guarantees of management contracts in our operations overseas, which expire at the end of each of the respective agreements.

In addition, as of September 30, 2012, 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.

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 $4.9 billion at September 30, 2012. Additionally, CBRE MCI has funded loans under the DUS Program that are not subject to loss sharing arrangements with unpaid principal balances of approximately $544.2 million at September 30, 2012. 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 September 30, 2012 and December 31, 2011, CBRE MCI had $7.5 million and $4.6 million, respectively, of cash deposited under this reserve arrangement, and had provided approximately $9.2 million and $6.4 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 $299.7 million (including $203.6 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 September 30, 2012.

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 2.0% to 5.0% of the equity in a particular fund. As of September 30, 2012, we had aggregate commitments of $33.1 million to fund future co-investments, $11.1 million of which is expected to be funded in 2012. 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 September 30, 2012, we had committed to fund $15.5 million of additional capital to these unconsolidated subsidiaries, which may be called at any time.

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 December 2011, the FASB issued Accounting Standards Update, or ASU, 2011-10, "*Property, Plant, and Equipment (Topic 360): Derecognition of in Substance Real Estate – a Scope Clarification."* This ASU requires that a reporting entity that ceases to have a controlling financial interest in a subsidiary that is in substance real estate as a result of default on the subsidiary's nonrecourse debt would apply FASB ASC Subtopic 360-20, "*Property, Plant, and Equipment – Real Estate Sales*," to determine whether to derecognize assets and liabilities of that subsidiary. ASU 2011-10 is effective prospectively for a deconsolidation event that takes place in fiscal years, and interim periods within those years, beginning on or after June 15, 2012. We do not believe the adoption of this update will have a material effect on our consolidated financial position or results of operations.

In December 2011, the FASB issued ASU 2011-11, "*Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities."* This ASU adds certain additional disclosure requirements about financial instruments and derivative instruments that are subject to netting arrangements. ASU 2011-11 is effective for fiscal years, and interim periods within those years, beginning after January 1, 2013, with retrospective application required. We do not believe the adoption of this update will have a material impact on the disclosure requirements for our consolidated financial statements.

Cautionary Note on 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 on Form 10-Q 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:

- integration issues arising out of the REIM Acquisitions and other companies we may acquire;
- costs and potential future capital requirements 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, particularly in light of the European sovereign debt crisis, fiscal uncertainty in the United States, and slowing economic activity globally in 2012;
- 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, inside and outside the United States, particularly Europe, which is experiencing a sovereign debt crisis;
- continued high levels of, or increases in, unemployment and general slowdowns in commercial activity;

- variations in historically customary seasonal patterns;
- 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, particularly in Europe where the U.S. dollar has strengthened significantly relative to the Euro and some local currencies since the middle of 2011;
- 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 and risk assumption 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 maintain our effective tax rate;
- 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 ability to maintain or improve our industry-leading EBITDA margins;
- our exposure to liabilities in connection with real estate advisory and property management activities and our ability to procure sufficient insurance coverage on acceptable terms;
- 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, 2011, in particular in Item 1A, Risk Factors, or in the other documents and reports we file with the Securities and Exchange Commission.

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 SEC.

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, 2011. 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. We manage such risk primarily by managing the amount, sources, and duration of our debt funding and by using derivative financial instruments. We apply the "*Derivatives and Hedging*" Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) (Topic 815) when accounting for derivative financial instruments. In all cases, we view derivative financial instruments as a risk management tool and, accordingly, do not use derivatives for trading or speculative purposes.

During the nine months ended September 30, 2012, 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 Chinese yuan, 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 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 intercompany loans, expected cash flow and earnings. Included in the consolidated statement of operations set forth in Item 1 of this Quarterly Report were charges of $1.5 million and $3.8 million for the three and nine months ended September 30, 2012, respectively, and gains of $1.0 million and charges of $1.6 million for the three and nine months ended September 30, 2011, respectively, resulting from net gains and losses on foreign currency exchange option agreements. As of September 30, 2012, the fair values of these foreign currency exchange option agreements were reflected as a $0.6 million asset and were included in prepaid expenses in the consolidated balance sheets set forth in Item 1 of this Quarterly Report.

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 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 in October 2017 and $200.0 million expiring in September 2019. There was no hedge ineffectiveness for the three and nine months ended September 30, 2012 and 2011. As of September 30, 2012, the fair values of these interest rate swap agreements were reflected as a $50.2 million liability and were included in other long-term liabilities in the consolidated balance sheets set forth in Item 1 of this Quarterly Report.

Based upon information from third-party banks, the estimated fair value of our senior secured term loans was approximately $1.6 billion at September 30, 2012. Based on dealers' quotes, the estimated fair values of our 6.625% senior notes and 11.625% senior subordinated notes were $383.3 million and $495.1 million, respectively, at September 30, 2012.

We utilize sensitivity analyses to assess the potential effect of our variable rate debt. If interest rates were to increase by 10.0% on our outstanding variable rate debt, excluding notes payable on real estate, at September 30, 2012, the net impact of the additional interest cost would be a decrease of $5.0 million on pre-tax income and an increase of $5.0 million on cash used in operating activities for the nine months ended September 30, 2012.

We also have $365.6 million of notes payable on real estate as of September 30, 2012. 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 10.0%, our total estimated interest cost related to notes

payable would increase by approximately $1.4 million for the nine months ended September 30, 2012. 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.

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.

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 September 30, 2012 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 Annual Report on Form 10-K for the year ended December 31, 2011.

ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2011.

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ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of CBRE Group, Inc. filed on June 16, 2004, as amended by the Certificate of Amendment filed on June 4, 2009 and the Certificate of Ownership and Merger filed on October 3, 2011(incorporated by reference to Exhibit 3.1 of the CBRE Group, Inc. Quarterly Report on Form 10-Q filed with the SEC on November 9, 2011)
3.2	Second Amended and Restated By-laws of CBRE Group, Inc. (incorporated by reference to Exhibit 3.2 of the CBRE Group, Inc. Current Report on Form 8-K filed with the SEC on October 3, 2011)
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)
4.2(b)	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)
4.2(c)	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 July 29, 2011)

Exhibit Number	Description
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 4.2 of the CB Richard Ellis Group, Inc. Current Report on Form 8-K filed with the SEC on July 29, 2011)
10.1	CBRE Services, Inc. 401(k) Plan, as Amended and Restated, effective January 1, 2011+*
11	Statement concerning Computation of Per Share Earnings (filed as Note 12 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**

In the foregoing description of exhibits, references to CB Richard Ellis Group, Inc. are to CBRE Group, Inc., references to CB Richard Ellis Services, Inc. are to CBRE Services, Inc., and references to CB Richard Ellis, Inc. are to CBRE Inc., in each case, prior to their respective name changes, which became effective October 3, 2011.

+ 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.

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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.

CBRE GROUP, INC.

Date: November 9, 2012	/s/ GIL BOROK **Gil Borok** **Chief Financial Officer (principal financial officer)**
Date: November 9, 2012	/s/ ARLIN GAFFNER **Arlin Gaffner** **Chief Accounting Officer (principal accounting officer)**

Exhibit 10.1

CBRE 401(k) PLAN

As Amended and Restated,
effective January 1, 2011

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CBRE 401(k) PLAN

(As Amended and Restated Effective January 1, 2011)

The CBRE 401(k) Plan is hereby amended and restated effective January 1, 2011. The amendment includes a change in the name of the Plan from CB Richard Ellis 401(k) Plan to CBRE 401(k) Plan. The Plan is intended to qualify under Sections 401(a) and 401(k) of the Code. The Plan is subject to amendment or termination at any time as provided in Articles XII and XIII.

ARTICLE I
DEFINITIONS

"Account" means the records maintained by the Committee to determine the value of each Participant's interest in the assets of the Plan and may refer to the Participant's Deferral Account, Matching Contribution Account, Rollover Account, or Voluntary Contribution Account, singularly or in any appropriate combination. All references to an Account of a Participant shall include any subaccount established pursuant to Section 5.1.

"Actual Contribution Percentage" means the average ratio determined under Section 4.11(b).

"Actual Deferral Percentage" means the average ratio determined under Section 4.5(b).

"Affiliated Company" means:

(a) any member of a controlled group of corporations (within the meaning of Section 414(b) of the Code, modified, for purposes of Section 5.3, by Section 415(h) of the Code) of which the Company is a member,

(b) any trade or business (whether or not incorporated) under common control with the Company (within the meaning of Section 414 (c) of the Code, modified, for purposes of Section 5.3, by Section 415(h) of the Code), or

(c) any member of an affiliated service group (within the meaning of Section 414(m) of the Code) of which the Company is a member.

"Affiliated Group" means the Company and the Affiliated Companies.

"Aggregate 401(k) Contributions" means, for any Plan Year, the sum of the following: (i) the Participant's Deferrals for the Plan Year; (ii) the Matching Contribution allocated to the Participant's Accounts as of a date within the Plan Year, to the extent that such Matching Contributions are aggregated with Deferrals pursuant to Section 4.8; and (iii) the Qualified Non-Elective Contributions allocated to the Participant's Account as of a date within the Plan Year pursuant to Section 4.9.

"Aggregate 401(m) Contributions" means, for any Plan Year, the sum of the following: (i) the Participant's Matching Contributions for the Plan Year; (ii) the Participant's Deferrals for the Plan Year, to the extent that such Deferrals are aggregated with Voluntary Contributions and

Matching Contributions pursuant to Section 4.14; and (iii) the Qualified Non-Elective Contributions allocated to the Participant's Accounts as of a date within the Plan Year, to the extent that such Qualified Non-Elective Contributions are aggregated with Matching Contributions pursuant to Section 4.15.

"Alternate Payee" means any DOMA Spouse, former DOMA Spouse, child or other dependent of a Participant who is recognized by a domestic relations order as having a right to receive all or a portion of the benefits payable under the Plan with respect to the Participant.

"Applicant" has the meaning set forth in Section 10.12(a).

"Beneficiary" means the one or more persons or entities entitled to receive distribution of a Participant's interest in the Plan in the event of his or her death, in accordance with the provisions of Article VII.

"Board" means the Board of Directors of the Company.

"CBRE Stock" means common shares of CBRE Group, Inc.

"CBRE Stock Fund" means the fund described in Article XV.

"Claimant" has the meaning set forth in Section 10.12(b).

"Claims Coordinator" has the meaning set forth in Section 10.12(a).

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Administrative Committee appointed and acting pursuant to the provisions of Article X.

"Company" means CBRE Services, Inc., a Delaware corporation. The term "Company" shall also include any successor employer if the successor employer expressly agrees in writing as of the effective date of succession to continue the Plan and become a party to the Trust Agreement.

"Compensation" means all pay received by an Employee from a Participating Company while a Participant, including salary, overtime, shift differential, bonuses, performance awards, commissions, and elective deferrals under Sections 125, 132(f) and 401(k) of the Code, and excluding (even if includable in gross income) the following items:

(a) reimbursements or other expense allowances,

(b) fringe benefits (cash and non-cash),

(c) moving expenses,

(d) stock option remuneration,

(e) deferred compensation (when deferred and when received),

(f) welfare benefits (including severance payments),

(g) pay received after severance from employment, other than salary continuation payments to Participants who are performing qualified military service or to Participants who are permanently and totally disabled, to the extent permitted by Treas. Reg. Section 1.415(c)-2(e)(4), and

(h) any item that does not constitute compensation for purposes of Section 5.3 of the Plan and Section 415 of the Code.

"Compensation" also includes Earned Income, subject to the adjustments described in the preceding paragraph."

"Deferral" means the portion of a Participant's Compensation which he or she elects to defer so that such amount may be contributed to this Plan as a Participating Company contribution pursuant to the first paragraph of Section 4.1.

"Deferral Account" means the Account established under Section 5.1 for each Participant, the balance of which is attributable to (i) the Participant's Deferrals, (ii) Qualified Non-Elective Contributions allocated to the Participant's Account pursuant to Section 4.9, and (iii) earnings and losses of the Trust Fund with respect to such Deferrals and Qualified Non-Elective Contributions.

"Defined Benefit Plan" means a Qualified Plan other than a Defined Contribution Plan.

"Defined Contribution Plan" means a Qualified Plan which provides individual participant accounts for contributions, forfeitures and gains or losses thereon, as contemplated by Section 414(i) of the Code.

"Determination Date" means for any Plan Year, the last day of the preceding Plan Year.

"Directed Account" means an Account, the investment of which is subject to Participant direction under Section 5.7.

"Direct Rollover" means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee or a payment to the Plan described in Section 3.1(a)(i).

"Disability" means a physical or mental condition which totally and permanently prevents a Participant from engaging in any substantial gainful employment with the Affiliated Group. The determination of Disability shall be made by the Committee in its complete discretion after it has received such medical advice as it deems, in its complete discretion, appropriate and competent.

"Distributee" means the person to whom benefits are payable pursuant to the Plan.

"DOMA Spouse" has the meaning set forth in the Defense of Marriage Act of 1996, (P.L. 104-199), as amended. (As of January 1, 2011, this definition is a person of the opposite sex who is a husband or wife.)

"Earned Income" means earned income as defined in Section 401(c)(2) of the Code of an Employee/Owner from CBRE Clarion Securities, LLC or CBRE Clarion Real Estate Securities, LLC.

"Eligible Employee" means any Employee who is employed by a Participating Company and who is not:

(a) a nonresident alien who receives no earned income (within the meaning of Section 911(b) of the Code) from the Company or an Affiliated Company which constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code);

(b) included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and the Company or an Affiliated Company, if there is evidence that retirement benefits were the subject of good faith bargaining between such employee representatives and the Company or Affiliated Company;

(c) a Leased Employee or an independent contractor, even if such Leased Employee or independent contractor is subsequently determined to be a common law employee;

(d) in the service of the armed forces of the United States;

(e) covered by a Qualified Plan (other than this Plan) maintained by the Company or an Affiliated Company; or

(f) a qualified real estate agent (QREA) having the status of an independent contractor under Section 3508 of the Code.

An Employee who is not treated as employed by a Participating Company for employment tax purposes cannot be an Eligible Employee until the first payroll period in which such Employee's current compensation is processed as wages paid by a Participating Company subject to income tax withholding and related payroll taxes.

"Eligible Retirement Plan" means an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract), a qualified trust described in Section 401(a) of the Code, an annuity plan described in Section 403(a) of the Code, an eligible deferred compensation plan described in Section 457(b) of the Code which is maintained by an eligible employer described in Section 457(e)(1)(A) of the Code (provided such eligible deferred compensation plan agrees to separately account for amounts rolled over from the Plan), an annuity contract described in Section 403(b) of the Code, or a Roth IRA described in Section 408A(b) of the Code.

"Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of a Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of 10 years or more; hardship withdrawals from Deferral Accounts; and any distribution to the extent such distribution is required under Section 401(a)(9) of the Code.

“Employee” means any person who is: (i) employed by a member of the Affiliated Group if the relationship between the member of the Affiliated Group and such person is, for federal income tax purposes, the legal relationship of employer and employee, (ii) a Leased Employee, or (iii) an Employee/Owner.

“Employee/Owner” means an employee of CBRE Clarion Securities, LLC who is also a member of CBRE Clarion Securities, LLC and therefore is treated as a partner for federal income tax purposes, with compensation reported on Form K-1.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Excess Aggregate Contributions” means the amount by which the Aggregate 401(m) Contributions of Highly Compensated Employees are reduced pursuant to Sections 4.12 and 4.13.

