

# *Project Cosmo Discussion Materials*

**Proprietary and Confidential Discussion Materials**

**April 2015**

---

PROPRIETARY & CONFIDENTIAL

 C-III Capital Partners

EFTA00615013

## Cushman & Wakefield Overview

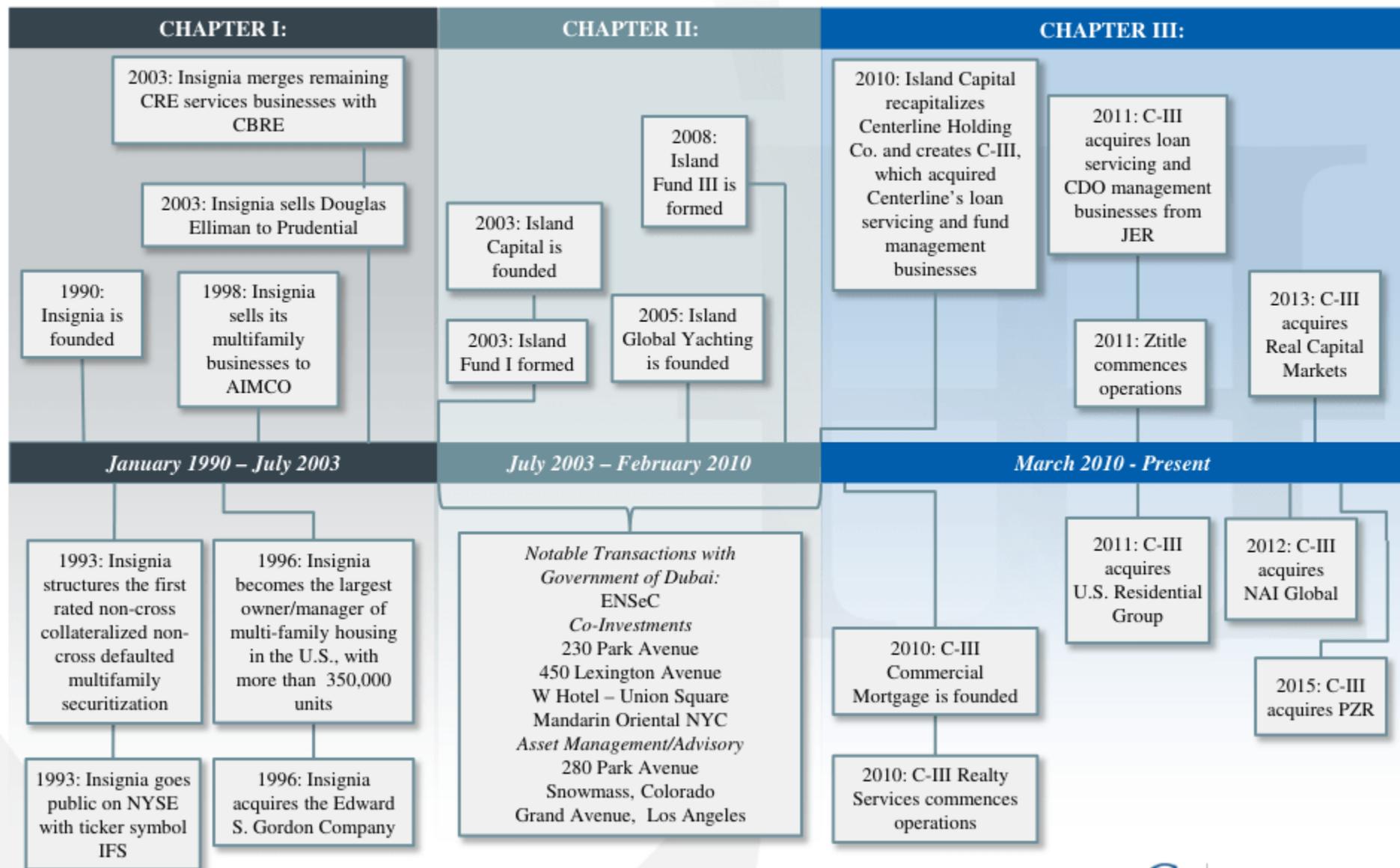
---

- Founded in 1917, Cushman & Wakefield (“C&W”) is a leading commercial real estate services firm
- C&W is a global platform operating in 58 countries with 248 offices and has more than 16,000 employees and professionals worldwide
- C&W has established business segment operations focused on Leasing, Corporate Occupier & Investor Services, Capital Markets, Valuation & Analysis and Consulting
- The platform lacks critical product offerings to elevate its standing in the marketplace including Investment Fund Management and Lending, and also requires a materially improved Capital Markets platform
- The C&W brand and broker morale suffered under prior leadership, but the recent market recovery and CEO change in 2013 have steadied the platform
- A successful turnaround will require a repositioning of the company to gain momentum and turbocharge recruiting efforts

