

CBRE GROUP, INC.  
Form 8-K  
January 13, 2015

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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)**

**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): January 9, 2015**

**CBRE GROUP, INC.**

**(Exact name of registrant as specified in its charter)**

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

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

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

**400 South Hope Street, 25th Floor**

**Los Angeles, California**  
**(Address of Principal Executive Offices)**

**(213) 613-3333**

**90071**  
**(Zip Code)**

**Registrant's Telephone Number, Including Area Code**

**Not Applicable**

**(Former Name or Former Address, if Changed Since Last Report)**

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

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

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

**Item 1.01 Entry into a Material Definitive Agreement**

On January 9, 2015, the Company, CBRE Services, Inc., a subsidiary of the Company ( Services ), certain subsidiaries of Services, the lenders party thereto, and Credit Suisse AG ( Credit Suisse ), as Administrative Agent and Collateral Agent, entered into a Second Amended and Restated Credit Agreement (the Credit Agreement ), which amended and restated that certain Amended and Restated Credit Agreement, dated as of March 28, 2013 (as amended prior to the date hereof, the Existing Credit Agreement ) among the Company, Services, certain subsidiaries of Services, the lenders party thereto and Credit Suisse, as Administrative Agent and Collateral Agent.

The Credit Agreement provides for the following credit facilities, the proceeds of which were used to repay in full the loans outstanding under the Existing Credit Agreement:

a \$500 million senior secured tranche A term loan facility; and

a senior secured revolving credit facility of up to \$2.6 billion, including an allowance for borrowings outside of the United States, with (i) a \$200 million sub-facility allowing for multicurrency revolving borrowings available to the U.S. Borrower (Services), the Canadian Borrower (CBRE Limited) and the Australian Borrower (CBRE Pty Limited) and (ii) a \$300 million sub-facility allowing for U.K. revolving loans to the U.S. Borrower and the U.K. Borrower (CBRE Limited).

The revolving credit facility includes borrowing capacity (i) of up to \$200 million for letters of credit and (ii) between \$20 million and \$50 million for short-term borrowings (referred to as swingline loans) available to the New Zealand Borrower.

On January 9, 2015, the U.S. Borrower borrowed \$500 million under the tranche A term loan facility. These proceeds, in addition to cash on hand, were used to repay all amounts outstanding under the Existing Credit Agreement.

In addition to implementing the facilities described above, the Credit Agreement amended and restated the Existing Credit Agreement to, among other things:

add flexibility for competitive bid loans,

increase the amount of incremental loans that may be incurred under the Credit Agreement,

add an option to release all or a portion of the guarantees of, and collateral granted in connection with, the Credit Agreement upon achieving an investment grade credit rating (as defined in the Credit Agreement),

provide flexibility for open market purchases of outstanding loans on an unlimited basis, and

provide certain other ancillary amendments related thereto.

*Interest Rate and Fees*

Borrowings under the Credit Agreement bear interest at a rate equal to an applicable rate plus, at the applicable borrowers' option, either (1) a base rate determined by reference to the greatest of (a) the prime rate determined by Credit Suisse, (b) the federal funds rate plus 1/2 of 1% and (c) the sum of (i) an adjusted LIBO rate determined by reference to the British Bankers' Association Interest Settlement Rates for deposits in dollars, Pounds or Euro, as applicable, for the applicable interest period of one month plus (ii) 1.00%, or (2) a reserve adjusted LIBO rate determined by reference to the ICE Benchmark Administration Interest Settlement Rates for deposits in dollars, Pounds or Euro, as applicable, for the applicable interest period.

The applicable rate for borrowings with respect to the tranche A term loan facility and revolving credit facility are initially (i) for the Fixed Rate tranche A term loans and Daily Rate tranche A loans, 1.50% and 0.50%, respectively, and (ii) for the Fixed Rate revolving credit loans and Daily Rate revolving credit loans, 1.25% and 0.25%, respectively. Following delivery of financial statements for the first full fiscal quarter following the closing date of the Credit Agreement, such rates will be based on (i) in the event that the Company is rated investment grade, the Company's credit rating or (ii) otherwise, the Company's leverage ratio, each as defined in the Credit Agreement, in accordance with the applicable table below.

In addition to paying interest on outstanding principal under the term loan facilities, the U.S. Borrower is required to pay a facility fee to the lenders under the revolving credit facility (whether drawn or undrawn), which fee is (i) initially, 0.25% and (ii) following delivery of financial statements for the first full fiscal quarter following the closing date of the Credit Agreement, such facility fee shall be based on (a) in the event that the Company is rated investment grade, the Company's credit rating or (b) otherwise, the Company's leverage ratio, each as defined in the Credit Agreement, in accordance with the applicable table below. The applicable borrowers must also pay customary letter of credit fees.