“Excess Contributions” means the amount by which the Aggregate 401(k) Contributions of Highly Compensated Employees are reduced pursuant to Sections 4.6 and 4.7.

“Excess Deferrals” means the amount of a Participant’s Deferrals and other elective deferrals (within the meaning of Section 402(g)(3) of the Code) that exceed the limits set forth in Section 4.4.

“Highly Compensated Employee” means:

(a) Any Employee who (i) was a 5% owner of the Company or any Affiliated Company at any time during the Plan Year or the preceding Plan Year; or (ii) for the preceding Plan Year, had compensation from the Company or any Affiliated Company in excess of the amount specified in Section 414(q) of the Code (as adjusted pursuant to Section 415(d) of the Code) and for the preceding Plan Year was a member of the “top-paid group” for such year; and

(b) Any former Employee who separated from service (or was deemed to have separated) prior to the current Plan Year, who performs no services for the Company or any Affiliated Company during the current Plan Year, and who met the description in subparagraph (a) above for the year of his or her separation or any year after he or she attained age 55.

The “top-paid group” for a Plan Year shall consist of the top 20% of Employees ranked on the basis of compensation received during the year excluding Employees described in Section 414(q)(5) of the Code and the regulations thereunder. For purposes of this definition of “Highly Compensated Employee,” “compensation” means compensation within the meaning of Section 415(c)(3) of the Code, including amounts described in Section 415(c)(3)(D) of the Code.

“Hour of Service” means:

(a) Each hour for which an Employee is directly or indirectly compensated, or entitled to compensation, for the performance of services by the Company, by an Affiliated

Company or, to the extent required by Section 414(a)(2) of the Code and the regulations thereunder, by a predecessor employer. Hours of Service under this subsection will be credited to the Employee for the Plan Year in which the services are performed.

(b) Each hour for which an Employee is directly or indirectly compensated, or entitled to compensation, by the Company or an Affiliated Company on account of a period of time during which no services are performed (without regard to whether the employment relationship between the Employee and the Company or Affiliated Company has terminated) due to vacation, holiday, illness, incapacity, disability, layoff, jury duty, military duty or leave of absence with pay. Hours of Service under this subsection will be calculated and credited pursuant to Section 2530.200b-2 of the Department of Labor Regulations which is incorporated herein by this reference.

(c) Each hour for which an Employee is directly or indirectly compensated, or entitled to compensation, for an amount as back pay (without regard to mitigation of damages) either awarded or agreed to by the Company or an Affiliated Company. Hours of Service under this subparagraph will be credited to the Employee for the Plan Year or Plan Years to which the award or agreement pertains rather than the Plan Year in which the award, agreement or payment is made.

(d) Each hour credited on the basis of applicable regulations under ERISA for unpaid periods of absence for service in the armed forces of the United States or the Public Health Service of the United States as a result of which such Employee's reemployment rights are guaranteed by law, provided that the Employee returns to employment with the Company or any Affiliated Company within the time such rights are guaranteed.

(e) If the Company or an Affiliated Company maintains a Qualified Plan of a predecessor employer, each hour credited by such predecessor employer to the extent required by Section 414(a) of the Code.

(f) Solely for purposes of preventing a One Year Break in Service, each hour credited in accordance with Sections 410(a)(5)(E) and 411(a)(6)(E) of the Code for unpaid periods during which an Employee is absent from work by reason of the pregnancy of the Employee, by reason of the birth of a child of the Employee, by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or for purposes of caring for such child for a period beginning immediately following such birth or placement, provided that the Employee furnishes timely information to establish that the absence from work is for one of the aforementioned reasons, and the number of days for which there was such an absence. The Hours of Service created under this subsection shall be credited in the Plan Year in which the absence begins only if necessary to prevent a One Year Break in Service in that period, and in all other cases, in the immediately succeeding Plan Year.

Notwithstanding the foregoing: (i) no more than 501 Hours of Service shall be credited to an Employee under subparagraph (b), (c) or (f) on account of any single continuous period of time during which no services are performed; (ii) an hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Company or an Affiliated Company on account of a period during which no services are performed shall not constitute an Hour of Service hereunder if such compensation is paid or due under a plan maintained solely for

the purpose of complying with applicable workers' compensation, unemployment compensation or disability insurance laws; (iii) Hours of Service shall not be credited for payments which solely reimburse an Employee for medical or medically related expenses; and (iv) the same Hour of Service shall not be credited to an Employee both under paragraph (a) or (b) and under paragraph (c).

Each Employee whose compensation is not determined on the basis of certain amounts for each hour worked (such as salaried, commission and piecework Employees) and whose hours are not required to be counted and recorded by any federal law (such as the Fair Labor Standards Act) shall be credited with 10 Hours of Service daily, 45 Hours of Service weekly, 95 Hours of Service semimonthly or 190 Hours of Service monthly, if his or her compensation is determined on a daily, weekly, semimonthly or monthly basis, respectively, for each such period in which the Employee would be credited with at least one Hour of Service pursuant to this Section. In addition, in lieu of counting Hours of Service for Employees whose compensation is determined on the basis of certain amounts for each hour worked or whose hours are required to be counted and recorded by federal law, the Committee may apply one of the foregoing equivalencies for purposes of crediting such Employees with Hours of Service under this Section.

The following services shall be taken into account in computing Hours of Service for all purposes of this Plan:

(a) Services performed by Employees for an Affiliated Company prior to the date as of which such Affiliated Company became an Affiliated Company, unless otherwise provided in the relevant acquisition or transition agreement or by the Committee,

(b) Services performed for a unit, division or company by Employees who were employed by that unit, division or company prior to the date as of which the assets of that unit, division or company were acquired by the Company or an Affiliated Company, unless otherwise provided in the relevant acquisition or transition agreement or by the Committee, and

(c) Services performed for a prior employer to the extent provided in the relevant acquisition or transition agreement and approved by the Committee as coming within the requirements of Treas. Reg. Section 1.401(a)(4)-11(d).

The Committee shall determine the number of Hours of Service, if any, to be credited to an Employee under the foregoing rules in a uniform and nondiscriminatory manner and in accordance with applicable federal laws and regulations including without limitation Department of Labor Regulation Section 2530.200b-2(b) and (c).

"Key Employee" means any Employee or former Employee (including any deceased Employee) who at any time during the Plan Year that includes the Determination Date was:

(a) an officer of the Company or any Affiliated Company, if such individual's Section 415 Compensation exceeds $130,000 (as adjusted under Section 416(i)(1) of the Code),

(b) a 5% owner of the Company or any Affiliated Company, or

(c) a 1% owner of the Company or any Affiliated Company who has an annual Section 415 Compensation of more than $150,000.

The determination of who is a Key Employee will be made in accordance with Section 416(i)(1) of the Code and the regulations thereunder.

"Leased Employee" is defined in Section 414(n)(2) of the Code as an individual, not otherwise an Employee, who, pursuant to an agreement between the Company or an Affiliated Company and a leasing organization, has performed, on a substantially full-time basis, for a period of at least 12 months, services under the primary direction or control of the Company or an Affiliated Company. Such individual shall not be treated as a Leased Employee if (i) he or she is covered by a money purchase pension plan maintained by the leasing organization and providing: (1) a nonintegrated employer contribution rate of at least 10 percent of compensation, as defined in Section 415(c)(3) of the Code, (2) immediate participation (unless the individual's compensation from the leasing organization was less than $1,000 for each plan year during the 4-year period ending with the Plan Year), and (3) full and immediate vesting; and (ii) the total of such individuals do not constitute more than 20% of the "nonhighly compensated workforce" (as defined in Section 414(n)(5)(C)(ii) of the Code) of the Company and all Affiliated Companies.

"Matching Contributions" means the Participating Company contributions made on behalf of a Participant pursuant to Section 4.2.

"Matching Contribution Account" means the Account established under Section 5.1 for each Participant, the balance of which is attributable to (i) Matching Contributions made pursuant to Section 4.2, (ii) forfeitures, (iii) Qualified Non-Elective Contributions allocated to the Participant's Account pursuant to Section 4.15, and (iv) earnings and losses of the Trust Fund with respect to such contributions and forfeitures.

"Minimum Allocation" means the Minimum Allocation described in Section 9.2.

"Nonhighly Compensated Employee" for any Plan Year means any Employee who is not a Highly Compensated Employee.

"One Year Break in Service" means a Plan Year in which the Participant fails to complete at least 500 Hours of Service.

"Participant" means an Employee or former Employee who has met the applicable eligibility requirements of Article II and who has not yet received a distribution of the entire amount of his or her vested interest in the Plan. A Participant also includes an individual who was a participant in a plan that has merged into the Plan and who has not yet received a distribution of the entire amount of his or her vested interest in the Plan.

"Participating Company" means the Company or any Affiliated Company that has adopted the Plan with the approval of the Company, excluding any organizational unit of the Company or Affiliated Company that is designated as a nonparticipating unit. For this purpose the term "organizational unit" shall include, without limitation, any division, department or office of the Company or Affiliated Company.

“Permissive Aggregation Group” means the Required Aggregation Group of Qualified Plans plus any other Qualified Plan or Qualified Plans of the Company or any Affiliated Company which, when considered as a group with the Required Aggregation Group, would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code (including simplified employee pension plans).

“Plan” means the CBRE 401(k) Plan set forth herein, as amended from time to time.

“Plan Year” means the period with respect to which the records of the Plan are maintained, which shall be the calendar year.

“Present Value” means present value based only on the interest and mortality rates specified in a Defined Benefit Plan for purposes of the calculation of the Top-Heavy Ratio.

“QDRO” means a qualified domestic relations order, which is a judgment, decree or order made pursuant to a state domestic relations law which relates to the provision of child support, alimony payments or marital property rights to an Alternate Payee, creates or recognizes the existence of an Alternate Payee’s right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under the Plan; and meets the following additional requirements:

(a) Such judgment, decree or order clearly specifies:

(i) The name and the last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the order,

(ii) The amount or percentage of the Participant’s benefits to be paid by the Plan to each such Alternate Payee, or the manner in which such amount or percentage is to be determined,

(iii) The number of payments or period to which such order applies, and

(iv) Each plan to which such order applies; and

(b) Such judgment, decree or order does not require:

(i) The provision of any type or form of benefit, or any option, not otherwise provided under the Plan,

(ii) The provision of increased benefits, (determined on the basis of actuarial value), and

(iii) The payment of benefits to an Alternate Payee which are required to be paid to another alternate payee under another order previously determined to be a QDRO.

“QREA” means a qualified real estate agent as defined in Section 3508(b)(1) of the Code.

“Qualified Non-Elective Contribution” means the contribution made under Section 4.9.

“Qualified Plan” means an employee benefit plan that is qualified under Section 401(a) of the Code.

“Quarterly Statement” means the statement of a Participant’s Accounts referred to in Section 5.6.

“Required Aggregation Group” consists of (i) each Qualified Plan (including simplified employee pension plans) of the Company or any Affiliated Company in which at least one Key Employee participates, and (ii) any other Qualified Plan (including simplified employee pension plans) of the Company or any Affiliated Company which enables a Qualified Plan described in clause (i) to meet the requirement of Sections 401(a)(4) or 410 of the Code.

“Rollover Account” means the Account established under Section 5.1 for a Participant, the balance of which is attributable to the Participant’s rollover contributions and certain transfer contributions under Section 3.1 and earnings and losses of the Trust Fund attributable to such contributions.

“Section 414(s) Compensation” means remuneration received by an Employee from the Affiliated Group while a Participant, as determined under one of the following subparagraphs (a) through (g), and otherwise determined in accordance with the rules of this definition:

(a) Compensation as defined in Treas. Reg. Section 1.415-2(d)(2) and (d)(3) or any successor thereto.

(i) Such compensation includes:

(A) The Employee’s wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Affiliated Group to the extent that the amounts are includable in gross income (including, but not limited to, commissions paid salespeople, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Treas. Reg. Section 1.62-2(c)). Such wages include foreign earned income, whether or not excludable from gross income under Section 911 of the Code, and such wages are determined without regard to the exclusions from gross income under Sections 931 and 933 of the Code;

(B) Amounts described in Sections 104(a)(3), 105(a), and 105(h) of the Code, but only to the extent that these amounts are includable in the gross income of the Employee;

(C) Amounts paid or reimbursed by the Affiliated Group for moving expenses incurred by an Employee, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Employee under Section 217 of the Code or excludable by the Employee under Section 132 of the Code;

(D) The value of a non-qualified stock option granted to an Employee by the Affiliated Group, but only to the extent that the value of the option is includable in the gross income of the Employee for the taxable year in which granted;

(E) The amount includable in the gross income of an Employee upon making the election described in Section 83(b) of the Code; and

(F) Amounts received by the Employee pursuant to an unfunded deferred compensation plan, in the Plan Year in which includable in the Employee's gross income.

(ii) Such compensation does not include:

(A) (1) Contributions made by the Affiliated Group to a plan of deferred compensation to the extent that, before the application of Section 415 of the Code limitations to that plan, the contributions are not includable in the gross income of the Employee for the taxable year in which contributed; and (2) employer contributions made on behalf of an Employee to a simplified employee pension described in Section 408(k) of the Code for the taxable year in which contributed;

(B) Amounts realized from the exercise of a nonqualified stock option, or when restricted stock (or property) held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture (in accordance with Section 83 of the Code and the regulations thereunder);

(C) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(D) Other amounts which receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includable in the gross income of the Employee), or contributions made by a member of the Affiliated Group (whether or not under a salary reduction agreement) towards the purchase of an annuity contract described in Section 403(b) of the Code (whether or not the contributions are excludable from the gross income of the Employee).

(b) Compensation as defined in Treas. Reg. Section 1.415-2 (d) (10) or any successor thereto (such compensation includes the items described in subsection (a)(i)(A) above and excludes, to the extent otherwise applicable, those items described in subsections (a)(i)(F) and (a)(ii) above).

(c) “Wages” within the meaning of Section 3401(a) of the Code and all other payments of compensation to an Employee by a member of the Affiliated Group (in the course of such employer’s trade or business) for which such employer is required to furnish the Employee a written statement under Sections 6041(d), 6051(a)(3), and 6052 of the Code, but determined without regard to any rules under Section 3401(a) of the Code that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3401(a)(2) of the Code). (This option is “wages” as reflected on the taxable federal wages box of the Form W-2 (or the aggregate of same for an Employee receiving more than one Form W-2 for a taxable year from the Affiliated Group) of the Employee.)

(d) “Wages” as defined in Section 3401(a) of the Code for purposes of income tax withholding at the source, but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3401(a)(2) of the Code).

(e) Any of the definitions set forth in subparagraphs (a), (b), (c) and (d) above, reduced by all of the following items (even if includable in gross income): reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits; provided that the definition of Section 414(s) Compensation set forth in subsection (d) may be reduced by moving expenses only to the extent that at the time of the payment it is reasonable to believe that these amounts are deductible by the Employee under Section 217 of the Code;

(f) Any of the definitions set forth in subsections (a), (b), (c), (d) and (e) above, modified to include any elective contributions made by a member of the Affiliated Group on behalf of the Employee that are described in Section 415(c)(3)(D) of the Code; or

(g) Notwithstanding the preceding provisions of this definition, “Section 414(s) Compensation” of an Employee/Owner shall be equal to Earned Income instead of any of the definitions set forth in subparagraphs (a), (b), (c) and (d) above, subject to possible adjustment under subparagraphs (e) or (f) above.