*A combination with C-III would provide a major change in the C&W story to both potential clients and brokerage talent by rejuvenating the brand through expanded product offerings and leadership credibility*

# C-III / Island Can Provide The Compelling “Story Shift” and Executive Expertise

## A 23-Year History of Capitalizing on Opportunities and Creating Value



# C-III Capital Partners

## Creation of a Fully Integrated Real Estate Company in Under Five Years



# Creating A Global Real Estate Services, Investment Management and Credit Platform Without Equal

C&W		<b>Leasing / Consulting</b>	<b>Corporate Occupier &amp; Investor Svcs ("CIS")</b>	<b>Capital Markets</b>	<b>Valuation &amp; Advisory ("V&amp;A")</b>
	<b>Core Services</b>	<ul style="list-style-type: none"> <li>▪ Landlord Representation</li> <li>▪ Tenant Representation</li> <li>▪ Industrial Leasing</li> <li>▪ Transaction Consulting</li> <li>▪ Retail Leasing</li> <li>▪ Global Supply Chain Solutions</li> <li>▪ Global Consulting &amp; Specialty Practice Groups</li> </ul>	<ul style="list-style-type: none"> <li>▪ Account Management</li> <li>▪ Transaction Management</li> <li>▪ Lease Administration</li> <li>▪ Facilities Management</li> <li>▪ Agency / Landlord Leasing</li> <li>▪ Property / Asset Mgt</li> <li>▪ Risk Management</li> <li>▪ Project Management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Investment Sales &amp; Acquisitions</li> <li>▪ Equity, Debt &amp; Structured Finance</li> <li>▪ Corporate Finance &amp; Investment Banking</li> <li>▪ FINRA Broker / Dealer</li> </ul>	<ul style="list-style-type: none"> <li>▪ Appraisal</li> <li>▪ Appraisal Management</li> <li>▪ Dispute Analysis &amp; Litigation Support</li> <li>▪ Portfolio Valuation</li> <li>▪ Property Tax Services</li> <li>▪ Valuation For Financial Reporting</li> <li>▪ Specialty Practices</li> </ul>
	<b>Employees</b>	3,158	2,288	646	844
C-III CAPITAL PARTNERS		<b>Commercial Mortgage Servicing</b>	<b>Commercial Real Estate Lending</b>	<b>Investment Management</b>	<b>Diversified Real Estate Services</b>
	<b>Core Services</b>	<ul style="list-style-type: none"> <li>▪ Special Servicing</li> <li>▪ Portfolio Oversight</li> <li>▪ Primary Servicing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fixed Rate Lending</li> <li>▪ Floating Rate Lending</li> <li>▪ Conduit &amp; Balance Sheet</li> </ul>	<ul style="list-style-type: none"> <li>▪ Real Estate Equity Funds (incl. Fair Value Purchase Option)</li> <li>▪ Real Estate Debt Funds</li> </ul>	<ul style="list-style-type: none"> <li>▪ C-III Realty Services</li> <li>▪ Real Capital Markets</li> <li>▪ USRG</li> <li>▪ NAI</li> <li>▪ Zodiac Title</li> <li>▪ PZR</li> </ul>
	<b>Employees</b>	174	16	22	167

