TRAMMELL CROW CO
Form DEF 14A
November 15, 2006

Use these links to rapidly review the document
TABLE OF CONTENTS

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

Trammell Crow Company

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

o No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

TRAMMELL CROW COMPANY
2001 Ross Avenue, Suite 3400
Dallas, Texas 75201

November 15, 2006

Dear Stockholder:

The board of directors of Trammell Crow Company (the "Company") has approved a transaction providing for the acquisition by merger of the Company by CB Richard Ellis Group, Inc. ("CBRE"). Pursuant to a merger agreement, A-2 Acquisition Corp., a wholly-owned subsidiary of CBRE, will be merged with and into the Company, with the Company continuing as a wholly-owned subsidiary of CBRE. If the merger is completed, you will receive $49.51 in cash, without interest, for each share of the Company's common stock you own.

You will be asked, at a special meeting of the Company's stockholders, to approve and adopt the merger agreement. The board of directors has approved and adopted the merger agreement and determined the merger and the merger agreement to be advisable and in the best interest of the Company and the Company's stockholders. The board of directors recommends that the Company's stockholders vote "FOR" the approval and adoption of the merger agreement.

The special meeting of stockholders of the Company will be held on December 18, 2006, at 9:00 a.m. Central Time, at The Fairmont Hotel, 1717 North Akard Street, Dallas, Texas 75201.

The proxy statement attached to this letter provides you with information about the proposed merger and the special meeting of the Company's stockholders. We encourage you to read the entire proxy statement carefully. You may also obtain more information about the Company from documents we have filed with the Securities and Exchange Commission.

Your vote is important regardless of the number of shares of the Company's common stock you own. Because the approval and adoption of the merger agreement requires the affirmative vote of the holders of a majority of the Company's outstanding shares of common stock entitled to vote thereon as of the record date for the special meeting, a failure to vote will have the same effect as a vote "AGAINST" the merger. Accordingly, you are requested to submit your proxy by promptly completing, signing and dating the enclosed proxy card and returning it in the envelope provided or to submit your proxy by telephone or the Internet prior to the special meeting, whether or not you plan to attend the special meeting.

Submitting your proxy will not prevent you from voting your shares in person if you subsequently choose to attend the special meeting and vote your shares in person.

If you have any questions regarding the proposed merger, please call Georgeson Inc., our proxy solicitation agent, at (866) 425-7049 if you are an individual stockholder or (212) 440-9800 if you are a bank or broker. You may also contact Barbara Bower in our Investor Relations department at (214) 863-3020.

Thank you for your cooperation and continued support.

Very truly yours,

Robert E. Sulentic
Chairman of the Board, Chief Executive Officer and
President

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

THIS PROXY STATEMENT IS DATED NOVEMBER 15, 2006
AND IS FIRST BEING MAILED TO STOCKHOLDERS ON OR ABOUT NOVEMBER 16, 2006.

TRAMMELL CROW COMPANY
2001 Ross Avenue, Suite 3400
Dallas, Texas 75201

November 15, 2006

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD DECEMBER 18, 2006

Dear Stockholder:

A special meeting of stockholders of Trammell Crow Company, a Delaware corporation ("Trammell Crow Company" or the "Company"), will be held on December 18, 2006, at 9:00 a.m. Central Time, at The Fairmont Hotel, 1717 North Akard Street, Dallas, Texas 75201 for the following purposes:

1. To consider and vote on a proposal to approve and adopt the Agreement and Plan of Merger, dated as of October 30, 2006 (as it may be amended from time to time, the "merger agreement"), by and among the Company, CB Richard Ellis Group, Inc., a Delaware corporation ("CBRE"), and A-2 Acquisition Corp., a Delaware corporation indirectly wholly-owned by CBRE ("Merger Sub"), pursuant to which, upon the merger becoming effective, each outstanding share of common stock, par value $0.01 per share, of the Company (the "common stock") (other than shares held in the treasury of the Company or owned by CBRE, Merger Sub or any direct or indirect wholly-owned subsidiary of CBRE or the Company and other than shares held by stockholders who have properly demanded statutory appraisal rights, if any) will be converted into the right to receive $49.51 in cash, without interest;

2. To approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies to establish a quorum or if there are insufficient votes at the time of the meeting to approve and adopt the merger agreement; and

3. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

Only stockholders of record on November 10, 2006 are entitled to notice of and to vote at the special meeting and at any adjournment or postponement of the special meeting. All stockholders of record are cordially invited to attend the special meeting in person.

The approval and adoption of the merger agreement requires the approval of the holders of a majority of the outstanding shares of common stock entitled to vote thereon as of the record date for the special meeting. Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy in the envelope provided, or submit your proxy by telephone or the Internet prior to the special meeting, and thus ensure that your shares will be represented at the special meeting if you are unable to attend. If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be voted in favor of the approval and adoption of the merger agreement and in favor of the proposal to adjourn or postpone the meeting, if necessary or appropriate, to solicit additional proxies. If you fail to return your proxy card or fail to submit your proxy by telephone or the Internet and do not attend the special meeting in person, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the special meeting and, if a quorum is present, will have the same effect as a vote against the approval and adoption of the merger agreement. If you are a stockholder of record and you attend the special meeting and wish to vote in person, you may withdraw your proxy and vote in person.

Stockholders who do not vote in favor of the adoption and approval of the merger agreement will have the right to seek appraisal of the fair value of their common stock if they deliver a demand for appraisal before a vote is taken on the merger agreement and comply with all requirements of Delaware law, which are summarized in the accompanying proxy statement.

The Trammell Crow Company board of directors recommends that stockholders vote FOR the approval and adoption of the merger agreement at the special meeting and FOR the proposal to adjourn or postpone the meeting, if necessary or appropriate, to solicit additional proxies.

By Order of the Board of Directors,

J. Christopher Kirk
Secretary
November 15, 2006

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers address briefly some questions you may have regarding the special meeting and the proposed merger. These questions and answers may not address all questions that may be important to you as a stockholder of Trammell Crow Company. Please refer to the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement. In this proxy statement, the terms "Trammell Crow Company," "Company," "we," "our," "ours," and "us" refer to Trammell Crow Company and its subsidiaries.

Q: What is the proposed transaction?

A:

The proposed transaction is the acquisition of the Company by CB Richard Ellis Group, Inc. ("CBRE") pursuant to an Agreement and Plan of Merger, dated as of October 30, 2006 (the "merger agreement"), by and among the Company, CBRE and A-2 Acquisition Corp., a wholly-owned subsidiary of CBRE ("Merger Sub"). Once the merger agreement has been approved and adopted by the Company's stockholders and the other closing conditions under the merger agreement have been satisfied or waived, Merger Sub will merge with and into Trammell Crow Company (the "merger"). Trammell Crow Company will be the surviving corporation in the merger (the "surviving corporation") and will become a wholly-owned subsidiary of CBRE.

Q: What will I receive in the merger?

A:

Upon completion of the merger, you will receive $49.51 in cash, without interest and less any required tax withholding, for each share of our common stock that you own. For example, if you own 100 shares of our common stock, you will receive $4,951.00 in cash in exchange for your shares of common stock, less any required tax withholding. You will not own shares in the surviving corporation.

Q: When and where is the special meeting?

A:

The special meeting will take place at The Fairmont Hotel, 1717 North Akard Street, Dallas, Texas 75201, on December 18, 2006, at 9:00 a.m. Central Time.

Q: What am I being asked to vote on at the special meeting?

A:

You are being asked to consider and vote on a proposal to approve and adopt the merger agreement that provides for the acquisition of the Company by CBRE and to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies to establish a quorum, or if there are insufficient votes at the time of the meeting, to approve and adopt the merger agreement.

Q: Who is eligible to vote?

A:

All stockholders of record on the close of business on November 10, 2006 will be eligible to vote.

Q: What vote of our stockholders is required to approve and adopt the merger agreement?

A:

For us to complete the merger, stockholders holding at least a majority of our common stock outstanding at the close of business on the record date must vote "FOR" the approval and adoption of the merger agreement. Accordingly, a failure to vote, an abstention or a broker non-vote will each have the same effect as a vote against approval and adoption of the merger agreement.

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Certain of our executive officers have entered into stock voting agreements, pursuant to which they have agreed to vote the shares that they beneficially own in favor of the approval and adoption of the merger agreement and against any competing transaction proposed to the Company's stockholders, unless the merger agreement is terminated in accordance with its terms.

As of October 25, 2006, an aggregate of 2,146,987 shares (excluding options), representing approximately 5.9% of our outstanding common stock, were subject to these stock voting agreements. Please read "Stock Voting Agreements" for more information on the stock voting agreements.

Q: Am I entitled to appraisal or dissenters' rights?

A:

Yes, as a holder of our common stock, you are entitled to appraisal rights under the Delaware General Corporation Law in connection with the merger if you meet certain conditions, which are described in the section of this proxy statement entitled "Dissenters' Rights of Appraisal."

Q: How does the Company's board of directors recommend that I vote?

A:

Our board of directors recommends that our stockholders vote "FOR" the approval and adoption of the merger agreement and "FOR" the approval or adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies to establish a quorum or if there are insufficient votes at the time of the meeting to approve and adopt the merger agreement. You should read "The Merger Reasons for the Merger" for a discussion of the factors that our board of directors considered in deciding to recommend the approval and adoption of the merger agreement.

Q: What do I need to do now?

A:

We urge you to read this proxy statement carefully, including its annexes, and to consider how the merger affects you. If you are a stockholder of record, then you can ensure that your shares are voted at the special meeting by submitting your proxy via:

- telephone, using the toll-free number listed on each proxy card (if you are a registered stockholder, meaning that you hold your stock in your name) or vote instruction card (if your shares are held in "street name," meaning that your shares are held in the name of a broker, bank or other nominee and your bank, broker or nominee makes telephone voting available);

- the Internet, at the address provided on each proxy card (if you are a registered stockholder) or vote instruction card (if your shares are held in "street name" and your bank, broker or nominee makes Internet voting available); or

- mail, by completing, signing, dating and mailing each proxy card or vote instruction card and returning it in the envelope provided.

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A:

Yes, but only if you provide instructions to your broker on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Without those instructions, your shares will not be voted, which will have the same effect as voting against the merger.

Q: Can I change my vote?

A:

Yes, you can change your vote at any time before your proxy is voted at the special meeting. If you are a registered stockholder, you may revoke your proxy (a) by filing with or transmitting to the

Company's Secretary at the Company's principal executive offices an instrument or transmission of revocation or (b) by submitting a new proxy by telephone, the Internet or mail, in each case, dated after the date of the proxy being revoked. In addition, your proxy may be revoked by attending the special meeting and voting in person (you must vote in person; simply attending the special meeting will not cause your proxy to be revoked).

Please note that if you hold your shares in "street name" and you have instructed a broker to vote your shares, the above-described options for changing your vote do not apply, and instead you must follow the instructions received from your broker to change your vote.

Q: What does it mean if I get more than one proxy card or vote instruction card?

A:

If your shares are registered differently or are in more than one account, you will receive more than one card. Please complete and return all of the proxy cards or vote instruction cards you receive (or submit all of your proxies by telephone or the Internet, if available to you) to ensure that all of your shares are voted.

Q: What is a quorum for the special meeting?

A:

A quorum is present if the holders of a majority of the outstanding shares of our common stock entitled to vote are present at the meeting, either in person or represented by proxy. Abstentions and broker non-votes are counted as present for the purpose of determining whether a quorum is present. A broker non-vote occurs on an item when a broker is not permitted to vote on that item without instructions from the beneficial owner of the shares and no instructions are given.

Q: How are votes counted?

A:

For the proposal relating to the approval and adoption of the merger agreement, you may vote FOR, AGAINST or ABSTAIN. Abstentions and broker non-votes will count for the purpose of determining whether a quorum is present, but, because stockholders holding at least a majority of Company common stock outstanding on the record date must vote FOR the approval and adoption of the merger agreement, an abstention or broker non-vote will have the same effect as if you vote AGAINST the approval and adoption of the merger agreement.

For the proposal to adjourn or postpone the meeting, if necessary or appropriate, to solicit additional proxies, you may vote FOR, AGAINST or ABSTAIN. Because only a majority of the votes actually cast is required to approve the proposal to adjourn or postpone the meeting, if necessary or appropriate, abstentions and broker non-votes will have no effect on such proposal.

Q. Who will bear the cost of this solicitation?

A:

We will pay the cost of this solicitation, which will be made primarily by mail. Proxies also may be solicited in person, or by telephone, facsimile or similar means, by our directors, officers or employees without additional compensation. In addition, Georgeson Inc. will provide proxy solicitation services to us for a fee of approximately $10,000, plus out-of-pocket expenses. We will, on request, reimburse stockholders who are brokers, banks or other nominees for their reasonable expenses in sending proxy materials to the beneficial owners of the shares they hold of record.

Q: When do you expect the merger to be completed?

A.

We are working toward completing the merger as quickly as possible, and we anticipate that it will be completed during the fourth quarter of 2006 or the first quarter of 2007. In order to complete the merger, we must obtain stockholder approval and each of the other closing conditions under the merger agreement must be satisfied or waived (as permitted by law). Please read "The Merger

Agreement Conditions to the Merger" and "The Merger Agreement Effective Time" for more information.

Q: Should I send in my stock certificates now?

A:

No. Shortly after the merger is completed, you will receive a letter of transmittal with instructions informing you how to send in your stock certificates and any other required documentation to the exchange agent in order to receive the merger consideration. You should use the letter of transmittal to exchange stock certificates for the merger consideration to which you are entitled as a result of the merger.

PLEASE DO NOT SEND ANY STOCK CERTIFICATES WITH YOUR PROXY.

Q: Will the merger be taxable to me?

