Jones Lang LaSalle®

*Real value in a changing world*

# Supplemental Information
# Second-Quarter *2013* Earnings Call

# Market & Financial Overview

# Q2 Capital Markets & Leasing Markets Volumes

## Strong Q2 for Capital Markets

| Capital Markets | | Q2 2013 v. Q2 2012 Market Volumes |
|---|---|---|
| Americas | ↑ | 11% |
| EMEA | ↑ | 2% |
| Asia Pacific | ↑ | 18% |
| **Total** | ↑ | **10%** |

## Weak quarter for Leasing volumes

| Leasing | | Q2 2013 v. Q2 2012 Gross Absorption |
|---|---|---|
| Americas (U.S. only) | ↓ | -3% |
| EMEA (Europe only) | ↓ | -3% |
| Asia Pacific (select markets) | ↓ | -25% |
| **Total** | ↓ | **-5%** |

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# Selected Business Wins and Expansions

**Global**

- Shell 80M sf

**Americas**

- Canada Post Corporation – 17.5M sf
- PNC Bank – 1.5M sf
- 350 Madison Avenue, New York – $262M
- 225 West Wacker, Chicago – $218M
- Silicon Valley Bank, Santa Clara – 214K sf
- Sanofi, New Jersey – 1.2M sf
- TW Telecom, Denver – 163K sf
- Prudential Plaza I & II, Chicago – 2.2M sf

**EMEA**

- Stanley, Black & Decker
- Myriad Healthcare, UK – £299M
- Silesia Mall, Poland – €412M
- Office Portfolio, Barcelona – €172M
- LogoPark North, Moscow – 773K sf
- Adidas, Hamburg – 797K sf
- DHL, Johannesburg – 398K sf

**Asia Pacific**

- Vatti Gas Appliance, Zhongshan – 2.8M sf
- Dell, Chengdu – 500K sf
- Raine Square, Perth – A$458M
- Parke Hotel Clarke Quay, Singapore – S$300M
- Win Hang Finance Centre, Hong Kong – $205M
- QIC Office Portfolio, Brisbane – 1.6M sf
- The Exchange, Tianjin – 2M sf

# Full-Year Capital Markets & Leasing Markets Volumes

## Projected 2013 Capital Markets volumes: $450 - $500 Billion

| | Q2 2013 v. Q2 2012 Market Volumes | | FY 2013 v. FY 2012 Market Volumes | |
|---|---|---|---|---|
| **Capital Markets** | | | | |
| Americas | ↑ | 11% | ↑ | 10-15% |
| EMEA | ↑ | 2% | ↑ | Flat |
| Asia Pacific | ↑ | 18% | ↑ | 10-15% |
| **Total** | ↑ | **10%** | ↑ | **5-10%** |

## 2013 Leasing volumes predicted flat to 2012

| | Q2 2013 v. Q2 2012 Gross Absorption | | FY 2013 v. FY 2012 Gross Absorption | |
|---|---|---|---|---|
| **Leasing** | | | | |
| Americas (U.S. only) | ↓ | -3% | ↑ | 0-5% |
| EMEA (Europe only) | ↓ | -3% | ↔ | Flat |
| Asia Pacific (select markets) | ↓ | -25% | ↓ | -10-15% |
| **Total** | ↓ | **-5%** | ↔ | **Flat** |

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# Prime Offices – Projected Changes in Values, 2013

| | Rental Values | Capital Values |
| --- | --- | --- |
| + 10-20% | San Francisco, Dubai | Mexico City, San Francisco |
| + 5-10% | Mexico City, Tokyo, Frankfurt, London* | Tokyo, London*, Moscow, Frankfurt<br>Seoul, Singapore |
| + 0-5% | Moscow, Hong Kong, Singapore<br>Shanghai, Seoul, Mumbai<br>Boston, Chicago, Los Angeles, New York*<br>Toronto, Washington DC, Stockholm | Hong Kong, Shanghai, Sydney, Mumbai<br>Boston, Chicago, Los Angeles<br>New York*, Toronto, Washington DC, Dubai<br>Stockholm, Madrid, Brussels |
| - 0-5% | Brussels, Paris*<br>Sao Paulo, Madrid | Paris*, Sao Paulo |
| - 5-10% | Beijing, Sydney | Beijing |