(h) Any reasonable definition of compensation that does not by design favor Highly Compensated Employees and that satisfies the nondiscrimination requirement set forth in Treas. Reg. Section 1.414(s)-1(d)(2) or the successor thereto.

Any definition of Section 414(s) Compensation shall be used consistently to define the compensation of all Employees taken into account in satisfying the requirements of an applicable provision for the relevant determination period.

The annual Section 414(s) Compensation of each Participant shall not exceed $200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code ($245,000 for 2011 and $250,000 for 2012). Annual Section 414(s) Compensation means Section 414(s) Compensation during the Plan Year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual Section 414(s) Compensation for the determination period that begins with or within such calendar year.

"Section 415 Compensation" means "participant's compensation" as defined in Section 415(c)(3) of the Code.

"Severance" means an Employee's voluntary or involuntary severance from employment (within the meaning of Section 401(k)(2)(B)(i)(I) of the Code) with the Company and all Affiliated Companies for any reason at any time.

"Spouse" means a person of the opposite or the same sex who is a husband or wife or a party to a civil union or domestic partnership registered with a federal, state, local or foreign government. However, prior to April 1, 2012, "Spouse" means DOMA Spouse.

"Top-Heavy Plan" means a plan with respect to which at least one of the following conditions exists:

(a) If the Top-Heavy Ratio for the plan exceeds 60% and the plan is not a part of any Required Aggregation Group or Permissive Aggregation Group.

(b) If the plan is a part of a Required Aggregation Group but not part of a Permissive Aggregation Group and the Top-Heavy Ratio for the Required Aggregation Group exceeds 60%.

(c) If the plan is a part of a Required Aggregation Group and part of a Permissive Aggregation Group and the Top-Heavy Ratio for the Permissive Aggregation Group exceeds 60%.

"Top-Heavy Ratio" means the following:

(a) The Top-Heavy Ratio with respect to the plans taken into account under subparagraph (a), (b) or (c) of the definition of Top-Heavy Plan, as applicable, is a fraction, the numerator of which is the sum of the Present Value of accrued benefits and the account balances (as required by Section 416 of the Code) of all Key Employees with respect to such plans as of the Determination Date, and the denominator of which is the sum of the Present Value of the accrued benefits and the required account balances of all Employees with respect to such plans as of the Determination Date. The present values of accrued benefits and the amounts of account balances of an Employee as of the Determination Date shall be increased by the distributions made with respect to the Employee under the Plan and any plan aggregated with the Plan under Section 416(g)(2) of the Code during the 1-year period ending on the Determination Date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Section 416(g)(2)(A)(i) of the Code. In the case of a distribution made for a reason other than separation from service, death, or disability, this provision shall be applied by substituting "5-year period" for "1-year period." The accrued benefits and accounts of any individual who has not performed services for the Affiliated Group during the 1-year period ending on the Determination Date shall not be taken into account.

(b) For purposes of subparagraph (a), the value of account balances and the Present Value of accrued benefits will be determined as of the most recent Top-Heavy Valuation Date that falls within or ends with the 12-month period ending on the Determination Date, except as provided in Section 416 of the Code and the regulations thereunder for the first and second plan years of a Defined Benefit Plan. The account balances and accrued benefits of a participant who is not a Key Employee but who was a Key Employee in a prior year will be disregarded. The calculation of the Top-Heavy Ratio, and the extent to which distributions, rollovers, transfers and contributions unpaid as of the Determination Date are taken into account, will be made in accordance with Section 416 of the Code and the regulations thereunder. Employee contributions described in Section 219(e)(2) of the Code will not be taken into account for purposes of computing the Top-Heavy Ratio. When aggregating plans, the value of account balances and accrued benefits will be calculated with reference to the Determination Dates that fall within the same calendar year.

(c) Notwithstanding the foregoing, the account balances and accrued benefits of any Employee who has not performed services for an employer maintaining any of the aggregated plans during the five-year period ending on the Determination Date shall not be taken into account for purposes of the definition of Top-Heavy Ratio.

"Top-Heavy Valuation Date" means the last day of each Plan Year.

"Trust Agreement" means the agreement or agreements executed by the Company and the Trustee which establishes a Trust Fund to provide for the investment, reinvestment, administration and distribution of contributions made under the Plan and the earnings thereon, as amended from time to time. If there is more than one Trust Agreement, the Trust Agreements may be referred to collectively as the Trust Agreement.

"Trustee" means the one or more individuals or organizations that have entered into a Trust Agreement as Trustee(s), and any duly appointed successor.

"Trust Fund" means the assets of the Plan held by the Trustee pursuant to the Trust Agreement.

"Valuation Date" means each business day.

"Voluntary Contribution" means a contribution made to the Plan by or on behalf of a Participant prior to January 1, 2002, that was included in the Participant's gross income for the year in which made.

"Voluntary Contribution Account" means the Account established under Section 5.1 for a Participant, the balance of which is attributable to the Participant's Voluntary Contributions and the earnings and losses of the Trust Fund with respect to such contributions.

"Welfare Benefit Fund" means an organization described in paragraph (7), (9), (17) or (20) of Section 501(c) of the Code, a trust, corporation or other organization not exempt from federal income tax, or to the extent provided in Treasury Regulations, any account held for an employer by any person, which is part of a plan of an employer through which the employer provides benefits to employees or their beneficiaries, other than a benefit to which Section 83(h), 404 (determined without regard to Section 404(b)(2)), or 404A of the Code applies.

"Year of Service" means a Plan Year in which an Employee completes at least 1,000 Hours of Service.

ARTICLE II
ELIGIBILITY TO PARTICIPATE

Each Employee shall become a Participant upon the completion of at least one Hour of Service with a Participating Company as an Eligible Employee and shall continue to participate for so long as he or she remains an Eligible Employee.

ARTICLE III
PARTICIPANT CONTRIBUTIONS

3.1 Rollover and Transfer Contributions

(a) Rollover Contributions. The Committee may, in the exercise of its complete discretion in a nondiscriminatory manner, direct the Trustee to accept rollover contributions and/or Direct Rollovers of distributions of all or part of the cash and other property (including the sales proceeds of such property) distributed for the benefit of the Participant from the following types of plans:

(i) Direct Rollovers. A qualified plan described in Section 401(a) or 403(a) of the Code, including after-tax employee contributions; an annuity contract described in Section 403(b) of the Code, excluding after-tax employee contributions; and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

(ii) Participant Rollover Contributions from Other Plans. A qualified plan described in Section 401(a) or 403(a) of the Code; an annuity contract described in Section 403(b) of the Code; and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

(iii) Participant Rollover Contributions from IRAs. An individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.

(b) Transfer Contributions

The Committee may, in the exercise of its complete discretion in a nondiscriminatory manner, direct the Trustee to accept a direct transfer of assets to the Plan on behalf of a Participant from another Qualified Plan, provided, however, that: (i) the transfer will result in the deferral of taxation on the amount transferred to the Plan, (ii) the Committee shall not direct the Trustee to accept a direct transfer of assets from (1) a Defined Benefit Plan or (2) a Defined Contribution Plan that is subject to the funding standards of Section 412 of the Code or

that would otherwise provide for a life annuity form of payment to the Participant, and (iii) the Committee shall not direct the Trustee to accept any property other than U.S. dollars, unless the Committee in the exercise of its complete discretion, determines that acceptance of the property will not create an administrative burden. A subaccount of the Rollover Account consisting of the transfer contributions and earnings or losses of the Trust Fund attributable thereto shall be employed if the transfer contribution is subject to additional restrictions for any reason. A transfer contribution resulting from a merger into this Plan of another Qualified Plan or portion thereof which the Committee determines to consist of the Employee's elective and qualified non-elective contributions in the other Qualified Plan as contemplated by Section 401(k) of the Code shall be credited to the Employee's Deferral Account.

3.2 Voluntary Contributions

No Voluntary Contributions can be made to the Plan after December 31, 2001.

ARTICLE IV
PARTICIPATING COMPANY CONTRIBUTIONS

4.1 Contribution of Deferrals and Catch-up Contributions

Subject to the limitations set forth in this Article IV and in Section 5.3, each Participating Company shall pay to the Trustee the Deferrals made for each Plan Year by Participants while they were employed with that Participating Company. The Committee shall establish procedures under which: (i) each Participant shall specify the portion of his or her Compensation which is to be deferred, and (ii) such Deferrals are to be deposited with the Trustee as contributions to the Plan. The Committee has the authority and discretion to limit any Participant's individual Deferrals, if necessary to ensure compliance with this Article IV, the rules and restrictions of Sections 401(k), 404, and 415 of the Code and the regulations thereunder or, if desirable, for administrative reasons. For the latter purpose, the Committee may, without limitation, limit Deferrals to at least 1% of Compensation and not more than 75% of Compensation, or impose other nondiscriminatory limitations.

In addition, all Employees who are eligible to make Deferrals under the Plan and who have attained age 50 before the close of the Plan Year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, Section 414(v) of the Code. Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Sections 402(g) and 415 of the Code. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416 of the Code, as applicable, by reason of the making of such catch-up contributions.

4.2 Matching Contribution

In addition to the contributions described in Section 4.1 and subject to the limitations set forth in this Article IV and in Section 5.3, each Participating Company shall pay to the Trustee, on behalf of each Participant who makes Deferrals during the Plan Year, a Matching Contribution, as provided in the following subsections.

(a) The Matching Contribution shall equal 50% of the Participant's Deferrals, taking into account Deferrals only to the extent they do not exceed 3% of the Participant's Compensation. For this purpose, Compensation is taken into account only to the extent that it does not exceed $150,000 per Plan Year. Initially, Matching Contributions will be determined on a payroll period basis, and true-up contributions will take place from time to time so that Matching Contributions will ultimately be determined on a Plan Year basis.

(b) Matching Contributions may be changed at any time, by the Company in its complete discretion, upon 30-days' notice to Participants, as follows:

(i) The percentages (50% and 3%) and the maximum compensation ($150,000) set forth in subsection (a) may be increased or decreased.

(ii) True-up contributions may be eliminated.

(iii) Matching Contributions may be made on a Plan Year basis.

(iv) Matching Contributions may be made only on behalf of Participants who are employed by a Participating Company on the last day of the Plan Year.

(v) Matching Contributions may be equal to a uniform percentage of all Deferrals during the Plan Year (or the relevant part of the Plan Year), such percentage (or such aggregate Matching Contributions) to be determined by the Company in its complete discretion.

4.3 Time of Payment

A Participating Company's contribution of a Participant's Deferrals and catch-up contributions pursuant to Section 4.1 shall be paid to the Trustee as soon as administratively possible after they are withheld from the Participant's Compensation; provided, however, that such contribution shall be made no later than the fifteenth business day of the month following the month in which such amount would otherwise have been payable to the Participant in cash, or as of such earlier or later date (in the case of any available extensions of time) as may be required or permitted by regulations issued pursuant to ERISA. A Participating Company's contributions pursuant to Section 4.2 shall be paid to the Trustee prior to the deadline, as extended, for the filing of the Participating Company's federal income tax return.

4.4 Return of Excess Deferrals

The aggregate Deferrals of any Participant for any calendar year, together with his or her elective deferrals under any other plan or arrangement to which Section 402(g) of the Code applies and that is maintained by the Company or an Affiliated Company, shall not exceed the dollar limitation contained in Section 402(g) of the Code in effect for such taxable year, except to the extent permitted under Section 4.1 of this Plan that provides for catch-up contributions under Section 414(v) of the Code. To the extent necessary to satisfy this limitation for any year, (i) Deferrals and such other elective deferrals may be prospectively restricted; and (ii) after any such prospective restriction, the Excess Deferrals and excess elective deferrals under such other plan or arrangement (with income (gain or loss) attributable thereto through the last day of the

Plan Year for which the excess occurred, but reduced by any amounts previously distributed as Excess Contributions for the year) shall be paid to the Participant on or before the April 15 next following the calendar year in which such contributions were made.

In the event that the aggregate Deferrals of any Participant for any calendar year, together with any other elective deferrals (within the meaning of Section 402(g)(3) of the Code) under all plans, contracts or arrangements of the Company, an Affiliated Company or any other employer (excluding catch-up contributions under Section 414(v) of the Code), exceed the dollar limitation contained in Section 402(g) of the Code in effect for such taxable year, the Participant may designate all or a portion of such Excess Deferrals as attributable to this Plan and may request a refund of such portion by notifying the Company in writing on or before the March 1 next following the close of such calendar year. If timely notice is received by the Company, then such portion of the Excess Deferrals, and any income or loss allocable to such portion, shall be refunded to the Participant not later than the April 15 next following the close of such calendar year. Any Excess Deferrals distributed pursuant to this Section shall not be included in Deferrals that attract a Matching Contribution under Section 4.2.

4.5 Actual Deferral Percentage Limitation

The Plan shall satisfy the actual deferral percentage test, as provided in Section 401(k)(3) of the Code and Treas. Reg. Section 1.401(k)-2. Subject to the special rules described in Section 4.10, the Aggregate 401(k) Contributions of Highly Compensated Employees shall not exceed the limits described below:

(a) An actual deferral ratio shall be determined for each individual who, at any time during the Plan Year, is a Participant eligible to make Deferrals (without regard to any suspension under Section 8.1(c)), which actual deferral ratio shall be the ratio, computed to the nearest one-hundredth of one percent, of the individual’s Aggregate 401(k) Contributions for the Plan Year to the individual’s Section 414(s) Compensation for the Plan Year;

(b) The actual deferral ratios (including zero ratios) of Highly Compensated Employees and Nonhighly Compensated Employees shall be separately averaged to determine each group’s Actual Deferral Percentage; and

(c) The Actual Deferral Percentage for Highly Compensated Employees in any Plan Year (the “High Average”) when compared with the Actual Deferral Percentage for Nonhighly Compensated Employees in the current Plan Year (the “Low Average”) must meet one of the following requirements:

(i) The High Average is no greater than 1.25 times the Low Average.

(ii) The High Average is no greater than two times the Low Average, and the High Average is no greater than the Low Average plus two percentage points.

(d) If, at the end of a Plan Year, a Participant or class of Participants has Excess Contributions, then the Committee may elect, at its discretion, to pursue any of the following courses of action or any combination thereof:

(i) Excess Contributions for a Plan Year may be redesignated as after-tax contributions and accounted for separately within the 2-1/2 month period following the close of the Plan Year to which the Excess Contributions relate. Excess Contributions, however, may not be redesignated as after-tax employee contributions with respect to a Highly Compensated Employee to any extent that such redesignated after-tax employee contributions would exceed the limits of Section 4.11. Adjustments to withhold any federal, state, or local taxes due on such amounts may be made by the Company against Compensation yet to be paid to the Participant during that taxable year.

(ii) Excess Contributions, and any income (gain or loss) attributable thereto through the last day of the Plan Year for which the excess occurred, may be distributed to the Participant pursuant to Section 4.7.

(iii) The Committee may authorize a suspension or reduction of Deferrals made pursuant to Section 4.1 in accordance with rules promulgated by the Committee. These rules may include provisions authorizing the suspension or reduction of Deferrals above a specified dollar amount or percentage of Compensation.

