

CBRE GROUP, INC.  
Form 10-Q  
August 11, 2014  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

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

For the quarterly period ended June 30, 2014

or

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

For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001 32205

**CBRE GROUP, INC.**

(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of

incorporation or organization)

400 South Hope Street, 25<sup>th</sup> Floor

Los Angeles, California

94-3391143  
(I.R.S. Employer

Identification Number)

90071

(Zip Code)

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(Address of principal executive offices)

(213) 613-3333

Not applicable

(Registrant's telephone number, including area code)

(Former name, former address and

former fiscal year if changed since last report)

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

The number of shares of Class A common stock outstanding at July 31, 2014 was 332,117,706.

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**June 30, 2014**

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	<b>June 30, 2014 (Unaudited)</b>	<b>December 31, 2013</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 381,866	\$ 491,912
Restricted cash	46,986	61,155
Receivables, less allowance for doubtful accounts of \$45,878 and \$40,262 at June 30, 2014 and December 31, 2013, respectively	1,638,197	1,486,489
Warehouse receivables	739,616	381,545
Trading securities	71,012	58,442
Income taxes receivable	35,210	
Prepaid expenses	133,237	125,151
Deferred tax assets, net	194,141	188,533
Real estate and other assets held for sale	13,204	
Real estate under development		19,133
Available for sale securities	311	
Other current assets	84,691	67,452
<b>Total Current Assets</b>	<b>3,338,471</b>	<b>2,879,812</b>
Property and equipment, net	455,322	458,596
Goodwill	2,334,972	2,290,474
Other intangible assets, net of accumulated amortization of \$417,314 and \$348,566 at June 30, 2014 and December 31, 2013, respectively	816,674	841,228
Investments in unconsolidated subsidiaries	214,414	198,696
Real estate under development	6,165	822
Real estate held for investment	67,453	106,999
Available for sale securities	63,961	56,800
Other assets, net	174,339	164,987
<b>Total Assets</b>	<b>\$ 7,471,771</b>	<b>\$ 6,998,414</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 770,494	\$ 817,519
Compensation and employee benefits payable	517,563	486,993
Accrued bonus and profit sharing	377,164	612,114
Income taxes payable		11,111
Short-term borrowings:		
Warehouse lines of credit	731,461	374,597
Revolving credit facility	335,991	142,484
Other	6,585	16
<b>Total short-term borrowings</b>	<b>1,074,037</b>	<b>517,097</b>
Current maturities of long-term debt	42,330	42,245
Notes payable on real estate	23,425	62,017
Liabilities related to real estate and other assets held for sale	12,172	
Other current liabilities	58,779	56,644
<b>Total Current Liabilities</b>	<b>2,875,964</b>	<b>2,605,740</b>
Long-Term Debt:		
5.00% senior notes	800,000	800,000
Senior secured term loans	625,788	645,613

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6.625% senior notes	350,000	350,000
Other long-term debt	1,441	2,822
<b>Total Long-Term Debt</b>	<b>1,777,229</b>	<b>1,798,435</b>
Notes payable on real estate	54,412	68,455
Deferred tax liabilities, net	134,766	160,777
Non-current tax liabilities	63,150	65,520
Pension liability	69,146	68,012
Other liabilities	322,829	295,469
<b>Total Liabilities</b>	<b>5,297,496</b>	<b>5,062,408</b>
Commitments and contingencies		
Equity:		
CBRE Group, Inc. Stockholders' Equity:		
Class A common stock; \$0.01 par value; 525,000,000 shares authorized; 332,116,454 and 331,927,166 shares issued and outstanding at June 30, 2014 and December 31, 2013, respectively	3,321	3,319
Additional paid-in capital	1,010,837	981,997
Accumulated earnings	1,229,719	1,056,592
Accumulated other comprehensive loss	(111,095)	(146,123)
<b>Total CBRE Group, Inc. Stockholders' Equity</b>	<b>2,132,782</b>	<b>1,895,785</b>
Non-controlling interests	41,493	40,221
<b>Total Equity</b>	<b>2,174,275</b>	<b>1,936,006</b>
<b>Total Liabilities and Equity</b>	<b>\$ 7,471,771</b>	<b>\$ 6,998,414</b>

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

**Table of Contents****CBRE GROUP, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited)****(Dollars in thousands, except share data)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Revenue	\$ 2,126,806	\$ 1,742,014	\$ 3,987,648	\$ 3,217,077
Costs and expenses:				
Cost of services	1,314,473	1,018,827	2,475,933	1,880,043
Operating, administrative and other	566,202	499,458	1,094,597	968,999
Depreciation and amortization	63,295	43,601	128,498	89,882
Total costs and expenses	1,943,970	1,561,886	3,699,028	2,938,924
Gain on disposition of real estate	23,170	7,496	29,867	10,645
Operating income	206,006	187,624	318,487	288,798
Equity income from unconsolidated subsidiaries	9,264	6,544	24,264	16,293
Other income	6,364	1,533	11,165	4,227
Interest income	1,146	1,490	2,723	3,518
Interest expense	28,470	37,532	56,485	79,927
Write-off of financing costs		42,715		56,295
Income from continuing operations before provision for income taxes	194,310	116,944	300,154	176,614
Provision for income taxes	64,111	45,815	102,013	64,819
Income from continuing operations	130,199	71,129	198,141	111,795
Income from discontinued operations, net of income taxes		3,105		24,294
Net income	130,199	74,234	198,141	136,089
Less: Net income attributable to non-controlling interests	24,735	4,332	25,014	28,641
Net income attributable to CBRE Group, Inc.	\$ 105,464	\$ 69,902	\$ 173,127	\$ 107,448
<i>Basic income per share attributable to CBRE Group, Inc. shareholders</i>				
Income from continuing operations attributable to CBRE Group, Inc. Inc	\$ 0.32	\$ 0.21	\$ 0.52	\$ 0.32