*New York – Midtown, London – West End, Paris - CBD. Nominal rates in local currency.
Source: Jones Lang LaSalle, July 2013

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# Financial Information

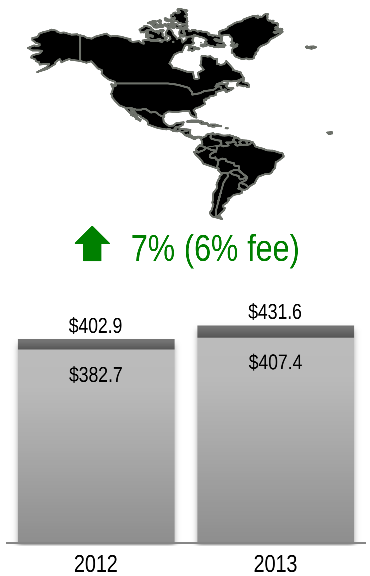
# Q2 2013 Revenue Performance

($ in millions; % change in USD)

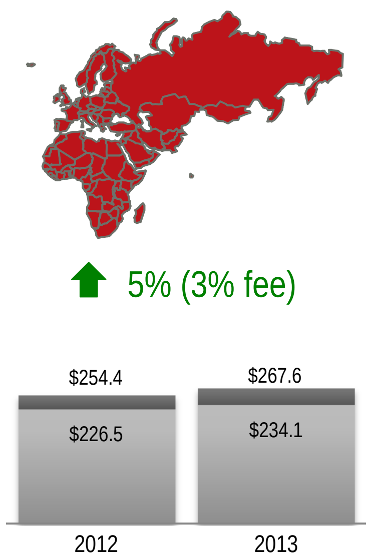
Fee revenue

Gross contract costs

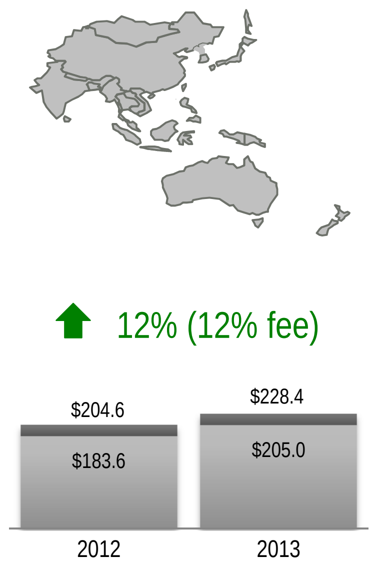
## Americas



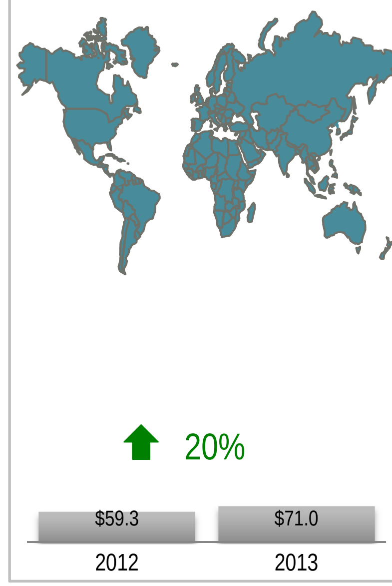

## EMEA



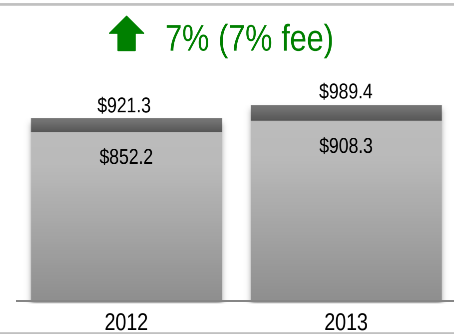

## Asia Pacific




## LIM




## Consolidated

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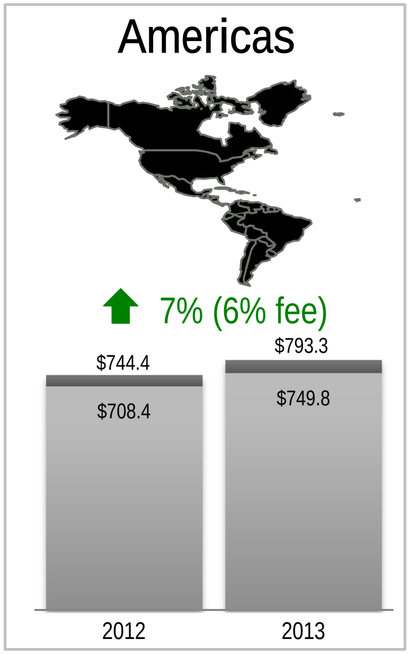
Note: Equity earnings of $0.0M and $9.1M in 2012 and 2013, respectively, are included in segment results, however, are excluded from Consolidated totals. Year-over-year increases shown fee-based have been calculated using fee revenue, which excludes gross contract costs.