(iv) The Company, in its discretion, may make a contribution to the Plan, which will be allocated as a fixed dollar amount among the Accounts of some or all Nonhighly Compensated Employees (as determined by the Company) who have met the requirements of Article II. Such contributions shall be fully (100%) vested at all times, and shall be subject to the withdrawal restrictions that are applicable to Deferrals. Such contributions shall be considered "Qualified Non-Elective Contributions" under applicable Treasury Regulations.

4.6 Allocation of Excess Contributions to Highly Compensated Employees.

Excess Contributions shall be determined by the Committee in accordance with this Section. The Committee shall calculate a tentative reduction amount to the Deferrals of the Highly Compensated Employee(s) with the highest actual deferral ratio equal to the amount which, if it were actually reduced, would enable the Plan to meet the limits in Section 4.5(c), or to cause the actual deferral ratio of such Highly Compensated Employee(s) to equal the highest actual deferral ratio of the Highly Compensated Employee(s) with the next-highest actual deferral ratio, and the process shall be repeated until the limits in Section 4.5(c) are satisfied. The aggregate amount of the tentative reduction amounts in the preceding sentence shall constitute "Refundable Contributions." The entire aggregate amount of the Refundable Contributions shall be refunded to Highly Compensated Employees (as set forth in Section 4.5(d)(ii)), or recharacterized as after-tax contributions (as set forth in Section 4.5(d)(i)).

The amount to be refunded to each Highly Compensated Employee (or recharacterized) (which shall constitute his or her Excess Contributions) shall be determined as follows: (i) the Deferrals of the Highly Compensated Employee(s) with the highest dollar amount of Deferrals shall be refunded (or recharacterized) to the extent that there are Refundable Contributions or to the extent necessary to cause the dollar amount of Deferrals of such Highly Compensated Employee(s) to equal the dollar amount of Deferrals of the Highly Compensated Employee(s) with the next-highest Deferrals, and (ii) the process in the foregoing clause shall be repeated until the total amount of Deferrals refunded (or recharacterized) equals the total amount of Refundable

Contributions. The Committee will not be liable to any Participant (or his or her Beneficiary, if applicable) for any losses caused by inaccurately estimating or calculating the amount of any Participant's Excess Contributions and earnings attributable to the Deferrals.

4.7 Distribution of Excess Contributions

Excess Contributions allocated to Highly Compensated Employees for the Plan Year pursuant to Section 4.6, together with any income (gain or loss) allocable to such Excess Contributions, shall be distributed to such Highly Compensated Employees not later than March 15 next following the close of such Plan Year (in order to avoid a 10% excise tax under Section 4979 of the Code), if possible, and in any event not later than December 31 next following the close of such Plan Year. The distributed Excess Contributions shall be reduced by any Excess Deferrals previously distributed pursuant to Section 4.4 to such Highly Compensated Employee for the Plan Year of the Excess Contributions. Any Deferrals distributed pursuant to this Section shall not be included in the Deferrals that attract a Matching Contribution under Section 4.2.

4.8 Qualified Matching Contributions

The Company, in its sole discretion, may include all or a portion of the Matching Contribution for a Plan Year in Aggregate 401(k) Contributions taken into account in applying the Average Deferral Percentage limitation described in Section 4.5 for such Plan Year, provided that the requirements of Treas. Reg. Section 1.401(k)-1(b)(5) are satisfied.

4.9 Corrective Qualified Non-Elective Contributions

In order to satisfy (or partially satisfy) the Actual Deferral Percentage limitation described in Section 4.5 or the Actual Contribution Percentage limitation described in Section 4.11 (or both of such limitations) the Company, in its sole discretion, may make a Qualified Non-Elective Contribution to the Plan. Any such Qualified Non-Elective Contribution contributed anew to the Plan shall be allocated, in a manner determined by the Company, to the Deferral Accounts of such Nonhighly Compensated Employees as the Company selects. Such Qualified Non-Elective Contributions shall be paid to the Trustee no later than 12 months after the end of the Plan Year that is taken into account in determining the applicable percentage for Nonhighly Compensated Employees under Section 4.5(c) or Section 4.11(c), whichever is applicable, and shall be allocated to the Accounts of Nonhighly Compensated Employees as of the last day of such Plan Year. Qualified Non-Elective Contributions contributed anew to the Plan shall be 100% vested and nonforfeitable. Qualified Non-Elective Contributions shall be subject to the same distribution restrictions as Participant Deferrals.

The Company, in its sole discretion, may include all or a portion of the Qualified Non-Elective Contributions for a Plan Year in Aggregate 401(k) Contributions taken into account in applying the Actual Deferral Percentage limitation described in Section 4.5 for such Plan Year, provided that the requirements of applicable Treasury Regulations are satisfied. Qualified Non-Elective Contributions cannot be taken into account for a Plan Year for a Nonhighly Compensated Employee to the extent such contributions exceed the product of that Nonhighly Compensated Employee's Section 414(s) Compensation and the greater of 5% or two times the Plan's representative contribution rate. The Plan's representative contribution rate is the lowest applicable contribution rate of any eligible Nonhighly Compensated Employee among

a group of eligible Nonhighly Compensated Employees that consists of half of all eligible Nonhighly Compensated Employees for the Plan Year (or, if greater, the lowest applicable contribution rate of any eligible Nonhighly Compensated Employee in the group of all eligible Nonhighly Compensated Employees for the Plan Year and who is employed by the Affiliated Group on the last day of the Plan Year). The applicable contribution rate for an eligible Nonhighly Compensated Employee is the sum of the qualified matching contributions taken into account for the eligible Nonhighly Compensated Employee for the Plan Year and the Qualified Non-Elective Contributions made for the eligible Nonhighly Compensated Employee for the Plan Year, divided by the eligible Nonhighly Compensated Employee's Section 414(s) Compensation for the same period.

4.10 Special Rules

The following special rules shall apply for purposes of this Article IV:

(a) For purposes of applying the limitation described in Section 4.4, Deferrals taken into account for the calendar year for any Participant shall not include any Excess Contributions previously distributed to such Participant for the Plan Year ending within such calendar year;

(b) For purposes of applying the limitation described in Section 4.5, the Aggregate 401(k) Contributions taken into account for the Plan Year for any Participant who is a Nonhighly Compensated Employee shall not include Excess Deferrals;

(c) For purposes of applying the limitation described in Section 4.5, the actual deferral ratio of any Highly Compensated Employee who is eligible to make Deferrals and to make elective deferrals (within the meaning of Section 402(g)(3) of the Code) under any other plans, contracts or arrangements of the Company or an Affiliated Company shall be determined as if all such Deferrals and elective deferrals were made under a single arrangement;

(d) The amount of Excess Contributions to be distributed to a Participant pursuant to Section 4.7 shall be reduced by the amount of any Excess Deferrals previously distributed to such Participant for the Plan Year; provided, however, that plans, contracts and arrangements shall not be treated as a single arrangement to the extent that applicable Treasury Regulations prohibit aggregation; and

(e) In the event that this Plan is aggregated with one or more other plans in order to satisfy the requirements of Section 401(a)(4), 401(k) or 410(b) of the Code, then all such aggregated plans, including the Plan, shall be treated as a single plan for all purposes under all such Code Sections (except for purposes of the average benefit percentage provision of Section 410(b)(2)(A)(ii) of the Code).

4.11 Actual Contribution Percentage Limitation

The Plan shall satisfy the actual contribution percentage test, as provided in Section 401(m)(2) of the Code and the regulations issued thereunder. Subject to the special rules described in Section 4.18, the Aggregate 401(m) Contributions of Highly Compensated Employees shall not exceed the limits described below:

(a) An actual contribution ratio shall be determined for each individual who, at any time during the Plan Year, is a Participant eligible to make Deferrals (without regard to any suspension under Section 8.1(c)(ii)), which actual contribution ratio shall be the ratio, computed to the nearest one-hundredth of one percent, of the individual's Aggregate 401(m) Contributions for the Plan Year to the individual's Section 414(s) Compensation for the Plan Year;

(b) The actual contribution ratios (including zero ratios) of Highly Compensated Employees and Nonhighly Compensated Employees shall be separately averaged to determine each group's Actual Contribution Percentage; and

(c) The Actual Contribution Percentage for Highly Compensated Employees in any Plan Year (the "High Average") when compared with the Actual Contribution Percentage for Nonhighly Compensated Employees in the current Plan Year (the "Low Average") must meet one of the following requirements:

(i) The High Average is no greater than 1.25 times the Low Average; or

(ii) The High Average is no greater than two times the Low Average, and the High Average is no greater than the Low Average plus two percentage points.

Notwithstanding Section 4.11(a), no Actual Contribution Percentage shall be determined for an individual who did not receive any Matching Contribution for the Plan Year because the Plan requires that the individual perform a certain amount of service or be employed on the last day of the Plan Year and such individual failed to meet such requirement. Such an individual shall be disregarded in performing the test under this Section.

4.12 Allocation of Excess Aggregate Contributions to Highly Compensated Employees

Excess Aggregate Contributions shall be determined by the Committee in accordance with this Section. The Committee shall calculate a tentative reduction amount to the Matching Contributions made with respect to the Highly Compensated Employee(s) with the highest contribution percentage equal to the amount which, if it were actually reduced, would enable the Plan to meet the limits in Section 4.11(c) above, or to cause the actual contribution ratio of such Highly Compensated Employee(s) to equal the actual contribution ratio of the Highly Compensated Employee(s) with the next-highest contribution percentage, and the process shall be repeated until the limits in Section 4.11 (c) above are satisfied. The aggregate amount of the tentative reduction amounts in the preceding sentence shall constitute "Refundable Company Contributions." The entire aggregate amount of the Refundable Company Contributions shall be refunded to Highly Compensated Employees.

The amount to be refunded to each Highly Compensated Employee (which shall constitute his or her excess Matching Contributions) shall be determined as follows: (i) the Matching Contributions made with respect to the Highly Compensated Employee(s) with the highest dollar amount of Matching Contributions shall be refunded to the extent that there are Refundable Company Contributions or to the extent necessary to cause the dollar amount of

Matching Contributions of such Highly Compensated Employee(s) to equal the dollar amount of Matching Contributions made with respect to the Highly Compensated Employee(s) with the next-highest Matching Contributions, and (ii) the process in the foregoing clause shall be repeated until the total amount of Matching Contributions refunded equals the total amount of Refundable Company Contributions. The earnings attributable to Excess Contributions will be determined in accordance with Treasury Regulations. The Committee will not be liable to any Participant (or to his or her Beneficiary, if applicable) for any losses caused by inaccurately estimating or calculating the amount of any Participant's Excess Contributions and earnings attributable to the Excess Contributions. The amount of Excess Aggregate Contributions for a Plan Year shall be determined only after first determining the amount of Excess Contributions that are treated as after-tax employee contributions due to recharacterization.

4.13 Distribution or Forfeiture of Excess Aggregate Contributions

Vested Excess Aggregate Contributions allocated to Highly Compensated Employees for the Plan Year pursuant to Section 4.12, together with any income (gain or loss) allocable to such Excess Aggregate Contributions, shall be distributed to such Highly Compensated Employees not later than the March 15 next following the close of such Plan Year, if possible, and in any event no later than the December 31 next following the close of such Plan Year. Nonvested Excess Aggregate Contributions shall be forfeited.

4.14 Use of Deferrals

The Company, in its sole discretion, may include all or a portion of the Deferrals for a Plan Year in Aggregate 401(m) Contributions taken into account in applying the Actual Contribution Percentage limitation described in Section 4.11 for such Plan Year, provided that the requirements of applicable Treasury Regulations are satisfied.

4.15 Corrective Qualified Non-Elective Contributions

The Company, in its sole discretion, may include all or a portion of the Qualified Non-Elective Contributions authorized and permitted to be taken into account under Section 4.9 for a Plan Year in Aggregate 401(m) Contributions taken into account in applying the Actual Contribution Percentage limitation described in Section 4.11 for such Plan Year, provided that the requirements of applicable Treasury Regulations are satisfied. Such Qualified Non-Elective Contributions shall be paid to the Trustee no later than 12 months after the end of the Plan Year which is taken into account in determining the applicable percentage for Nonhighly Compensated Employees under Section 4.11(c) and shall be allocated to the Accounts of Nonhighly Compensated Employees as of the last day of such Plan Year.

4.16 Special Rules

The following special rules shall apply for purposes of this Article IV:

(a) For purposes of applying the limitation described in Section 4.11, the actual contribution ratio of any Highly Compensated Employee who is eligible to participate in the Plan and to make employee contributions or receive an allocation of matching contributions (within the meaning of Section 401(m)(4)(A) of the Code) under any other plans, contracts or

arrangements of an Affiliated Company shall be determined as if Matching Contributions allocated to such Highly Compensated Employee's Accounts and all such employee contributions and matching contributions were made under a single arrangement; provided, however, that plans, contracts and arrangements shall not be treated as a single arrangement to the extent that Treas. Reg. Section 1.401(m)-1(b)(3)(ii) prohibits aggregation; and

(b) In the event that this Plan is aggregated with one or more other plans in order to satisfy the requirements of Section 401(a) (4), 401(m) or 410(b) of the Code, then all such aggregated plans, including the Plan, shall be treated as a single plan for all purposes under all such Code Sections (except for purposes of the average benefit percentage provisions of Section 410(b)(2)(A)(ii) of the Code).

ARTICLE V
ACCOUNTING FOR PARTICIPANT'S INTERESTS

5.1 Establishment of Accounts

The Committee shall establish for each Participant each of the applicable Accounts set forth in the definition of Account. In addition, the Committee may establish one or more subaccounts of a Participant's Account, if the Committee determines that such subaccounts are necessary or appropriate in administering the Plan.

5.2 Allocation of Contributions and Forfeitures

(a) Allocation of Deferrals, Qualified Non-Elective Contributions, Matching Contributions and Forfeitures of Matching Contributions

Each Participant's Deferrals, and the Participating Company's Matching Contributions made with respect to such Deferrals in accordance with Section 4.2, shall be allocated to such Participant's respective Deferral Account and Matching Contribution Account. A Participant's Qualified Non-Elective Contributions allocated under Section 4.9 shall be allocated to the Participant's Deferral Account. A Participant's Qualified Non-Elective Contributions allocated under Section 4.15 shall be allocated to the Participant's Matching Contribution Account. Forfeitures arising during a Plan Year from Matching Contribution Accounts shall be considered Matching Contributions allocated as described in Section 4.2.

(b) Allocation of Rollover Contributions

Each rollover or transfer contribution made by a Participant pursuant to Section 3.1 shall be allocated to the Participant's Rollover Account.

5.3 Code Section 415 Limitation

Notwithstanding any provision of the Plan to the contrary, contributions and other additions under the Plan with respect to a Participant for any Plan Year shall not exceed the limitation provided by Section 415 of the Code. For purposes of such limitation:

(a) Compensation shall be the safe harbor definition set forth in Treas. Reg. Section 1.415(c)-2(d)(4).

(b) Compensation shall include regular pay and leave cashouts (but not deferred compensation) paid after severance from employment if paid by the later of 2-1/2 months after severance from employment or the end of the limitation year that includes the date of severance from employment, to the extent permitted by Treas. Reg. Section 1.415(c)-2(e)(3).

(c) Compensation shall include salary continuation payments to Participants who are performing qualified military service or to Participants who are permanently and totally disabled, to the extent permitted by Treas. Reg. Section 1.415(c)-2(e)(4).