A:

Generally, yes. The exchange of shares of our common stock for the cash merger consideration will be a taxable transaction to our stockholders for United States federal income tax purposes. Please read "The Merger Material United States Federal Income Tax Consequences" for more information.

Q: Who can help answer my other questions?

A:

If you have more questions about the merger, or if you need assistance in submitting your proxy or voting your shares or need additional copies of the proxy statement or the enclosed proxy card, you should contact Georgeson Inc., our proxy solicitation agent, at (866) 425-7049 if you are an individual stockholder or (212) 440-9800 if you are a bank or broker. You may also call Barbara Bower in our Investor Relations department at (214) 863-3020. If your broker holds your shares, you should also call your broker for additional information.

SUMMARY

The following summary highlights selected information from this proxy statement and may not contain all of the information that may be important to you. Accordingly, we encourage you to read carefully this entire proxy statement, its annexes and the documents referred to or incorporated by reference in this proxy statement. Each item in this summary includes a page reference directing you to a more complete description of that item.

The Parties to the Merger (Page 18)

Trammell Crow Company
2001 Ross Avenue, Suite 3400
Dallas, Texas 75201
(214) 863-3000

Trammell Crow Company, a Delaware corporation founded in 1948 by Mr. Trammell Crow, is one of the largest diversified commercial real estate service companies in the world with global headquarters in Dallas, Texas. Trammell Crow Company delivers brokerage, project management and building management services through its global services group and undertakes development and investment activities through its development and investment group. For additional information, you may also visit Trammell Crow Company's website at *www.trammellcrow.com*.

CB Richard Ellis Group, Inc.
100 North Sepulveda Boulevard
Suite 1050
El Segundo, California 90245
(310) 606-4700

CBRE is a Delaware corporation and the world's largest commercial real estate services firm with leading full-service operations in major metropolitan areas throughout the world and global headquarters in El Segundo, California. CBRE offers a full range of services to occupiers, owners, lenders and investors in office, retail, industrial, multi-family and other commercial real estate assets. For additional information, you may also visit CBRE's website at *www.cbre.com*.

A-2 Acquisition Corp.
100 North Sepulveda Boulevard
Suite 1050
El Segundo, California 90245
(310) 606-4700

Merger Sub is a Delaware corporation and a wholly-owned subsidiary of CBRE. Merger Sub was formed solely for the purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement. It has not conducted any activities to date other than activities incidental to its formation and in connection with the transactions contemplated by the merger agreement.

The Special Meeting

Time, Place and Date (Page 19)

The special meeting will be held on December 18, 2006 starting at 9:00 a.m. Central Time, at The Fairmont Hotel, 1717 North Akard Street, Dallas, Texas 75201.

Purpose (Page 19)

You will be asked to consider and vote on the approval and adoption of the merger agreement. The merger agreement provides that Merger Sub will be merged with and into the Company, and each outstanding share of the Company's common stock (other than shares held in the treasury of the Company or owned by CBRE, Merger Sub or any direct or indirect wholly-owned subsidiary of CBRE or the Company and other than shares held by stockholders who have properly demanded statutory appraisal rights, if any) will be converted into the right to receive $49.51 in cash, without interest.

The special meeting may be adjourned or postponed for the purpose of soliciting additional proxies if necessary to establish a quorum or if there are insufficient votes at the time of the meeting to approve and adopt the merger agreement.

The persons named in the accompanying proxy card will also have discretionary authority to vote on other business, if any, that properly comes before the special meeting and any adjournments or postponements of the special meeting.

Record Date and Quorum (Page 19)

You are entitled to vote at the special meeting if you owned shares of the Company's common stock at the close of business on November 10, 2006, the record date for the special meeting. You will have one vote for each share of the Company's common stock that you owned on the record date. As of the record date, there were 36,465,339 shares of the Company's common stock entitled to be voted.

A quorum of the holders of the outstanding shares of the Company's common stock must be present for the special meeting to be held. A quorum is present if the holders of a majority of the outstanding shares of the Company's common stock entitled to vote are present at the meeting, either in person or represented by proxy. Abstentions and broker non-votes are counted as present for the purpose of determining whether a quorum is present. A broker non-vote occurs on an item when a broker is not permitted to vote on that item without instructions from the beneficial owner of the shares and no instructions are given.

Required Vote and Certain Stock Voting Agreements (Page 19 and Page 86)

For us to complete the merger, stockholders holding at least a majority of our common stock outstanding at the close of business on the record date must vote "FOR" the approval and adoption of the merger agreement. All of our stockholders are entitled to one vote per share. A failure to vote your shares of the Company's common stock, an abstention or a broker non-vote will have the same effect as a vote against the merger.

Each of the following individuals has entered into a stock voting agreement, pursuant to which they have agreed to vote the shares that they beneficially own in favor of the approval and adoption of the merger agreement and against any competing transaction proposed to the Company's stockholders, unless the merger agreement is terminated in accordance with its terms:

Name:	Title:
William F. Concannon	Vice Chairman and Director
James R. Groch	Chief Investment Officer and President, Funds and Investment Management
Matthew S. Khourie	President, Development and Investment Central Operations
Michael J. Lafitte	President, Global Services
Derek R. McClain	Chief Financial Officer
Diane S. Paddison	Chief Operating Officer, Global Services
T. Christopher Roth	President, Development and Investment Eastern Operations
John A. Stirek	President, Development and Investment Western Operations
Robert E. Sulentic	Chairman of the Board of Directors, Chief Executive Officer and President

As of October 25, 2006, an aggregate of 2,146,987 shares (excluding options), representing approximately 5.9% of our outstanding common stock, would have been subject to these stock voting agreements. The stock voting agreements will terminate upon the earlier of the termination of the merger agreement pursuant to its terms or the effective time of the merger.

Share Ownership of Directors and Executive Officers (Page 89)

As of October 25, 2006, the directors and current executive officers of Trammell Crow Company beneficially owned in the aggregate 2,829,477 shares (excluding options), representing approximately 7.8% of the shares of the Company's common stock entitled to vote at the special meeting.

Voting and Proxies (Page 20)

Any Trammell Crow Company stockholder of record entitled to vote may submit a proxy by telephone or the Internet or by returning the enclosed proxy card by mail, or may vote in person by appearing at the special meeting. If your shares are held in "street name" by your broker, you should instruct your broker on how to vote your shares using the instructions provided by your broker. If you do not provide your broker with instructions, your shares will not be voted and that will have the same effect as a vote against the merger.

Revocability of Proxy (Page 20)

Any Trammell Crow Company stockholder of record who executes and returns a proxy card (or submits a proxy via telephone or the Internet) may revoke the proxy at any time before it is voted in any one of the following ways:

- delivering to the Company's Secretary at the principal executive offices of the Company, at or before the special meeting, a written revocation that is dated a later date than the proxy;
- sending a later-dated proxy relating to the same shares to the Company's Secretary, at or before the special meeting;
- submitting a later-dated proxy by the Internet or by telephone, at or before the special meeting; or
- attending the special meeting and voting in person by ballot.

Simply attending the special meeting will not constitute revocation of a proxy. If you have instructed your broker to vote your shares, the above-described options for revoking your proxy do not apply and instead you must follow the directions provided by your broker to change these instructions.

When the Merger Will be Completed (Page 63)

We are working to complete the merger as soon as possible. We anticipate completing the merger during the fourth quarter of 2006 or the first quarter of 2007, subject to the approval and adoption of the merger agreement by the Company's stockholders and the satisfaction or waiver of each of the other closing conditions under the merger agreement.

Effects of the Merger (Page 64)

If the merger agreement is approved and adopted by the Company's stockholders and the other conditions to closing are satisfied, Merger Sub will be merged with and into the Company, with the Company being the surviving corporation. Upon completion of the merger, the Company's outstanding common stock (other than shares owned by the Company, CBRE or any of its subsidiaries and shares held by a stockholder properly exercising statutory dissenters rights) will be converted into the right to receive $49.51 per share, without interest and less any required tax withholding. Following the completion of the merger, we will no longer be a public company and you will cease to have any ownership interest in the Company and will not participate in any future earnings and growth of the Company.

Board Recommendation (Page 34)

After careful consideration, our board of directors has:

- determined that the merger, the merger agreement and the transactions contemplated thereby are advisable and in the best interest of the Company and its stockholders;
- approved the merger, the merger agreement and the transactions contemplated thereby; and
- recommended that Trammell Crow Company's stockholders vote "FOR" the approval and adoption of the merger agreement.

In reaching its decision, our board of directors continuously consulted with our management team and advisors in considering the proposed merger agreement. In considering the recommendation of the Company's board of directors with respect to the merger, you should be aware that some of the Company's directors and executive officers who participated in meetings of our board of directors have interests in the merger that are different from, or in addition to, the interests of our stockholders generally. Please read "The Merger Interests of the Company's Directors and Executive Officers in the Merger." For the factors considered by our board of directors in reaching its decision to approve the merger agreement, please read "The Merger Reasons for the Merger."

Opinion of Lazard Frères & Co. LLC (Page 36 and Annex B)

In connection with the merger, our board of directors received the opinion of our financial advisor, Lazard Frères & Co. LLC ("Lazard"). On October 30, 2006, Lazard delivered its written opinion to our board of directors to the effect that, as of such date and based upon and subject to the assumptions, factors and qualifications set forth in the opinion, the $49.51 per share cash merger consideration to be received by the holders of our common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders (other than the Company, CBRE or any subsidiary of CBRE and any shareholder who is entitled to demand and properly demands appraisal rights). **The full text of Lazard's written opinion is attached to this proxy statement as Annex B and is incorporated into this proxy statement by reference. We encourage you to read the Lazard opinion**

carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Lazard in connection with the opinion. Lazard's written opinion is addressed to our board of directors and was one of many factors considered by our board of directors in deciding to approve the merger. Lazard's written opinion does not constitute a recommendation to any stockholder as to how such stockholder should vote or whether our stockholders should take any other action relating to the merger.

Financing (Page 41)

The Company and CBRE estimate that the total amount of funds necessary to complete the merger and related transactions (including payment of the aggregate merger consideration, the repayment or refinancing of some of the Company's currently outstanding debt and all related fees and expenses) will be approximately $2,113,000,000.

CB Richard Ellis Services, Inc., a wholly-owned subsidiary of CBRE ("CBRE Services"), has received a commitment from Credit Suisse Securities (USA) LLC and Credit Suisse with respect to up to $2,800,000,000 of senior secured loan facilities, consisting of (a) two term loan facilities in an aggregate principal amount of up to $2,200,000,000 and (b) $600,000,000 of revolving loan facilities (which will be utilized to replace the existing senior secured revolving credit facilities of CBRE Services if the existing facilities are not amended to permit the merger and the financing thereof). The facilities contemplated by the debt financing commitment are conditioned on the merger being completed, as well as other conditions being satisfied, as described in further detail under "The Merger Financing Debt Financing."

Treatment of Stock Options (Page 64)

The merger agreement provides that, at the effective time of the merger, each outstanding Company stock option issued pursuant to the Company's stock option and incentive plans will be converted into the right to receive, upon the vesting and exercise of such option in accordance with its terms, an amount in cash, less applicable tax withholding and without interest, equal to the product of:

- the number of shares of Company common stock subject to such option at the effective time of the merger, multiplied by
- the excess, if any, of $49.51 over the exercise price per share of common stock subject to such option.

Treatment of Restricted Stock (Page 65)

The merger agreement provides that, at the effective time of the merger, each outstanding share of our restricted stock will be converted into the right to receive $49.51 in cash, without interest and less applicable tax withholding, payable as soon as administratively feasible following the vesting or the lapse of restrictions on such restricted stock. Any payments will remain subject to the same terms and conditions (including vesting) as currently in effect with respect to such restricted stock. Any shares of restricted stock that vest at the effective time of the merger will be treated as shares of our outstanding common stock and will be converted into the right to receive the merger consideration at the effective time of the merger, less any applicable tax withholding.

Treatment of Stock-Based Performance Unit Awards (Page 65)

At the effective time, each of our outstanding stock-based performance unit awards will be converted into the right to receive $49.51 in cash, without interest and less applicable tax withholding. The cash payment applicable to each former performance unit award will be paid by the surviving corporation at such time and in accordance with the provisions set forth in the applicable award agreement between us and the holder of such performance unit award.

Interests of the Company's Directors and Executive Officers in the Merger (Page 42)

Our directors and executive officers may have interests in the merger that are different from, or in addition to, yours, including the following:

- our directors and executive officers will be entitled to receive (a) upon the exercise of a vested stock option (our directors and executive officers hold no unvested options), cash payments for each share of common stock subject to such option equal to the excess, if any, of $49.51 per share over the exercise price per share of such option, without interest and less applicable tax withholding, and (b) (i) on account of all vested restricted stock, cash payments of $49.51 at the effective time of the merger for each share of restricted stock, without interest and less applicable tax withholding, and (ii) on account of all unvested restricted stock, at such time as the restrictions would otherwise have lapsed with respect to unvested restricted stock, cash payments of $49.51 per share for each share of restricted stock, without interest and less applicable tax withholding. Most of the restricted stock held by our executive officers will become vested in connection with the merger;

- our directors will have their stock-based performance unit awards converted into the right to receive cash payments in the amount of $49.51, without interest and less applicable tax withholding, for each outstanding performance unit award held by them at the effective time of the merger and in accordance with the provisions set forth in the applicable award agreement;

- some specified restricted stock awards and cash performance unit awards of our executive officers have been amended to provide that the performance requirements set forth therein will be deemed to be satisfied at the effective time of the merger;

- in connection with the merger, we adopted the 2006 annual bonus plan in which our executive officers may participate; the 2006 annual bonus plan is merely intended to provide that the annual cash incentive plan for certain senior employees of the Company is administered with respect to the 2006 performance year in the same manner as with respect to the 2005 performance year;

- each of our current executive officers has an employment agreement that provides severance payments and benefits in the case of his or her termination of employment under specified circumstances, other than Mr. Belcher, who has a change of control agreement that provides for severance payments and benefits after the occurrence of a change of control and his termination under specified circumstances, in each case, subject to noncompetition provisions;

- the merger agreement provides for indemnification arrangements for each of our current and former directors and officers that will continue for six years following the effective time of the merger, as well as insurance coverage covering his or her service to the Company as a director or officer;

- each of Messrs. Sulentic, Groch, Roth, Stirek, Khourie, Concannon and Lafitte and Ms. Paddison has entered into an agreement with CBRE pursuant to which CBRE agreed to assume his or her employment agreement with the Company at the effective time of the merger and to make specified amendments to his or her employment agreement; and

- if selected by CBRE and agreed to by such director, up to two members of our current board of directors and our chief executive officer may serve on the board of directors of CBRE after the merger.