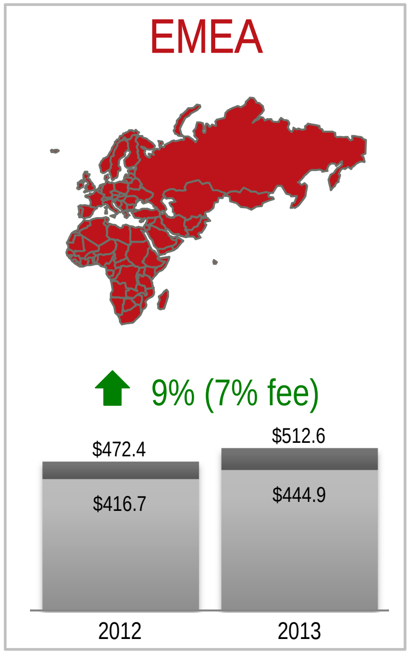
# YTD 2013 Revenue Performance

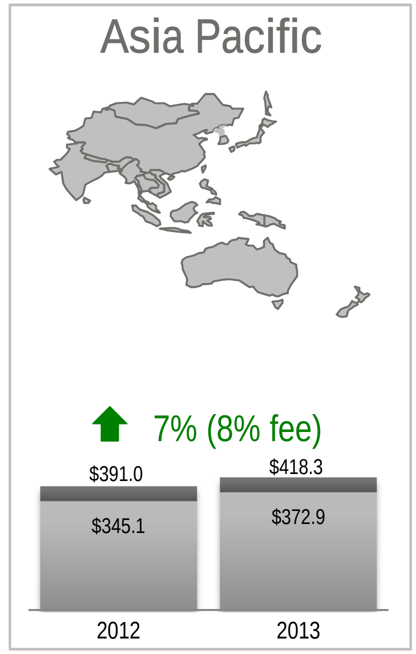
($ in millions; % change in USD)

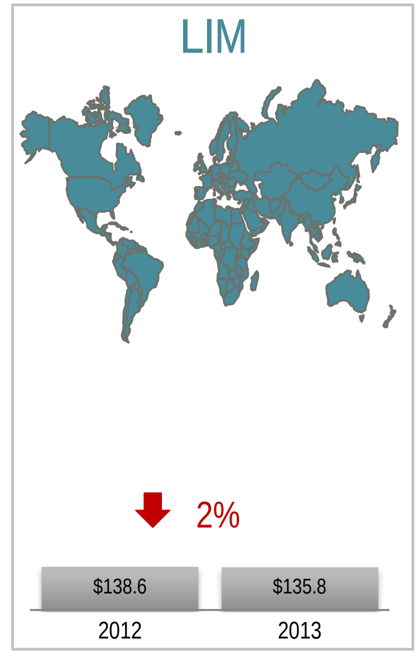
Fee revenue

Gross contract costs





Note: Equity earnings of $11.8M and $14.6M in 2012 and 2013, respectively, are included in segment results, however, are excluded from Consolidated totals. Year-over-year increases shown fee-based have been calculated using fee revenue, which excludes gross contract costs.