(d) If, in addition to this Plan, a Participant is covered under another Defined Contribution Plan or a Welfare Benefit Fund maintained by the Company or any Affiliated Company during a Limitation Year, the annual additions under this Plan shall be reduced if the aggregate contributions under this Plan and all other such Defined Contribution Plans and Welfare Benefit Funds would otherwise exceed the limitation under Section 415 of the Code.

(e) In the case of an Employee/Owner, Compensation shall be the Employee's Earned Income, plus amounts deferred at the election of the Employee/Owner that would be includible in gross income but for the rules of Sections 402(e)(3), 402(h)(1)(B), 402(k), or 457(b) of the Code, to the extent paid no later than (i) the end of the Plan Year in which severance from employment occurred or (ii) 2-1/2 months after severance from employment. For this purpose, Earned Income shall be deemed to be paid on the last day of the taxable year of CBRE Clarion Securities, LLC to which it relates. Earned Income of an Employee who has a severance from employment during a taxable year of CBRE Clarion Securities, LLC shall be deemed to be severance pay to the extent it exceeds the Earned Income that the Employee would have earned if no severance from employment had taken place during the taxable year (or a reasonable estimate thereof) times a fraction equal to the number of days the Employee was an Employee during the taxable year, divided by the total number of days during the taxable year.

5.4 Accounting for Trust Fund Income or Losses

The Committee, through its accounting records, shall clearly segregate each Account hereunder and each subaccount thereof established pursuant to Section 5.1, and shall maintain a separate and distinct record of all income and losses of the Trust Fund attributable to each such Account or subaccount. For purposes of this Section, income or loss of the Trust Fund shall include any unrealized increase or decrease in the fair market value of the assets of the Trust Fund as such values are determined by the Trustee pursuant to Section 5.5.

Except as provided in Section 5.7, the share of net income or net loss of the Trust Fund to be credited to, or deducted from, each Account of each Participant shall be the allocable portion of the net income or net loss of the Trust Fund attributable to each such Account determined by the Committee as of each Valuation Date in a uniform and nondiscriminatory manner based upon the ratio that the balance of each such Account as of the previous Valuation Date bears to all such Account balances after adjustment for withdrawals, distributions and other additions or subtractions that may be appropriate.

The share of net income or net loss to be credited to, or deducted from, any subaccount established for a Participant shall be an allocable portion of the net income or net loss credited to or deducted from the Account under which such subaccount is established.

5.5 Valuation of Trust Fund

The fair market value of the total net assets comprising the Trust Fund shall be determined by the Trustee as of each Valuation Date. The Participating Companies, the Committee and the Trustee do not guarantee the Participants or their Beneficiaries against loss or depreciation or fluctuation of the value of the assets comprising the Trust Fund.

5.6 Quarterly Statement of Accounts

The Committee shall furnish each Participant or his or her Beneficiary a Quarterly Statement showing: (a) the value of his or her Accounts at the end of each calendar quarter, (b) the allocations to and distributions from his or her Accounts during the calendar quarter, (c) his or her vested and nonforfeitable interest in his or her Accounts at the end of the calendar quarter, and (d) such other information as is required by law.

5.7 Directed Accounts and Investment Options

Until otherwise provided by written resolution of the Committee, each Participant shall be permitted to direct the investment of all of his or her respective Accounts or subaccounts thereof as among investment funds created within the Trust Fund by the Committee. Such Accounts or subaccounts shall constitute Directed Accounts, and shall be subject to Participant investment direction under such procedures established by the Committee which are nondiscriminatory and acceptable to the Trustee. Such Accounts and subaccounts will be credited with only the income or losses directly attributable to their respective assets, including income and losses from the investment funds established by the Committee, and selected by the Participant for investment of Directed Accounts, in which case income or losses of such investment funds shall be allocated ratably to Directed Accounts invested therein, except as otherwise provided herein. Neither the Company, the Committee, nor the Trustee warrant, guarantee, or represent that the value of a Participant's Accounts at any time will equal or exceed the amount previously allocated or contributed thereto.

5.8 Investment Funds

The assets of this Plan shall be invested in the CBRE Stock Fund and such other investment funds as shall be designated by the Committee.

5.9 Investment Direction for all Funds

Each Participant shall instruct the Trustee at the time and on the form prescribed by the Committee as to the investment of all future contributions allocated to his or her Accounts which are available to be invested in investment funds. The initial investments made at the direction of the Participant shall continue until changed by the Participant in a subsequent election period. In the absence of direction, contributions shall be invested in the investment fund or funds designated by the Committee.

5.10 ERISA 404(c) Requirements

The Plan is intended to comply with ERISA Section 404(c). Accordingly, the Plan is intended to satisfy, among other requirements, subsections (a), (b) and (c) below.

(a) Choice of Broad Range of Investment Alternatives

The Participant or Beneficiary must be able to choose from at least three investment alternatives. The alternatives must constitute a broad range of alternatives which (i) are diversified, (ii) demonstrate materially different risk and return characteristics, (iii) in the aggregate, enable a Participant to achieve a portfolio with risk and return characteristics at any point within the range normally appropriate by choosing among the alternatives, and (iv) tend to minimize, through diversification and in combination with the other alternatives, the overall risk to the Participant's portfolio.

(b) Frequency of Investment Instructions

The Participant or Beneficiary must be able to give investment instructions to a person designated by the Company as an agent for this purpose. The person is obligated to comply with the instructions of the Participant or Beneficiary, except as permitted by law. The Participant or Beneficiary must be able to give investment instructions for each investment alternative as frequently as is appropriate given the volatility of the investment, but no less frequently than once within every three-month period.

(c) Provision of Sufficient Information to Participant or Beneficiary

The Participant or Beneficiary shall be provided or have the opportunity to obtain sufficient information to make informed investment decisions with regard to investment alternatives available under the plan, and incidents of ownership appurtenant to such investments. Such information shall explain that the Plan is intended to be in compliance with ERISA Section 404(c) and that Plan fiduciaries may be relieved of liability for losses that arise from the Participant's investment choices. Such information shall also meet all the other requirements of DOL Reg. Section 2550.404c-1.

5.11 Life Insurance Contracts

Notwithstanding any other provision of the Plan,

(a) the assets of the Plan may be invested in life insurance contracts transferred from the Trammell Crow Company Retirement Savings Plan pursuant to the merger of the Trammell Crow Company Retirement Savings Plan into the Plan, effective April 1, 2007,

(b) Participants shall have no right to make further additions to those contracts,

(c) to the extent necessary to avoid lapse of such a contract, other assets in a Participant's Account shall be liquidated and used to pay premiums on the contract, and

(d) a Participant who has such a contract in his or her Account shall have the right to direct the surrender of the contract at any time, with the proceeds invested as directed by the Participant in accordance with the provisions of the Plan and procedures established by the Committee.

ARTICLE VI
VESTING

6.1 Vesting Percentages

(a) The interest of each Participant in the Participant's Deferral Account, Voluntary Contribution Account and Rollover Account shall at all times be 100% vested and nonforfeitable.

(b) The interest of each Participant in the Participant's Matching Contribution Account as of December 31, 2006 (including contributions made in 2007 with respect to the 2006 Plan Year) shall be 100% vested and nonforfeitable.

(c) With respect to Participants who were Participants in the Plan prior to April 1, 2007 and prior to April 1, 2007 had at least one Hour of Service in each of three Plan Years, the interest of such Participants in the subaccount established by the Committee pursuant to Section 5.1 to reflect Matching Contributions made after December 31, 2006 shall be 100% vested and nonforfeitable. The previous sentence shall not apply to participants in the Trammell Crow Company Retirement Savings Plan that became Participants in the Plan on or after April 1, 2007.

(d) With respect to Participants not referred to in subsection (c), the interest of each such Participant in (i) the Participant's subaccount established by the Committee pursuant to Section 5.1 to reflect Matching Contributions made after December 31, 2006, and (ii) nonelective contributions and matching contributions made to the Trammell Crow Company Retirement Savings Plan shall vest in accordance with the following schedule:

Years of Service	Percent Vested and Nonforfeitable
1 but less than 2	20
2 but less than 3	40
3 but less than 4	60
4 but less than 5	80
5 or more	100

(e) The interest of a Participant in all of the Participant's Accounts and subaccounts will be 100% vested and nonforfeitable without regard to Years of Service upon (i) attainment of age 65 while an Employee, (ii) death while an Employee, or (iii) Disability while an Employee. The interest of a Participant in the "Prior Trammell Crow Accounts" maintained for the Participant with amounts transferred from the Trammell Crow Company Retirement Savings Plan will be 100% vested and nonforfeitable without regard to Years of Service upon attainment of age 55 (and the fifth anniversary of the Participant's earliest employment with a member of the Trammell Crow Company controlled group as defined in Section 414 of the Code) while an Employee.

(f) If a Participant who has a Severance again becomes an Employee, his or her Years of Service completed before the Severance will be included in determining his or her vested and nonforfeitable interest in his or her Matching Contribution Account.

6.2 Forfeiture and Restoration of Nonvested Accounts

(a) Forfeiture

A Participant's nonvested interest in his or her Matching Contribution Account will be forfeited upon the earlier of

(i) the date of the Participant's final distribution, or

(ii) the date on which the Participant incurs five consecutive One Year Breaks in Service.

(b) Restoration

(i) If the nonvested portion of a Participant's Matching Contribution Account is forfeited on account of a distribution and the Participant again becomes an Employee and re-enrolls in the Plan before he or she incurs five consecutive One Year Breaks in Service, the forfeited amount will be restored (without adjustment for gain or loss since the date of forfeiture) if he or she repays to the Plan the full amount of the distribution before the earlier of the date on which the Participant incurs five consecutive One Year Breaks in Service after such distribution or five years after the date on which the Participant again becomes an Employee.

(ii) Restoration of the Employee's Matching Contribution Account balance under paragraph (i) shall be made first out of forfeitures otherwise available for allocation and then Participating Company contributions. Assets representing the restoration must be provided to the Plan by the end of the Plan Year following the Plan Year in which repayment occurs.

(iii) The repayment by the employee and restoration of his or her Matching Contribution Account balance shall not be treated as part of the annual addition under Section 5.3.

6.3 Unclaimed Benefits

If the Committee, acting upon information available to it, cannot locate a person entitled to receive a benefit under the Plan within a reasonable period of time (as determined by the Committee in its sole discretion) after the benefit becomes payable and such person has not contacted the Committee or the Trustee concerning the distribution by the end of such period, the amount of the benefit shall be treated as a forfeiture and shall be applied in the manner described in Section 6.4. If, prior to the date final distributions are made from the Trust Fund following termination of the Plan, a person who was entitled to a benefit which has been forfeited pursuant to this Section makes a claim to the Committee or the Trustee for such benefit, such person shall

be entitled to receive the amount of such benefit as soon as administratively feasible after such claim is received. The amount of the previously forfeited benefit shall be reinstated, without any adjustment for earnings after the forfeiture.

6.4 Application of Forfeited Amounts

Subject to Section 6.2(b), the amount of a Participant's Matching Contribution Account which is forfeited pursuant to Section 6.2(a) or 6.3 shall be used for expenses of the Plan or to reduce the future contributions of Participating Companies, as determined by the Committee in its discretion.

6.5 Application of Plan provisions to Qualified Real Estate Agents (QREAs)

Section 3508 of the Code provides that, for purposes of the Code, a QREA shall not be treated as an employee and the person for whom a QREA performs services shall not be treated as an employer. Accordingly, a QREA is not an Employee for purposes of the Plan. However, a Qualified Real Estate Agent (QREA) is treated as an employee for purposes of ERISA. It follows that:

(a) Because a QREA is not treated as an employee for purposes of the Code and is not treated as an Employee for purposes of the Plan, an Employee who becomes a QREA has had a Severance and is entitled to a distribution of the QREA's vested Account balances.

(b) Because a QREA is treated as an employee for purposes of ERISA, ERISA requires that a QREA's Hours of Service be taken into account for purposes of vesting. It follows that:

(i) A QREA must be treated as an Employee under the Plan for purposes of determining Hours of Service, Years of Service, and a One Year Break in Service.

(ii) A QREA who becomes an Employee and participates in the Plan will receive credit for vesting purposes of Years of Service as a QREA.

(c) Section 6.2(a) provides that a Participant's nonvested interest in his or her Matching Contribution Account will be forfeited upon the earlier of the date of the Participant's final distribution or the date on which the Participant incurs five consecutive One Year Breaks in Service.

(i) If the Participant is an Employee who incurs a Severance because he or she has become a QREA, the Participant may receive a distribution of his or her vested Accounts.

(ii) If the distribution occurs while the Participant is a QREA, the Participant's nonvested interest in his or her Matching Contribution Account will be forfeited when the Participant ceases to be both a QREA and an Employee (with the amount of vesting determined at that time).

(iii) If the distribution occurs after the Participant ceases to be both a QREA and an Employee, the forfeiture shall occur at the time of the distribution (with the amount of vesting determined at the time the Participant ceases to be both a QREA and an Employee).

(iv) If no distribution has occurred, the forfeiture shall occur on the date on which the Participant incurs five consecutive One Year Breaks in Service, roughly five years after the Participant ceases to be both a QREA and an Employee (with the amount of vesting determined at the time the Participant ceases to be both a QREA and an Employee).

(d) A QREA who has taken a distribution of the QREA's vested Account balances may continue to vest in the QREA's unvested Account balances and may take further distributions of additional vested Account balances.

(e) The cash-out provisions of Section 8.2(b) shall not apply until the Participant ceases to be both a QREA and an Employee.

ARTICLE VII
DESIGNATION OF BENEFICIARY

7.1 Designation of Beneficiary

(a) Designation by Participant

Subject to subsection (b), each Participant shall have the right to designate a Beneficiary or Beneficiaries to receive his or her distributable interest (if any) in the Trust Fund upon his or her death. The designation shall be made on forms prescribed by the Committee and shall be effective upon delivery to the Committee. A Participant shall have the right to change or revoke from time to time any such designation by filing a new designation or notice of revocation with the Committee, but such revised designation or revocation shall be effective only upon receipt by the Committee.

(b) Consent of Spouse

A Participant who is married to a Spouse may not designate a primary Beneficiary other than, or in addition to, his or her Spouse unless his or her Spouse consents to such designation by means of a writing that is signed by the Spouse, contains an acknowledgment by the Spouse of the effect of such consent, and is witnessed by a notary public. Such designation shall only be effective with respect to the consenting Spouse, whose consent shall be irrevocable.

7.2 Failure to Designate Beneficiary

In the event a Participant has not designated a Beneficiary, or in the event no Beneficiary survives a Participant, the distribution of the Participant's interest in the Trust Fund (if any) upon his or her death shall be made (i) to the Participant's Spouse, if living, (ii) if his or her Spouse is not then living, to his or her then living issue by right of representation, (iii) if neither his or her Spouse nor his or her issue are then living, to his or her then living parents, and (iv) if none of the above are then living, to his or her estate.

ARTICLE VIII
WITHDRAWALS AND DISTRIBUTIONS FROM THE TRUST FUND

8.1 Events Permitting Withdrawals Prior to Severance or Death

(a) Severance or Death

Subject to the provisions of the following subsections of this Section, a Participant's vested Account balances become distributable only after Severance or death, and the timing and form of the distribution shall be in accordance with this Article VIII.

(b) Withdrawals After Age 59 1/2

A Participant who has attained age 59 1/2 may at any time prior to Severance request to withdraw a portion or all of his or her vested Accounts. Disbursement of withdrawals shall be made in a single cash lump sum payment as soon as administratively practicable after receiving the prescribed withdrawal request form.

