

The logo for CBRE, consisting of the letters 'CBRE' in a bold, white, sans-serif font. The background of the slide is a dark teal color with a grid of thin white lines that create a perspective effect, converging towards the top center.

CBRE

CBRE GROUP, INC.

Fourth Quarter 2017: Earnings Conference Call

FEBRUARY 8, 2018

FORWARD-LOOKING STATEMENTS

This presentation contains statements that are forward looking within the meaning of the Private Securities Litigation Reform Act of 1995. These include statements regarding CBRE's future growth momentum, operations, market share, business outlook, and financial performance expectations. These statements are estimates only and actual results may ultimately differ from them. Except to the extent required by applicable securities laws, we undertake no obligation to update or publicly revise any of the forward-looking statements that you may hear today. Please refer to our fourth quarter earnings release, furnished on Form 8-K, our most recent annual report filed on Form 10-K, our most recent quarterly report filed on Form 10-Q, and in particular any discussion of risk factors or forward-looking statements therein, which are available on the SEC's website (www.sec.gov), for a full discussion of the risks and other factors that may impact any forward-looking statements that you may hear today. We may make certain statements during the course of this presentation, which include references to "non-GAAP financial measures," as defined by SEC regulations. Where required by these regulations, we have provided reconciliations of these measures to what we believe are the most directly comparable GAAP measures, which are attached hereto within the appendix.

CONFERENCE CALL PARTICIPANTS

Bob Sulentic

PRESIDENT AND
CHIEF EXECUTIVE OFFICER

Jim Groch

CHIEF FINANCIAL OFFICER AND
HEAD OF CORPORATE DEVELOPMENT

Brad Burke

INVESTOR RELATIONS

2017 FINANCIAL HIGHLIGHTS

- Q4 capped excellent financial performance in 2017
 - Financial results significantly exceeded targets set last quarter
 - Double-digit revenue growth in leasing and occupier outsourcing

- Full year financial highlights
 - Revenue and earnings reached all-time highs
 - 18% growth in full-year adjusted EPS¹
 - 8th consecutive year of double-digit adjusted EPS¹ growth

See slide 14 for footnotes.

2017 STRATEGIC GAINS

- Americas property sales and leasing outperformed broader market
- Data & Technology: developed and executing commercially-focused technologies enhancing client outcomes
- Introduced CBRE 360: Tech-enabled workplace experience service
- Measurably higher client satisfaction scores across business
- Executed highly targeted M&A focused on adding capabilities
- Added significantly to talent base; one of our best years for producer recruiting

2017 PERFORMANCE OVERVIEW

- Q4 results exceed CBRE expectations led by:
 - Occupier outsourcing fee revenue¹ growth of 17%
 - Leasing revenue growth of 11%
 - Adjusted EBITDA² margin of 19.7% on fee revenue, above expectations
- Increased M&A activity in full year 2017
 - 11 acquisitions - enhanced capabilities support organic growth
- Organic fee revenue¹ up 7% in 2017
- Record financial strength
 - Low leverage, high liquidity and considerable free cash flow

See slide 14 for footnotes.

Q4 2017 BUSINESS LINE REVENUE

CONTRACTUAL REVENUE & LEASING, LARGELY RECURRING OVER TIME¹, IS 74% OF FEE REVENUE

Revenue (\$ in millions)

	Contractual Revenue Sources					Leasing	Capital Markets	Other		Total
	Occupier Outsourcing ²	Property Management ²	Investment Management	Valuation	Loan Servicing	Leasing	Sales	Commercial Mortgage Origination	Development Services	

Gross Revenue

Q4 2017	\$ 1,957	\$ 310	\$ 103	\$ 154	\$ 43	\$ 1,005	\$ 565	\$ 153	\$ 23	\$ 23	\$ 4,336
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Fee Revenue³

Q4 2017	\$ 729	\$ 157	\$ 103	\$ 154	\$ 43	\$ 1,005	\$ 565	\$ 153	\$ 23	\$ 23	\$ 2,955
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74% of total fee revenue

% of Q4 2017
Total Fee
Revenue

25%	5%	4%	5%	1%	34%	19%	5%	1%	1%	100%
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Fee Revenue Growth Rate (Change Q4 2017-over-Q4 2016)

USD	▲ 20%	▲ 16%	▲ 12%	▲ 3%	▲ 31%	▲ 13%	◀▶ 0%	▲ 5%	▲ 57%	▼ -8%	▲ 11%
Local Currency	▲ 17%	▲ 14%	▲ 7%	◀▶ 0%	▲ 30%	▲ 11%	▼ -2%	▲ 5%	▲ 57%	▼ -11%	▲ 9%

See slide 14 for footnotes.

OCCUPIER OUTSOURCING

2017 TOTAL CONTRACTS

	Q4	FY
New	51	148
Expansions	54	193
Renewals	40	128

HIGHLIGHTS

- Strong international contract activity in Q4:
 - 21 total contracts in APAC
 - 28 total contracts in EMEA
- Continued inroads in health care:
 - 10 total contracts in Q4

