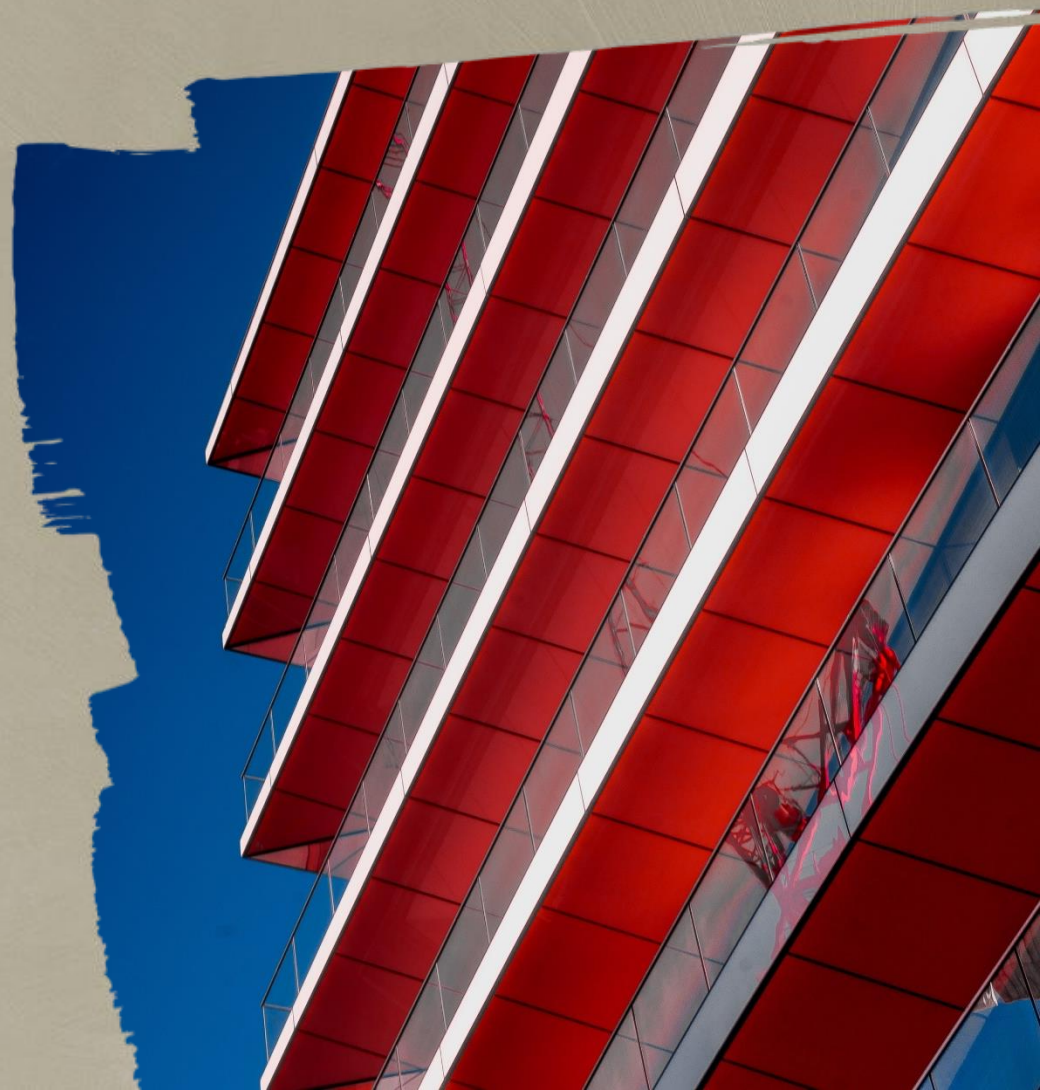




Earnings Presentation

Second Quarter 2020

08/06/2020

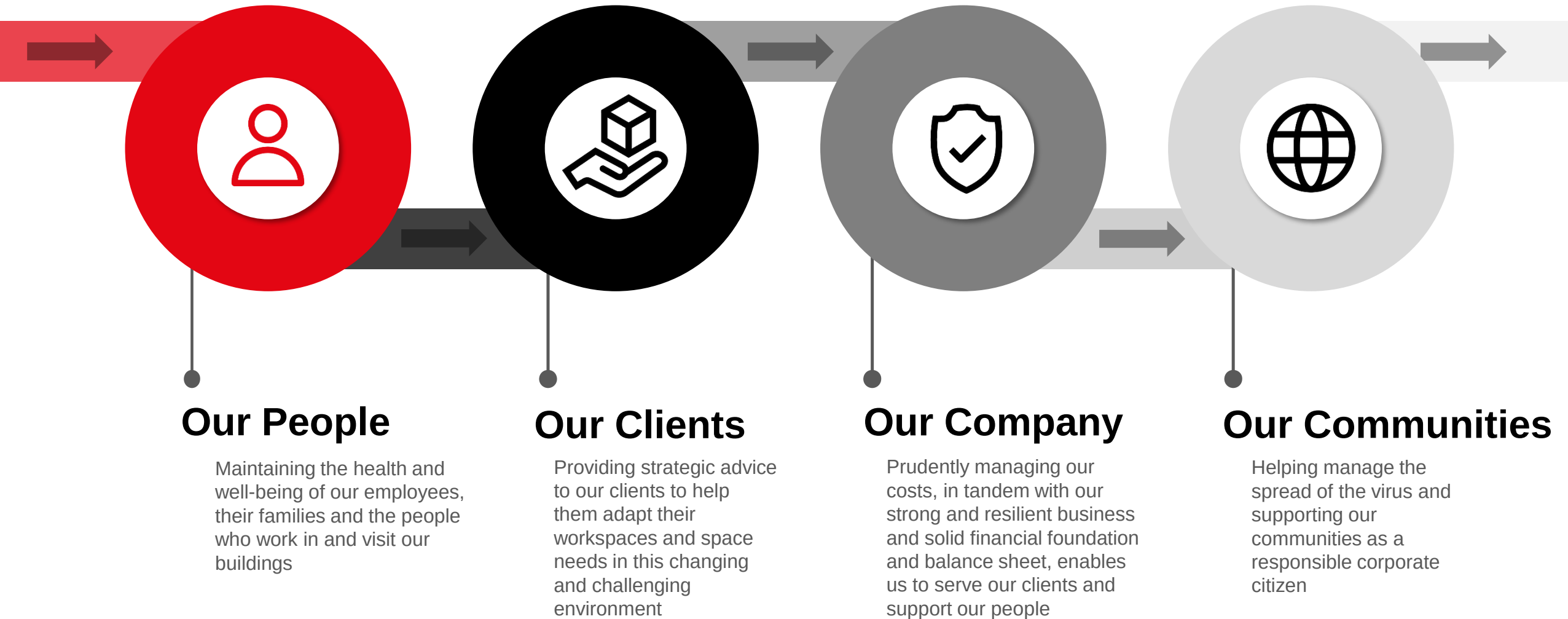


Cautionary Note Regarding Forward-looking Statements



Statements in this news release regarding, among other things, future financial results and performance, achievements, plans, objectives and dividend payments may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties, and other factors, including, but not limited to, the impacts of the COVID-19 pandemic, which may cause our actual results, performance, achievements, plans, objectives, and dividend payments to be materially different from those expressed or implied by such forward-looking statements. For additional information concerning risks, uncertainties, and other factors that could cause actual results to differ materially from those anticipated in forward-looking statements, and risks to our business in general, please refer to those factors discussed under “Business,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Quantitative and Qualitative Disclosures about Market Risk,” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2019, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, and