(c) Hardship Withdrawal

(i) Reason for Hardship Withdrawal

Upon written request from a Participant, the Committee may authorize a distribution to a Participant from his or her Deferrals (but not earnings on such Deferrals) prior to his or her Severance if the Participant can demonstrate that he or she is suffering from a hardship. The Company shall act upon requests for withdrawals in a uniform and nondiscriminatory manner, consistent with the requirements of Sections 401(a), 401(k) and related provisions of the Code. A hardship withdrawal may be made only if it is required on account of one or more of the following:

(1) The purchase (excluding mortgage payments) of a principal residence of the Participant;

(2) The payment of tuition, related educational fees, and room and board expenses for the next 12 months of post-secondary education for the Participant or for the Participant's DOMA Spouse, children or dependents;

(3) The payment of medical expenses that would be deductible under Section 213(d) of the Code (determined without regard to whether the expenses exceed 7.5 percent of adjusted gross income) for the Participant or the Participant's DOMA Spouse or dependents;

(4) The prevention of the eviction of the Participant from his or her principal residence or foreclosure on a mortgage on the Participant's principal residence;

(5) The burial or funeral expenses for the Participant's deceased parent, DOMA Spouse, children or dependents; or

(6) Repair of damage to the Participant's principal residence that would qualify for the casualty loss deduction under Section 165 of the Code (determined without regard to whether the loss exceeds ten percent of adjusted gross income).

For purposes of this subsection, the term "dependent" shall be defined as set forth in Section 152 of the Code as modified by applicable Treasury Regulations or other applicable guidance and shall also include a person who is a Beneficiary with respect to the Participant to the extent permitted by applicable Treasury Regulations or other applicable guidance.

(d) Amount of Hardship Withdrawal

The minimum amount of a hardship withdrawal shall not be less than $500. The maximum amount of a hardship withdrawal shall not exceed the Participant's immediate and heavy financial need (including amounts necessary to pay income taxes and penalties reasonably anticipated to result from the distribution), determined after the Participant has obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all plans of Affiliated Companies.

A Participant who receives a distribution of Deferrals on account of hardship shall be prohibited from making Deferrals or employee contributions under this Plan and all "other plans" (as defined in Reg. Sec. 1.401(k)-1(d)(3)(iv)(F)) of the Affiliated Group for six months after receipt of the distribution.

An immediate and heavy financial need generally may be treated as not capable of being relieved from other resources that are reasonably available to the Participant, if the Participant represents (in writing or such other form as may be prescribed by the Internal Revenue Service), unless the Company has actual knowledge to the contrary, that the need cannot reasonably be relieved: through reimbursement or compensation by insurance or otherwise; by liquidation of the Participant's assets; by cessation of Deferrals under the Plan; by other currently available distributions and nontaxable (at the time of the loan) loans, under plans maintained by the Company or an Affiliated Company; or by borrowing from commercial sources on reasonable commercial terms in an amount sufficient to satisfy the need. A need cannot reasonably be relieved by one of the actions described in the prior sentence if the effect would be to increase the amount of the need. Additional methods under which the amount of a hardship withdrawal will be deemed necessary to meet the Participant's immediate and heavy financial need shall be made available to the extent provided in a ruling, notice or other document of general applicability issued under the authority of the Commissioner of Internal Revenue.

(e) Withdrawals from Rollover Account

A Participant may withdraw all or a portion of his or her Rollover Account at any time prior to Severance.

(f) Disability Withdrawals from Prior Trammell Crow Account

A Participant with a balance in the "Prior Trammell Crow Account" maintained for Participants with amounts transferred from the Trammell Crow Company Retirement Savings Plan who is "disabled" may at any time prior to Severance request to withdraw all or a portion of his or her Prior Trammell Crow Accounts. For this purpose, a Participant is disabled if he or she is disabled within the meaning of the long-term disability plan sponsored by the Company (or an Affiliated Company) in which the Participant participates, or if no such plan exists, the Participant has been determined by the Social Security Administration to be disabled within the meaning of the Social Security Act.

(g) Withdrawal of Voluntary Contributions

Upon application to the Committee, a Participant may at any time prior to Severance request to withdraw a portion or all of his or her Voluntary Contribution Account. Disbursement of withdrawals shall be made in a single cash lump sum payment as soon as administratively practicable after receiving the prescribed withdrawal request form.

8.2 Rules Governing Distributions after Severance or Death

(a) Form of Distributions

After Severance or death, distribution of a Participant's Accounts shall be made in a single lump sum cash payment, except that:

(i) Any life insurance policy that is held in the Participant's Account at the time of distribution may be distributed in kind.

(ii) Effective April 1, 2012, a Participant (but not a Beneficiary) may elect once in any calendar year to receive any portion of his or her Account.

(b) Restrictions on Certain Payments and Repayments Thereof

(i) If the amount of a Participant's vested Account balance exceeds $5,000, the Committee shall not distribute the Participant's vested Account balances to him or her unless the Participant consents to such payment, except as otherwise provided in subsection (d).

(ii) If the amount of a Participant's vested Account balance does not exceed $5,000 and if the Participant does not elect to have the vested Account balance paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover or to receive the distribution directly in accordance with this subsection, then the distribution shall be paid without the Participant's consent as follows:

(A) If the vested Account balance exceeds $1,000, in a Direct Rollover to an individual retirement plan designated by the Committee without the Participant's consent.

(B) If the vested Account balance does not exceed $1,000, directly to the Participant.

(iii) Rollover contributions are not excluded in determining the value of the Participant's vested Account balance for purposes of this subsection.

(c) Commencement of Benefits

Unless the Participant elects otherwise, distributions will be made no later than the 60th day after the close of the Plan Year in which occurs the latest of:

(i) His or her attainment of age 65;

(ii) The 10th anniversary of the Plan Year in which he or she commenced participation in the Plan; or

(iii) His or her Severance.

Notwithstanding the foregoing, the failure of a Participant to consent to a distribution while a benefit is distributable shall be deemed to be an election to defer commencement of payment.

(d) Restrictions on Delay of Distribution

Distribution of a Participant's entire vested interest will be made not later than April 1 of the calendar year following the later of (i) the calendar year in which the Participant attains age 70 1/2 or (ii) the calendar year in which the Participant retires. Clause (ii) of the preceding sentence shall not apply in the case of any Participant who is a 5% owner (as defined in Section 416 of the Code) in the calendar year in which he or she attains age 70 1/2.

(e) Reemployment of Participant

If a Participant who had a Severance becomes reemployed with the Company or any Affiliated Company, no distribution from the Trust Fund shall be made to the Participant while he or she is so employed except as provided in Section 8.1 or Section 8.2(d). Any amounts which the Participant was entitled to receive on his or her prior Severance shall be held in the Trust Fund until the Participant or the Participant's Beneficiary is again entitled to a distribution under the terms of the Plan.

(f) Delayed Payments

If the amount of a distribution required to be made on a date determined under this Section cannot be ascertained by such date, or if it is not possible to make such payment on such date because the Committee has been unable to locate the Participant after making reasonable efforts to do so, a payment retroactive to such date may be made no later than 60 days after the earliest date on which the amount of such payment can be ascertained or the date on which the Participant is located (whichever is applicable).

8.3 Distribution after Death

If a Participant dies before distribution of the Participant's entire vested Account balance, the Participant's entire vested Account balance will be distributed to the Participant's Beneficiary no later than December 31 of the calendar year containing the fifth anniversary of the Participant's death. *Special rule for Participants who were participants in the CB Richard Ellis 401(k) and Profit Sharing Plan on July 15, 2008:* If the Participant's Beneficiary is the Participant's DOMA Spouse, distribution to the surviving Spouse may be made no later than December 31 of the calendar year in which the Participant would have attained age 70-1/2, and, if the surviving DOMA Spouse dies before distribution is made, distribution may be made at any time prior to December 31 of the calendar year containing the fifth anniversary of the surviving DOMA Spouse's death.

8.4 Valuation of Interest

The interest of a Participant in his or her Accounts and any subaccounts thereof which shall have become distributable hereunder shall be valued as of the Valuation Date immediately preceding the date such interest is to be distributed, provided, however, that there shall be added to the value of the Participant's Accounts the fair market value of any amounts allocated to his or her Accounts pursuant to Article V after such Valuation Date.

8.5 Characterization of Disability Distribution

In the event that a Participant receives a distribution by reason of the Participant's Disability, the benefit he or she receives hereunder shall be considered a payment for the loss of use of a bodily function unrelated to the period of his or her absence from work under Section 105(c) of the Code. The benefit shall be distributed to the Participant as soon as possible under the Plan, consistent with any requests or elections made hereunder by the Participant.

8.6 Payment of Benefits to Alternate Payee

(a) Alternate Payee Accounts

As soon as reasonably practicable after the Committee determines that a domestic relations order is a QDRO, a separate "Alternate Payee Account" shall be established for the Alternate Payee, and the portion of each of the Participant's Accounts that was assigned to the Alternate Payee by the QDRO shall be transferred to the Alternate Payee Account. Unless the QDRO otherwise provides, the transfers to the Alternate Payee's Account shall be made pro rata from the Participant's Accounts. Alternate Payees shall not make partial withdrawals from their Alternate Payee Accounts nor borrow from such Accounts. The only form of distribution is a single lump sum cash payment.

(b) Death of Alternate Payee

Alternate Payees may not designate beneficiaries. Upon the death of an Alternate Payee, the entire balance in his or her Alternate Payee Accounts shall be distributed to his or her estate (or to another Alternate Payee if the QDRO so provides).

8.7 Direct Rollovers

(a) The Direct Rollover Option

A Distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover. A Distributee who is a Participant, a Participant's surviving DOMA Spouse, or a Participant's DOMA Spouse or former DOMA Spouse who is the Alternate Payee under a QDRO, may specify any Eligible Retirement Plan. A Distributee who is a Beneficiary of a Participant and is not the Participant's surviving DOMA Spouse may specify only an Eligible Retirement Plan that is an inherited individual retirement account described in Section 408(a) of the Code or an inherited individual retirement annuity described in Section 408(b) of the Code.

(b) Time of Notice

The notice to be given under Code Section 402(f), explaining the Direct Rollover option, will be provided to the Distributee no less than 30 days and no more than 180 days before the date the distribution is to occur. However, a distribution may commence less than 30 days after such notice is given, provided that:

(i) The Committee clearly informs the Distributee that the Distributee has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution, and

(ii) The Distributee, after receiving the notice, affirmatively elects a distribution.

(c) Special Rule for Voluntary Contributions

A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of Voluntary Contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified trust or an annuity contract described in Section 403(b) of the Code, provided that such qualified trust or annuity contract agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

ARTICLE IX
TOP-HEAVY PROVISIONS

9.1 Priority over other Plan Provisions

If the Plan is or becomes a Top-Heavy Plan, the provisions of this Article IX will supersede any conflicting provisions of the Plan. However, the provisions of this Article shall not operate to increase the rights or benefits of Participants under the Plan except to the extent required by Section 416 of the Code and other provisions of law and the Treasury Regulations applicable to a "top-heavy plan," as that term is defined in Section 416(g) of the Code.

9.2 Minimum Allocation

(a) Calculation of Minimum Allocation

Notwithstanding any other provision in this Plan except subsections (b) and (c), for any Plan Year in which this Plan is a Top-Heavy Plan, each Participant who is not a Key Employee will receive an allocation of Participating Company contributions and forfeitures of not less than the lesser of 3% of his or her Section 415 Compensation for such Plan Year or, in the event that the Company and Affiliated Companies maintain no Defined Benefit Plan which covers a Participant in this Plan, the percentage of Section 415 Compensation that equals the largest percentage of Participating Company contributions and forfeitures allocated to a Key Employee expressed as a percentage of Section 415 Compensation received by such Key Employee in that Plan Year (the "Minimum Allocation").

The Minimum Allocation is determined without regard to any Social Security contribution. The Minimum Allocation applies even though under other Plan provisions the Participant would not otherwise be entitled to receive an allocation, or would have received a lesser allocation for the Plan Year because: (1) the non-Key Employee fails to make mandatory contributions to the Plan, (2) the non-Key Employee's Compensation is less than a stated amount, or (3) the non-Key Employee fails to complete 1,000 Hours of Service in the Plan Year. For purposes of this Section, Deferrals for Participants who are not Key Employees shall not be taken into consideration as Participating Company contributions. Employer Matching Contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of Section 416(c)(2) of the Code and the Plan. The preceding sentence shall apply with respect to Employer Matching Contributions under the Plan or, if the Plan provides that the minimum contribution requirement shall be met in another plan, such other plan. Employer Matching Contributions that are used to satisfy the minimum contribution requirements shall be treated as matching contributions for purposes of the actual contribution percentage test and other requirements of Section 401(m) of the Code.

(b) Limitation on Minimum Allocation

No Minimum Allocation shall be provided pursuant to subsection (a) to a Participant who is not employed by the Company or any Affiliated Company on the last day of the Plan Year.

(c) Minimum Allocation When Participant is Covered by Another Qualified Plan

(i) If the Company or any Affiliated Company maintains one or more other Defined Contribution Plans covering Employees who are Participants in this Plan, the Minimum Allocation shall be provided under this Plan, unless such other Defined Contribution Plans make explicit reference to this Plan and provide that the Minimum Allocation shall not be provided under this Plan, in which case the provisions of subsection (a) shall not apply to any Participant covered under such other Defined Contribution Plans.

(ii) If the Company or any Affiliated Company maintains one or more Defined Benefit Plans covering Employees who are Participants in this Plan, and such Defined Benefit Plan(s) provide that Employees who are participants therein shall accrue the minimum benefit applicable to top-heavy Defined Benefit Plans notwithstanding their participation in this Plan (making explicit reference to this Plan), then the provisions of subsection (a) shall not apply to any Participant covered under such Defined Benefit Plan(s).

(iii) If the Company or any Affiliated Company maintains one or more Defined Benefit Plans covering Employees who are Participants in this Plan, and the provisions of paragraph (ii) do not apply, then each Participant who is not a Key Employee and who is covered by such Defined Benefit Plan(s) shall receive a Minimum Allocation determined by applying the provisions of subsection (a) with the substitution of "5%" in each place that "3%" occurs therein.

(d) Nonforfeitability

The Participant's Minimum Allocation required under this Section, to the extent required to be nonforfeitable under Section 416(b) of the Code and the special vesting schedule provided in Section 9.3, may not be forfeited under Sections 411(a)(3)(B) (relating to suspension of benefits on reemployment) or 411(a)(3)(D) (relating to withdrawal of mandatory contributions) of the Code.

9.3 Minimum Vesting

Vesting shall be at least as fast as provided in the vesting schedule set forth below, for any Plan Year in which Plan is a Top-Heavy Plan:

Completed Years of Service	Percentage
2	20%
3	40%
4	60%
5	80%
6 or more	100%

No decrease in a Participant's vested percentage shall occur in the event the Plan's status as a Top-Heavy Plan changes for any Plan Year.

Notwithstanding the above, this Section shall not apply to the Account balances of any Employee who does not have an Hour of Service after the Plan has initially become a Top-Heavy Plan. Such Employee's vested Account shall be determined without regard to this Section.