Q4 2017 Representative Clients

Facilities Management



Transaction Services



Project Management



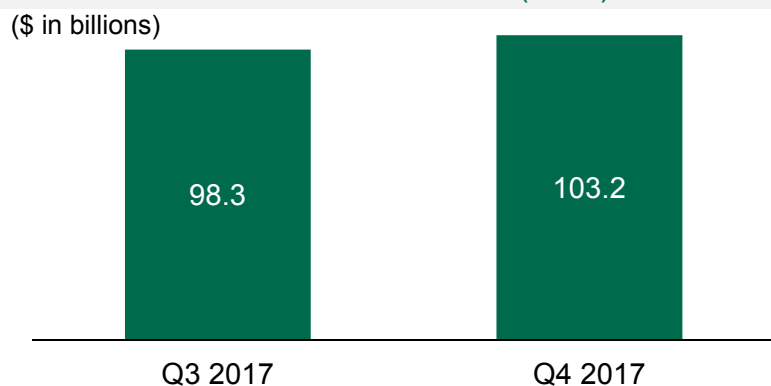
GLOBAL INVESTMENT MANAGEMENT

CAPITAL RAISED¹



- Capital to deploy: approx. \$8.2 billion²
- Co-Investment: \$182.3 million²

ASSETS UNDER MANAGEMENT (AUM)



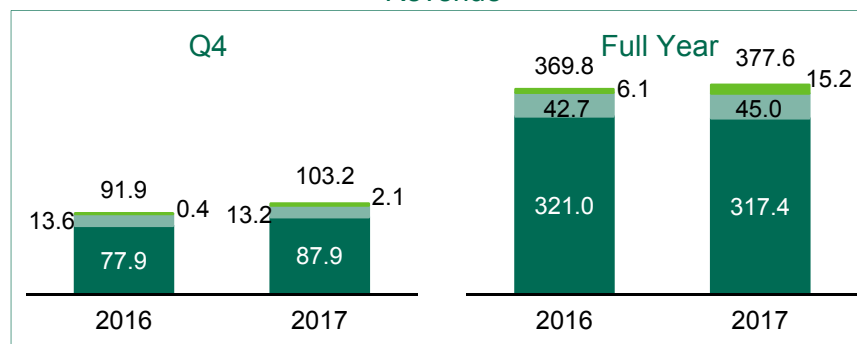
- AUM is up \$4.9 billion in USD from Q3 2017 (up \$4.3 billion in local currency)

See slide 14 for footnotes.

FINANCIAL RESULTS

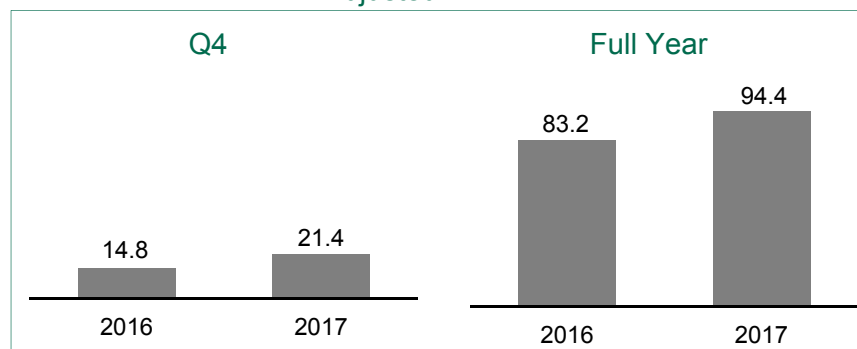
(\$ in millions)

Revenue



- Asset Management
- Carried Interest
- Acquisition, Disposition, Incentive & Other

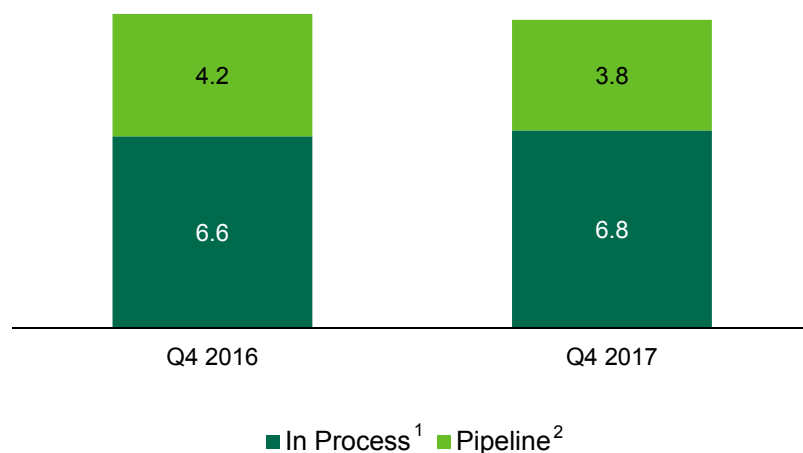
Adjusted EBITDA³



DEVELOPMENT SERVICES

PROJECTS IN PROCESS/PIPELINE

(\$ in billions)



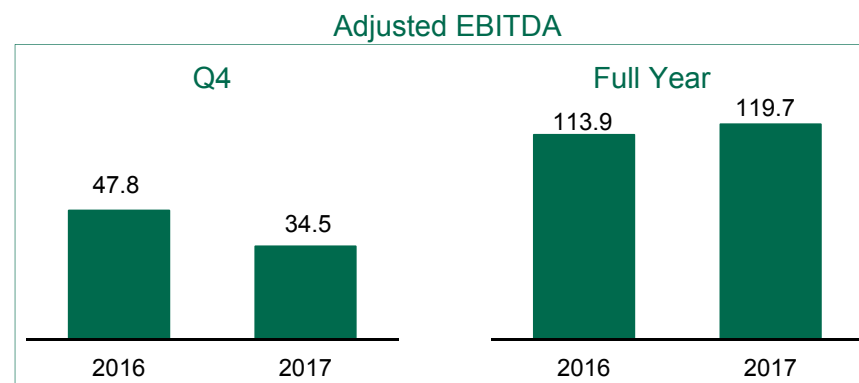
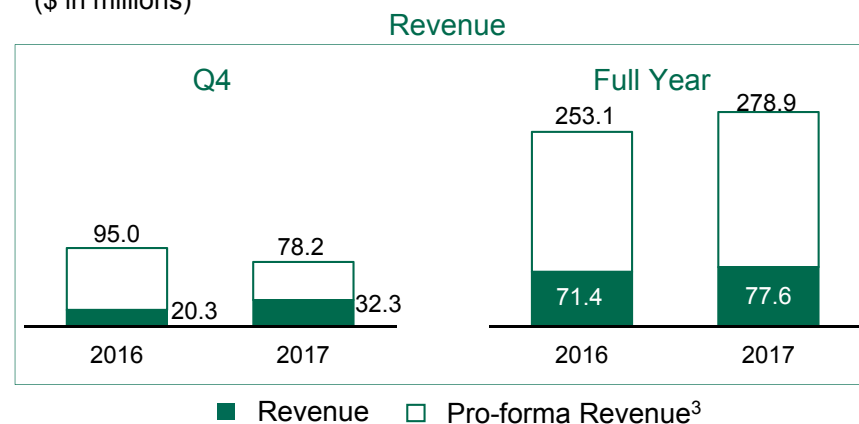
- \$110.7 million of co-investments at the end of Q4 2017
- \$9.3 million in repayment guarantees on outstanding debt balances at the end of Q4 2017