#### Leverage-based Grid:

Category	Leverage Ratio	Fixed Rate	Daily Rate	Fixed Rate	Daily Rate	Facility Fee
		Spread Tranche A Loans	Spread Tranche A Loans	Spread Revolving Loans	Spread Revolving Loans	Revolving Credit Commitments
Category 1	Greater than 2.50 to 1.00	1.85%	0.85%	1.50%	0.50%	0.35%
Category 2	Greater than 2.00 to 1.00 but less than or equal to 2.50 to 1.00	1.75%	0.75%	1.40%	0.40%	0.35%
Category 3	Greater than 1.50 to 1.00 but less than or equal to 2.00 to 1.00	1.625%	0.625%	1.325%	0.325%	0.30%
Category 4	Greater than 1.00 to 1.00 but less than or equal to 1.50 to 1.00	1.50%	0.50%	1.25%	0.25%	0.25%
Category 5	Equal to or less than 1.00 to 1.00	1.375%	0.375%	1.175%	0.175%	0.20%

**Ratings-based Grid:**

Category	Credit Rating			Fixed Rate	Daily	Fixed Rate	Daily	Facility Fee
	S&P	Fitch	Moody	Spread	Rate	Spread	Rate	Revolving
				Tranche	Tranche	Revolving	Revolving	Commitments
Category 1	<sup>3</sup> A-	<sup>3</sup> A-	<sup>3</sup> A3	A	A	Loans	Loans	0.10%
Category 2	BBB+	BBB+	Baa1	A	A	Loans	Loans	0.15%
Category 3	BBB	BBB	Baa2	A	A	Loans	Loans	0.20%
Category 4	BBB-	BBB-	Baa3	A	A	Loans	Loans	0.25%

*Prepayments*

The Credit Agreement requires the U.S. Borrower to offer to prepay outstanding term loans, subject to certain exceptions, as follows:

100% of the net cash proceeds of certain asset sales by the U.S. Borrower or any other subsidiary of the Company;

100% of the net cash proceeds from the issuance of debt by the Company or any of its subsidiaries, other than proceeds from debt permitted under the Credit Agreement; and

50% (which percentage shall be reduced to 25% or 0% subject to the Company and the U.S. Borrower attaining certain leverage tests) of the Company's annual excess cash flow.

The foregoing mandatory prepayments are applied pro rata across the remaining amortization payments under the Credit Agreement. The Credit Agreement does not require the borrowers to prepay outstanding loans under the revolving credit facilities, except on any date on which the sum of all outstanding revolving credit loans, all outstanding swingline loans and the total of all lenders' letter of credit exposure exceeds 105% of the total revolving credit commitments under the Credit Agreement, in which case the borrowers must pay 100% of such excess amount.

The borrowers may voluntarily repay outstanding loans under the term loan facility and the revolving credit facility at any time. All prepayments of term and revolving loans shall be subject to certain customary breakage costs with respect to Fixed Rate loans. In addition, the borrowers may elect to permanently terminate or reduce all or a portion of the revolving credit commitments and the letter of credit sub-limit under the revolving credit facility at any time without premium or penalty.

*Amortization and Maturity*

The U.S. Borrower is required to repay installments on the tranche A term loans, (a) until March 31, 2016 in quarterly principal amounts of 0.625% of the aggregate principal amount outstanding, (b) from June 30, 2016 until March 31, 2018, in quarterly principal amounts of 1.25% of the aggregate principal amount outstanding, (c) from June 30, 2018 until March 31, 2019, in quarterly principal amounts of 1.875% and (d) from June 30, 2019 until December 31, 2019, in quarterly principal amounts of 3.333% of the aggregate principal amount outstanding, with the balance payable on January 9, 2020.

The entire principal amount of revolving credit loans and swingline loans outstanding (if any) under the revolving credit facility are due and payable in full at maturity on January 9, 2020, on which day the revolving credit and swingline commitments thereunder will terminate.

*Guarantee and Security*

All obligations under the Credit Agreement are unconditionally guaranteed by the Company and each of its direct and indirect U.S. material subsidiaries. The obligations of the foreign subsidiaries under the Credit Agreement are unconditionally guaranteed by the U.K. Borrower, the Canadian Borrower, CBRE Global Holdings S.A.R.L., Relam Amsterdam Holdings B.V. and CBRE Limited Partnership.

All obligations under the Credit Agreement, and the guarantees of those obligations, are secured by, subject to certain exceptions, a first-priority pledge of 100% of the capital stock of the U.S. Borrower and certain of its subsidiaries (but not more than 65% of the capital stock of any material first-tier non-U.S. subsidiary).

*Covenants and Events of Default*

The Credit Agreement includes financial covenants requiring the Company and the Borrowers to maintain a maximum leverage ratio and minimum interest coverage ratio. In addition, the Credit Agreement also contains other customary affirmative and negative covenants and events of default.

The descriptions of the Credit Agreement and guarantees above are summaries and are qualified in their entirety by the Credit Agreement and Amended and Restated Guarantee and Pledge Agreement, filed as Exhibit 10.1 and Exhibit 10.2, respectively, to this Current Report on Form 8-K, which are incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits**

**Exhibit**

No.	Description
10.1	Second Amended and Restated Credit Agreement, dated as of January 9, 2015, among CBRE Group, Inc., CBRE Services, Inc., certain subsidiaries of CBRE Services, Inc., the lenders party thereto and Credit Suisse AG, as administrative agent and collateral agent.
10.2	Amended and Restated Guarantee and Pledge Agreement, dated as of January 9, 2015, among CBRE Group, Inc., CBRE Services, Inc., the subsidiary guarantors party thereto and Credit Suisse AG, as collateral agent.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 13, 2015

CBRE GROUP, INC.

By: /s/ JAMES R. GROCH  
James R. Groch  
*Chief Financial Officer*