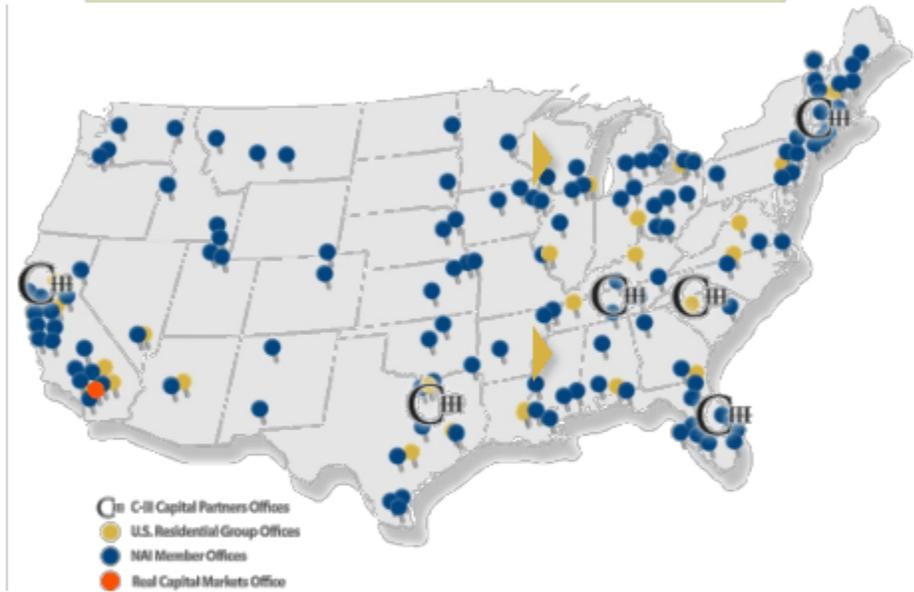
# Platform with Tremendous US Market Depth and Strong Global Reach

## C&W



Offices	248
Employees	16,468

## C-III CAPITAL PARTNERS



Offices <sup>(1)</sup>	406
Employees	1,300

<sup>(1)</sup> Includes 11 corporate offices, 20 USRG regional locations and 375 NAI member offices.

# Tremendous Synergy Opportunities

Revenue Synergy Opportunities	Key Participants
<ul style="list-style-type: none"> <li>Incremental leasing and investment sales fee capture from special servicing resolutions</li> </ul>	C-III Asset Mgt, C-III Realty, C&W
<ul style="list-style-type: none"> <li>Strategic capital deployment plan will require a compelling change in talent attraction dynamics</li> </ul>	C-III Executive Leadership, C-III Asset Mgt Volumes
<ul style="list-style-type: none"> <li>Sizeable lending opportunity / expansion via C&amp;W client base</li> </ul>	C-III Commercial Mortgage, C&W
<ul style="list-style-type: none"> <li>Investment Management AUM expansion                             <ul style="list-style-type: none"> <li>Far reaching product expansion with C&amp;W property management and leasing expertise</li> <li>C-III can raise material additional capital from existing investors with C&amp;W capabilities</li> </ul> </li> </ul>	C-III Investment Mgt, C&W
<ul style="list-style-type: none"> <li>USRG, NAI &amp; RCM business expansion opportunities could prove material</li> </ul>	USRG, NAI, RCM, C&W

## Expense Synergies

- Real estate cost savings through office consolidation
- Compensation cost savings through relocation and rehiring of selected functions
- Executive level cost saving opportunities
- Corporate back office rationalization opportunities
- NAI cost savings

Note: Confirmation of anticipated synergies will require diligence access not yet available to C-III.

# Pro Forma Financial Overview

<i>\$ in millions</i>	Reference	3.0% Growth/Margin Constant				
		2H 2015E	2016E	2017E	2018E	2019E
C&W Adjusted EBITDA	A	\$98.5	\$255.7	\$310.2	\$319.5	\$329.1
C-III EBITDA	B	32.9	117.1	195.5	322.1	206.5
Revenue Synergy Benefits		12.5	25.0	25.0	25.0	25.0
Cost Synergy Benefits		12.5	25.0	25.0	25.0	25.0
<b>Proforma Company EBITDA</b>		<b>\$156.4</b>	<b>\$422.8</b>	<b>\$555.7</b>	<b>\$691.6</b>	<b>\$585.6</b>
Less: Interest Expense	C	(47.2)	(94.4)	(90.9)	(87.4)	(87.4)
<b>Proforma Company EBTDA</b>		<b>\$109.1</b>	<b>\$328.4</b>	<b>\$464.8</b>	<b>\$604.2</b>	<b>\$498.2</b>
Less: C&W Cap Ex	D	(137.5)	(137.0)	(104.0)	(50.0)	(50.0)
Less: C-III Cap Ex (Bond Investments)	E	(8.0)	(9.0)	(8.0)	0.0	0.0
Plus: C&W Share-Based Compensation		4.0	8.5	8.3	8.6	8.8
Plus: C-III Bond Cash Flow	F	19.7	36.6	25.3	32.4	21.2
Plus: C-III IM Other Cash Flow	G	0.6	1.4	1.7	18.5	1.4
<b>Proforma Company Pre-Tax Operating Cash Flow</b>		<b>(\$12.0)</b>	<b>\$228.8</b>	<b>\$388.1</b>	<b>\$613.6</b>	<b>\$479.6</b>