See slide 14 for footnotes.

CBRE

FINANCIAL RESULTS

(\$ in millions)



REVENUE RECOGNITION AND TAX CHANGES

- Recognition of gross revenue associated with costs we pass through to our clients to increase by approximately \$5B
- Little impact on annual fee revenue, EBITDA, fee revenue margins, EPS and related adjusted results
- Tax reform expected to decrease adjusted 2018 rate to 23%-24%
 - Provisional charge associated with tax reform reduced GAAP EPS by \$0.42 in Q4 2017
- Plan to call \$800M of 5% bonds due in 2023 in March 2018

2018 FULL YEAR OUTLOOK

- Reinvesting tax savings back into our business
- Leasing revenue increasing mid-single digits
- Capital markets revenue increasing low to mid-single digits
- Occupier outsourcing fee revenue increasing solid mid-teens
- Low double-digit adjusted EBITDA growth in Development Services and Investment Management businesses combined
- Adjusted EBITDA margin on fee revenue of approximately 17.5%
- Approximately \$27M net interest expense savings offset by approximately \$35M higher depreciation and amortization
- Adjusted EPS of \$3.00 to \$3.15, 13%+ at the midpoint versus 2017



**SUPPLEMENTAL SLIDES AND GAAP
RECONCILIATION TABLES**

FOOTNOTES

Note – Local currency percent changes versus prior year is a non-GAAP measure noted on slides 4, 6, 7, 18, 19, 20, 21, 22 and 23. These percent changes are calculated by comparing current year results at prior year exchange rates versus prior year results. In addition, we have not reconciled the (non-GAAP) adjusted EBITDA margin on fee revenue and adjusted earnings per share guidance referenced in this presentation to the most directly comparable GAAP measure because this cannot be done without unreasonable effort due to the variability and low visibility with respect to costs related to acquisitions, carried interest incentive compensation and financing costs, which are potential adjustments to future earnings. We expect the variability of these items to have a potentially unpredictable, and a potentially significant, impact on our future GAAP financial results.

Slide 4

1. Adjusted EPS excludes amortization expense related to certain intangible assets attributable to acquisitions, cost-elimination expenses, integration and other costs related to acquisitions, and adjusts certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue as well as adjusts the provision for income taxes for such charges. Adjustments also included the estimated tax impact of U.S. tax reform. All EPS information is based on diluted shares.

Slide 6

1. Fee revenue is gross revenue less both client reimbursed costs largely associated with employees that are dedicated to client facilities and subcontracted vendor work performed for clients. Certain adjustments have been made to 2016 fee revenue to conform with current-year presentation. Organic fee revenue further excludes contributions from all acquisitions completed after Q4 2016.
2. EBITDA represents earnings before net interest expense, income taxes, depreciation and amortization. Adjusted EBITDA excludes (from EBITDA) certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue, cost-elimination expenses and integration and other costs related to acquisitions.

Slide 7 & 19

1. Contractual revenue refers to revenue derived from our Occupier Outsourcing, Property Management, Investment Management, Valuation and Loan Servicing businesses. We regard leasing revenue as largely recurring over time because unlike most other transaction businesses, leasing activity normally takes place when leases expire. The average lease expires in five to six years. This means that, on average, in a typical year approximately 17% to 20% of leases roll over and a new leasing decision must be made. When a lease expires in the ordinary course, we expect it to be renewed, extended or the tenant to vacate the space to lease another space in the market. In each instance, a transaction is completed. If there is a downturn in economic activity, some tenants may seek a short term lease extension, often a year, before making a longer term commitment. In this scenario, that delayed leasing activity tends to be stacked on top of the normal activity in the following year. Thus, we characterize leasing as largely recurring over time because we expect an expiration of a lease, in the ordinary course, to lead to an opportunity for a leasing commission from such completed transaction.
2. Occupier Outsourcing and Property Management revenue excludes associated leasing and sales revenue, most of which is contractual.
3. Fee revenue is gross revenue less both client reimbursed costs largely associated with employees that are dedicated to client facilities and subcontracted vendor work performed for clients. Certain adjustments have been made to 2016 fee revenue to conform with current-year presentation. Additionally, in 2017, we have changed the presentation of the operating results of one of our emerging businesses among our regional services reporting segments. Prior year amounts have been reclassified to conform with the current-year presentation. This change had no impact on our consolidated results.

Slide 9

1. Excludes securities business.
2. As of December 31, 2017.
3. Adjusted EBITDA excludes (from EBITDA) certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue and cost-elimination expenses.