other reports filed with the Securities and Exchange Commission (the “SEC”). Any forward-looking statements speak only as of the date of this release, and except to the extent required by applicable securities laws, we expressly disclaim any obligation or undertaking to publicly update or revise any forward-looking statements contained herein to reflect any change in our expectations or results, or any change in events.

JLL's Response to the COVID-19 Pandemic



Consolidated Second Quarter 2020 Financial Results



Revenue

Q2 2020	YTD 2020
\$3.7B	\$7.8B
↓ (14)% in USD	↓ (4)% in USD
↓ (13)% in LC	↓ (3)% in LC

Fee Revenue

Q2 2020	YTD 2020
\$1.2B	\$2.8B
↓ (24)% in USD	↓ (7)% in USD
↓ (22)% in LC	↓ (5)% in LC

Adjusted EBITDA

Q2 2020	YTD 2020
\$103M	\$199M
↓ (54)% in USD	↓ (38)% in USD
↓ (55)% in LC	↓ (38)% in LC

Adjusted EBITDA Margin

Q2 2020	YTD 2020
8.3% in USD	7.2% in USD
8.1% in LC	7.2% in LC
↓ (560 bps) in USD	↓ (370 bps) in USD
↓ (580 bps) in LC	↓ (370 bps) in LC

Adjusted Diluted EPS

Q2 2020	YTD 2020
\$0.71	\$1.20
↓ (76)% in USD	↓ (69)% in USD
↓ (77)% in LC	↓ (68)% in LC

Notes:

- Non-GAAP items listed above include Fee Revenue, Adjusted EBITDA, Adjusted EBITDA margin and Adjusted Diluted EPS
- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- Growth rates represent % change over three and six months ended Q2 2019

Q2 2020 Strategic Review and Key Highlights



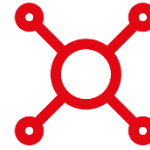
Leadership in adapting to COVID-19

- Guiding our clients to re-imagine the future of work



Strong cash generation and debt repayment

- Enhanced receivable collections underscoring platform technology investments
- Reduced net debt by \$450M through cash conversion and other working capital improvements



Corporate Solutions resiliency

- Demonstrated the strength of globally-diversified platform
- New client wins and expansions as well as pandemic response facility management projects



Successfully integrated HFF

- Incorporated HFF into JLL's full-service global platform; significant cross-selling opportunities
- Realized \$28M of synergies within the first 12 months, in-line with expectations at announcement

Q2 2020 Macroeconomic and Real Estate Operating Environment



Global Macroeconomy

- Following the first quarter, recent data strongly indicates a much **more severe contraction during the second quarter**
- **Global economic growth for 2020 is expected to decline roughly 5%**, far more severe than the worst of the Global Financial Crisis
- Despite the severity, signs of stabilization in the global economy emerged over the last two months, **hinting that the economy has passed its nadir**
- The length of lockdowns, particularly in key economies, remains uncertain and **the risk of a second wave remains evident**

Operating Environment



- Office markets witnessed extensive disruption during the second quarter of 2020 with **global leasing volumes down 60% year-over-year**
- Vacancy rates moved up across all regions in Q2 with the **global vacancy rate now recorded at 11.2% (+50bps)**
- Global commercial real estate investment volumes in Q2 2020 **dropped 55% year-over-year to \$107B, equating to a 29% decline in H1 2020**
- **Debt markets stabilizing**, supported by record-low interest rates and government policy

Commercial Real Estate

JLL is Positioned to Navigate Through These Turbulent Times



JLL Capabilities

- Global and integrated platform with a talented workforce
- Dedication to providing world-class results for our clients and communities
- Proven ability to manage effectively in an environment filled with uncertainty
- Sufficient liquidity and operational flexibility

Long-term macro trends supporting continued commercial real estate growth



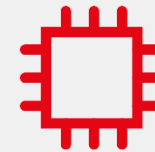
Growth in
CRE outsourcing



Rising capital
allocations in real estate



Increased
urbanization



Tech-driven Fourth
Industrial Revolution



Sustainability

Financial Overview

Q2 2020 Financial Results – Segment Revenue



(\$ in millions; % change in local currency over three and six months ended Q2 2019)

	Q2 2020 Revenue	Q2 2020 Fee Revenue	YTD 2020 Revenue	YTD 2020 Fee Revenue
Americas	\$2,229 ↓(9)%	\$683 ↓(20)%	\$4,752 ↑1%	\$1,602 ↑2%
EMEA	\$626 ↓(21)%	\$268 ↓(27)%	\$1,382 ↓(8)%	\$579 ↓(15)%
APAC	\$715 ↓(13)%	\$199 ↓(22)%	\$1,427 ↓(8)%	\$377 ↓(16)%
LaSalle	\$100 ↓(22)%	\$95 ↓(22)%	\$205 ↓(9)%	\$194 ↓(10)%

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures

Q2 2020 Financial Results – Segment Profitability



(\$ in millions; % change, Adjusted EBITDA Margin and corresponding change in bps in local currency over three and six months ended Q2 2019)

	Q2 2020 Adjusted EBITDA	Q2 2020 Adjusted EBITDA Margin	YTD 2020 Adjusted EBITDA	YTD 2020 Adjusted EBITDA Margin
Americas	\$74 ↓(48)%	11% ↓(570) bps	\$195 ↓(15)%	12% ↓(240) bps
EMEA	\$(24) n.m.	(9)% ↓(1140) bps	\$(34) n.m.	(6)% ↓(450) bps
APAC	\$26 ↓(23)%	13% ↓(20) bps	\$36 ↓(13)%	9% ↑+20 bps
LaSalle	\$27 ↓(36)%	28% ↓(580) bps	\$2 ↓(96)%	1% ↓(2630) bps

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- "N.M." defined as "not meaningful"

Q2 2020 Adjusted EBITDA Margin Performance



LaSalle:

Reflects lower incentive fees recorded compared to exceptional prior year

RES Organic:

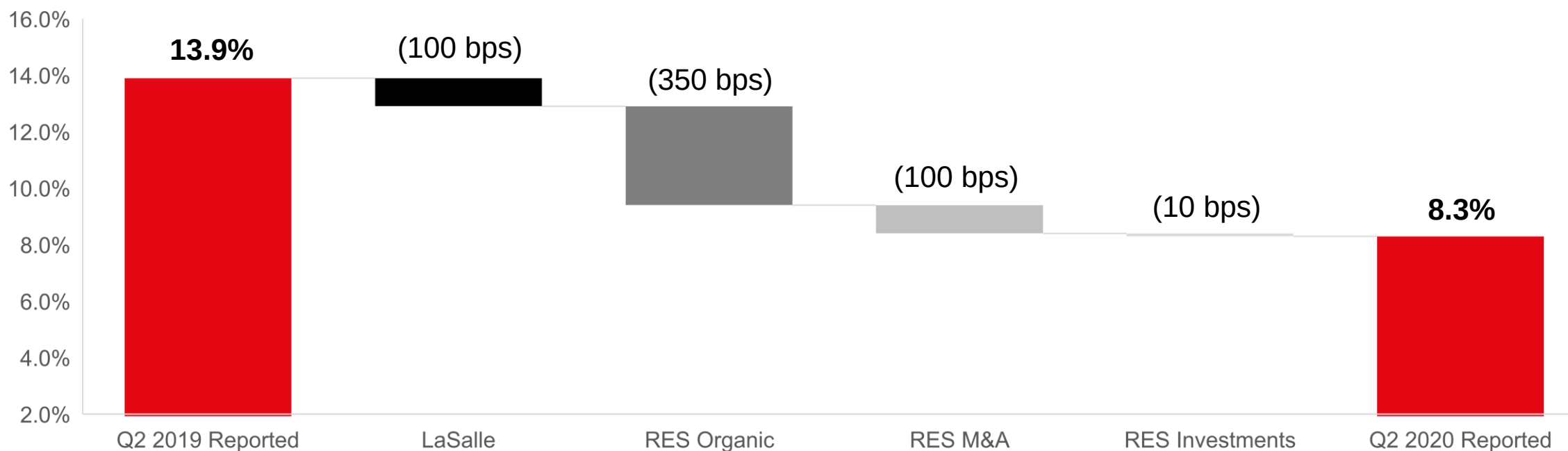
Driven by Fee Revenue declines across all three geographic segments and all service lines except Property & Facility Management

RES M&A:

Q3 2019 acquisition of HFF drives M&A dilution

Investments:

Reflects decreased tech spend across the firm, offset by increased JLL Technology investments



Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- All margin percentage references are on a Fee Revenue basis and in USD; basis points are rounded

Q2 2020 Real Estate Services Fee Revenue by Service Line



(\$ in millions; % change over Q2 2019)

	Americas			EMEA			APAC			Total RES		
	(\$M)	% Change		(\$M)	% Change		(\$M)	% Change		(\$M)	% Change	
		USD	LC		USD	LC		USD	LC		USD	LC
Leasing	\$267	(44)%	(44)%	\$46	(29)%	(27)%	\$31	(50)%	(49)%	\$344	(43)%	(43)%
Capital Markets	\$132	6%	6%	\$46	(37)%	(35)%	\$22	(50)%	(50)%	\$199	(17)%	(16)%
Property & Facility Management	\$147	27%	29%	\$66	(35)%	(33)%	\$74	1%	5%	\$288	(1)%	1%
Project & Development Services	\$91	(9)%	(7)%	\$59	(20)%	(18)%	\$29	(22)%	(19)%	\$179	(15)%	(13)%
Advisory, Consulting & Other	\$46	4%	5%	\$51	(24)%	(22)%	\$43	(8)%	(4)%	\$140	(12)%	(9)%
Total	\$683	(21)%	(20)%	\$268	(29)%	(27)%	\$199	(24)%	(22)%	\$1,150	(24)%	(22)%

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- "N.M." defined as "not meaningful"

YTD 2020 Real Estate Services Fee Revenue by Service Line



(\$ in millions; % change over YTD 2019)

	Americas			EMEA			APAC			Total RES		
	% Change			% Change			% Change			% Change		
	(\$M)	USD	LC	(\$M)	USD	LC	(\$M)	USD	LC	(\$M)	USD	LC
Leasing	\$673	(22)%	(21)%	\$93	(19)%	(17)%	\$54	(44)%	(42)%	\$819	(23)%	(23)%
Capital Markets	\$378	69%	69%	\$115	(13)%	(11)%	\$40	(42)%	(40)%	\$534	25%	26%
Property & Facility Management	\$276	21%	23%	\$144	(27)%	(25)%	\$148	—%	3%	\$568	(1)%	1%
Project & Development Services	\$185	2%	3%	\$125	(6)%	(4)%	\$58	(18)%	(15)%	\$367	(4)%	(3)%
Advisory, Consulting & Other	\$90	5%	6%	\$102	(15)%	(12)%	\$77	(2)%	2%	\$269	(5)%	(3)%
Total	\$1,602	2%	2%	\$579	(17)%	(15)%	\$377	(18)%	(16)%	\$2,557	(6)%	(5)%