Material United States Federal Income Tax Consequences (Page 56)

If you are a U.S. holder of our common stock, the merger will be a taxable transaction to you. For U.S. federal income tax purposes, your receipt of cash in exchange for your shares of the Company's common stock generally will cause you to recognize a gain or loss measured by the difference, if any, between the cash you receive in the merger and your adjusted tax basis in your shares. If you are a non-U.S. holder of our common stock, the merger generally will not be a taxable transaction to you under U.S. federal income tax laws unless you have certain connections to the United States. You should consult your own tax advisor for a full understanding of how the merger will affect your taxes.

Regulatory Approvals (Page 58)

Except for (a) the required pre-merger notification filing with the Antitrust Division of the Department of Justice and the Federal Trade Commission and the expiration of the prescribed statutory waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and the rules promulgated thereunder by the Federal Trade Commission (the "HSR Act"), and (b) the filing of certificate of merger in Delaware at or before the effective date of the merger, we are unaware of any material federal, state or foreign regulatory requirements or approvals required for completion of the merger.

Procedure for Receiving Merger Consideration (Page 65)

As soon as practicable after the effective time of the merger, the exchange agent will mail a letter of transmittal and instructions to you and the other stockholders of the Company. The letter of transmittal and instructions will tell you how to surrender your stock certificates or book-entry shares and any other required materials in exchange for the merger consideration. You should not return your stock certificates with the enclosed proxy card, and you should not forward your stock certificates to the exchange agent without a duly completed and executed letter of transmittal.

No Solicitation of Transactions (Page 74)

The merger agreement restricts our ability to solicit or engage in discussions or negotiations with third parties regarding specified transactions involving the Company. Notwithstanding these restrictions, under certain limited circumstances if the failure of our board to do so would be inconsistent with its fiduciary duties, our board of directors may respond to an unsolicited proposal for an alternative transaction, change its recommendation of the merger and terminate the merger agreement and enter into an agreement with respect to a superior proposal after paying the termination fee specified in the merger agreement.

Conditions to Closing (Page 79)

Before we can complete the merger, a number of conditions must be satisfied. These include:

- the receipt of Company stockholder approval;
- the expiration of the waiting period applicable to the merger under the HSR Act;
- the absence of governmental orders, judgments or decrees that have the effect of making the merger illegal or that otherwise prohibit the closing;
- the performance by each of the parties of its covenants and agreements under the merger agreement in all material respects;
- no occurrence of a material adverse effect with respect to the Company after the date of the merger agreement;

- the accuracy of the Company's representations and warranties in the merger agreement, except for most of the Company's representations and warranties to the extent the failure of such representations and warranties to be true and correct would not constitute a material adverse effect with respect to the Company; and

- the accuracy of CBRE's and Merger Sub's representations and warranties in the merger agreement, except to the extent the failure of such representations and warranties to be true and correct would not reasonably be expected to cause a material adverse effect with respect to the ability of CBRE or Merger Sub to complete the merger and the related transactions.

Termination of the Merger Agreement (Page 80)

The Company, CBRE and Merger Sub may agree in writing to terminate the merger agreement at any time without completing the merger, even after the stockholders of the Company have approved and adopted the merger agreement. The merger agreement may also be terminated at any time prior to the effective time of the merger in certain other circumstances, including:

- by either CBRE or the Company if:
  - the effective time of the merger has not occurred on or before May 7, 2007, which may be extended to August 6, 2007 if the closing has not occurred due to the failure to receive required antitrust approvals (the "end date"); provided, that such termination right will not be available to a party whose breach or non-performance (other than the failure by CBRE to receive the proceeds the debt financing) has caused the merger not to occur by such time;
  - a final, non-appealable governmental order prohibits the merger or the merger is not approved by certain antitrust regulators; provided, that such termination right will not be available to a party whose material breach has been the principal cause of such action; or
  - our stockholders do not approve and adopt the merger agreement at the special meeting or any postponement or adjournment thereof;
- by CBRE if:
  - the Company materially breaches its representations, warranties, covenants or agreements in the merger agreement such that the closing conditions to the merger would not be satisfied, subject to the Company's limited right to cure such breaches; provided, that such termination right will not be available to CBRE if CBRE is in material breach of the merger agreement;
  - our board of directors amends, withdraws, modifies, changes, conditions or qualifies its recommendation of the merger to our stockholders in a manner adverse to CBRE or Merger Sub or the Company fails to include such recommendation in this proxy statement;
  - our board of directors recommends or approves another acquisition proposal;
  - our board of directors approves or recommends that our stockholders tender shares of our common stock pursuant to another acquisition proposal (or our board of directors fails to recommend that our stockholders not tender shares of our common stock pursuant to another acquisition proposal);
  - our board of directors approves a resolution, publicly proposes or agrees to do any of the matters set forth in the second, third or fourth bullet points above; or

after the third business day following CBRE's receipt of notice of a superior proposal, subject to specified exceptions;

by the Company:

- if CBRE materially breaches its representations, warranties, covenants or agreements in the merger agreement such that CBRE's closing conditions to the merger would not be satisfied, subject to CBRE's limited right to cure such breaches; provided, that such termination right will not be available to the Company if it is in material breach of the merger agreement;
- in order to accept a superior proposal, but only if:
  - we have previously provided CBRE a three business day period to make a proposal in response to the superior proposal;
  - we have complied with our non-solicitation obligations in the merger agreement;
  - our board concludes in good faith, after taking into consideration any matching proposal made by CBRE, that the superior proposal continues to be a superior proposal; and
  - we pay the termination fee described below; or
- if the merger has not been completed when required in the merger agreement due to CBRE's or Merger Sub's failure to complete the merger in breach of the merger agreement, and at the

  time of such termination, both the mutual closing conditions under the merger agreement and the closing conditions of CBRE and Merger Sub under the merger agreement have been satisfied.

Termination Fees and Expenses (Page 82)

Payable by the Company

The Company has agreed to pay CBRE a termination fee of $40,000,000 in cash if CBRE terminates the merger agreement because:

- our board of directors amends, withdraws, modifies, changes, conditions or qualifies its recommendation of the merger to our stockholders in a manner adverse to CBRE or Merger Sub or the Company fails to include such recommendation in this proxy statement;
- our board of directors recommends or approves another acquisition proposal;
- our board of directors approves or recommends that our stockholders tender shares of our common stock pursuant to another acquisition proposal (or our board of directors fails to recommend that our stockholders not tender shares of our common stock pursuant to another acquisition proposal);
- our board of directors approves a resolution, publicly proposes or agrees to do any of the matters set forth in the previous three bullet points; or
- after the third business day after CBRE's receipt of a notice of a superior proposal, subject to specified exceptions.

The Company has also agreed to pay CBRE a termination fee of $40,000,000 in cash if the Company terminates the merger agreement in order to accept a superior proposal.

In addition, the Company has agreed to pay CBRE a termination fee of $40,000,000 in cash if:

- the merger agreement is terminated by (a) either CBRE or the Company (i) because the Company's stockholders did not approve and adopt the merger agreement or (ii) because the effective time of the merger has not occurred by the end date (and such failure was not principally caused by the failure to obtain antitrust or government approval, or the failure of CBRE or Merger Sub to receive adequate debt financing proceeds to complete the merger) or (b) by CBRE because of the Company's breach of its representations and warranties or failure by the Company to perform in any material respect its covenants or agreements in the merger agreement such that the closing conditions to CBRE's and Merger Sub's obligation to complete the merger would not be satisfied;

prior to the termination of the merger agreement another acquisition proposal is publicly announced or is completed; and

a definitive agreement pertaining to another acquisition proposal is executed or a transaction contemplated by another acquisition proposal is completed within 12 months following such termination.

Payable by CBRE

CBRE has agreed to pay the Company a termination fee of $100,000,000 in cash if the merger agreement is terminated by either CBRE or the Company because of the failure of the applicable antitrust regulators to approve the merger or the closing has not occurred by the end date because of the failure of the applicable antitrust regulators to approve the merger by the end date and all other mutual closing conditions under the merger agreement and the closing conditions of CBRE and Merger Sub under the merger agreement have been satisfied (or are reasonably likely to have been satisfied by the end date).

CBRE has agreed to pay the Company liquidated damages in an amount equal to $200,000,000 in cash if the merger agreement is terminated:

by the Company because the closing has not occurred by the end date and CBRE's or Merger Sub's breach of the merger agreement was the principal cause of, or resulted in, the failure of the merger to occur by the end date;

by the Company or CBRE because the closing has not occurred by the end date and CBRE failed to close the merger by reason of a failure of CBRE or Merger Sub to receive the proceeds from the debt financing;

by the Company because a final non-appealable order has prohibited the merger or the merger has not been approved by antitrust regulators and CBRE's or Merger Sub's breach of the merger agreement was the principal cause of such action;

by the Company because CBRE or Merger Sub has materially breached its representations, warranties, covenants or agreements in the merger agreement such that the closing conditions to the Company's obligation to complete the merger would not be satisfied;

by the Company because the merger has not been completed when required by the merger agreement due to CBRE's or Merger Sub's failure to complete the merger in breach of the merger agreement and, at the time of such termination, all mutual closing conditions under the merger

agreement and the closing conditions of CBRE and Merger Sub under the merger agreement have been satisfied (other than the delivery by us of the requisite officer's certificate); or

CBRE or Merger Sub wrongfully terminates the merger agreement.

Market Price of Trammell Crow Company Common Stock (Page 88)

Trammell Crow Company's common stock is quoted on the New York Stock Exchange (the "NYSE") under the symbol "TCC". On October 30, 2006, which was the last trading day prior to the

14

day we announced the merger, the Company's common stock closed at $39.10 per share. On November 14, 2006, which was the last trading day before the date of this proxy statement, the Company's common stock closed at $49.15 per share.

Appraisal Rights (Page 60)

Stockholders of the Company are entitled to statutory appraisal rights under Delaware law in connection with the merger. This means that you are entitled to have the value of your shares determined by the Delaware Court of Chancery and to receive payment based on that valuation. The ultimate amount you receive as a dissenting stockholder in an appraisal proceeding may be more than, the same as or less than the amount you would have received under the merger agreement. To exercise your appraisal rights, you must submit a written demand for appraisal to the Company before the vote is taken on the merger agreement and you must not vote in favor of the approval and adoption of the merger agreement. Please read "The Special Meeting Appraisal Rights" and "Dissenters' Rights of Appraisal" for more information.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement, and the documents to which we refer you in this proxy statement, contain forward-looking statements based on estimates and assumptions. Forward-looking statements include information concerning possible or assumed future results of operations of the Company, the expected completion and timing of the merger and other information relating to the merger. There are forward-looking statements throughout this proxy statement, including, among others, under the headings "Summary," "The Merger," "The Merger Certain Financial Projections," "The Merger Opinion of Lazard Frères & Co. LLC" and in statements containing the words "believes," "plans," "expects," "anticipates," "intends," "estimates" or other similar expressions. You should be aware that forward-looking statements involve known and unknown risks and uncertainties. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that the actual results or developments we anticipate will be realized, or even if realized, that they will have the expected effects on the business or operations of the Company. These forward-looking statements speak only as of the date on which the statements were made and we undertake no obligation to update or revise any forward-looking statements made in this proxy statement or elsewhere as a result of new information, future events or otherwise. In addition to other factors and matters contained or incorporated in this document, we believe the following factors could cause actual results to differ materially from those discussed in the forward-looking statements:

Considerations Relating to the Merger Agreement and the Merger:

- the failure to satisfy the conditions to complete the merger, including the receipt of the required stockholder and regulatory approvals (including antitrust approvals);
- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement;
- the failure of the merger to close for any other reason;
- the outcome of legal proceedings that may be instituted against us and others in connection with the merger agreement;
- the amount of the costs, fees, expenses and charges related to the merger;

Political and General Economic Conditions:

- current domestic or foreign political and general economic conditions or changes in such conditions;
- the effect of war, terrorism or catastrophic events;
- domestic or foreign political, social, economic or other events resulting in the short or long-term disruption in business of the Company;

Real Estate Industry and Business Conditions:

- the inherent risks in our real estate investments, including the potential loss of our entire investment in any asset;
- the fact that since we are a minority owner in some of our investments, we have limited control over the timing of the disposition of these investments and the realization of any gain or the limitation of any loss;

the highly competitive nature (on an international, national, regional and local level) of each of our businesses and the competition we face from other real estate service providers, consulting firms, in-house corporate real estate departments, engineering firms and other real estate developers;

- the fact that many of our services agreements are cancellable by the client on as little as 30 days' notice;
- the failure to secure renewals of our existing services contracts or the necessity of entering into new contracts on less favorable terms;

Employee Considerations:

- changes in our brokers, developers and other key personnel;

Legal and Regulatory Issues:

- changes in domestic or foreign government or regulatory requirements that increase our costs of operations;
- litigation that may have an adverse effect on our financial results or reputation;
- changes in domestic or foreign laws or other regulatory actions; and

Other Factors:

- other risks, uncertainties and factors set forth in our reports and documents filed with the Securities and Exchange Commission (the "SEC") (which reports and documents should be read in conjunction with this proxy statement; please read "Where You Can Find Additional Information").