Slide 10

1. In Process figures include Long-Term Operating Assets (LTOA) of \$0.2 billion for 4Q 17 and \$0.2 billion for 4Q 16. LTOA are projects that have achieved a stabilized level of occupancy or have been held 18-24 months following shell completion or acquisition.
2. Pipeline deals are projects we are pursuing which we believe have a greater than 50% chance of closing or where land has been acquired and the projected construction start is more than 12 months out.
3. Pro-forma revenue is revenue plus equity income from unconsolidated subsidiaries and gain on disposition of real estate, net of non-controlling interest. The company believes that investors may find this measure useful to analyze the financial performance of our Development Services segment because it is more reflective of its total operations. See slide 32 for calculation.

Slide 18 & 20

1. Fee revenue is gross revenue less both client reimbursed costs largely associated with employees that are dedicated to client facilities and subcontracted vendor work performed for clients. Certain adjustments have been made to 2016 fee revenue to conform with current-year presentation.
2. EBITDA represents earnings before net interest expense, income taxes, depreciation and amortization.
3. Adjusted EBITDA excludes (from EBITDA) certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue, cost-elimination expenses and integration and other costs related to acquisitions.
4. Fee revenue margin is based on adjusted EBITDA.
5. Adjusted EPS excludes amortization expense related to certain intangible assets attributable to acquisitions, cost-elimination expenses, integration and other costs related to acquisitions, and adjusts certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue as well as adjusts the provision for income taxes for such charges. Adjustments also included the estimated tax impact of U.S. tax reform.
6. All EPS information is based on diluted shares.
7. Excludes the impact of all currency effects; including hedging. See slide 15 for summary of currency effects versus prior year.

OTHER FINANCIAL METRICS

(\$ in millions)	2018 Forecast	Twelve Months Ended December 31,	
		2017	2016
Depreciation	approx. \$180	\$ 167.3	\$ 152.8
Adjusted amortization ¹	approx. \$150	125.8	103.0
Net interest expense	approx. \$100	127.0	136.8
Adjusted income taxes ²		364.9	389.8
Adjusted income tax rate ²	23% - 24%	28.3%	33.4%

2017 Currency Effects vs. Prior Year

	Q4	Full Year
2017 currency translation as well as other exchange rate transaction gains/(losses) during 2017 against same prior year period (pre-tax adjusted EBITDA impact)	\$15.9 million	\$10.8 million
2017 marking-to-market of currency hedges against same prior year period (pre-tax adjusted EBITDA impact) ³	(\$6.5 million)	(\$7.7 million)

1. Excludes \$112.7 million and \$111.1 million of amortization expense related to certain intangible assets attributable to acquisitions for 2017 and 2016, respectively.

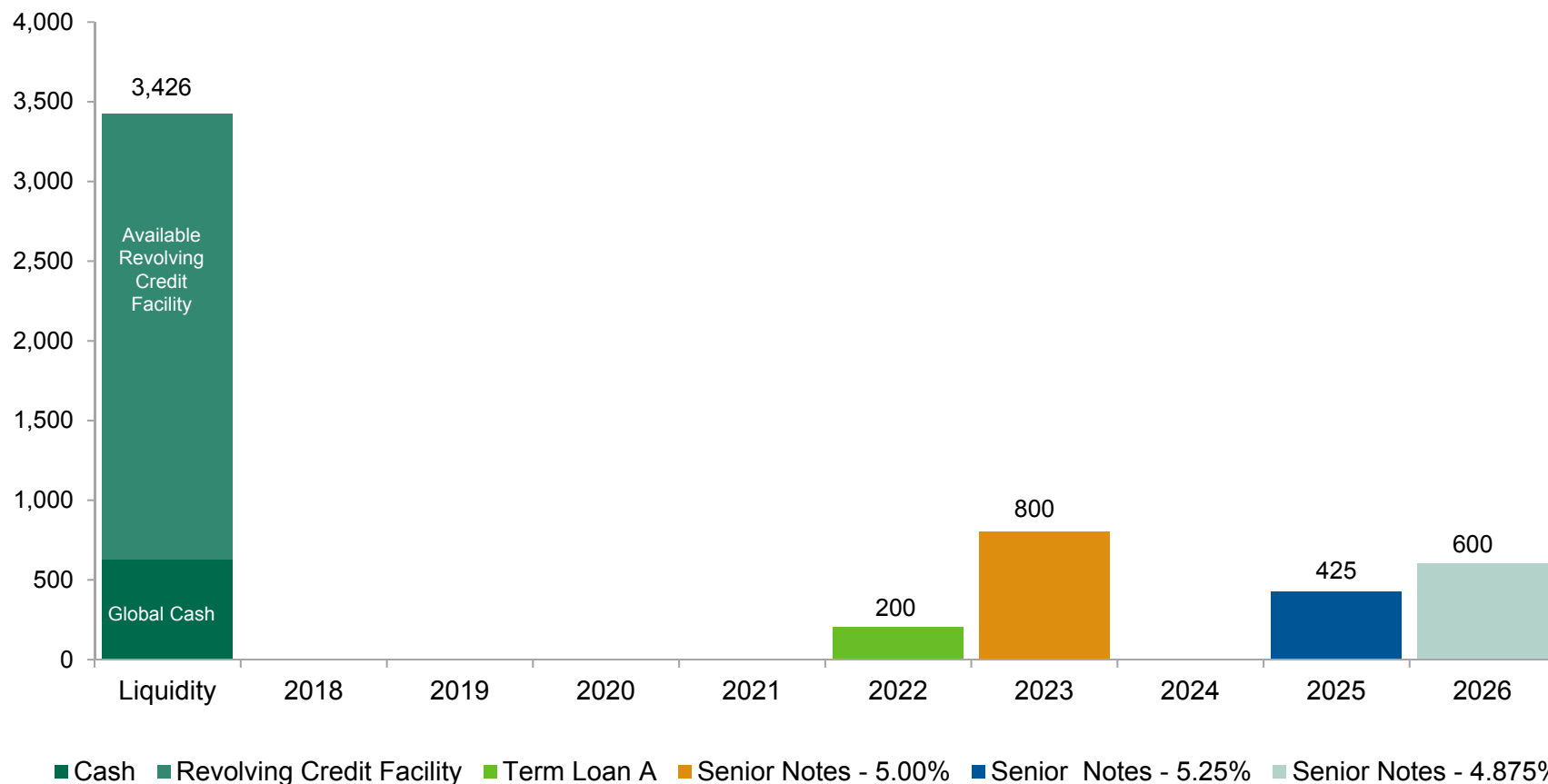
2. Adjusted income taxes and adjusted income tax rate include the tax effect on select items, including amortization expense related to certain intangibles attributable to acquisitions, cost-elimination expenses, integration and other costs related to acquisitions, and adjusts certain carried interest incentive compensation expense (reversal) to align with the timing of associated revenue. This amount was \$42.1 million in 2017 and \$93.2 million in 2016. Additionally, 2017 removes the impact of \$143.4 million of tax expense associated with U.S. tax reform. Also adjusts pre-tax income for portion attributable to non-controlling interests.