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- "N.M." defined as "not meaningful"

Q2 2020 Fee Revenue Performance Drivers



(% change over Q2 2019)

	YoY Growth USD	Organic Growth LC	M&A Contribution LC	Currency Impact
Americas	(21)%	(29)%	8%	(1)%
EMEA	(29)%	(25)%	(2)%	(2)%
APAC	(24)%	(22)%	—%	(2)%
Total RES	(24)%	(27)%	4%	(1)%
LaSalle	(23)%	(22)%	—%	(1)%
Consolidated	(24)%	(27)%	4%	(1)%

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- Organic growth includes acquisitions and dispositions completed

YTD 2020 Fee Revenue Performance Drivers



(% change over YTD 2019)

	YoY Growth USD	Organic Growth LC	M&A Contribution LC	Currency Impact
Americas	2%	(12)%	14%	—%
EMEA	(17)%	(13)%	(2)%	(2)%
APAC	(18)%	(16)%	—%	(3)%
Total RES	(6)%	(13)%	7%	(1)%
LaSalle	(11)%	(10)%	—%	(1)%
Consolidated	(7)%	(13)%	7%	(1)%

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- Organic growth includes acquisitions and dispositions completed

LaSalle – Second Quarter 2020 Performance



\$95M

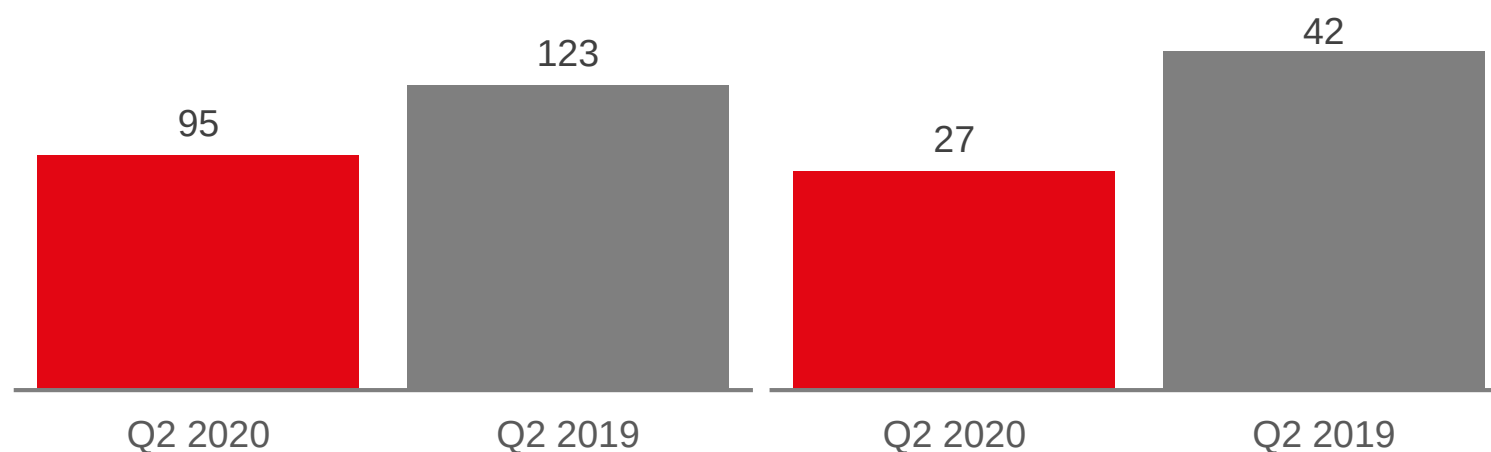
Fee Revenue

(23)% (USD) / (22)% (LC)

\$27M

Adjusted EBITDA

(36)% (USD) / (36)% (LC)



Assets Under Management (“AUM”) in \$B



Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures

Second Quarter Overview

Fee Revenue Decreased by (22)% (in LC)

- Fee revenue decline attributable to lower transaction and incentive fees
- LaSalle annuity revenue remains strong - Advisory fees flat compared to prior year

Adjusted EBITDA margin impacted largely by decline in incentive fees

- Margin contraction from decline in transaction and incentive fees, partially offset by higher equity earnings