# C&W Financial Projections Summary

<i>\$ in millions</i>	2014	2015	2016	2017	2018	2019	14-'17 CAGR
<b>Americas</b>							
Leasing Brokerage	\$739.6	\$797.0	\$845.3	\$911.1			7.2%
Capital Markets	187.8	304.0	372.6	405.3			29.2%
Corporate Occupier & Inv. Services	394.5	436.1	458.6	493.9			7.8%
Valuation & Advisory	136.8	160.2	178.4	193.8			12.3%
Consulting	6.1	9.0	10.8	12.3			26.2%
<b>Americas Total Revenue</b>	<b>\$1,464.8</b>	<b>\$1,706.2</b>	<b>\$1,865.6</b>	<b>\$2,016.3</b>	<b>\$2,076.8</b>	<b>\$2,139.1</b>	<b>11.2%</b>
<b>EMEA</b>							
Leasing Brokerage	\$156.8	\$156.5	\$180.4	\$197.5			8.0%
Capital Markets	100.9	108.9	148.2	173.2			19.7%
Corporate Occupier & Inv. Services	130.3	132.3	160.5	177.0			10.7%
Valuation & Advisory	56.4	57.1	66.4	73.6			9.3%
Consulting	14.2	12.7	13.7	15.1			2.0%
<b>EMEA Total Revenue</b>	<b>\$458.6</b>	<b>\$467.5</b>	<b>\$569.3</b>	<b>\$636.3</b>	<b>\$655.4</b>	<b>\$675.1</b>	<b>11.5%</b>
<b>APAC</b>							
Leasing Brokerage	\$59.0	\$64.2	\$86.0	\$99.9			19.2%
Capital Markets	21.1	31.4	41.9	49.8			33.3%
Corporate Occupier & Inv. Services	79.9	89.9	107.0	122.2			15.2%
Valuation & Advisory	9.2	10.1	16.0	22.6			34.8%
Consulting	3.6	3.6	4.4	4.9			11.2%
<b>APAC Total Revenue</b>	<b>\$172.8</b>	<b>\$199.2</b>	<b>\$255.3</b>	<b>\$299.5</b>	<b>\$308.5</b>	<b>\$317.8</b>	<b>20.1%</b>
<b>C&amp;W Total Revenue</b>	<b>\$2,096.1</b>	<b>\$2,372.9</b>	<b>\$2,690.2</b>	<b>\$2,952.1</b>	<b>\$3,040.7</b>	<b>\$3,131.9</b>	<b>12.1%</b>

*Note: 2014-2017 C&W projections received from management and presented without adjustment; 2018-2019 projections assume a constant growth rate and margin.*

## C&W Financial Projections Summary

<i>\$ in millions</i>	2014	2015	2016	2017	2018	2019
<b>C&amp;W Revenue</b>	<b>\$2,096.1</b>	<b>\$2,372.9</b>	<b>\$2,690.2</b>	<b>\$2,952.1</b>	<b>\$3,040.7</b>	<b>\$3,131.9</b>
Commissions and Cost of Sales	\$933.5	\$1,055.9	\$1,140.3	\$1,239.8		
<i>% of Revenue</i>	44.5%	44.5%	42.4%	42.0%		
<b>Net Revenue</b>	<b>\$1,162.6</b>	<b>\$1,317.1</b>	<b>\$1,549.9</b>	<b>\$1,712.3</b>		
<i>% Margin</i>	55.5%	55.5%	57.6%	58.0%		
Operating Expenses	\$863.9	\$974.8	\$1,116.1	\$1,201.8		
<i>% of Revenue</i>	41.2%	41.1%	41.5%	40.7%		
Incentive Plan & Other Expenses	\$126.0	\$145.4	\$178.1	\$200.3		
<i>% of Revenue</i>	6.0%	6.1%	6.6%	6.8%		
<b>EBITDA<sup>(1)</sup></b>	<b>\$172.7</b>	<b>\$196.9</b>	<b>\$255.7</b>	<b>\$310.1</b>	<b>\$319.4</b>	<b>\$329.0</b>
<i>% Margin</i>	8.2%	8.3%	9.5%	10.5%	10.5%	10.5%