3. This amount represents hedging gains in the prior year that did not recur in the current year. As of December 31, 2017, we had no foreign currency exchange forward contracts outstanding. We do not intend to hedge our foreign currency denominated EBITDA in 2018.

MANDATORY AMORTIZATION AND MATURITY SCHEDULE

AS OF DECEMBER 31, 2017¹

(\$ in millions)



1. \$2,800 million revolving credit facility matures in October 2022. As of December 31, 2017, the revolving credit facility balance was \$0 million.

DEBT & LEVERAGE

	December 31, 2017
(\$ in millions)	
Cash ¹	\$ 628
Revolving credit facility	-
Senior term loans ²	193
Senior notes ²	1,806
Other debt ^{3,4}	-
Total debt	\$ 1,999
Total net debt⁵	\$ 1,371
TTM Adjusted EBITDA ⁶	\$ 1,710
Net debt to TTM Adjusted EBITDA	0.8x

1. Excludes \$123.8 million of cash in consolidated funds and other entities not available for company use at December 31, 2017.

2. Outstanding amount is reflected net of unamortized debt issuance costs.

3. Excludes \$910.8 million of warehouse facilities for loans originated on behalf of the FHA and other government sponsored enterprises outstanding at December 31, 2017, which are non-recourse to CBRE Group, Inc.

4. Excludes non-recourse notes payable on real estate, net of unamortized debt issuance costs, of \$17.9 million at December 31, 2017.

5. Total net debt is calculated as total debt (excluding non-recourse debt) less cash available for company use, as disclosed above.

6. Adjusted EBITDA excludes (from EBITDA) certain carried interest compensation reversal to align with the timing of associated revenue as well as integration and other costs associated with acquisitions.

2017 PERFORMANCE OVERVIEW

	Revenue	Fee Revenue ¹	EBITDA ²	Adjusted EBITDA ³	Fee Revenue Margin ⁴	EPS ⁶	Adjusted EPS ^{5,6}
2017	\$ 14,210 M	\$ 9,389 M	\$ 1,691 M	\$ 1,710 M	18.2%	\$ 2.03	\$ 2.71
2016	\$ 13,072 M	\$ 8,726 M	\$ 1,372 M	\$ 1,561 M	17.9%	\$ 1.69	\$ 2.30
Change 2017-over- 2016							
USD	▲ 9%	▲ 8%	▲ 23%	▲ 10%	▲ 30bps	▲ 20%	▲ 18%
Local Currency	▲ 9%	▲ 8%	▲ 23% ⁷	▲ 9% ⁷	n/a	▲ 20% ⁷	▲ 17% ⁷

See slide 14 for footnotes.

2017 BUSINESS LINE REVENUE

CONTRACTUAL REVENUE & LEASING, LARGELY RECURRING OVER TIME¹, IS 74% OF FEE REVENUE

Revenue (\$ in millions)

	Contractual Revenue Sources					Leasing	Capital Markets	Other		Total
	Occupier Outsourcing ²	Property Management ²	Investment Management	Valuation	Loan Servicing	Leasing	Sales	Commercial Mortgage Origination	Development Services	

Gross Revenue

2017	\$ 6,754	\$ 1,140	\$ 378	\$ 528	\$ 157	\$ 2,861	\$ 1,799	\$ 451	\$ 58	\$ 84	\$14,210
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Fee Revenue³

2017	\$ 2,523	\$ 550	\$ 378	\$ 528	\$ 157	\$ 2,861	\$ 1,799	\$ 451	\$ 58	\$ 84	\$ 9,389
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74% of total fee revenue

% of 2017 Total Fee Revenue

27%	6%	4%	5%	2%	30%	19%	5%	1%	1%	100%
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Fee Revenue Growth Rate (Change 2017-over-2016)

USD	▲ 11%	▲ 9%	▲ 2%	▲ 5%	▲ 29%	▲ 8%	▲ 6%	▲ 1%	▲ 2%	▼ -2%	▲ 8%
Local Currency	▲ 12%	▲ 9%	▲ 3%	▲ 4%	▲ 29%	▲ 7%	▲ 5%	▲ 1%	▲ 2%	▼ -2%	▲ 8%

See slide 14 for footnotes.