Decline in AUM attributable to recent declines in valuations and FX

HFF Acquisition Update



- Successfully integrated the HFF organization
- Realigned management structure enabling significant optimization and productivity gains across the combined capital markets platform
- On-track to achieve the announced \$60M run-rate synergies over 2-3 years
 - Realized \$28M of synergies within the first 12 months, in-line with expectations at announcement
- Incorporating HFF into JLL's full-service global platform creates significant cross sell opportunities

HFF Standalone Trailing Twelve-Month Financials through 6/30/2020

	(\$M)
Revenue	~\$615
Adjusted EBITDA	~\$135

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- HFF Standalone Fee Revenue and Adjusted EBITDA reflect JLL methodology; Adjusted EBITDA excludes certain overhead and cost allocations

Balance Sheet and Capital Allocation



Highlights:

- Strong balance sheet with sufficient liquidity provides operational flexibility
- Prioritized debt repayment: credit facility stands at 25% utilization; record Q2 with approximately \$450 million in net debt reduction
- Accounts Receivable collections bolstered working capital position enabled through technology

Balance Sheet (\$M)	Q2 2020	Q1 2020	Q2 2019
Cash and Cash Equivalents	414	721	411
Total Assets	\$12,811	\$13,901	\$10,581
Credit Facility	700	1,450	486
Long Term Senior Notes	668	659	\$670
Total Liabilities	\$7,693	\$8,863	\$6,697
Total Net Debt	\$1,070	\$1,514	\$880
Net Debt /Adjusted TTM EBITDA	1.1x	1.4x	1.0x

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures
- Credit Facility and Long-Term Senior Notes amounts shown are gross of debt issuance costs

Investment Grade Credit Ratings

Moody's: Baa1

S&P: BBB+

\$275M, 4.4% fixed

LT Senior Notes

Due 2022

\$2.75B

Credit Facility

Maturing in 2023

€ 350M

LT Senior Notes

10-yr debt 1.96% fixed (*due 2027*)

12-yr debt 2.21% fixed (*due 2029*)

Appendix and Supplemental Material

Q2 2020 JLL Research Market Performance Summary



Americas

EMEA

APAC

Global

Gross Leasing Volumes (square footage)

Q2 2020
(vs Q2 2019)

(65)%

(50)%

(61)%

(60)%

Direct Commercial Real Estate Investment Sales Volumes (\$)

Q2 2020
(vs Q2 2019)

(72)%

(35)%

(39)%

(55)%

Notes:

- Source: JLL Research, August 2020
- Gross Leasing Volumes relate to the office sector
- Direct commercial real estate investment, deals over US\$5 million. Includes office, multifamily residential, retail, hotels, industrial, mixed use, healthcare and alternatives sectors. Excludes entity-level and development transactions

Q2 2020 Real Estate Services Revenue by Service Line



(\$ in millions; % change over Q2 2019)

	Americas			EMEA			APAC			Total RES		
	% Change			% Change			% Change			% Change		
	(\$M)	USD	LC	(\$M)	USD	LC	(\$M)	USD	LC	(\$M)	USD	LC
Leasing	\$278	(43%)	(43%)	\$47	(29%)	(27%)	\$34	(49%)	(48%)	\$359	(43%)	(42%)
Capital Markets	\$141	8%	9%	\$50	(36%)	(35%)	\$24	(50%)	(50%)	\$215	(16%)	(15%)
Property & Facility Management	\$1,440	5%	6%	\$320	(16%)	(13%)	\$515	(7%)	(4%)	\$2,275	(1%)	-
Project & Development Services	\$275	(27%)	(26%)	\$164	(25%)	(23%)	\$97	(29%)	(26%)	\$537	(27%)	(25%)
Advisory, Consulting & Other	\$95	1%	2%	\$45	(40%)	(37%)	\$45	(10%)	(7%)	\$185	(14%)	(13%)
Total	\$2,229	(10%)	(9%)	\$626	(24%)	(21%)	\$715	(16%)	(13%)	\$3,571	(14%)	(12%)

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures

YTD 2020 Real Estate Services Revenue by Service Line



(\$ in millions; % change over YTD 2019)