*Note: 2014-2017 C&W projections received from management and presented without adjustment; 2018-2019 projections assume a constant growth rate and margin.*

<sup>(1)</sup> EBITDA corresponds to reference "A" on the Proforma Financial Overview.

## C-III Financial Projections Summary

<i>\$ in millions</i>	2H 2015	2016	2017	2018	2019
<b>C-III EBITDA</b>					
C-III Asset Management	\$24.8	\$92.0	\$157.9	\$227.3	\$154.8
C-III Commercial Mortgage	9.0	21.2	22.7	24.2	24.7
C-III Realty Services	7.1	23.9	40.5	71.4	38.6
RCM (@ 80%)	2.9	8.4	13.8	23.9	14.8
U.S. Residential Group	1.2	2.7	3.0	3.5	4.0
NAI Global	2.0	4.4	4.8	5.1	5.4
Zodiac Title	0.5	1.5	2.2	3.1	1.9
Investment Management	(1.2)	(6.3)	(0.9)	(1.9)	(2.8)
<b>Business Line EBITDA</b>	<b>\$46.3</b>	<b>\$147.8</b>	<b>\$244.0</b>	<b>\$356.5</b>	<b>\$241.4</b>
Corporate Accounting	(\$0.7)	(\$1.5)	(\$1.6)	(\$1.7)	(\$1.8)
Executive Administration	(7.2)	(18.1)	(21.0)	(21.2)	(21.3)
<b>Corporate Overhead</b>	<b>(\$7.9)</b>	<b>(\$19.6)</b>	<b>(\$22.6)</b>	<b>(\$22.9)</b>	<b>(\$23.2)</b>
<b>Business Contribution</b>	<b>\$38.4</b>	<b>\$128.2</b>	<b>\$221.3</b>	<b>\$333.6</b>	<b>\$218.2</b>
Management Fees	(\$2.5)	(\$8.9)	(\$20.9)	(\$35.5)	(\$21.5)
Less: Management Fee Adjustment	0.0	3.9	15.9	30.5	16.5
Adjusted Management Fee	(\$2.5)	(\$5.0)	(\$5.0)	(\$5.0)	(\$5.0)
Placement Fees	\$0.0	\$0.0	(\$14.5)	\$0.0	\$0.0
Investment Banking Group	(1.1)	(2.3)	(2.3)	(2.4)	(2.5)
Bond Evaluation Group	(1.9)	(3.8)	(4.0)	(4.1)	(4.2)
<b>Total Parent Expenses</b>	<b>(\$5.5)</b>	<b>(\$11.1)</b>	<b>(\$25.8)</b>	<b>(\$11.5)</b>	<b>(\$11.7)</b>
<b>C-III EBITDA <sup>(1)</sup></b>	<b>\$32.9</b>	<b>\$117.1</b>	<b>\$195.5</b>	<b>\$322.1</b>	<b>\$206.5</b>

<sup>(1)</sup> C-III EBITDA corresponds to reference "B" on the Proforma Financial Overview.

## C-III Financial Projections Summary

*\$ in millions*

	2H 2015	2016	2017	2018	2019
<b>C-III Cap Ex (Bond Investments)</b>					
Defensive Bond Acquisition Expenditures	\$5.0	\$5.0	\$5.0	\$0.0	\$0.0
Offensive Bond Acquisition Expenditures	3.0	4.0	3.0	0.0	0.0
<b>Total Bond Investments <sup>(1)</sup></b>	<b>\$8.0</b>	<b>\$9.0</b>	<b>\$8.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>C-III Bond Cash Flow</b>					
Bond Cash Flows - Currently Owned Bonds	\$11.4	\$15.5	\$17.8	\$18.6	\$9.7
Incremental Cash Flow From Defensive Bond Purchases	\$0.8	\$4.5	\$3.4	\$2.3	\$0.4
Incremental Cash Flow From Offensive Bond Purchases	0.7	3.5	2.4	1.2	0.0
Bond Cash Flows - Incremental Bonds Acquired	\$1.5	\$8.0	\$5.8	\$3.5	\$0.4
Bond Cash Flows - TIAA	\$6.9	\$13.2	\$1.8	\$10.3	\$11.1
<b>Total C-III Bond Cash Flow <sup>(2)</sup></b>	<b>\$19.7</b>	<b>\$36.6</b>	<b>\$25.3</b>	<b>\$32.4</b>	<b>\$21.2</b>