Q4 2017 PERFORMANCE OVERVIEW

	Revenue	Fee Revenue ¹	EBITDA ²	Adjusted EBITDA ³	Fee Revenue Margin ⁴	EPS ⁶	Adjusted EPS ^{5,6}
Q4 2017	\$ 4,336 M	\$ 2,955 M	\$ 578 M	\$ 582 M	19.7%	\$ 0.49	\$ 0.99
Q4 2016	\$ 3,824 M	\$ 2,655 M	\$ 525 M	\$ 568 M	21.4%	\$ 0.78	\$ 0.93
Change Q4 2017-over-Q4 2016							
USD	▲ 13%	▲ 11%	▲ 10%	▲ 2%	▼ 170bps	▼ -37%	▲ 6%
Local Currency	▲ 11%	▲ 9%	▲ 8% ⁷	▲ 8% ⁷	n/a	▼ -38% ⁷	▲ 4% ⁷

See slide 14 for footnotes.

AMERICAS REVENUE

Q4 2017 FEE REVENUE UP 9% IN USD AND LOCAL CURRENCY

(\$ in millions)	Occupier Outsourcing & Property Management ¹		Leasing	Sales
	Gross	Fee ²		
Q4 2017	\$ 1,058	\$ 406	\$ 696	\$ 318
USD ³	▲ 20%	▲ 24%	▲ 12%	▼ -8%
Local Currency ³	▲ 21%	▲ 25%	▲ 12%	▼ -8%

1. Occupier Outsourcing and Property Management revenue excludes associated leasing and sales revenue, most of which is contractual.

2. Fee revenue is gross revenue less both client reimbursed costs largely associated with employees that are dedicated to client facilities and subcontracted vendor work performed for clients. In 2017, we have changed the presentation of the operating results of one of our emerging businesses among our regional services reporting segments. Prior year amounts have been reclassified to conform with the current-year presentation. This change had no impact on our consolidated results. Additionally, certain adjustments have been made to 2016 fee revenue to conform with current-year presentation.

3. Growth rate for Q4 2017 versus Q4 2016.

EMEA REVENUE

Q4 2017 FEE REVENUE UP 16% IN USD OR UP 8% IN LOCAL CURRENCY

(\$ in millions)	Occupier Outsourcing & Property Management ¹		Leasing	Sales
	Gross	Fee ²		
Q4 2017	\$ 933	\$ 381	\$ 178	\$ 152
USD ³	▲ 16%	▲ 13%	▲ 12%	▲ 29%
Local Currency ³	▲ 9%	▲ 6%	▲ 3%	▲ 20%

1. Occupier Outsourcing and Property Management revenue excludes associated leasing and sales revenue, most of which is contractual.

2. Fee revenue is gross revenue less both client reimbursed costs largely associated with employees that are dedicated to client facilities and subcontracted vendor work performed for clients. In 2017, we have changed the presentation of the operating results of one of our emerging businesses among our regional services reporting segments. Prior year amounts have been reclassified to conform with the current-year presentation. This change had no impact on our consolidated results. Additionally, certain adjustments have been made to 2016 fee revenue to conform with current-year presentation.

3. Growth rate for Q4 2017 versus Q4 2016.

ASIA PACIFIC REVENUE

Q4 2017 FEE REVENUE UP 8% IN USD OR 7% IN LOCAL CURRENCY

(\$ in millions)	Occupier Outsourcing & Property Management ¹		Leasing	Sales
	Gross	Fee ²		
Q4 2017	\$ 269	\$ 92	\$ 127	\$ 96
USD ³	▲ 22%	▲ 20%	▲ 17%	▼ -7%
Local Currency ³	▲ 20%	▲ 19%	▲ 17%	▼ -8%

1. Occupier Outsourcing and Property Management revenue excludes associated leasing and sales revenue, most of which is contractual.

2. Fee revenue is gross revenue less both client reimbursed costs largely associated with employees that are dedicated to client facilities and subcontracted vendor work performed for clients. In 2017, we have changed the presentation of the operating results of one of our emerging businesses among our regional services reporting segments. Prior year amounts have been reclassified to conform with the current-year presentation. This change had no impact on our consolidated results. Additionally, certain adjustments have been made to 2016 fee revenue to conform with current-year presentation.

3. Growth rate for Q4 2017 versus Q4 2016.

U.S. MARKET STATISTICS

U.S. VACANCY					U.S. ABSORPTION TRENDS (in MSF)			
	4Q16	4Q17	1Q18F	2Q18F	4Q16	4Q17	2017	2018F
Office	12.9%	13.0%	13.0%	13.1%	14.0	6.9	36.4	45.1
Industrial	7.4%	7.4%	7.6%	7.7%	57.1	45.5	177.6	103.9
Retail	9.0%	9.6%	9.5%	9.5%	10.2	2.1	-4.7	10.7
Multi Family	4.8%	4.9%	5.0%	5.0%	22.1	25.3	241.2	280.1

Source: CBRE Econometric Advisors (EA) Outlooks 4Q 2017

U.S. INVESTMENT VOLUME AND CAP RATES

	4Q16	4Q17		4Q16	4Q17
Office			Retail		
Volume (\$B)	38.2	33.0	Volume (\$B)	13.5	10.4
Cap Rate	6.6%	6.7%	Cap Rate	6.7%	6.7%
Industrial			Multi Family		
Volume (\$B)	13.4	12.7	Volume (\$B)	41.8	37.9
Cap Rate	7.2%	6.3%	Cap Rate	5.3%	5.2%