	Americas			EMEA			APAC			Total RES		
	(\$M)	% Change		(\$M)	% Change		(\$M)	% Change		(\$M)	% Change	
		USD	LC		USD	LC		USD	LC		USD	LC
Leasing	\$697	(21%)	(21%)	\$95	(20%)	(17%)	\$59	(42%)	(40%)	\$851	(23%)	(22%)
Capital Markets	\$388	69%	69%	\$123	(14%)	(11%)	\$46	(41%)	(40%)	\$557	24%	25%
Property & Facility Management	\$2,898	6%	7%	\$696	(7%)	(5%)	\$1,047	(4%)	(1%)	\$4,641	1%	3%
Project & Development Services	\$582	(15%)	(15%)	\$367	(8%)	(6%)	\$192	(23%)	(19%)	\$1,141	(14%)	(13%)
Advisory, Consulting & Other	\$187	2%	2%	\$101	(23%)	(20%)	\$83	(2%)	2%	\$371	(7%)	(5%)
Total	\$4,752	1%	1%	\$1,382	(10%)	(8%)	\$1,427	(11%)	(8%)	\$7,562	(4%)	(2%)

Notes:

- Refer to pages 23 - 26 for definitions and reconciliations of non-GAAP financial measures

Fee Revenue / Fee-based Operating Expenses Reconciliation



	Three Months Ended June 30,		Six Months Ended June 30,	
(\$ in millions)	2020	2019	2020	2019
Revenue	\$3,670.4	\$4,266.5	\$7,766.4	\$8,087.1
Reimbursements	(1,841.9)	(1,918.3)	(3,704.9)	(3,777.3)
Revenue before reimbursements	1,828.5	2,348.2	4,061.5	4,309.8
Gross contract costs	(575.0)	(713.4)	(1,304.4)	(1,356.0)
Net non-cash MSR and mortgage banking derivative activity	(8.6)	(4.8)	(7.0)	(4.7)
Fee revenue	\$1,244.9	\$1,630.0	\$2,750.1	\$2,949.1
Operating expenses	\$3,659.6	\$4,116.4	\$7,691.0	\$7,911.6
Reimbursed expenses	(1,841.9)	(1,918.3)	(3,704.9)	(3,777.3)
Gross contract costs	(575.0)	(713.4)	(1,304.4)	(1,356.0)
Fee-based operating expenses	\$1,242.7	\$1,484.7	\$2,681.7	\$2,778.3

Reconciliation of GAAP Net Income to Adjusted Net Income and Diluted Earnings Per Share



	Three Months Ended June 30,		Six Months Ended June 30,	
(\$ in millions except per share data)	2020	2019	2020	2019
GAAP net income attributable to common shareholders	\$15.2	\$110.5	\$20.5	\$131.8
Shares (in 000s)	52,173	46,040	52,305	46,029
GAAP diluted earnings per share	\$0.29	\$2.40	\$0.39	\$2.86
GAAP net income attributable to common shareholders	\$15.2	\$110.5	\$20.5	\$131.8
Restructuring and acquisition charges	28.2	25.7	42.3	44.3
Net non-cash MSR and mortgage banking derivative activity	(8.6)	(4.8)	(7.0)	(4.7)
Amortization of acquisition-related intangibles	14.4	7.4	28.9	15.0
Gain on disposition	(4.8)	-	(4.8)	-
Tax impact of adjusted items	(7.6)	(3.3)	(17.3)	(9.8)
Adjusted net income	\$36.8	\$135.5	\$62.6	\$176.6
Shares (in 000s)	52,173	46,040	52,305	46,029
Adjusted diluted earnings per share⁽¹⁾	\$0.71	\$2.94	\$1.20	\$3.84

(1) Calculated on a local currency basis, the results for the three months and six months ended June 2020 include \$0.03 and \$0.01 favorable impact, due to foreign exchange rate fluctuations.

Reconciliation Of GAAP Net Income Attributable To Common Shareholders To Adjusted EBITDA



	Three Months Ended June 30,		Six Months Ended June 30,	
(\$ in millions)	2020	2019	2020	2019
Net income attributable to common shareholders	\$15.2	\$110.5	\$20.5	\$131.8
Interest expense, net of interest income	14.9	13.6	29.5	23.2
Provision for income taxes	1.5	36.2	6.5	35.5
Depreciation and amortization	56.9	45.5	111.9	92.0
EBITDA	\$88.5	\$205.8	\$168.4	\$282.5
Restructuring and acquisition charges	28.2	25.7	42.3	44.3
Gain on disposition	(4.8)	-	(4.8)	-
Net non-cash MSR and mortgage banking derivative activity	(8.6)	(4.8)	(7.0)	(4.7)
Adjusted EBITDA	\$103.3	\$226.7	\$198.9	\$322.1
Net income margin attributable to common shareholders ⁽¹⁾	0.8%	4.7%	0.5%	3.1%
Adjusted EBITDA margin (presented on a fee revenue and LC basis)	8.1%	13.9%	7.2%	10.9%