<sup>(1)</sup> Total Bond Investments corresponds to reference "E" on the Proforma Financial Overview.

<sup>(2)</sup> Total C-III Bond Cash Flow corresponds to reference "F" on the Proforma Financial Overview.

## C-III Financial Projections Summary

*\$ in millions*

	2H 2015	2016	2017	2018	2019
<b>C-III Investment Management Other Cash Flow</b>					
Payment of C3IM Promote (Cash Portion)	\$0.2	\$0.4	\$0.4	\$17.1	\$0.4
Sponsored Equity & Debt Funds - Current Income	0.4	0.9	1.3	1.4	1.0
<b>Total C-III Investment Management Other Cash Flow<sup>(1)</sup></b>	<b>\$0.6</b>	<b>\$1.4</b>	<b>\$1.7</b>	<b>\$18.5</b>	<b>\$1.4</b>

<sup>(1)</sup> C-III Investment Management Other Cash Flow corresponds to reference "G" on the Proforma Financial Overview.

# Pro Forma Debt Assumptions

\$ in millions

Assumed Debt Summary					
	Amount	Assumed Rate	Coupon	Maturity	Leverage <sup>(2)</sup>
C&W 1st Lien TLB	\$795.0	5.25% (1)	L + 400 - 425 bps	7 yrs.	2.58x
C-III TLB	400.0	6.20%			3.88x
C&W 2nd Lien TLB	220.0	9.50% (1)	L + 800 - 825 bps	8 yrs.	4.60x
C-III Northstar Loan	50.0	14.00%			4.76x
<b>Total Debt/Average IR</b>	<b>\$1,465.0</b>	<b>6.45%</b>			
<b>Annual Interest Expense</b>	<b>\$94.4</b>				

Debt Cash Flows					
	2H 2015	2016E	2017E	2018E	2019E
C&W 1st Lien TLB	\$20.9	\$41.7	\$41.7	\$41.7	\$41.7
C-III TLB	12.4	24.8	24.8	24.8	24.8
C&W 2nd Lien TLB	10.5	20.9	20.9	20.9	20.9
C-III Northstar Loan	3.5	7.0	3.5	0.0	0.0
<b>Total Interest Expense<sup>(3)</sup></b>	<b>\$47.2</b>	<b>\$94.4</b>	<b>\$90.9</b>	<b>\$87.4</b>	<b>\$87.4</b>

<sup>(1)</sup> Loan yields assume OID is discounted across a four year average life.

<sup>(2)</sup> Based on a combined C&W and C-III Proforma LTM 6/30/15 EBITDA of \$307.8mm.

<sup>(3)</sup> Total Interest Expense corresponds to reference "C" on the Proforma Financial Overview.

## C&W CapEx Summary

<i>\$ in millions</i>	2014A	2015E	2016E	2017E	2018E	2019E	2015-2017
Information Technology	\$26.0	\$46.0	\$27.0	\$27.0			\$100.0
Data Initiative	0.0	8.0	10.0	13.0			31.0
Leasehold and FF&E	7.0	36.0	17.0	7.0			60.0
Broker Retention	1.0	59.0	11.0	10.0			80.0
Broker Acquisition	12.0	63.0	45.0	19.0			127.0
Acquisitions	74.0	64.0	28.0	29.0			121.0
<b>Total Capital Expenditure<sup>(1)</sup></b>	<b>\$120.0</b>	<b>\$276.0</b>	<b>\$138.0</b>	<b>\$105.0</b>	<b>\$50.0</b>	<b>\$50.0</b>	<b>\$519.0</b>

*Note : 2018 and 2019 Capital Expenditures are an estimate and will be confirmed upon further diligence.*

*(1) Total Capital Expenditure corresponds to reference "D" on the Proforma Financial Overview.*