Source: CBRE EA estimates from RCA data January 2018

NON-GAAP FINANCIAL MEASURES

The following measures are considered “non-GAAP financial measures” under SEC guidelines:

- i. fee revenue
- ii. organic fee revenue
- iii. contractual fee revenue
- iv. net income attributable to CBRE Group, Inc., as adjusted (which we also refer to as “adjusted net income”)
- v. diluted income per share attributable to CBRE Group, Inc. shareholders, as adjusted (which we also refer to as “adjusted earnings per share” or “adjusted EPS”)
- vi. EBITDA and adjusted EBITDA

These measures are not recognized measurements under United States generally accepted accounting principles, or “GAAP.” When analyzing our operating performance, investors should use them in addition to, and not as an alternative for, their most directly comparable financial measure calculated and presented in accordance with GAAP. Because not all companies use identical calculations, our presentation of these measures may not be comparable to similarly titled measures of other companies.

Our management generally uses these non-GAAP financial measures to evaluate operating performance and for other discretionary purposes. The company believes that these measures provide a more complete understanding of ongoing operations, enhance comparability of current results to prior periods and may be useful for investors to analyze our financial performance because they eliminate the impact of selected charges that may obscure trends in the underlying performance of our business. The company further uses certain of these measures, and believes that they are useful to investors, for purposes described below.

With respect to fee revenue: the company believes that investors may find this measure useful to analyze the financial performance of our Occupier Outsourcing and Property Management business lines and our business generally. Fee revenue excludes costs reimbursable by clients, and as such provides greater visibility into the underlying performance of our business. Organic fee revenue further excludes contributions from all acquisitions completed after the fourth quarter of 2016.

With respect to contractual fee revenue: the company believes that investors may find this measure useful to analyze our overall financial performance because it identifies revenue streams that are typically more stable over time.

With respect to adjusted net income, adjusted EPS, EBITDA and adjusted EBITDA: the company believes that investors may find these measures useful in evaluating our operating performance compared to that of other companies in our industry because their calculations generally eliminate the accounting effects of acquisitions, which would include impairment charges of goodwill and intangibles created from acquisitions—and in the case of EBITDA and adjusted EBITDA—the effects of financings and income tax and the accounting effects of capital spending. All of these measures may vary for different companies for reasons unrelated to overall operating performance. In the case of EBITDA and adjusted EBITDA, these measures are not intended to be measures of free cash flow for our management’s discretionary use because they do not consider cash requirements such as tax and debt service payments. The EBITDA and adjusted EBITDA measures calculated herein may also differ from the amounts calculated under similarly titled definitions in our credit facilities and debt instruments, which amounts are further adjusted to reflect certain other cash and non-cash charges and are used by us to determine compliance with financial covenants therein and our ability to engage in certain activities, such as incurring additional debt and making certain restricted payments. The company also uses adjusted EBITDA and adjusted EPS as significant components when measuring our operating performance under our employee incentive compensation programs.

OPERATING RESULTS SUMMARY FOR Q4 2017

(\$ in millions, except share data)

	For The Three Months Ended December 31, 2017				
	GAAP Consolidated	Adjustments to			Adjusted Consolidated
		Depreciation & Amortization	Carried Interest	Taxes	
Fee revenue	\$ 2,954.6				\$ 2,954.6
Pass through costs also recognized as revenue	1,381.6				1,381.6
Total revenue	4,336.2				4,336.2
Cost of services	2,974.2				2,974.2
Operating, administrative and other	835.2		(4.4)		830.8
Depreciation and amortization	109.1	(30.4)			78.7
Total costs and expenses	3,918.5	(30.4)	(4.4)	-	3,883.7
Gain on disposition of real estate	1.0				1.0
Operating income	418.7	30.4	4.4	-	453.5
Equity income from unconsolidated subsidiaries	52.0				52.0
Other income	0.3				0.3
Interest income	2.9				2.9
Interest expense	32.9				32.9
Income before provision for income taxes	441.0	30.4	4.4	-	475.8
Provision for income taxes	270.3			(134.7)	135.6
Tax rate ¹	61.6%				28.6%
Net income	170.7	30.4	4.4	134.7	340.2
Less: Net income attributable to non-controlling interests	2.3				2.3
Net income attributable to CBRE Group, Inc.	\$ 168.4	\$ 30.4	\$ 4.4	\$ 134.7	\$ 337.9
Less: Interest income	2.9				2.9
Add:					
Interest expense	32.9				32.9
Provision for income taxes	270.3			(134.7)	135.6
Depreciation and amortization	109.1	(30.4)			78.7
EBITDA	\$ 577.8	\$ -	\$ 4.4	\$ -	\$ 582.2
Weighted avg. shares outstanding for diluted EPS	341.7				341.7
Diluted EPS attributed to CBRE Group, Inc.	\$ 0.49				\$ 0.99

1. Calculation of tax rate adjusts profit before taxes to remove the portion attributable to non-controlling interests

RECONCILIATION OF ADJUSTED EBITDA TO EBITDA TO NET INCOME

(\$ in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Adjusted EBITDA	\$ 582.2	\$ 568.5	\$ 1,709.5	\$ 1,561.0
Adjustments:				
Carried interest incentive compensation expense (reversal) to align with the timing of associated revenue	4.4	(9.0)	(8.5)	(15.6)
Integration and other costs related to acquisitions	-	52.2	27.3	125.7
Cost-elimination expenses ¹	-	-	-	78.5
EBITDA	577.8	525.3	1,690.7	1,372.4
Add:				
Interest income	2.9	2.5	9.8	8.1
Less:				
Depreciation and amortization	109.1	96.9	406.1	366.9
Interest expense	32.9	35.8	136.8	144.9
Provision for income taxes	270.3	131.1	466.1	296.7
Net income attributable to CBRE Group, Inc.	\$ 168.4	\$ 264.0	\$ 691.5	\$ 572.0

1. Represents cost-elimination expenses relating to a program initiated in the fourth quarter of 2015 and completed in the third quarter of 2016 to reduce the company's global cost structure after several years of significant revenue and related cost growth. Cost-elimination expenses incurred during the twelve months ended December 31, 2016 consisted of \$73.6 million, of severance costs related to headcount reductions in connection with the program and \$4.9 million, of third-party contract termination costs.

RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

(\$ in millions, except per share amounts)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Net income attributable to CBRE Group, Inc.	\$ 168.4	\$ 264.0	\$ 691.5	\$ 572.0
Amortization expense related to certain intangible assets attributable to acquisitions	30.4	29.3	112.9	111.1
Carried-interest incentive compensation expense (reversal) to align with the timing of associated revenue	4.4	(9.0)	(8.5)	(15.6)
Integration and other costs related to acquisitions	-	52.2	27.3	125.7
Cost-elimination expenses	-	-	-	78.5
Tax impact of adjusted items	(8.7)	(21.8)	(42.1)	(93.2)
Impact of US tax reform	143.4	-	143.4	-
Adjusted net income	\$ 337.9	\$ 314.7	\$ 924.5	\$ 778.5
Adjusted diluted earnings per share	\$ 0.99	\$ 0.93	\$ 2.71	\$ 2.30
Weighted average shares outstanding for diluted income per share	341,728,078	338,839,469	340,783,556	338,424,563

RECONCILIATION OF REVENUE TO FEE REVENUE, CONTRACTUAL FEE REVENUE AND ORGANIC FEE REVENUE

(\$ in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016 ¹	2017	2016 ¹
Consolidated revenue	\$ 4,336.2	\$ 3,823.8	\$ 14,209.6	\$ 13,071.6
Less:				
Client reimbursed costs largely associated with employees dedicated to client facilities and subcontracted vendor work performed for clients	1,381.6	1,168.5	4,820.2	4,345.8
Consolidated fee revenue	\$ 2,954.6	\$ 2,655.3	\$ 9,389.4	\$ 8,725.8
Less:				
Non-contractual fee revenue	1,768.7	1,638.6	5,253.5	4,951.4
Contractual fee revenue	\$ 1,185.9	\$ 1,016.7	\$ 4,135.9	\$ 3,774.4
Consolidated fee revenue			\$ 9,389.4	
Less:				
Acquisitions			36.1	
Organic fee revenue			\$ 9,353.3	

1. Certain adjustments have been made to 2016 fee revenue to conform with current-year presentation.

RECONCILIATION OF REVENUE TO FEE REVENUE BY SEGMENT

(\$ in millions)	Three Months Ended December 31,	
	2017	2016 ¹
Americas revenue	\$ 2,341.3	\$ 2,102.9
Less:		
Client reimbursed costs largely associated with employees dedicated to client facilities and subcontracted vendor work performed for clients	652.3	558.4
Americas fee revenue	\$ 1,689.0	\$ 1,544.5
EMEA revenue	\$ 1,332.8	\$ 1,142.3
Less:		
Client reimbursed costs largely associated with employees dedicated to client facilities and subcontracted vendor work performed for clients	552.1	466.8
EMEA fee revenue	\$ 780.7	\$ 675.5
Asia Pacific revenue	\$ 526.6	\$ 466.6
Less:		
Client reimbursed costs largely associated with employees dedicated to client facilities and subcontracted vendor work performed for clients	177.2	143.4
Asia Pacific fee revenue	\$ 349.4	\$ 323.2

1. In 2017, we have changed the presentation of the operating results of one of our emerging businesses among our regional services reporting segments. Prior year amounts have been reclassified to conform with the current-year presentation. This change had no impact on our consolidated results. Additionally, certain adjustments have been made to 2016 fee revenue to conform with current-year presentation.

RECONCILIATION OF REVENUE TO FEE REVENUE

(\$ in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016 ²	2017	2016 ²
Occupier Outsourcing revenue ¹	\$ 1,957.1	\$ 1,640.6	\$ 6,753.4	\$ 6,078.5
Less:				
Client reimbursed costs largely associated with employees dedicated to client facilities and subcontracted vendor work performed for clients	1,227.9	1,032.1	4,230.1	3,805.3
Occupier Outsourcing fee revenue ¹	\$ 729.2	\$ 608.5	\$ 2,523.3	\$ 2,273.2
Property Management revenue ¹	\$ 309.9	\$ 270.8	\$ 1,140.0	\$ 1,044.9
Less:				
Client reimbursed costs largely associated with employees dedicated to client facilities and subcontracted vendor work performed for clients	153.7	136.5	590.1	540.4
Property Management fee revenue ¹	\$ 156.2	\$ 134.3	\$ 549.9	\$ 504.5

1. Occupier Outsourcing and Property Management revenue excludes associated leasing and sales revenue, most of which is contractual.

2. Certain adjustments have been made to 2016 fee revenue to conform with current-year presentation.

DEVELOPMENT SERVICES RECONCILIATION OF REVENUE TO PRO-FORMA REVENUE

(\$ in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Revenue	\$ 32.3	\$ 20.3	\$ 77.6	\$ 71.4
Add:				
Equity income from unconsolidated subsidiaries	45.0	74.8	181.6	170.2
Gain on disposition of real estate	1.0	-	19.8	15.9
Less:				
Non-controlling interest	0.1	0.1	0.1	4.4
Pro-forma Revenue	\$ 78.2	\$ 95.0	\$ 278.9	\$ 253.1