# Q2 2013 Real Estate Services Revenue

($ in millions; % change in local currency over Q2 2012)

| | Americas | EMEA | Asia Pacific | Total RES |
|---|---|---|---|---|
| |  |  |  |  |
| Leasing | $197.8 ↑ 6% | $60.2 ↓ (10%) | $40.6 ↓ (10%) | $298.6 ↔ 0% |
| Capital Markets & Hotels | $53.4 ↑ 27% | $63.2 ↑ 28% | $41.0 ↑ 74% | $157.6 ↑ 37% |
| Property & Facility Management | $110.1 ↑ 8% | $46.9 ↑ 10% | $100.5 ↑ 13% | $257.5 ↑ 10% |
| *Fee Revenue* | *$86.3 ↑ 5%* | *$42.0 ↑ 1%* | *$82.3 ↑ 14%* | *$210.6 ↑ 8%* |
| Project & Development Services | $42.7 ↓ (5%) | $56.2 ↑ 6% | $21.4 ↑ 15% | $120.3 ↑ 3% |
| *Fee Revenue* | *$42.3 ↓ (6%)* | *$27.6 ↑ 7%* | *$16.2 ↑ 2%* | *$86.1 ↔ 0%* |
| Advisory, Consulting & Other | $27.5 ↑ 3% | $41.6 ↓ (2%) | $25.0 ↑ 9% | $94.1 ↑ 2% |
| Total RES Operating Revenue | $431.5 ↑ 7% | $268.1 ↑ 6% | $228.5 ↑ 15% | $928.1 ↑ 8% |
| *Fee Revenue* | *$407.3 ↑ 6%* | *$234.6 ↑ 4%* | *$205.1 ↑ 14%* | *$847.0 ↑ 7%* |

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Note: Segment and Consolidated Real Estate Services ("RES") operating revenue exclude Equity earnings (losses). Fee revenue presentation of Property & Facility Management, Project & Development Services and Total RES Operating Revenue excludes gross contract costs.

# YTD 2013 Real Estate Services Revenue

($ in millions; % change in local currency over YTD 2012)

| | Americas | EMEA | Asia Pacific | Total RES |
|---|---|---|---|---|
| |  |  |  |  |
| Leasing | $350.1 ↑ 4% | $109.1 ↓ (4%) | $68.6 ↓ (12%) | $527.8 ↔ 0% |
| Capital Markets & Hotels | $92.1 ↑ 31% | $121.5 ↑ 37% | $64.7 ↑ 44% | $278.3 ↑ 37% |
| Property & Facility Management | $218.6 ↑ 8% | $89.7 ↑ 5% | $200.5 ↑ 10% | $508.8 ↑ 8% |
| *Fee Revenue* | *$175.7 ↑ 5%* | *$82.5 ↔ 0%* | *$164.7 ↑ 14%* | *$422.9 ↑ 7%* |
| Project & Development Services | $80.7 ↓ (4%) | $112.1 ↑ 9% | $41.2 ↑ 16% | $234.0 ↑ 5% |
| *Fee Revenue* | *$80.1 ↓ (5%)* | *$51.6 ↑ 3%* | *$31.6 ↑ 5%* | *$163.3 ↔ 0%* |
| Advisory, Consulting & Other | $51.5 ↑ 4% | $80.7 ↑ 1% | $43.3 ↑ 8% | $175.5 ↑ 3% |
| **Total RES Operating Revenue** | $793.0 ↑ 7% | $513.1 ↑ 9% | $418.3 ↑ 10% | $1,724.4 ↑ 8% |
| *Fee Revenue* | *$749.5 ↑ 6%* | *$445.4 ↑ 7%* | *$372.9 ↑ 11%* | *$1,567.8 ↑ 7%* |

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Note: Segment and Consolidated Real Estate Services ("RES") operating revenue exclude Equity earnings (losses). Fee revenue presentation of Property & Facility Management, Project & Development Services and Total RES Operating Revenue excludes gross contract costs.

# LaSalle Investment Management

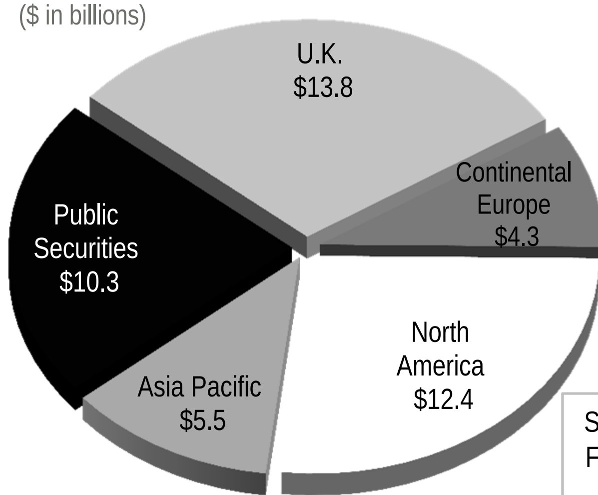
## Q2 2013 Highlights

- Successful capital raising with $1.8 billion raised in Q2 2013; robust pipeline for additional opportunities
- Assets Under Management and advisory fees stable with modest reduction driven by foreign currency impact
- Strong investment performance resulted in significant equity earnings from asset sales
- Expect lower incentive fees for FY 2013 compared with 2012