THE PARTIES TO THE MERGER

Trammell Crow Company

The Company, founded in 1948 by Mr. Trammell Crow, is one of the largest diversified commercial real estate service companies in the world, with approximately 7,400 employees as of September 30, 2006. The Company delivers brokerage, project management and building management services through its global services group (which provides corporate advisory services, project management and facilities management for its foreign and domestic user clients and which provides brokerage, construction management and property management for its foreign and domestic investor clients) and the Company undertakes development and investment activities through its development and investment group.

The Company is incorporated in the state of Delaware with its principal offices at 2001 Ross Avenue, Suite 3400, Dallas, Texas 75201 and its telephone number is (214) 863-3000.

CB Richard Ellis Group, Inc.

CBRE is the world's largest commercial real estate services firm, based on 2005 revenue, with leading full-service operations in major metropolitan areas throughout the world. CBRE offers a full range of services to occupiers, owners, lenders and investors in office, retail, industrial, multi-family and other commercial real estate assets. CBRE is a holding company that conducts all of its operations through its indirect subsidiaries. As of September 30, 2006, excluding affiliate and partner offices, CBRE operated in more than 220 offices worldwide with approximately 14,500 employees providing commercial real estate services under the CB Richard Ellis brand name. CBRE's business is focused on several service competencies, including tenant representation, property/agency leasing, property sales, commercial mortgage origination/servicing, integrated capital markets (equity and debt) solutions, commercial property and corporate facility management, valuation, proprietary research and real estate investment management. In 2005, CBRE was the only commercial real estate services company included on the Fortune 1000 list of the largest U.S. publicly-held companies and the Forbes Global 2000 list of the largest companies in the world.

CBRE is incorporated in the state of Delaware with its principal offices at 100 North Sepulveda Boulevard, Suite 1050, El Segundo, California 90245 and its telephone number is (310) 606-4700.

A-2 Acquisition Corp.

Merger Sub is a Delaware corporation and a wholly-owned subsidiary of CBRE. Merger Sub's principal executive offices are located at 100 North Sepulveda Boulevard, Suite 1050, El Segundo, California 90245 and its telephone number is (310) 606-4700. Merger Sub was organized solely for the purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement. It has not conducted any activities to date other than activities incidental to its formation and in connection with the transactions contemplated by the merger agreement. Under the terms of the merger agreement, Merger Sub will merge with and into the Company. The Company will survive the merger and Merger Sub will cease to exist.

THE SPECIAL MEETING

Time, Place and Purpose of the Special Meeting

This proxy statement is being furnished to our stockholders as part of the solicitation of proxies by our board of directors for use at the special meeting to be held on December 18, 2006, starting at 9:00 a.m. Central Time, at The Fairmont Hotel, 1717 North Akard Street, Dallas, Texas 75201 or at any postponement or adjournment thereof. The purpose of the special meeting is for our stockholders to consider and vote upon the approval and adoption of the merger agreement. If the stockholders fail to approve and adopt the merger agreement, the merger will not occur. A copy of the merger agreement is attached to this proxy statement as Annex A. This proxy statement and the enclosed form of proxy are first being mailed to our stockholders on or about November 16, 2006.

Record Date and Quorum

The holders of record of the Company's common stock as of the close of business on November 10, 2006, the record date for the special meeting, are entitled to receive notice of, and to vote at, the special meeting. On the record date, there were 36,465,339 shares of the Company's common stock outstanding.

The holders of a majority of the outstanding shares of the Company's common stock on the record date represented in person or by proxy will constitute a quorum for purposes of the special meeting. A quorum is necessary to hold the special meeting. Any shares of the Company's common stock held in treasury by the Company or by any of our subsidiaries are not considered to be outstanding for purposes of determining a quorum. Abstentions and broker non-votes are counted as present for the purpose of determining whether a quorum is present. Once a share is represented at the special meeting, it will be counted for the purpose of determining a quorum at the special meeting and any postponement or adjournment of the special meeting. However, if a new record date is set for the adjourned special meeting, then a new quorum will have to be established.

Required Vote

Completion of the merger requires the approval and adoption of the merger agreement by the affirmative vote of the holders of a majority of the Company's common stock outstanding on the record date. Each outstanding share of the Company's common stock on the record date entitles the holder to one vote at the special meeting. Abstentions and broker non-votes will have the effect of votes against the approval and adoption of the merger agreement.

As of October 25 2006, the directors and current executive officers of the Company beneficially owned (excluding options), in the aggregate, 2,829,477 shares of the Company's common stock, representing approximately 7.8% of our outstanding common stock on such date.

Each of the following individuals has entered into a stock voting agreement with respect to the shares of our common stock that they beneficially own:

Name:	Title:
William F. Concannon	Vice Chairman and Director
James R. Groch	Chief Investment Officer and President, Funds and Investment Management
Matthew S. Khourie	President, Development and Investment Central Operations
Michael J. Lafitte	President, Global Services
Derek R. McClain	Chief Financial Officer
Diane S. Paddison	Chief Operating Officer, Global Services
T. Christopher Roth	President, Development and Investment Eastern Operations
John A. Stirek	President, Development and Investment Western Operations
Robert E. Sulentic	Chairman of the Board of Directors, Chief Executive Officer and President

As of October 25, 2006, an aggregate of 2,146,987 shares (excluding options), representing approximately 5.9% of our outstanding common stock, were subject to these stock voting agreements. These holders have agreed to vote all of these shares in favor of the approval and adoption of the merger agreement and against any competing transaction proposed to the Company's stockholders, unless the merger agreement is terminated in accordance with its terms, and have delivered an irrevocable proxy to CBRE for the purpose of voting such shares. The stock voting agreements will terminate upon the earlier of (a) the termination of the merger agreement and (b) the effective time of the merger. For further information, please read "Stock Voting Agreements."

Appraisal Rights

Stockholders are entitled to statutory appraisal rights under Delaware law in connection with the merger. This means that you are entitled to have the value of your shares determined by the Delaware Court of Chancery and to receive payment based on that valuation. The ultimate amount you receive as a dissenting stockholder in an appraisal proceeding may be more than, the same as or less than the amount you would have received under the merger agreement.

To exercise your appraisal rights, you must submit a written demand for appraisal to the Company before the vote is taken on the merger agreement and you must not vote in favor of the approval and adoption of the merger agreement. For further information regarding your statutory appraisal rights, please read "Dissenters' Rights of Appraisal."

Proxies; Revocation

If you are a stockholder of record and submit a proxy by telephone or the Internet or by returning a signed proxy card by mail, your shares will be voted at the special meeting as you indicate on your proxy card or by such other method. If no instructions are indicated on your signed and returned proxy card, your shares of the Company's common stock will be voted "FOR" the approval and adoption of the merger agreement and "FOR" any postponement or adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies to obtain a quorum or to approve and adopt the merger agreement and the merger.

If your shares are held in "street name" by your broker, you should instruct your broker how to vote your shares using the instructions provided by your broker. If you have not received such voting instructions or require further information regarding such voting instructions, contact your broker and your broker will give you directions on how to vote your shares. Shares of Company common stock held by persons attending the special meeting but not voting, or shares for which the Company has received proxies with respect to which holders have abstained from voting, will be considered abstentions. Abstentions and broker non-votes, if any, will be treated as shares that are present and entitled to vote at the special meeting for purposes of determining whether a quorum exists, but will have the same effect as a vote "AGAINST" the approval and adoption of the merger agreement.

You may revoke your proxy at any time before the vote is taken at the special meeting. To revoke your proxy, you must either (a) deliver to our Secretary at the principal executive offices of the Company a written revocation of such proxy, (b) submit by telephone, the Internet or mail a proxy dated after the date of the proxy you wish to revoke or (c) attend the special meeting and vote your shares in person. Attendance at the special meeting will not by itself constitute revocation of a proxy.

Please note that if you have instructed your broker to vote your shares, the options for revoking your proxy described in the paragraph above do not apply and instead you must follow the directions provided by your broker to change these instructions.

We do not expect that any matters other than the approval and adoption of the merger agreement and approval of the adjournment or postponement of the meeting, if necessary or appropriate to solicit additional proxies will be brought before the special meeting. If, however, any such other matter is properly presented at the special meeting or any adjournment or postponement of the special meeting, the persons appointed as proxies will have discretionary authority to vote the shares represented by duly executed proxies in accordance with their discretion and judgment.

Submitting Proxies Via the Internet or by Telephone

Stockholders of record and many stockholders who hold their shares through a broker or bank may have the option to submit their proxies or voting instructions via the Internet or by telephone. There are separate arrangements for using the Internet and telephone to submit your proxy depending on whether you are a stockholder of record or your shares are held in "street name" by your broker.

In addition to submitting the enclosed proxy card by mail, Trammell Crow Company stockholders of record may submit their proxies:

- via the Internet by visiting a website established for that purpose at www.cesvote.com and following the instructions on the website; or

- by telephone by calling the toll-free number 1-888-693-8683 in the United States, Puerto Rico or Canada on a touch-tone phone and following the recorded instructions.

If your shares are held in "street name," you should check the voting instruction card provided by your broker to see which options are available and the procedures to be followed.

Adjournments and Postponements

Although it is not currently expected, the special meeting may be adjourned or postponed for the purpose of soliciting additional proxies, if necessary or appropriate, to establish a quorum or to approve and adopt the merger agreement and the merger. Any adjournment may be made without notice by announcement at the special meeting of the new date, time and place of the special meeting; provided, that, if the meeting is adjourned to a date more than 60 days later than the original meeting date, the board must set a new record date for the meeting. Whether or not a quorum exists, holders of a majority of the shares of the Company's common stock present in person or represented by proxy at the special meeting and entitled to vote thereat may adjourn the special meeting. Any signed proxies received by the Company in which no voting instructions are provided on such matter will be voted in favor of an adjournment in these circumstances. Abstentions and broker non-votes will have no effect on a proposal to adjourn or postpone the meeting. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow the Company's stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned or postponed.

Solicitation of Proxies

This solicitation is made by the Company and the Company will pay the cost of this proxy solicitation. In addition to soliciting proxies by mail, directors, officers and employees of the Company may solicit proxies personally and by telephone, facsimile or other electronic means of communication. These persons will not receive additional or special compensation for such solicitation services. The Company will, upon request, reimburse brokers, banks and other nominees for their reasonable expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions. The Company has retained Georgeson Inc. to assist it in the solicitation of proxies for the special meeting and will pay Georgeson Inc. a fee of approximately $10,000 plus reimbursement of out-of-pocket expenses.

THE MERGER

Background of the Merger

As part of its ongoing evaluation of the Company's business and strategic direction, our board of directors and members of our senior management have evaluated from time to time the Company's strategic alternatives and prospects for continued operations as an independent company. These evaluations have been conducted and discussed at our board's annual strategy session and have been generally updated throughout the year at regularly-scheduled board meetings. In conducting these evaluations, our board from time to time has sought the advice of Vinson & Elkins L.L.P. ("Vinson & Elkins"), the Company's primary outside corporate legal counsel, and Lazard, who has acted for the last several years as our board's primary financial advisor in the context of mergers and acquisitions. These evaluations have driven changes in the Company's long-term growth plan and helped set the objectives established by management and approved by our board for each performance year.

Our board and senior management are generally of the view that the commercial real estate services business in the United States, while remaining significantly fragmented, has been in recent years characterized by a drive to consolidate, prompted in large measure by the cost economies of scale available to larger entities in the industry, as well as the potential for geographic expansion and the addition of complementary business lines to provide a broader array of high quality services to industry customers. In order to provide our stockholders the potential to benefit from this consolidation trend, our senior management and our board of directors have remained receptive to opportunities to acquire other businesses or to be acquired by another entity.

Over the years, members of our senior management team have become familiar with other management teams operating in our industry through the day-to-day competition for customers. Over the past several years, certain of our senior executives became acquainted with, among other leaders in the industry, Ray Wirta, the current Vice Chairperson of CBRE's board of directors, and Cal Frese, CBRE's current President Americas.

On April 7, 2005, Mr. Frese and Bill Concannon, Vice Chairman of the Company and a member of our board of directors, met in Chicago, at which meeting Mr. Frese expressed to Mr. Concannon CBRE's preliminary interest in pursuing a business combination with the Company.

At a meeting of our board on May 18, 2005, our board discussed, among other things, the current strategic options available to the Company. The options that were discussed included (a) remaining independent and pursuing the Company's existing growth and business objectives, (b) pursuing a strategic combination with one or more parties or (c) pursuing a sale of the Company. Management and our board concluded that any strategic combination with CBRE would likely involve a sale of the company. After discussions with management, our board was of the general view that the Company should continue to pursue its long-term business objectives and not pursue a sale of the Company at such time, but remain open to discussions with third parties regarding strategic business combinations. Our board and management therefore agreed that the Company would continue existing business combination discussions with a third party and notify CBRE that it was not interested in pursuing a transaction with CBRE at such time. The Company subsequently communicated this course of action to CBRE.