ARTICLE X
ADMINISTRATIVE PROCEDURES

10.1 Appointment of Committee Members

The Chief Executive Officer shall appoint an Administrative Committee consisting of one or more members, to hold office at the pleasure of the Chief Executive Officer. Members of the

Committee shall not be required to be Employees or Participants. Any member may resign by giving notice in writing, filed with the Chief Executive Officer. Notwithstanding the above, if any Committee member ceases to be an Employee while a member, such individual shall cease to be a Committee member upon such individual's date of termination or retirement unless otherwise determined by the Chief Executive Officer.

10.2 Officers and Employees of the Committee

Unless designated by the Chief Executive Officer, the Committee shall designate a Chair and a Secretary. The Secretary may, but need not, be a member of the Committee. The Secretary shall keep a record of the Committee's proceedings. The Committee may employ and suitably compensate such persons or organizations to render advice with respect to the duties of the Committee under the Plan as the Committee determines to be necessary or appropriate.

10.3 Action of the Committee

Action of the Committee may be taken with or without a meeting of Committee members, provided, however, that any action shall be taken only upon the vote or other affirmative expression of a majority of the Committee's members qualified to vote with respect to such action. The Chairman or the Secretary of the Committee may execute any certificate or other written direction on behalf of the Committee. In the event the Committee members qualified to vote on any question are unable to determine such question by a majority vote or other affirmative expression of a majority of the Committee members qualified to vote on such question, such question shall be determined by the Chief Executive Officer, or some person designated by the Chief Executive Officer.

10.4 Disqualification of Committee Member

A member of the Committee who is a Participant shall not vote on any question relating specifically to such member.

10.5 Expenses of the Committee

The expenses of the Committee properly and actually incurred in the performance of its duties under the Plan shall be paid from the Trust Fund, unless the Participating Companies in their discretion pay such expenses.

10.6 Bonding and Compensation

The members of the Committee shall serve without bond, except as may be required by ERISA, and without compensation for their services as Committee members.

10.7 General Powers and Duties of the Committee

The Committee shall have full power to administer the Plan and the Trust Agreement and to construe and apply their provisions. For purposes of ERISA, the Committee shall be the administrator and the named fiduciary with respect to the operation and administration of the Plan and the Trust Agreement. In addition, the Committee shall have the powers and authority granted by the terms of the Trust Agreement.

The Committee, and all other persons with discretionary control respecting the operation, administration, control, and/or management of the Plan, the Trust Agreement, and/or the Trust Fund, shall perform their duties under the Plan and the Trust Agreement solely in the interests of Participants and their Beneficiaries, and shall use the care, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

10.8 Specific Powers and Duties of the Committee

The Committee shall administer the Plan and have all powers necessary to accomplish that purpose, including the following:

(a) Resolving all questions relating to the eligibility of Employees to become Participants;

(b) Determining the amount of benefits payable to Participants or their Beneficiaries, and determining the time and manner in which such benefits are to be paid;

(c) Authorizing and directing all disbursements by the Trustee from the Trust Fund;

(d) Engaging any administrative, legal, medical, accounting, clerical, or other services it may deem appropriate to effectuate the Plan or the Trust Agreement;

(e) Construing and interpreting the Plan and the Trust Agreement and adopting rules for administration of the Plan and the Trust Agreement which are not inconsistent with the terms of such documents;

(f) Compiling and maintaining all records it determines to be necessary, appropriate or convenient in connection with the administration of the Plan and the Trust Agreement;

(g) Determining the disposition and distribution of assets in the Trust Fund in the event the Plan is terminated;

(h) Reviewing the performance of the Trustee with respect to the Trustee's administrative duties, responsibilities and obligations under the Plan and the Trust Agreement as such administrative duties, responsibilities and obligations are set forth in the Trust Agreement; reporting to the Chief Executive Officer regarding such administrative performance of the Trustee; and recommending to the Chief Executive Officer, if necessary, the removal of the Trustee and the appointment of a successor Trustee;

(i) Utilizing one of the IRS approved self-correction programs outlined under the IRS' Employee Plans Compliance Resolution System, or any other applicable methods upon the discovery of a failure in administering the Plan in accordance with the provisions contained herein, or any other relevant failure or defect; and

(j) Performing such other functions that are delegated to the Committee under the Trust Agreement.

10.9 Allocation of Fiduciary Responsibility

The Committee from time to time may allocate to one or more of its members and/or may delegate to any other persons or organizations any of the rights, powers, duties and responsibilities of the Committee with respect to the operation and administration of the Plan and the Trust Agreement that are permitted to be so delegated under ERISA. Any such allocation or delegation shall be made in writing, shall be reviewed periodically by the Committee, and shall be terminable upon such notice as the Committee in its discretion deems reasonable and proper under the circumstances.

Whenever a person or organization (the "Delegating Party") has the power and authority under the Plan or the Trust Agreement to delegate discretionary power and authority respecting the control, management, operation or administration of the Plan or any portion of the Trust Fund to another person or organization (the "Appointee"), the Delegating Party's responsibility with respect to such delegation is limited to the selection of the Appointee and the periodic review of the Appointee's performance and compliance with applicable law and regulations. Any breach of fiduciary responsibility by the Appointee which is not proximately caused by the Delegating Party's failure to properly select or supervise the Appointee, and in which breach the Delegating Party does not otherwise participate, will not be considered a breach by the Delegating Party.

10.10 Information to be Submitted to the Committee

To enable the Committee to perform its functions, the Participating Companies shall supply full and timely information to the Committee on all matters relating to Employees and Participants as the Committee may require, and shall maintain such other records as the Committee may determine are necessary in order to determine the benefits due or which may become due to Participants or their Beneficiaries under the Plan. In addition, the Committee shall make arrangements to obtain from other Affiliated Companies such records and other information with respect to each Employee as are necessary for the Committee to determine benefits hereunder.

10.11 Notices, Statements and Reports

The Committee shall comply with the reporting and disclosure requirements imposed by ERISA and the Code.

10.12 Claims Procedure

(a) Filing Claim for Benefits

If an individual (hereinafter referred to as the "Applicant," which reference shall include where appropriate the authorized representative, if any, of the individual) does not receive the timely payment of the benefits which he or she believes he or she is entitled to receive under the Plan, he or she may make a claim for benefits in the manner hereinafter provided.

All claims for benefits under the Plan shall be made in writing and shall be signed by the Applicant. Claims shall be submitted to a representative designated by the Committee and hereinafter referred to as the "Claims Coordinator." The Claims Coordinator may, but need not,

be an Employee or a member of the Committee. If the Applicant does not furnish sufficient information with the claim for the Claims Coordinator to determine the validity of the claim, the Claims Coordinator shall indicate to the Applicant any additional information which is necessary for the Claims Coordinator to determine the validity of the claim.

Each claim hereunder shall be acted on and approved or disapproved by the Claims Coordinator within 90 days following the receipt by the Claims Coordinator of the information necessary to process the claim.

In the event the Claims Coordinator denies a claim for benefits in whole or in part, the Claims Coordinator shall notify the Applicant in writing of the denial of the claim and notify such Applicant of his or her right to a review of the Claims Coordinator's decision by the Committee. Such notice by the Claims Coordinator shall also set forth, in a manner calculated to be understood by the Applicant, the specific reason for such denial, the specific Plan provisions on which the denial is based, a description of any additional material or information necessary to perfect the claim with an explanation of why such material or information is necessary, and an explanation of the Plan's claim review procedure as set forth in this Section.

If no action is taken by the Claims Coordinator on an Applicant's claim within 90 days after receipt by the Claims Coordinator, such application will be deemed to be denied for purposes of the following appeals procedure.

(b) Appeals Procedure

Any Applicant whose claim for benefits is denied in whole or in part (such Applicant being hereinafter referred to as the "Claimant") may appeal from such denial to the Committee for a review of the decision by the entire Committee. Such appeal must be made within three months after the denial provided above. An appeal must be submitted in writing within such period and must:

(i) Request a review by the entire Committee of the claim for benefits under the Plan;

(ii) Set forth all of the grounds upon which the Claimant's request for review is based and any facts in support thereof; and

(iii) Set forth any issues or comments which the Claimant deems pertinent to the appeal.

The Committee shall regularly review appeals by Claimants. The Committee shall act upon each appeal within 60 days after receipt thereof unless special circumstances require an extension of the time for processing, in which case a decision shall be rendered by the Committee as soon as possible but not later than 120 days after the appeal is received by the Committee.

The Committee shall make a full and fair review of each appeal and any written materials submitted by the Claimant and/or the Participating Company in connection therewith. The Committee may require the Claimant and/or the Participating Company to submit such

additional facts, documents or other evidence as the Committee in its discretion deems necessary or advisable in making its review. The Claimant shall be given the opportunity to review pertinent documents or materials upon submission of a written request to the Committee, provided the Committee finds the requested documents or materials are pertinent to the appeal.

On the basis of its review, the Committee shall make an independent determination of the Claimant's eligibility for benefits under the Plan. The decision of the Committee on any claim for benefits shall be final and conclusive upon all parties thereto.

In the event the Committee denies an appeal in whole or in part, the Committee shall give written notice of the decision to the Claimant, which notice shall set forth in a manner calculated to be understood by the Claimant the specific reasons for such denial and which shall make specific reference to the pertinent Plan provisions on which the Committee decision was based.

(c) Review of Quarterly Statement

If a Participant or Beneficiary believes the Quarterly Statement or any other statement he or she receives regarding his or her interest the Plan is incorrect, such Participant or Beneficiary may submit a written request for correction or verification of such Quarterly Statement to the Claims Coordinator, and the Claims Coordinator shall respond in writing to such request in the same manner as a claim for benefits by an Applicant. If the Participant or Beneficiary believes the Claims Coordinator's response is incorrect, the Participant or Beneficiary may request in writing within 60 days of the response that the entire Committee review the statement, and the Committee shall follow the same procedure with respect to such request as provided above for a Claimant.

(d) If an error or omission is discovered in the Accounts of a Participant (other than as a result of a failure to follow a Participant's applicable and permissible investment instructions), or in the amount distributed to a Participant, the Committee shall make such equitable adjustments in the records of the Plan as may be necessary or appropriate to correct such error or omission. In the case of a failure to follow a Participant's last applicable and permissible investment instruction, a correction to comply with such instruction shall be made retroactively to the beginning of the quarter immediately preceding the quarter in which the Participant informs the Claims Coordinator in writing of the error. Further, a Participating Company may, in its discretion, make a special contribution to the Plan which shall be allocated by the Committee only to the Accounts of one or more Participants to correct an error or omission.

10.13 Service of Process

The Committee may from time to time designate an agent of the Plan for the service of legal process. The Committee shall cause the agent to be identified in materials it distributes or causes to be distributed when such identification is required under applicable law. In the absence of such a designation, the Company shall be the agent of the Plan for the service of legal process.

10.14 Correction of Participants' Accounts

If an error or omission is discovered in the Accounts of a Participant, or in the amount distributed to a Participant, the Committee shall make such equitable adjustments in the records of the Plan as may be necessary or appropriate to correct such error omission as of the Plan Year in which such error or omission is covered. Further, a Participating Company may, in its discretion, make a special contribution to the Plan which shall be allocated by the Committee only to the Accounts of one or more Participants to correct such error or omission.

10.15 Payment to Minors or Persons Under Legal Disability

If any benefit becomes payable to a minor or to a person under legal disability, payment of such benefit shall be made only to the conservator or the guardian of the estate of such person appointed by a court of competent jurisdiction or such other person in such other manner as the Committee determines is necessary to ensure that the payment will legally discharge the Plan's obligation to such person.

10.16 Uniform Application of Rules and Policies

The Committee in exercising its discretion granted under any provisions of the Plan or the Trust Agreement shall do so in accordance with rules and policies established by it which shall be uniformly applicable to all Participants.

ARTICLE XI
INVESTMENT OF PLAN ASSETS

11.1 Trust Fund Investments

The investment and reinvestment of Plan assets held in the Trust Fund shall be governed by the terms of the Trust Agreement executed in connection with the Plan.

11.2 Loans to Participants

Upon application to the Committee on a form provided by the Committee, any Participant that is actively employed by a Participating Company may request a loan from his or her Accounts, the terms and conditions of which shall be determined pursuant to the provisions of this Section. If the Committee approves such application, the loan shall be made from the Participant's Accounts in accordance with the order of priority established by the Committee, and shall be withdrawn from each investment fund in which an Account is invested in proportion to the current balance of the investment funds within such Account.

(a) Amount

The Committee shall not approve an application for a loan in an amount that, when added to the unpaid balance of all outstanding loans to the Participant from the Plan or any other Qualified Plan maintained by the Company or any Affiliated Company, exceeds the lesser of:

(i) $50,000, less the amount by which such aggregate balance has been reduced through repayments during the period of 12 months ending on the day before the new loan is made; or

(ii) One-half of the Participant's vested interest in his or her Accounts.

(b) Security

Each loan shall be adequately secured.

(c) Interest Rate

The loan interest rate shall be reasonable, comparable to the rates charged on similar commercial loans by persons in the business of lending money for loans made under similar circumstances.

(d) Repayment

Each loan shall provide for substantially level amortization (with payments not less frequently than quarterly) over a period not to exceed five years. No penalty shall be imposed for prepayment of the loan.

(e) Default on Loan

A loan shall be in default if a scheduled payment is delinquent. If the default is not cured within a cure period set by the Committee, the Participant's Account shall be reduced by the unpaid balance of the loan at such time as the Participant is entitled to a distribution pursuant to Section 8.1 (other than a hardship withdrawal).

(f) Rules

The Committee shall adopt and follow loan procedures which shall be uniformly applicable to all Participants to administer this Section. Such procedures shall include provisions necessary to assure that loans are made available to all Participants on a reasonably equivalent basis and that loans are not made available to a Participant who is a member of the Committee, a highly compensated Employee, or an officer or shareholder of a Participating Company in an amount greater (as a percentage of the value of his or her vested interest in his or her Accounts) than the amount available to other Participants. The Committee may adopt loan procedures which provide for more restrictive terms and conditions for Participant loans than provided in this Article XI.

ARTICLE XII
TERMINATION, PARTIAL TERMINATION AND COMPLETE DISCONTINUANCE OF CONTRIBUTIONS

12.1 Continuance of Plan

The Participating Companies expect to continue this Plan indefinitely, but they do not assume an individual or collective contractual obligation to do so, and the right is reserved to the

Company, by action of the Board, through adoption of a resolution in accordance with the Company's bylaws to terminate the Plan or to reduce, suspend or completely discontinue contributions thereto at any time. Any failure by the Company to contribute to the Trust in any year when no contribution is required under this Plan shall not of itself be a discontinuance of contributions under this Plan. In addition, subject to Section 12.4, any Participating Company at any time may discontinue its participation in the Plan with respect to its Employees.

12.2 Complete Vesting

If the Plan is terminated, or if there is a complete discontinuance of contributions under the Plan by the Participating Companies, the amounts allocated or to be allocated to the Matching Contribution Accounts of all affected Participants shall become 100% vested and nonforfeitable without regard to their Years of Service.

In the event of a partial termination of the Plan, the amounts allocable to the Matching Contribution Accounts of those Participants who cease to participate on account of the facts and circumstances which result in the partial termination shall become 100% vested and nonforfeitable without regard to their Years of Service.