| Revenue | 2013 | 2012 |
|---|---|---|
| ($ in millions) | | |
| Advisory Fees | $ 55 | $ 57 |
| Transaction Fees & Other | 5 | 2 |
| Incentive Fees | 1 | - |
| Operating Revenue | $ 61 | $ 59 |
| Equity Earnings | 10 | - |
| Total Revenue | $ 71 | $ 59 |
| Adjusted EBITDA | $ 20 | $ 11 |
| *Adjusted EBITDA Margin* | *28.4%* | *17.8%* |

## Q2 2013 AUM = $46.3 Billion

($ in billions)




Separate Accounts $21.4
Fund Management $14.6
Public Securities $10.3

Note: AUM data reported on a one-quarter lag.

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# Solid Balance Sheet Position

($ in millions)

## Q2 2013 Highlights

- Investment grade balance sheet; Baa2 / BBB- (Stable)
  - Low debt cost: 2Q 2013 net interest expense of $9.0 million
  - Diversified funding sources with $275 million Long Term Senior Notes issued in Q4 2012
- Healthy net debt position entering historically strong second half
  - Net debt reduction of $37 million during Q2; consistent with previous seasonal borrowing pattern
- Q2 Capital Spending primarily on Deferred Acquisition Payments and Earn Outs

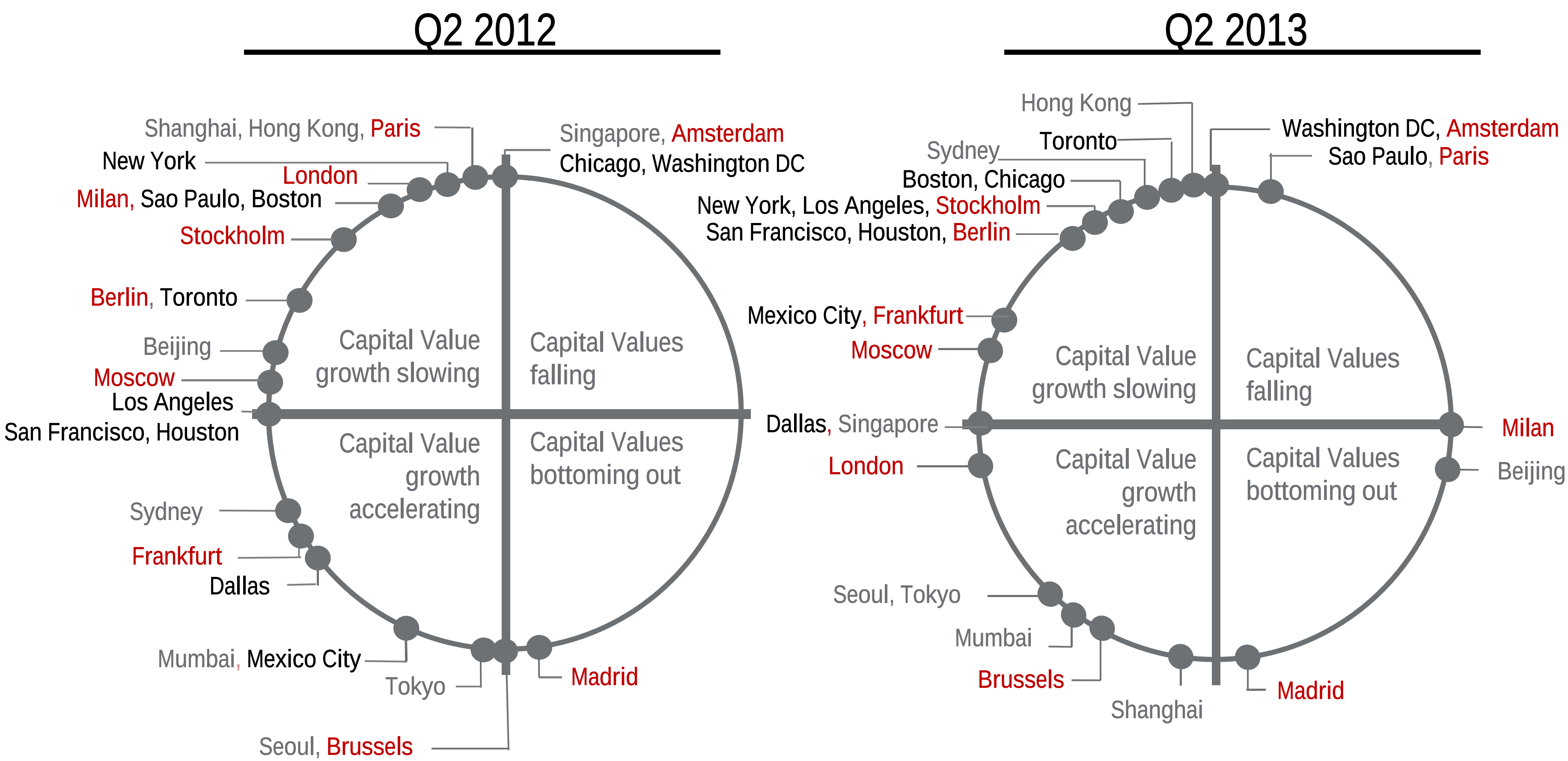
| | Q2 2013 | Q2 2012 |
|---|---|---|
| – Capital Expenditures | $ 18m | $ 13m* |
| – New M&A Payments | $ 2m | $ 0m |
| – Deferred Acquisition Payments/Earn Outs | $ 72m | $ 41m |
| – Co-Investment Distributions/Returns | ($ 10m) | ($ 20m) |