In early June of 2005, Mr. Frese contacted Jim Groch, our Chief Investment Officer, by telephone and indicated that soon he would be in the New York City area on other business and would like to meet Mr. Groch in Philadelphia, Pennsylvania. On June 23, 2005, Mr. Frese and Mr. Groch met in Philadelphia. Mr. Frese discussed with Mr. Groch his belief in the continuing consolidation trends in the commercial real estate services industry and CBRE's interest in a possible strategic business combination. To this end, Mr. Frese expressed to Mr. Groch his belief that a combination of the Company's business with CBRE's business would be the best fit for CBRE among its strategic options. Mr. Frese indicated to Mr. Groch that CBRE was very familiar with the Company's global services business, but needed to better understand the Company's development and investment business (the "development and investment business"). Mr. Frese discussed each of CBRE's business segments, their relative size and financial performance and his own views on the prospects for each. Mr. Groch informed Mr. Frese that Mr. Concannon had previously disclosed to our board CBRE's interest in the Company and that, while our board greatly appreciated CBRE's interest in the Company, our board was very pleased with the Company's business plan and growth prospects and that our board had decided not to pursue a sale of the Company at that time. Mr. Groch also noted the concern of our management and board that there was significant risk to the Company's business in the form of employee unrest resulting from any rumors of those discussions from even engaging in strategic discussions with CBRE. Mr. Groch told Mr. Frese that he would again inform our board of CBRE's interest in the Company at the next scheduled board meeting in September of 2005.

On July 19, 2005, Mr. Frese called Mr. Groch and stated that CBRE was still very interested in pursuing a possible strategic business combination and wished to engage the Company in further discussions. Mr. Frese and Mr. Groch then discussed in general terms the potential cost savings that could occur in such a transaction, including for comparison purposes a discussion of costs savings that CBRE had achieved in previous acquisitions.

Mr. Groch and Mr. Frese spoke again via telephone on July 22, 2005 and further discussed potential synergies and cost savings that could be achieved in a combination of the businesses. They also discussed a potential organizational structure of CBRE post-closing.

On July 29, 2005, Mr. Frese called Mr. Groch and indicated that CBRE was having internal discussions regarding potential issues that could arise from the combination of the parties' respective businesses, especially with respect to the investment management business of CB Richard Ellis Investors, L.L.C. ("CBRE Investors"), on the one hand, and the development and investment business and some of the Company's joint ventures, on the other hand. They again discussed potential cost savings in the context of the proposed transaction. Mr. Frese told Mr. Groch that he was going to ask Brett White, CBRE's Chief Executive Officer, to call Robert Sulentic, the Company's Chief Executive Officer, to arrange a meeting. Mr. Groch again reiterated to Mr. Frese that the Company was happy with its current results and prospects but that, while the Company was not actively seeking a sale, it was open to listening to CBRE's ideas.

Shortly thereafter, Mr. White called Mr. Sulentic suggesting that they meet to consider the topics Mr. Frese and Mr. Groch had discussed. Mr. White noted that he would be in Orlando, Florida on August 5, 2005 and Mr. Sulentic agreed to meet him there. On August 5th, prior to the start of the meeting, Mr. Sulentic learned that a United Kingdom real estate trade journal had published speculation that CBRE was to acquire the Company. Mr. Sulentic called Mr. White to inform him of the rumors and his view that these rumors would create problems for the Company. Mr. Sulentic indicated his belief that the two of them should not meet given the rumors. On this telephone call Messrs. Sulentic and White agreed that any discussions of a business combination between CBRE and the Company would be terminated. Mr. White again expressed CBRE's interest in pursuing a deal and told Mr. Sulentic that CBRE might contact the Company later that year.

In late September 2005, Mr. White called Mr. Sulentic and expressed an interest in meeting with Mr. Sulentic. Mr. Sulentic informed Mr. White that he was going to be in San Francisco, California on September 29, 2005 and that they could meet at that time. On September 29, 2005, Mr. Sulentic met with Mr. White in San Francisco. At the meeting, Mr. White reiterated CBRE's interest in acquiring the Company and discussed with Mr. Sulentic the process proposed by CBRE to construct an initial valuation of the Company, including a description of the information CBRE would need from the Company.

On September 30, 2005, Mr. Frese called Mr. Groch to discuss logistics for a meeting with the parties' Chief Financial Officers to review the Company's business in greater detail. On October 6, 2005, Mr. Frese, Mr. Groch, Derek McClain, the Chief Financial Officer of the Company, and Kenneth Kay, the Chief Financial Officer of CBRE, met in Chicago, Illinois. The parties discussed the Company's development and investment business and certain of the Company's joint ventures, including financial results, business trends and future prospects. They also discussed the potential treatment by CBRE of such business units after the proposed acquisition.

On October 10, 2005, Mr. McClain contacted Mr. Kay via email confirming that the Company had received a due diligence request from CBRE and was working to gather responsive information. Mr. McClain also confirmed that another meeting among representatives of the parties was scheduled for October 19 through October 20, 2005 in Dallas, Texas.

On October 18, 2005, CBRE and the Company entered into a confidentiality agreement containing customary terms and conditions, including a standstill agreement with a term of at least 12 months, having first exchanged draft agreements for the previous seven to ten days.

Between October 19, 2005 and the middle of December, 2005, the Company provided to CBRE documents in response to CBRE's due diligence requests, and management of the Company engaged in numerous discussions with representatives of CBRE in connection with CBRE's due diligence investigation of the Company.

During the periods from October 19 through October 20, 2005, from November 2 through November 4, 2005 and on December 14, 2005, representatives of CBRE and the Company met in Dallas, Texas, Short Hills, New Jersey and Dallas, Texas, respectively. Generally, Messrs. Groch and McClain of the Company and Mr. Frese and other representatives from CBRE met and discussed the financial statements and budgets of the Company and engaged in detailed discussions regarding potential synergies, as well as potential revenue losses, from the proposed acquisition. At the December 14, 2005 meeting, the Company delivered to CBRE the Company's then-current five year growth plan that was developed internally by the Company in the ordinary course of its business. The parties also discussed the Company's projected cash and debt positions set forth in the five year growth plan. Between the meeting dates, the parties also exchanged follow-up telephone calls regarding the topics discussed at the meetings and the Company delivered to CBRE additional due diligence documents.

On November 16, 2005, our board held a regularly scheduled meeting. Mr. Groch updated the meeting participants on discussions the Company had conducted with CBRE regarding a potential strategic combination. Our board then discussed in general the potential synergies that could make strategic combinations or merger and acquisition transactions among the largest of the Company's industry competitors attractive, and also discussed certain other potential partners for strategic combinations. After discussion of these matters and the Company's prospects as laid out in the five year growth plan, our board agreed that the Company's current strategy would be to continue to pursue the Company's long-term business objectives, but be receptive in exploring whether any future discussions with third parties could lead to a transaction that would be in the best interest of the Company's stockholders.

During the period following the November 16th board meeting and continuing into mid December, 2005, our management held extensive internal discussions regarding a possible transaction with CBRE. After consultation by our management with members of our board, it was concluded that it was not in the Company's interest to pursue a transaction with CBRE at that time due to (a) the Company's belief that its stock price was then undervalued (and that even a significant premium to such stock price would not represent fair value for the Company), (b) concerns over confidentiality issues in any potential transaction, (c) concerns regarding diversion of management's time from other strategic endeavors, (d) CBRE's lack of familiarity with the Company's development and investment business, and (e) the possible adverse effect on the Company of a drawn out due diligence and transaction process.

On December 20, 2005, Mr. Sulentic spoke with Mr. White via telephone and informed him that the Company was ending negotiations regarding a proposed transaction with CBRE due to these reasons.

In late spring of 2006, Mr. White called Mr. Sulentic and inquired whether they could have another meeting and, on or about April 12, 2006, they met in Dallas, Texas. At this meeting, Mr. White indicated that CBRE would consider acquiring the Company at an unspecified price that would represent a premium (on a percentage basis) to the then-current trading price of the Company's stock ranging from the high single digits to the mid teens, depending on the cash and stock mix of the consideration.

At a regularly scheduled meeting of our board on May 17, 2006, our board and management discussed the perceived risks of pursuing a transaction with CBRE, noting the potential damage to the Company's business if the transaction were pursued or publicized and CBRE did not go through with the transaction. Our board and management also discussed the fact that the initial indications of pricing from CBRE did not compare favorably to the Company's growth rate imbedded in its long-term plan. This discussion also focused on the importance of the Company continuing to pursue execution of its business plan with as little distraction as possible for most of senior management, while only pursuing strategic opportunities that seemed likely to result in a transaction that would provide greater value to the Company's stockholders as compared to the value likely to result from the Company's continued pursuit of the Company's current growth plan. After further discussion, our board agreed that it was in the best interest of the Company's stockholders to not pursue a sale to CBRE at that time and to continue execution of the Company's business plan while the Company continued to explore potential opportunities with certain acquisition candidates. Soon thereafter, Mr. Sulentic communicated to Mr. White that the Company was not interested in pursuing a transaction with CBRE.

On June 2, 2006, CBRE sent to the Company via overnight delivery a termination letter under the confidentiality agreement between the parties.

During the time period from June 2006 through September 2006, our board and management continued to explore its strategic alternatives, including the conduct of discussions regarding one or more potential strategic acquisitions. In particular, we engaged in serious discussions with an industry competitor to explore the possibility of combining our business with that of the competitor by acquiring the competitor.

In late August 2006, Mr. Frese contacted Mr. Groch via telephone to discuss rumors from sources CBRE found reliable that the Company was considering entering into a significant merger or acquisition transaction with an industry competitor in the very near future. Mr. Frese told Mr. Groch that CBRE still had a high degree of interest in pursuing a transaction with the Company. Mr. Frese noted that CBRE's board was actively reviewing its options regarding a transaction with the Company and suggested that the parties meet to further discuss a potential acquisition by CBRE.

On August 28, 2006, Laurence Midler, General Counsel of CBRE, contacted J. Christopher Kirk, General Counsel of the Company and Secretary to our board, and proposed that Messrs. Sulentic, Groch, White and Frese meet on September 1, 2006 in Denver, Colorado. Messrs. Midler and Kirk confirmed their mutual understanding that the meeting did not require any board action by either party in order to comply with the standstill provisions contained in the confidentiality agreement.

On September 1, 2006, Messrs. Sulentic and Groch met with Messrs. White and Frese in Denver, Colorado. Mr. Sulentic opened the meeting by stating that he and Mr. Groch were in close communication with our board and were operating under our board's direction at the meeting. He further indicated that he and Mr. Groch would be reporting back to our board following the meeting. Messrs. White and Frese noted that CBRE had developed a better understanding of the Company's development and investment business, and wanted to make a proposal regarding the acquisition of the entire Company. They discussed the updated information they would need to analyze in order to provide an indication of value to the Company. They also noted that the terms of the existing confidentiality agreement required that CBRE obtain permission from our board before they could make a proposal with regard to the contemplated acquisition. Mr. Sulentic noted that he would consult with our board prior to developing any response.

On September 6, 2006, Mr. Sulentic spoke with Mr. White via telephone and confirmed to Mr. White that our board had reiterated its instructions that management evaluate all strategic options available to the Company and that the focus of such evaluation would be on maximizing value for the Company's stockholders. He indicated that the Company would respond in a timely manner with more details if our board desired to receive a proposal from CBRE regarding CBRE's potential acquisition of the Company. The parties also acknowledged that a mechanism to provide such a proposal would need to be worked out under the existing confidentiality agreement. Mr. White told Mr. Sulentic that the Acquisition Committee of CBRE's board had met previously that week and there was great support for a transaction with the Company.

On September 11, 2006, Mr. Midler called Mr. Kirk to request permission for CBRE to submit to our board of directors a preliminary non-binding indication of the terms and conditions on which CBRE would seek to acquire the Company. Later that day, Mr. Kirk sent to Mr. Midler a letter confirming that, although our board had not made any decision to sell the Company or abandon its existing long-term strategic objectives, CBRE was invited by our board to present its preliminary non-binding proposal. Among other things, the letter set forth specific requirements regarding the content of CBRE's proposal, including a discussion of any financing and any material closing conditions.

From September 11, 2006 through September 15, 2006, Mr. Sulentic and Mr. Groch, on behalf of the Company, and Mr. White and Mr. Frese, on behalf of CBRE, communicated via email and telephone regarding the terms and conditions of a potential acquisition proposal to acquire the Company. Such discussions culminated in a preliminary non-binding acquisition proposal from CBRE that was contained in a letter from Mr. White to Mr. Sulentic, dated September 15, 2006 (the "proposal"). The proposal stated CBRE's offer to acquire all of the outstanding stock of the Company for a per share cash price of $46.50, assuming the successful completion of business, financial, legal and accounting due diligence, the negotiation of a mutually-acceptable merger agreement, the negotiation of employment arrangements with certain key personnel of the Company and other customary closing conditions. The proposal also contained terms relating to the proposed financing and due diligence matters and requested that the Company respond by no later than September 22, 2006.

The proposal was sent to the Company after the close of business on September 15, 2006. Mr. Sulentic communicated orally to each member of our board that CBRE had sent an acquisition proposal to the Company and the price per share set forth in such proposal. Our board agreed to discuss the CBRE proposal and an acquisition then being considered by the Company at our board retreat scheduled for the immediately following week.

On September 16, 2006, Mr. Groch asked Mr. Frese to have CBRE clarify specified terms and conditions in the CBRE proposal.

On September 18, 2006, Mr. White sent to Mr. Sulentic a letter clarifying certain of the terms and conditions of the proposal, including the terms of the proposed financing, the closing conditions to the acquisition and certain due diligence matters. The letter also contained a due diligence request list, a list of personnel of the Company to whom CBRE would need access for due diligence purposes, and a proposed timeline.

Also on September 18, 2006, Mr. Groch called Mr. Frese to discuss the price set forth in the proposal. On such call, Mr. Groch told Mr. Frese that the price for the Company should be at least

$50.00 per share for the CBRE proposal to compare favorably to the alternative acquisition that the Company was then considering.