Adjusted EBITDA attributable to common shareholders ("Adjusted EBITDA") represents EBITDA attributable to common shareholders ("EBITDA") further adjusted for certain items we do not consider directly indicative of our ongoing performance in the context of certain performance measurements

(1) Calculated as % of Revenue before Reimbursements

Non-GAAP Measures



Management uses certain non-GAAP financial measures to develop budgets and forecasts, measure and reward performance against those budgets and forecasts, and enhance comparability to prior periods. These measures are believed to be useful to investors and other external stakeholders as supplemental measures of core operating performance and include the following:

- Fee revenue and Fee-based operating expenses,
- Adjusted EBITDA and Adjusted EBITDA margin,
- Adjusted net income attributable to common shareholders and Adjusted diluted earnings per share, and
- Percentage changes against prior periods, presented on a local currency basis.

However, non-GAAP financial measures should not be considered alternatives to measures determined in accordance with U.S. generally accepted accounting principles ("GAAP"). Any measure that eliminates components of a company's capital structure, cost of operations or investments, or other results has limitations as a performance measure. In light of these limitations, management also considers GAAP financial measures and does not rely solely on non-GAAP financial measures. Because the company's non-GAAP financial measures are not calculated in accordance with GAAP, they may not be comparable to similarly titled measures used by other companies.

Adjustments to GAAP Financial Measures Used to Calculate non-GAAP Financial Measures

Gross Contract Costs represent certain costs associated with client-dedicated employees and third-party vendors and subcontractors and are indirectly reimbursed through the fee we receive. These costs are presented on a gross basis in Operating expenses with the corresponding fee in Revenue before reimbursements. However, as we generally earn little to no margin on such costs, excluding gross contract costs from both Fee revenue and Fee-based operating expenses more accurately reflects how the company manages its expense base and operating margins and also enables a more consistent performance assessment across a portfolio of contracts with varying payment terms and structures, including those with direct versus indirect reimbursement of such costs.

Net Non-Cash Mortgage Servicing Rights ("MSR") and Mortgage Banking Derivative Activity consists of the balances presented within Revenue composed of (i) derivative gains/losses resulting from mortgage banking loan commitment and warehousing activity and (ii) gains recognized from the retention of MSR upon origination and sale of mortgage loans, offset by (iii) amortization of MSR intangible assets over the period that net servicing income is projected to be received. Non-cash derivative gains/losses resulting from mortgage banking loan commitment and warehousing activity are calculated as the estimated fair value of loan commitments and subsequent changes thereof, primarily represented by the estimated net cash flows associated with future servicing rights. MSR gains and corresponding MSR intangible assets are calculated as the present value of estimated cash flows over the estimated mortgage servicing periods. The above activity is reported entirely within Revenue of the Capital Markets service line of the Americas segment. Excluding net non-cash MSR and mortgage banking derivative activity reflects how the company manages and evaluates performance because the excluded activity is non-cash in nature.

Restructuring and Acquisition Charges primarily consist of: (i) severance and employment-related charges, including those related to external service providers, incurred in conjunction with a structural business shift, which can be represented by a notable change in headcount, change in leadership or transformation of business processes; (ii) acquisition and integration-related charges, including non-cash fair value adjustments to assets and liabilities recorded in purchase accounting such as earn-out liabilities and intangible assets; and (iii) lease exit charges. Such activity is excluded as the amounts are generally either non-cash in nature or the anticipated benefits from the expenditures would not likely be fully realized until future periods. Restructuring and acquisition charges are excluded from segment operating results and therefore not a line item in the segments' reconciliation to Adjusted EBITDA.

Amortization of Acquisition-Related Intangibles, primarily composed of the estimated fair value ascribed at closing of an acquisition to assets such as acquired management contracts, customer backlog and trade name, is more notable following the company's increase in acquisition activity in recent years. Such activity is excluded as the change in period-over-period activity is generally the result of longer-term strategic decisions and therefore not necessarily indicative of core operating results.

Gain on Disposition reflects the net gain recognized on the sale of property management businesses in continental Europe. Given the low frequency of business disposals by the company historically, the gain directly associated with such activity is excluded as it is not considered indicative of core operating performance.

Percentage Variances—Local Currency

In discussing our operating results, we report Adjusted EBITDA margins and refer to percentage changes in local currency, unless otherwise noted. Amounts presented on a local currency basis are calculated by translating the current period results of our foreign operations to U.S. dollars using the foreign currency exchange rates from the comparative period. We believe this methodology provides a framework for assessing performance and operations excluding the effect of foreign currency fluctuations.

Thank you