| Balance Sheet | Q2 2013 | Q1 2013 | Q4 2012 |
|---|---|---|---|
| Cash | $ 122 | $ 133 | $ 152 |
| Short Term Borrowings | 51 | 38 | 32 |
| Credit Facility | 479 | 470 | 169 |
| Net Bank Debt | $ 408 | $ 375 | $ 49 |
| LT Senior Notes | 275 | 275 | 275 |
| Deferred Acquisition Obligations | 150 | 220 | 214 |
| Total Net Debt | $ 833 | $ 870 | $ 538 |

* Excludes $7M of investments in a joint venture required to be consolidated under US GAAP, but which are offset in Financing Activities on the Consolidated Statement of Cash Flows.

# Appendix

# Prime Offices - Capital Value Clock, Q2 2012 v Q2 2013




Americas
EMEA
Asia Pacific

Based on notional capital values for Grade A space in CBD or equivalent.

The Jones Lang LaSalle Property Clocks SM

As of Q2 2013

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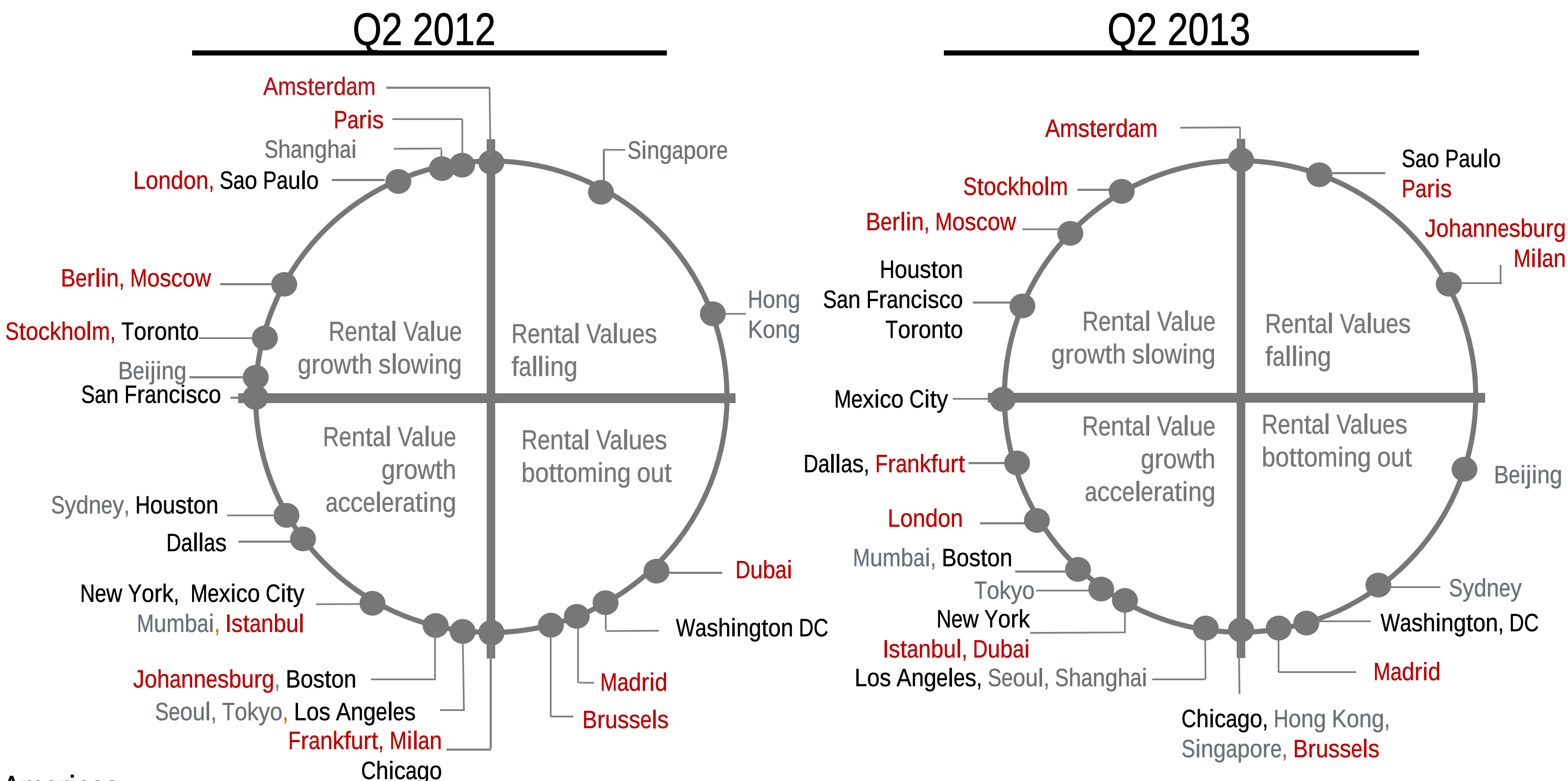
# Prime Offices – Rental Clock, Q2 2012 v Q2 2013




Americas
EMEA
Asia Pacific

Based on rents for Grade A space in CBD or equivalent. US positions relate to the overall market.

The Jones Lang LaSalle Property Clocks SM

As of Q2 2013

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# Fee Revenue / Expense Reconciliation