On September 18, 2006, Mr. Sulentic and Mr. Groch met with Mr. Frese in Jacksonville, Florida to discuss the pricing under CBRE's proposal. Mr. White participated by telephone. On a private call during this meeting, Mr. Sulentic reiterated to Mr. White that the Company was considering various strategic alternatives, but that if CBRE would raise its offer price to at least $50.50 per share, Mr. Sulentic would advocate to our board that the Company choose the CBRE proposal over the other options our board was then considering and move forward with further discussions. Later that day, Mr. White called Mr. Sulentic to inform him that CBRE was raising the per share purchase price in the proposal to $48.50, and that this was the price CBRE would like our board to measure against the other alternatives our board was considering.

The increased price was confirmed the next day in a letter from Mr. White to Mr. Sulentic.

On September 19, 2006, Mr. Midler, Mr. Kirk and outside legal counsel for CBRE and the Company held a telephonic meeting regarding the financing of the acquisition, as well as other matters relating to the development and investment group and the treatment of outstanding options and restricted stock in the acquisition. Over the next few days, there were various telephone calls made between representatives of the Company, CBRE and their respective outside legal counsel clarifying certain terms and conditions in the proposal.

On September 20 and 21, 2006, our board met to discuss CBRE's proposal, the potential acquisition being considered by the Company and the alternative of continuing to pursue our strategic objectives as an independent company. Mr. Groch made a presentation to our board regarding the competitive and industry landscape, business cycle and cost synergy opportunities available from various strategic transactions in the commercial real estate services industry. Mr. Groch also provided an update on the Company's merger and acquisition activities, including the Company's discussions with CBRE. The presentation to our board contained a discussion of the terms and conditions of CBRE's proposal, as well as a comparison of the relevant risks and rewards of the proposal as compared to a potential acquisition being considered by the Company and an analysis of the financial impacts of both transactions. Our board also discussed with Lazard the preliminary financial and comparative analyses conducted by Lazard based on information provided by the Company. Our board decided that the proposal by CBRE would likely provide the Company's stockholders with a more compelling financial opportunity than the contemplated acquisition, taking into account the relative probability of closing either transaction and the significant post-closing execution risk in the acquisition opportunity. In addition, our board considered the likelihood that any other industry or financial buyer could offer a financial value for our stockholders that would be more compelling than CBRE's proposal if an auction for the Company were conducted. Our board concluded that, given the significant potential disruption to our business of conducting an auction process and the fact that the proposal from CBRE contemplated that our board could consider competing proposals for an acquisition of the Company under certain circumstances, it was not in the interest of our stockholders to conduct an auction for the Company. Our board instructed management to engage in further discussions with CBRE, but to try to achieve a price of $51.00 per share before expending significant time or resources on a proposed acquisition.

On September 21, 2006, Mr. White and Mr. Sulentic had a telephone conversation regarding certain issues concerning CBRE's proposal, including issues regarding regulatory approvals, financing and the rights of the parties under certain circumstances in which the proposed transaction was announced but failed to close. Mr. Sulentic also conveyed the view of our board that CBRE should offer at least $51.00 per share for the Company.

On September 23, 2006, various representatives of CBRE and the Company held conference calls to discuss certain financial information and projections that had been delivered to CBRE.

On September 24, 2006, Mr. White sent a letter to Mr. Sulentic stating that CBRE was raising the per share purchase price in the proposal to $50.00 per share, advising Mr. Sulentic that this was CBRE's best and final proposal and requesting that the parties and their advisors meet to resolve the outstanding regulatory, financing and other questions regarding CBRE's proposal.

On September 25, 2006, Messrs. Midler and Kirk held a telephone conference with their respective outside legal counsel to discuss the issues raised on September 24th. Later that day Mr. Midler emailed Mr. Kirk to inform him that the Acquisition Committee of the board of CBRE was meeting on September 26, 2006 regarding these issues. On September 26, CBRE's outside legal counsel notified Mr. Kirk that such committee had approved the resolution of these issues on the terms previously discussed.

From September 24th through September 26th, Mr. Sulentic spoke with each of the non-executive directors of the Company and each confirmed their support for a $50.00 per share price if the financing, regulatory and other identified issues could be resolved. Mr. Sulentic then notified Mr. White that the Company would proceed with further discussions and comply with CBRE's due diligence requests.

On September 27, 2006, Messrs. White and Sulentic met in Phoenix, Arizona and agreed that the parties would continue their discussions on the basis of a price of $50.00 per share. They were subsequently joined by Michael Lafitte, President of the Company's global services business, to discuss organizational matters relating to the combined entity that might result from the acquisition.

From September 30, 2006 through October 13, 2006, CBRE personnel and their advisors conducted a due diligence investigation of the Company and its businesses and the Company produced due diligence documentation in response thereto. The Company also established an online virtual due diligence data room during such time. CBRE and the Company also held numerous due diligence meetings involving their respective personnel and advisors.

On October 1, 2006, the leadership team of CBRE Investors and Mr. Wirta of CBRE's board met with Mr. Groch to resolve certain potential issues relating to the charter, franchise, leadership and operating model for the development and investment business.

On October 2, 2006, Simpson Thacher & Bartlett LLP ("Simpson Thacher"), outside legal counsel for CBRE, delivered to the Company and Vinson & Elkins an initial draft of a proposed merger agreement. Over the next two weeks, Vinson & Elkins and Simpson Thacher negotiated and exchanged drafts of the proposed merger agreement.

On October 10, 2006, at a meeting initiated by Mr. White, Mr. White met with Curtis Feeny, a member of our board, at Mr. Feeny's offices in Menlo Park, California. Messrs. White and Feeny discussed the attitude of our board regarding the proposed transaction. Mr. White expressed his views on the likelihood that the parties could reach final agreement with respect to the transaction. Mr. White also discussed the process by which CBRE would seek to evaluate members of our board for potential service on CBRE's board if the proposed merger was completed. However, Mr. White did not offer Mr. Feeny a position on CBRE's board upon closing, and Mr. White and Mr. Feeny confirmed the understanding of CBRE and the Company that service on CBRE's board by any of our directors (other than the service of Mr. Sulentic) would not be discussed unless and until the merger agreement was signed.

On October 13, 2006, Messrs. Sulentic, Kirk, White, and Midler and representatives from Vinson & Elkins and Simpson Thacher met to discuss and attempt to resolve the outstanding issues in the proposed merger agreement. The parties, other than Messrs. White and Sulentic, also held a follow-up meeting on the outstanding merger agreement issues on October 20, 2006.

Throughout much of October, the Company continued to produce documents in response to CBRE's due diligence requests and CBRE continued to refine its analysis of the synergies and integration issues raised in the acquisition.

During the period from October 25 through October 27, 2006, Messrs. White and Sulentic engaged in various telephonic discussions to continue to negotiate significant deal terms. The discussions centered on Mr. Sulentic'c concerns regarding the timing and certainty of closing. These discussions resulted in enhanced rights for the Company to ensure a more likely, timely and efficient closing process in exchange for a proposed adjustment of the price from $50 to $48.88 per share. Messrs. White and Sulentic agreed that they would recommend these changes to their respective boards of directors.

On October 27, 2006, our board met to consider the proposed merger, at which meeting senior members of our management and representatives of Lazard, Vinson & Elkins, Prickett, Jones & Elliot, P.A., Delaware counsel to the Company ("Prickett Jones"), and Arnold & Porter LLP, special regulatory counsel to the Company, were also present. Management updated our board on the current financial performance of the Company and, upon the departure from the meeting of Lazard personnel, representatives from Prickett Jones discussed with, and responded to questions from, our board regarding its fiduciary duties under Delaware law in relation to the proposed merger. Lazard then rejoined the meeting and reviewed with our board its financial analysis of the proposed merger. Management and representatives from Vinson & Elkins then summarized for our board the material terms and conditions of the proposed merger agreement, voting agreements, amendments to certain of our benefits, bonus and severance plans and the other transaction documents. Management and Vinson & Elkins then responded to questions from our board regarding the documents. Management, our board, Vinson & Elkins, Arnold & Porter and Lazard then discussed the outstanding legal and business issues relating to the proposed merger, and our board discussed reasons for the proposed merger. Our board then approved the terms of the engagement letter with Lazard to serve as financial advisor to the Company in connection with the proposed merger and agreed to consider the transaction at a meeting on October 30, 2006, following further discussions between Messrs. Sulentic and White regarding pricing and other material terms.

Messrs. White and Sulentic talked by telephone later that night to further discuss the proposed price per share and the outstanding material transaction issues. Mr. White indicated his belief that the CBRE board of directors would support either (a) a price of $49.51 per share if we would accept a $100 million termination fee payable by CBRE upon termination of the merger agreement due to the failure to obtain required regulatory approvals, or (b) the alternative price of $48.88 per share in combination with a $200 million termination fee payable by CBRE upon termination of the merger agreement due to the failure to obtain required regulatory approvals.

On October 28, 2006, Mr. Sulentic held numerous discussions with all other members of our board to discuss the alternative price scenarios. The outcome of these discussions was a preference for the option with the $49.51 price. During the period from October 27 through October 30, 2006, our management, Vinson & Elkins and Simpson Thacher finalized the terms of the proposed merger agreement and the schedules thereto.

On October 30, 2006, our board again met to consider the proposed merger, at which meeting management and representatives of Lazard and Vinson & Elkins were also present. Representatives of Lazard reviewed with our board their financial analyses regarding the proposed merger and, following a discussion with our board, Lazard rendered its written opinion to our board that, as of October 30, 2006 and based upon and subject to the assumptions, factors and qualifications set forth in its opinion, the $49.51 per share cash merger consideration to be received by the holders of our common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders (other than the Company, CBRE or any subsidiary of CBRE and any shareholder who is entitled to demand and properly demands appraisal rights). Lazard's opinion is more fully described in "The Merger Opinion of Lazard Frères."

Representatives of management and Vinson & Elkins then summarized for our board the terms and conditions of the proposed severance, retention and bonus plans, proposed amendments to certain executive officer employment agreements to be entered into by CBRE simultaneously with the execution of the merger agreement, and any material changes to the transaction documentation, including the proposed merger agreement and the voting agreements, since the October 27, 2006 board meeting. Representatives from Vinson & Elkins and management then responded to questions from our board regarding the proposed transaction documents. Our board also discussed and considered the compensation, accelerated vesting, severance and other payments to be received by executive officers in connection with the merger.

Mr. Feeny then disclosed to our board the material details of his meeting with Mr. White on October 10, 2006. Mr. Feeny confirmed that neither his meeting with Mr. White, nor the potential for service on CBRE's board of directors after completion of the merger, impacted his conclusions regarding the merger. The other members of our board confirmed that they also were not impacted by the prospect of continued service on CBRE's board after closing.

Lazard, management and our employee directors then excused themselves from the meeting and our outside directors then met in an executive session with Vinson & Elkins to consider the merger and the related transactions, after which management and our employee directors returned to the meeting.

Our board then considered the merger from a business, financial and legal perspective and the current conditions in the commercial real estate services industry and also considered the reasons for the merger described in "The Merger Reasons for the Merger." After careful consideration and deliberation, our board unanimously (a) determined that the merger and the merger agreement were advisable and in the best interest of the Company and its stockholders, (b) approved the merger agreement, the ancillary transaction documents and each of the transactions contemplated thereby, (c) authorized management to execute the definitive transaction documentation and (d) resolved to recommend that the stockholders of the Company vote in favor of the approval and adoption of the merger agreement.

Later that evening, the definitive merger agreement and the voting agreements were executed by the parties. Before the open of business on October 31, 2006, each of the Company and CBRE issued separate press releases announcing the merger agreement and the merger.

Reasons for the Merger

In determining to adopt and approve the merger agreement and the merger, our board of directors considered the following material factors, among others:

- the general consolidation trends in the real estate services industry and our board of directors' knowledge of our business, assets, financial conditions and results of operations and prospects in such industry;

- the possible alternatives to the sale of the Company, including continuing to operate the Company independently (whether on a stand-alone basis or following one or more significant acquisitions), and the risks associated with such alternatives, each of which our board of directors determined not to pursue in light of its belief, and the belief of the Company's senior management, that the merger maximized stockholder value and was more favorable to the stockholders than other alternatives reasonably available to the Company and its stockholders;

- the fact that the proposed per share merger consideration of $49.51 represents a premium for our common stock of approximately 28.1% to the closing price on October 30, 2006, the last trading day before the public announcement of the merger and represents (a) a 33.2% premium to the average price per share of our common stock during the 30-day period preceding October 30, 2006, (b) a 35.8% premium to the average price per share of our common stock during the 60-day period preceding October 30, 2006, (c) a 39.6% premium to the average price per share of our common stock during the 180-day period preceding October 30, 2006, and (d) a 50.2% premium to the average price per share of our common stock during the 360-day period preceding October 30, 2006;

the fact that the merger consideration is all cash, so that the transaction will allow the Company's stockholders to realize upon closing a fair value, in cash, for their investment and will provide such stockholders certainty of value for their shares;

the fact that this merger, as compared with other transaction alternatives available to the Company, carries no more transaction risk, but much less execution and integration risk;

the presentation of Lazard, including its opinion to the effect that, as of October 30, 2006 and based upon and subject to the assumptions, factors and qualifications set forth in such opinion, the $49.51 per share cash merger consideration to be received by the holders of our common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders (other than the Company, CBRE or any subsidiary of CBRE and any shareholder who is entitled to demand and properly demands appraisal rights) (please read "The Merger Opinion of Lazard Frères & Co. LLC" and Annex B to this proxy statement);

our board of directors' belief that, after extensive negotiations with CBRE and its representatives, that the price proposed in the merger represented the highest price per share that CBRE was willing to pay on the terms and conditions set forth in the merger agreement;

the fact that the completion of the merger is not subject to any financing condition and that the proposed financing by CBRE was supported by a debt commitment letter from Credit Suisse Securities (USA) LLC and Credit Suisse;

the financial and other terms and conditions of the merger agreement as reviewed by our board of directors including without limitation:

> the limited number and nature of the conditions to CBRE's and Merger Sub's obligations to complete the merger and the limited risk of non-satisfaction of such conditions, including that, for purposes of the merger agreement, the condition regarding accuracy of the Company's representations and warranties will be deemed satisfied for most of the Company's representations and warranties as long as any inaccuracies, individually or in the aggregate, have not resulted in, and would not reasonably be expected to result in, a material adverse effect with respect to the Company;
>
> the provisions of the merger agreement that allow our board of directors to change or modify its recommendation that the Company's stockholders vote in favor of the approval and adoption of the merger agreement if the failure to change or modify its recommendation would be inconsistent with our board of directors' fiduciary duties under applicable law;
>
> the provisions of the merger agreement that allow the Company, under certain limited circumstances to furnish information to and conduct negotiations with third parties if the failure to do so would be inconsistent with our board of directors' fiduciary duties under applicable law;
>
> the provisions of the merger agreement that provide our board of directors the ability to terminate the merger agreement in order to accept a financially superior proposal (subject to certain conditions contained in the merger agreement, including paying CBRE a $40,000,000 termination fee);

- the conclusion by our board of directors that the $40,000,000 termination fee (and the circumstances when such fee is payable), in the event that the merger agreement is terminated under certain circumstances, was reasonable in light of the benefits of the merger and usual and customary commercial practice; and

- the provisions of the merger agreement that require CBRE to pay to the Company a fee of $100,000,000 if the merger is not approved by antitrust regulators and require CBRE to pay to the Company $200,000,000 in liquidated damages if CBRE breaches the merger agreement or is unable or unwilling to complete the merger under certain circumstances;

- the fact that the terms and conditions of the merger agreement were the product of arm's-length negotiation between the parties; and

- the availability of appraisal rights to holders of our common stock who comply with all of the required procedures under Delaware law.