12.3 Disposition of the Trust Fund

If the Plan is terminated, or if there is complete discontinuance of contributions to the Plan, the Committee shall instruct the Trustee either: (a) to continue to administer the Plan and pay benefits in accordance with the Plan until the Trust Fund has been depleted, or (b) to liquidate the assets remaining in the Trust Fund. If the Trust Fund is liquidated, the Committee shall make, after deducting estimated expenses for liquidation and distribution, the allocations required under the Plan as though the date of completion of liquidation were a Valuation Date. The Trustee shall distribute to each Participant the amount credited to his or her Account as of the date of completion of the liquidation.

12.4 Withdrawal by Participating Company

A Participating Company may withdraw from participation in the Plan or completely discontinue contributions to the Plan only with the approval of the Board. If any Participating Company withdraws from the Plan or completely discontinues contributions to the Plan, a copy of the resolutions of the Board of Directors of such Participating Company adopting such action, certified by the secretary of such Board of Directors and reflecting approval by the Board, shall be delivered to the Committee as soon as it is administratively feasible to do so, and the Committee shall communicate such action to the Trustee and to the Employees of the Participating Company.

ARTICLE XIII
AMENDMENT OR TERMINATION OF THE PLAN

13.1 Right of Company to Amend Plan

The Company reserves the right to amend the Plan in the manner set forth in Section 13.2 at any time and from time to time to the extent it may deem advisable or appropriate, provided, however, that:

(a) No amendment shall increase the duties or liabilities of the Trustee or the Committee without their respective written consent;

(b) No amendment shall contravene the provisions of Section 14.1;

(c) No amendment shall have the effect of reducing the percentage of the vested and nonforfeitable interest of any Participant in his or her Accounts nor shall the vesting provisions of the Plan be amended unless each Participant with at least three (3) Years of Service is permitted to elect to continue to have the prior vesting provisions apply to him, within 60 days after the latest of: the date on which the amendment is adopted, the date on which the amendment is effective, or the date on which the Participant is issued written notice of the amendment; and

(d) No amendment shall be effective to the extent that it has the effect of decreasing a Participant's Account balances.

13.2 Amendment Procedure

Any amendment to the Plan shall be made by adoption of same pursuant to resolutions of the Board adopted in accordance with the Company's bylaws. A certified copy of the resolutions adopting any amendment and a copy of the adopted amendment as executed by the individual authorized by the resolutions on behalf of the Company shall be delivered to the Committee and to the Trustee. Upon such action by the Board, the Plan shall be deemed amended as of the date specified as the effective date by such Board action or in the instrument of amendment. The effective date of any amendment may be before, on or after the date of such Board action.

The Board may delegate to an officer of the Company by written resolution the power to amend the Plan by such officer's execution of a written amendment.

13.3 Effect on Other Participating Companies

Unless an amendment expressly provides otherwise, all Participating Companies shall be bound by any amendment adopted pursuant to this Article XIII.

13.4 Company Not Liable for Benefits

No member of the Affiliated Group shall be liable for the payments of any benefits under this Plan and all benefits hereunder shall be payable solely from the assets of the Trust except as otherwise required by ERISA.

ARTICLE XIV
MISCELLANEOUS

14.1 Reversion Prohibited

(a) General Rule

Except as provided in subsections (b) and (c), it shall be impossible for any part of the Trust Fund either: (1) to be used for or diverted to purposes other than those which are for the exclusive benefit of Participants and their Beneficiaries (except for the payment of taxes and administrative expenses), or (2) to revert to the Company or any Affiliated Company.

(b) Disallowed Contributions

Each contribution of the Participating Companies under the Plan is expressly conditioned upon the deductibility of the contribution under Section 404 of the Code. If all or part of a Participating Company's contribution is disallowed as a deduction under the Code, and the contribution of the disallowed amount was due to a good faith mistake in determining the deductibility of the contribution, then such disallowed amount (reduced by any Trust Fund losses attributable thereto) may be returned to the Participating Company with respect to which the deduction was disallowed within one year after the disallowance upon the adoption of appropriate resolutions by the Board of Directors of the Participating Company.

(c) Mistaken Contributions

If a contribution is made by a Participating Company by reason of a mistake of fact which was made in good faith, then so much of the contribution as was made as a result of the mistake (reduced by any Trust Fund losses attributable thereto) may be returned to such Participating Company within one year after the mistaken contribution was made upon the adoption of appropriate resolutions by the Board of Directors of the Participating Company.

14.2 Bonding, Insurance and Indemnity

(a) Bonding

To the extent required under the ERISA or any other applicable federal or state law of similar import, the Participating Companies shall obtain, pay for and keep current a bond or bonds with respect to each Committee member and each Employee who receives, handles, disburses, or otherwise exercises custody or control of, any of the assets of the Plan.

(b) Insurance

The Participating Companies, in their discretion, may obtain, pay for and keep current a policy or policies of insurance, insuring the Committee members, the members of the Board of Directors of each Participating Company and other Employees to whom any fiduciary responsibility with respect to the administration of the Plan has been delegated against any and all costs, expenses and liabilities (including attorneys, fees) incurred by such persons as a result of any act, or omission to act, in connection with the performance of their duties, responsibilities and obligations under the Plan and any applicable law.

(c) Indemnity

To the extent permitted by applicable state law, the Company shall indemnify and save harmless the Board of Directors and each member thereof, the Committee and each member thereof, and any Employee to whom any duties respecting the Plan are delegated, against any and all expenses, liabilities, and claims, including legal fees to defend against such liabilities and claims (as and when such expenses, liabilities, claims and fees are incurred), arising out of their discharge in good faith of responsibilities under or incident to the Plan, excepting only expenses and liabilities arising out of willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the company or provided by the Company under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, as such indemnities are permitted under state law. Payments with respect to any indemnity and payment of expenses or fees under this Section shall be made only from assets of the Company and shall not be made directly or indirectly from Trust assets.

14.3 Merger, Consolidation or Transfer of Assets

There shall be no merger or consolidation of all or any part of the Plan with, or transfer of the assets or liabilities of all or any part of the Plan to, any other Qualified Plan unless each Participant who remains a Participant hereunder and each Participant who becomes a participant in the other Qualified Plan would receive a benefit immediately after the merger, consolidation or transfer (determined as if the other Qualified Plan and the Plan were then terminated) which is equal to or greater than the benefit, they would have been entitled to receive under the Plan immediately before the merger, consolidation or transfer if the Plan had then terminated.

Effective August 3, 2006, the Polacheck Property Management Corp. 401(k) Plan merged into the Plan, with the plan assets transferred as soon as administratively convenient thereafter. Effective April 1, 2007, the Trammell Crow Company Retirement Savings Plan merged into the Plan, with the plan assets transferred as soon as administratively convenient thereafter. Effective December 31, 2007, the CB Richard Ellis Hawaii, Inc. 401(k) Retirement Savings Plan (001) merged into the Plan, with the plan assets transferred as soon as administratively convenient thereafter. Effective July 15, 2008, the CB Richard Ellis 401(k) and Profit Sharing Plan merged into the Plan, with the plan assets transferred as soon as administratively convenient thereafter. Effective January 1, 2013, the CBRE Clarion Real Estate Securities, LLC 401(k) Profit Sharing Plan will merge into the Plan, with the plan assets transferred as soon as administratively convenient thereafter.

The provisions of the Plan shall apply retroactively to the Polacheck Property Management Corp. 401(k) Plan, the Trammell Crow Company Retirement Savings Plan, the CB Richard Ellis Hawaii, Inc. 401(k) Retirement Savings Plan (001), the CB Richard Ellis 401(k) and Profit Sharing Plan, and the CBRE Clarion Real Estate Securities, LLC 401(k) Profit Sharing Plan, to the extent necessary for tax qualification.

14.4 Spendthrift Clause

The rights of any Participant or Beneficiary to and in any benefits under the Plan shall not be subject to assignment or alienation, and no Participant or Beneficiary shall have the power to assign, transfer or dispose of such rights, nor shall any such rights to benefits be subject to attachment, execution, garnishment, sequestration, the laws of bankruptcy or any other legal or equitable process. Notwithstanding the foregoing,

(a) All or a portion of a Participant's vested interest in his or her Accounts may be payable to an Alternate Payee pursuant to the terms of a QDRO, and

(b) A portion of a Participant's vested interest in his or her Accounts may be pledged as security for repayment of a loan pursuant to Section 11.2(b).

14.5 Rights of Participants

Participation in the Plan shall not give any Participant the right to be retained in the employ of the Company or any Affiliated Company or any right or interest in the Plan or the Trust Fund except as expressly provided herein.

14.6 Gender, Tense and Headings

Whenever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply. Whenever any words used herein are in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply.

Headings of Articles, Sections and subsections as used herein are inserted solely for convenience and reference and constitute no part of the Plan.

14.7 Governing Law

The Plan shall be construed and governed in all respects in accordance with applicable federal law and, to the extent not preempted by such federal law, in accordance with the laws of the State of California.

14.8 Qualified Military Service

Notwithstanding any provision of the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided to the extent required by Sections 401(a)(37) and 414(u) of the Code. Thus,

(a) to the extent required by Section 401(a)(37) of the Code, if a Participant dies while performing qualified military service, the survivors of the Participant shall be entitled to any additional benefits provided under the Plan had the Participant resumed and then terminated employment on account of death (such as additional vesting).

(b) Participants may make the additional salary deferrals permitted by Code §414(u)(2) after reemployment,

(c) the break in service limitations of Section 414(u)(8) of the Code shall apply,

(d) the provisions of Section 414(u)(9) of the Code (relating to benefit accrual of a Participant who dies while performing qualified military service) shall not apply,

(e) to the extent required by Section 414(u)(12) of the Code, an individual receiving a differential wage payment from a Participating Employer shall be treated as an Employee of the Participating Employer making the payment, and the differential wage payment shall be treated as Compensation, and

(f) to the extent required by Section 414(u)(12) of the Code, an individual shall be treated as having been severed from employment during any period the individual is performing services described in Section 3401(h)(2) of the Code, and, if the individual elects to receive a distribution by reason of this sentence, the individual may not make an elective deferral during the 6-month period beginning on the date of the distribution.

In addition, Participant loan repayments shall be suspended under the Plan as permitted by Section 414(u)(4) of the Code.

ARTICLE XV
CBRE GROUP, INC. STOCK FUND

15.1 The CBRE Stock Fund

This Article XV describes the operation of the CBRE Stock Fund. The CBRE Stock Fund will consist of shares of CBRE Stock and a small cash reserve, normally not more than 3% of the value of the CBRE Stock Fund. The Trustee will purchase shares of CBRE Stock required for the Plan, or cause such shares to be purchased, in the open market or by private purchase, including purchase from CBRE Group, Inc., the Company, or an Affiliated Company. Any such purchase from CBRE Group, Inc., the Company or an Affiliated Company will be at the value of CBRE Stock on the date of purchase or any more favorable price that may be made available to the Trustee from time to time. Stock dividends and other distributions received in cash with respect to CBRE Stock held in the CBRE Stock Fund will be reinvested in the CBRE Stock Fund. Dividends and other distributions received in the form of CBRE Stock with respect to shares held in the CBRE Stock Fund will be held in the CBRE Stock Fund.

15.2 Allocations to Participants' Accounts

A Participant can direct in accordance with the procedures set forth Section 5.7 that up to 25 percent of the contributions allocated to the Participant's Account be invested initially in the CBRE Stock Fund. A Participant can also direct in accordance with the procedures set forth Section 5.7 that assets allocated to the Participant's Account that are invested in other investment funds be reinvested in the CBRE Stock Fund; provided however that any direction to reinvest assets in the CBRE Stock Fund will not be effective if it would result in the percentage of the assets allocated to the CBRE Stock Fund exceeding 25 percent of the assets allocated to the Participant's Accounts. There shall be no limitation on the Participant's ability to direct the reinvestment of any amounts in his or her Accounts invested in the CBRE Stock Fund in other investment funds offered under the Plan.

The provisions of ERISA Section 404(c)(1)(B) will apply to a Participant's election to acquire or dispose of interests in the CBRE Stock Fund. The Committee shall take such actions and establish such procedures as it deems necessary to ensure the confidentiality of information relating to the purchase, sale, and holding of CBRE Stock, and the exercise of voting, tender and similar rights with respect to CBRE Stock by a Participant or his or her Beneficiary. Notwithstanding the foregoing, such information may be disclosed to the extent necessary to comply with applicable state and federal laws.

Notwithstanding any other provision of the Plan, in no event shall any Participant's Account have more than 25 percent of the assets allocated to such Participant's Account invested in the CBRE Stock Fund as of the last business day of any Plan Year. If on the last business day of any Plan Year, a Participant has more than 25 percent of the assets allocated to such Participant's Account invested in the CBRE Stock Fund, the Trustee will redirect the investment of that portion of the Participant's Account in excess of such 25 percent limitation from the CBRE Stock Fund to the Plan's default fund, as designated by the Committee, in its sole discretion.

15.3 Plan Distributions

If a Participant who is entitled to receive a distribution, withdrawal or loan from the Plan has a portion of this Account balance invested in the CBRE Stock Fund, the Trustee will liquidate the Participant's interest in the CBRE Stock Fund and distribute or loan such amount in cash. A Participant cannot elect to receive a distribution or loan of CBRE Stock rather than cash. Any such distribution or loan shall be deemed to be made pro rata from the investment funds in the Participant's Account from which the distribution or loan is made, including the CBRE Stock Fund, on the basis of the value of such investments as of the date of such distribution or loan.

15.4 Voting Rights and Tender Offers

Within a reasonable time before each annual or special meeting of shareholders of CBRE Stock, there shall be sent to each Participant who has an investment in the CBRE Stock Fund a copy of the proxy solicitation material for the meeting, together with a form requesting instructions for the Trustee on how to vote CBRE Stock represented by units credited to such Participant's Accounts. Upon receipt of such instructions, the Trustee shall vote the shares as instructed. The Trustee shall maintain the instructions of each Participant in confidence. The Trustee shall vote CBRE Stock for which it does not receive voting instructions, including any unallocated CBRE Stock, in the same proportion as the Trustee votes CBRE Stock for which it does receive timely instructions; provided, however, that the Trustee shall in all events exercise voting obligations consistent with the Trustee's fiduciary duties under ERISA.

Each Participant shall be given the opportunity, to the extent that any portion of his or her Accounts are invested in the CBRE Stock Fund, to direct the Trustee in writing as to the manner in which to respond to a tender or exchange offer with respect to CBRE Stock represented by units credited to such Participant's Accounts. The Trustee shall respond in accordance with the instructions so received. The Trustee shall not divulge to the Company or any Affiliated Company the instructions of any Participant. The Committee shall utilize its best efforts to timely distribute or cause to be distributed to each Participant information as will be distributed to shareholders of such CBRE Group, Inc. in connection with any such tender or exchange offer,

together with a form addressed to the Trustee requesting confidential instructions on whether or not CBRE Stock will be tendered or exchanged. If the Trustee shall not receive timely direction from a Participant as to the manner in which to respond to such a tender or exchange offer, the Trustee shall not tender or exchange any CBRE Stock represented by units credited to such Participant's Accounts with respect to which such Participant has the right of direction.

Executed this 28th day of December, 2011.

CBRE SERVICES, INC.

By: /s/ BRETT WHITE
Brett White, Chief Executive Officer

EXHIBIT 31.1

CERTIFICATION

I, Brett White, certify that:

1) I have reviewed this quarterly report on Form 10-Q of CBRE 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: November 9, 2012

/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 CBRE 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: November 9, 2012

/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 CBRE 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 September 30, 2012, 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: November 9, 2012

/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.