Our board of directors also considered and balanced against the potential benefits of the merger the following potentially adverse factors concerning the merger:

- the risk that the merger might not be completed in a timely manner or at all;

- the interests of the Company's executive officers and directors in the merger (please read "The Merger Interests of the Company's Directors and Executive Officers in the Merger");

- the fact that we will no longer exist as an independent, publicly traded company;

- the fact that the Company's stockholders will not participate in any future earnings or growth of the Company and will not benefit from any future appreciation in the value of the Company;

- the restrictions on the conduct of the Company's business prior to completion of the merger, requiring the Company to conduct its business only in the ordinary course, subject to specific limitations or CBRE's consent, which may delay or prevent the Company from undertaking business opportunities that may arise pending completion of the merger;

- the fact that the merger consideration consists of cash and will therefore be taxable to our stockholders for U.S. federal income tax purposes;

- the restrictions on our ability to solicit or engage in discussions or negotiations with a third party regarding specified transactions involving the Company and the requirement that the Company pay CBRE a $40,000,000 termination fee in order for our board of directors to accept a superior proposal;

- the fact that the Company did not conduct an auction or market check before entering into the merger agreement;

- the risk of diverting management focus and resources from other strategic opportunities and from operational matters while working to implement the merger;

- the possibility of disruption in our relations with or the loss of our customers; and

- the possibility of management and employee disruption associated with the merger.

After taking into account all of the factors set forth above, as well as others, our board of directors agreed that the benefits of the merger outweigh the risks and that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable and in the best interest of the Company and its stockholders. Our board of directors has approved and adopted the merger agreement and recommends that the Company's stockholders vote FOR the approval and adoption of the merger agreement at the special meeting.

Our board of directors did not assign relative weights to the above factors or the other factors considered by it. In addition, our board of directors did not reach any specific conclusion on each factor considered, but conducted an overall analysis of these factors. Individual members of our board of directors may have given different weights to different factors.

Recommendation of the Company's Board of Directors

After careful consideration, our board of directors:

- has determined that the merger, the merger agreement and the transactions contemplated thereby are advisable and in the best interest of the Company and its stockholders;

- has approved the merger, the merger agreement and the transactions contemplated thereby; and

- recommends that the Company's stockholders vote "FOR" the approval and adoption of the merger agreement.

Certain Financial Projections

As part of management's annual strategic discussions with our board of directors, management prepares a five-year projection for the business commonly referred to internally as the "growth model." The growth model contains projections of (a) revenues and pre-tax income for the Company's two reporting segments and for various lines of business within its global services segment and (b) net income and earnings per share for the Company (as a whole). The growth model generally factors in management's assessment of (a) conditions expected to prevail in the various lines of business, (b) the Company's recent experience with the business lines, and (c) initiatives being undertaken by the Company that are designed to drive revenue growth and expense efficiencies.

The growth model has been a reference point in discussions with CBRE regarding the value of the Company. The growth model was first disclosed to CBRE during the Company's 2005 discussions with CBRE. In April 2006, in connection with the Company's consideration of an acquisition, the growth model was updated on an interim basis (a) to reflect the Company's actual 2005 performance and to reflect the 2006 budget approved by the board, with growth rates then applied to the 2006 budget instead of the 2005 budget, (b) to reflect changes to the Company's projected tax rate and share count, (c) to make minor modifications to growth rates, (d) to upwardly adjust our expectations of Savill's contribution to income in line with their 2005 actual results and (e) to include a calculation of EBITDA for the Company as a whole. CBRE was advised of the resulting changes to the growth model in early September, 2006. These projections were provided by the Company to Lazard in connection with its financial analyses and presentation to our board of directors.

Set forth below is a summary of the updated growth model:

	2006	2007	2008	2009	2010
	(in 000,000's except per share amounts)				
Global Services					
Revenues(1)	$ 985	$ 1,172	$ 1,371	$ 1,608	$ 1,890
Income before income taxes	86	106	130	160	190
Development and Investment					
Revenues(1)	143	171	197	233	275
Income before income taxes	36	45	49	59	71
Company Consolidated					
Revenues(1)	1,128	1,343	1,568	1,841	2,165
Income before income taxes	122	151	179	219	261
Net income	75	94	111	136	162
Earnings per share	2.04	2.53	3.00	3.67	4.39
EBITDA	145	178	205	246	290

(1) For purposes of the growth model, the Company considers revenues to include (a) income from unconsolidated subsidiaries and (b) gains on disposition of real estate, including gains reclassified as income from discontinued operations in accordance with FAS 144 (neither of which are GAAP revenues).

In connection with our board of directors' consideration of the proposed transaction with CBRE and an alternative acquisition on September 20 and 21, 2006, management referred to a set of projections (the "17.5% growth projections") that assumed the Company would post earnings per share of $2.00 for 2006 and that earnings per share would grow at the rate of 17.5% from 2007 through 2010. Prior to management's meeting with CBRE on September 18, 2006, and our conference calls with CBRE on September 23, 2006, referred to in " Background of the Merger," CBRE was advised that the Company used the 17.5% growth projections for the Company's own analysis of its various strategic alternatives. Except for the assumptions noted above that were disclosed to CBRE, no other information regarding the 17.5% growth projections was provided to CBRE.

On September 23, 2006, management of the Company provided to CBRE a "topside-adjusted forecast" for 2006, providing an updated projection for the Company's performance for 2006. Set forth below is a summary of the topside-adjusted forecast:

	Global Services	Development and Investment	Company Total
	(in 000,000's, except per share amounts)		
2006 Income before income taxes	$ 79	$ 38	$ 117
2006 Earnings per share			$ 1.94
EBITDA			$ 142

In discussions surrounding the topside adjusted forecast, Company representatives advised CBRE representatives that recent historical experience (for 2004 and 2005) would indicate that the Company generally tended to underestimate its ultimate full-year earnings per share in its topside adjusted forecasts prepared in the months leading up to year end.

On October 17, 2006, in connection with the discussion of a business plan for the development and investment business as an independently managed subsidiary of CBRE, management of the Company indicated to CBRE that if management were then revising the growth model, management would shift

$7 million of income before income taxes for the development and investment segment from 2007 into 2008.

The Company makes public only very limited information as to future performance and does not provide specific or detailed information as to earnings or performance over an extended period. The foregoing projections are included in this proxy statement only because this information was provided to CBRE and Merger Sub during negotiations and to Lazard for use in preparation of its financial analyses. The projections were not prepared with a view to public disclosure or compliance with the published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants regarding projections or forecasts. The projections do not purport to present operations in accordance with generally accepted accounting principles ("GAAP"), and our independent auditors have not examined or compiled the projections and accordingly assume no responsibility for them. The internal financial forecasts (upon which these projections were based in part) are, in general, prepared solely for internal use and other management decisions and are subjective in many respects and thus susceptible to interpretations and periodic revision based on actual experience and business developments.

The projections also reflect numerous assumptions made by management including assumptions with respect to general business, economic, market and financial conditions and other matters including effective tax rates and interest rates and the anticipated amount of borrowings, all of which are difficult to predict and many of which are beyond the Company's control. Accordingly, we cannot assure you that the assumptions made in preparing the projections will prove accurate. There will be differences between actual and projected results, and actual results may be materially greater or less than those contained in the projections. The inclusion of the projections in this proxy statement should not be regarded as an indication that the Company or its representatives considered or consider the projections to be a reliable prediction of future events, and the projections should not be relied upon as such.

The Company's management believes that the projections prepared were prepared in good faith at the time they were made; however, you should not assume that the projections continue to be accurate or reflective of management's current view. The projections were disclosed to CBRE, Merger Sub and their representatives at their request as a matter of due diligence and to Lazard for use in preparation of its financial analyses, and are included in this proxy statement on that account. None of the Company or any of its representatives has made or makes any representation to any person regarding the ultimate performance of the Company compared to the information contained in the projections, and none of them intends to update or otherwise revise the projections to reflect circumstances existing after the date when made or to reflect the occurrence of future events in the event that any or all of the assumptions underlying the projections are shown to be in error.

Opinion of Lazard Frères & Co. LLC

Under an agreement dated October 27, 2006, we formally retained Lazard to act as our investment banker in connection with the merger. As part of that engagement, we requested that Lazard evaluate the fairness, from a financial point of view, to the holders of our common stock of the consideration to be paid to such holders in the merger. Lazard delivered a written opinion to our board of directors, dated October 30, 2006, the date of the merger agreement, that, as of that date and based upon and subject to certain assumptions, factors and qualifications set forth therein, the $49.51 per share cash merger consideration was fair, from a financial point of view, to the holders of our common stock (other than the Company, CBRE or any subsidiary of CBRE and any shareholder who is entitled to demand and properly demands appraisal rights).

The full text of the Lazard opinion is included as Annex B to this proxy statement and is incorporated into this proxy statement by reference. The description of the Lazard opinion set forth in this proxy statement is qualified in its entirety by reference to the full text of the Lazard opinion set forth in Annex B. You are urged to read the Lazard opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Lazard in connection with the opinion. Lazard's written opinion is directed to our board of directors and only addresses the fairness, from a financial point of view, to the holders of our common stock (other than the Company, CBRE or any subsidiary of CBRE and any shareholder who is entitled to demand and properly demands appraisal rights) of the $49.51 per share in cash merger consideration to be paid to such holders. Lazard's written opinion does not address the merits of the underlying decision by the Company to engage in the merger or any other aspect of the merger and does not constitute a recommendation to any stockholder as to how the stockholder should vote on any matter relating to the merger. Lazard's opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Lazard as of, October 30, 2006, the date of Lazard's opinion. Lazard assumes no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of the opinion. The following is only a summary of the Lazard opinion. You are encouraged to read the entire opinion carefully.

In connection with its opinion, Lazard:

- reviewed the financial terms and conditions contained in the merger agreement;
- analyzed certain historical publicly available business and financial information relating to us;
- reviewed various financial forecasts and other data provided to Lazard by us relating to our business;
- held discussions with members of our senior management with respect to our business and prospects;
- reviewed public information with respect to certain other companies in lines of businesses Lazard believed to be generally comparable to our business;
- reviewed the historical stock prices and trading volumes of our common stock; and
- conducted such other financial studies, analyses and investigations as Lazard deemed appropriate.

Lazard relied upon the accuracy and completeness of the foregoing information and has not assumed any responsibility for any independent verification of such information or any independent valuation or appraisal of any of our assets or liabilities or concerning our solvency or fair value. With respect to the financial forecasts, Lazard assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of our management as to our future financial performance. Lazard did not assume any responsibility for and expressed no view as to such forecasts or the assumptions on which they were based.

In rendering its opinion, Lazard assumed, with our consent, that the merger would be completed on the terms described in the merger agreement provided to it, without any waiver or modification of any material terms or conditions by us and that obtaining the necessary regulatory approvals for the merger would not have an adverse effect on us or the merger. Lazard did not express any opinion as to any tax or other consequences that might result from the merger, nor does its opinion address any legal, tax, regulatory or accounting matters, as to which Lazard understood that we had obtained such advice we deemed necessary from qualified professionals. Lazard noted in its opinion that due to the limited number of public companies that are comparable to the Company, the limited number of transactions in the Company's industry, the lack of disclosure regarding transactions involving private companies in the Company's industry and the cyclicality in the industry, Lazard was unable to perform a meaningful precedent transactions analysis. In addition, Lazard analyzed, with our consent, the Company's minority interest in Savills plc based on the closing price of Savills ordinary shares on October 27, 2006, after giving effect to estimated taxes payable upon a sale of such shares.

Lazard was not engaged to broadly solicit, and Lazard confirmed that it did not broadly solicit, other parties regarding a potential transaction with us, nor was Lazard requested to consider, and its opinion does not address, the relative merits of the merger as compared to any other transaction in which we might have engaged. Lazard does not express any opinion as to the price at which our common stock might trade subsequent to the announcement of the merger.

The following is a brief summary of the material financial and comparative analyses that Lazard deemed to be appropriate in connection with rendering its opinion. The following summaries of financial analyses include information included in tabular format. You should read these tables together with the text of each summary. The tables alone do not constitute a complete description of the material financial analyses.

Comparable public companies analysis. Lazard reviewed and analyzed selected publicly available financial and other data of the following companies having businesses and trading characteristics that it deemed reasonably comparable to us:

CB Richard Ellis Group, Inc.;

Jones Lang LaSalle Incorporated; and

Savills plc.

In performing these analyses, Lazard reviewed and analyzed certain financial information, implied multiples and market trading data relating to the selected comparable companies and compared such information to corresponding information for the Company. The estimated financial information for the selected public companies used by Lazard in its analysis was based on the Institutional Brokers' Estimate System's, commonly referred to as "I/B/E/S," consensus estimates or on recent research estimates published by certain Wall Street institutions. The historical financial information used by Lazard in its analysis was based on publicly available historical information. The financial information for the Company was based on information and estimates provided to Lazard by our management.

For each of the selected public comparable companies, Lazard compared the enterprise value, that is, equity value plus debt and minority interest less cash and cash equivalents, of each company as a multiple of estimated earnings before interest, taxes, depreciation and amortization (commonly referred to as "EBITDA") for fiscal years 2006 and 2007. The results of the analysis were as follows:

	Enterprise Value as a Multiple of EBITDA	
Company	**2006**	**2007**
CB Richard Ellis Group, Inc.	11.6x	10.5x
Jones Lang LaSalle Incorporated	11.8	12.2
Savills plc	11.5	10.8

For each of the selected public comparable companies, Lazard also compared closing prices per share of common stock for each company as of October 26, 2006 as a multiple of estimated earnings per share (commonly referred to as "EPS") for such company for fiscal years 2006 and 2007. The results of the analysis were as follows:

	Closing Share Price as a Multiple of EPS	
Company	**2006**	**2007**
CB Richard Ellis Group, Inc.	19.5x	17.1x
Jones Lang LaSalle Incorporated	18.4	19.7
Savills plc	16.8	15.2

Applying a range of selected multiples derived from the analysis to the corresponding EBITDA and EPS data for the Company and taking into account the implied value of the Company's ownership interest in Savills based on the closing price of Savills ordinary shares on October 27, 2006, after giving effect to estimated taxes payable upon a sale of such shares, Lazard derived an implied per share equity reference range for the Company of $36.00 to $46.00 and $42.00 to $54.00 when taking into account a 20% takeover premium, as compared to the cash merger consideration of $49.51 per share in cash to be paid to the holders of our common stock in the merger.

Discounted Cash Flow Analysis. Based on publicly available research analysts' estimates, as well as the estimates of the Company's management, for fiscal years 2006 to 2011 for the Company, Lazard performed an analysis of the present value of the projected free cash flows that the Company could generate from 2006 through 2011. For purposes of this analysis, Lazard also estimated the terminal value of the Company by applying (a) net income exit multiples ranging from 15.0x to 17.0x to the Company's estimated net income for fiscal year 2011 and (b) EBITDA exit multiples ranging from 8.0x to 10.0x to the Company's estimated EBITDA for fiscal year 2011. The cash flows and terminal values were then discounted to present value using discount rates ranging from 12% to 14%. Based on the foregoing and taking into account the implied value of the Company's ownership interest in Savills based on the closing price of Savills ordinary shares on October 27, 2006, after giving effect to estimated taxes payable upon a sale of such shares, Lazard calculated an implied per share equity reference range for the Company of $38.00 to $48.00 based on publicly available research analysts' estimates for the Company and of $42.00 to $54.00 based on the Company's management estimates, as compared to the cash merger consideration of $49.51 per share in cash to be paid to the holders of our common stock in the merger.

Miscellaneous. The preparation of financial analyses is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and, therefore, is not necessarily susceptible to partial analysis or summary description. Selecting the portions of the analyses or the summary set forth above without considering the analyses as a whole could create an incomplete or misleading view of the process underlying Lazard's presentation to our board of directors. In formulating its presentation to our board of directors, Lazard considered the results of all of its analyses and did not attribute any particular weight to any factor or analyses considered by it; rather, Lazard formulated its presentation on the basis of its experience and professional judgment after considering the results of its analyses. No company used in the above analyses as a comparison is directly comparable to us or the transactions contemplated by the merger agreement or the merger. The analyses were prepared for the purpose of Lazard rendering advice to our board of directors in connection with its consideration of the merger, and those analyses do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold, which may be significantly more or less favorable than set forth in the analyses. You should understand that estimates of values and forecasts of future results contained in the analyses, whether publicly available or provided by our management, were based on numerous assumptions and forecasts with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of the Company and Lazard and are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses.

In performing its analyses, Lazard made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters. Because those analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond our control or the control of our advisors, neither we, Lazard nor any other person assumes responsibility if future results or actual values are materially different from those forecasts or estimates contained in the analyses.

In connection with Lazard's services as our board of directors' investment banker, we agreed to pay Lazard a fee of $8,500,000 payable upon the closing of the merger. We have also agreed to reimburse Lazard for its reasonable out-of-pocket expenses (including attorneys' fees) and to indemnify Lazard and certain related parties against certain liabilities under certain circumstances that may arise out of the rendering of its advice, including certain liabilities under U.S. federal securities laws.

Lazard has provided and may currently or in the future provide investment banking services to the Company for which Lazard has received or may receive customary fees. Lazard has previously provided advisory services to us in connection with the exercise of our option to purchase shares in Savills, which closed in April 2005 and for which we paid Lazard a customary fee.

Lazard, as part of its investment banking business, is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, leveraged buyouts, and valuations for estate, corporate and other purposes. In addition, in the ordinary course of their respective businesses, affiliates of Lazard and LFCM Holdings LLC (an entity owned in large part by managing directors of Lazard) may actively trade the securities of the Company and/or the securities of CBRE for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities.

Lazard is an internationally recognized investment banking firm providing a full range of financial advisory and securities services. Lazard was selected to act as investment banker to our board of directors because of its qualifications, expertise and reputation in investment banking and mergers and acquisitions, as well as its familiarity with the Company.

Lazard prepared these analyses for the purpose of providing an opinion to our board of directors as to the fairness, from a financial point view, of the $49.51 per share cash merger consideration to be received by the holders of our common stock. The $49.51 per share in cash consideration to be received by the holders of the Company common stock pursuant to the merger agreement was determined through arm's-length negotiations between the Company and CBRE and was approved by our board of directors. Lazard did not recommend any specific merger consideration to the Company or that any given merger consideration constituted the only appropriate merger consideration for the merger.

As described above, the opinion of Lazard was one of many factors taken into consideration by our board of directors in making the determination to approve the merger and the merger agreement. Consequently, the analyses described above should not be viewed as determinative of the opinion of our board of directors with respect to the merger consideration of $49.51 per share in cash or of whether our board of directors would have been willing to agree to a different merger consideration. Additionally, Lazard's opinion is not intended to confer any rights or remedies upon any employee or creditor of the Company.

Effects on the Company if the Merger is Not Completed

If the merger agreement is not approved and adopted by the Company's stockholders or if the merger is not completed for any other reason, stockholders will not receive any payment for their shares in connection with the merger. Instead, the Company will remain an independent public company and its common stock will continue to be listed and traded on the NYSE for as long as it meets the listing requirements of that exchange. In addition, if the merger is not completed, we expect that management will operate the business in a manner similar to that in which it is being operated today and that the Company's stockholders will continue to be subject to the same risks and opportunities as they currently are, including, among other things, the nature of the commercial real estate industry on which the Company's business largely depends, and general economic and market conditions. Accordingly, if the merger is not completed, we cannot predict the effect of these risks and opportunities on the future value of your shares. From time to time, our board of directors will evaluate and review the business operations, properties, dividend policy and capitalization of the Company (among other things), make such changes as are deemed appropriate and continue to seek to identify strategic alternatives to maximize stockholder value including acquisitions of other real estate services companies. If the merger agreement is not approved and adopted by the Company's stockholders or if the merger is not completed for any other reason, we cannot assure you that any other transaction acceptable to the Company will be offered or that the business, prospects or results of operations of the Company will not be adversely impacted.

Financing

The Company and CBRE estimate that the total amount of funds necessary to complete the merger and the related transactions will be approximately $2.113 billion, which includes approximately:

- $1.925 billion to be paid out to the Company's stockholders, option holders and holders of performance unit awards;
- $70 million which may be utilized to refinance certain indebtedness;
- $70 million to be paid out to employees of both the Company and CBRE pursuant to severance and change of control arrangements; and
- $48 million to pay related fees and expenses in connection with the merger, the financing arrangements and the transactions described in this paragraph.

These payments are expected to be funded by a combination of debt financing and available cash of CBRE and Merger Sub.

Debt Financing

General. CBRE Services has received a debt commitment letter, dated as of October 30, 2006, from Credit Suisse Securities (USA) LLC and Credit Suisse (collectively, "Credit Suisse"), for to up to $2,800,000,000 of senior secured loan facilities, consisting of (a) two term loan facilities in an aggregate principal amount of up to $2,200,000,000 and (b) $600,000,000 of revolving loan facilities (which will be utilized to replace the existing senior secured revolving credit facilities of CBRE Services if the existing facilities are not amended to permit the merger and financing thereof) (together, the "facilities"). The facilities contemplated by the debt financing commitment are conditioned on the merger being completed, as well as other conditions being satisfied.

Conditions. The availability of the facilities is subject to, among other things:

- there not having occurred since the date of the merger agreement, any "Company Material Adverse Effect" as defined in the merger agreement (Please read "The Merger Agreement Representations and Warranties");
- the satisfaction of the closing conditions contained in the merger agreement relating to the accuracy of the Company's representations and warranties contained in the merger agreement (Please read "The Merger Agreement Conditions to the Merger");
- Credit Suisse having received unaudited consolidated financial statements prepared in accordance with generally accepted accounting principles of each of CBRE and the Company for each fiscal quarter ended after December 31, 2005 and at least 45 days before completion of the merger;
- Credit Suisse having received pro forma financial statements as of and for the twelve-month period ending on the last day of the most recently completed fiscal quarter ended at least 45 days before completion of the merger;

Credit Suisse having been provided a period of at least 30 days to attempt to syndicate the debt facilities after Credit Suisse's receipt of the required financial statements; provided, that the closing of the merger may not occur prior to December 18, 2006 or on any day from and including December 21, 2006 to and including January 2, 2007;

Credit Suisse's reasonable satisfaction that, prior to and during the syndication of the facilities, there will be no competing issues of debt securities or commercial bank or other credit facilities of CBRE, the Company or their respective subsidiaries being announced, offered, placed or arranged;

the negotiation, execution and delivery of definitive documentation with respect to the facilities reasonably satisfactory to Credit Suisse and its counsel;

CBRE Services' payment of all fees and other amounts due or under the debt commitment letter, to the extent invoiced prior to the closing date; and

the accuracy in all material respects at the closing date of specified other customary representations related to the facilities.

The debt commitment letter expires at 5:00 p.m., New York City time, on May 7, 2007, unless the end date (as defined in the merger agreement) is extended to August 6, 2007, in which case the debt commitment letter will expire on August 6, 2007. The documentation governing the facilities has not been finalized and, accordingly, the actual terms of the facilities may differ from those described in this proxy statement.

CBRE and Merger Sub have agreed to use reasonable efforts to obtain debt financing on the terms and conditions described in the debt commitment letter. If any portion of the financing contemplated by the debt commitment letter will not be available to CBRE or Merger Sub to complete the transactions contemplated by the merger agreement, CBRE or Merger Sub must use their reasonable efforts to arrange alternate financing for the transactions contemplated by the merger agreement; provided, that the terms and conditions of such alternate financing in the aggregate are not materially less favorable to CBRE and Merger Sub than those contemplated by the debt commitment letter.

The Merger Agreement does not condition CBRE's obligation to complete the merger on the receipt by CBRE of the necessary debt financing. However, CBRE is not required to complete the merger until the expiration of the "marketing period," as defined in the merger agreement. Please read "The Merger Agreement Effective Time."

Interests of the Company's Directors and Executive Officers in the Merger

In considering the recommendation of the Company's board of directors with respect to the merger, you should be aware that some of the Company's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of our stockholders generally. These interests may present them with actual or potential conflicts of interest, and these interests, to the extent material, are described below. The Company's board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement.

Treatment of Stock Options

As of October 25, 2006, there were 1,721,718 shares of our common stock subject to stock options granted under our 1997 Option Plan and our Long-Term Incentive Plan (together, the "Company Stock Plans") to our current executive officers and directors. At the effective time of the merger, each outstanding stock option will automatically be converted into the right to receive, upon the vesting and exercise of such option in accordance with its terms, a cash payment, without interest and less applicable tax withholding, equal to the product of:

the number of shares of our common stock subject to such option at the effective time of the merger, multiplied by

the excess, if any, of $49.51 over the exercise price per share of common stock subject to such option.

All options held by the Company's directors and executive officers have previously vested. The following table summarizes the options held by our executive officers and directors as of October 25, 2006 and the consideration (not taking into account any applicable tax or other withholding) that each of them will receive pursuant to the merger agreement in connection with the exercise of their options:

Directors:	**No. of Shares Underlying Options(1)**	**Weighted Average Exercise Price of Options(1)**	**Resulting Consideration(2)**
William F. Concannon(3)	358,727	$ 13.38	$ 12,960,044
James R. Erwin	37,925	$ 13.27	$ 1,374,572
Curtis F. Feeny	30,539	$ 10.80	$ 1,182,019
Jeffrey M. Heller	37,925	$ 13.27	$ 1,374,572
Rowland T. Moriarty	37,925	$ 13.27	$ 1,374,572
Michael A. Moses	0	$ 0	$ 0
Robert E. Sulentic(4)	465,518	$ 13.29	$ 16,859,924
J. McDonald Williams	52,327		