- Reimbursable vendor, subcontractor and out-of-pocket costs reported as revenue and expense in JLL financial statements have been steadily increasing
- Margins diluted as gross accounting requirements increase revenue and costs without corresponding profit
- Business managed on a fee revenue basis to focus on margin expansion in the base business

| | | Q2 | | YTD | |
|---|---|---|---|---|---|
| ($ in millions) | | 2013 | 2012 | 2013 | 2012 |
| Consolidated Revenue | | $ 989.4 | $ 921.3 | $ 1,845.4 | $ 1,734.7 |
| Consolidated Operating Expenses | | 917.0 | 846.7 | 1,749.7 | 1,636.4 |
| *Adjusted Operating Income Margin* | | *7.4%* | *8.3%* | *5.2%* | *5.9%* |
| *Gross Contract Costs:* | | | | | |
| Americas | Property & Facility Management | 23.8 | 19.9 | 42.9 | 35.7 |
| | Project & Development Services | 0.4 | 0.2 | 0.6 | 0.3 |
| | Total Gross Contract Costs | 24.2 | 20.1 | 43.5 | 36.0 |
| EMEA | Property & Facility Management | 4.9 | 1.4 | 7.2 | 2.7 |
| | Project & Development Services | 28.6 | 26.6 | 60.5 | 53.0 |
| | Total Gross Contract Costs | 33.5 | 28.0 | 67.7 | 55.7 |
| Asia Pacific | Property & Facility Management | 18.2 | 18.1 | 35.8 | 40.3 |
| | Project & Development Services | 5.2 | 2.9 | 9.6 | 5.6 |
| | Total Gross Contract Costs | 23.4 | 21.0 | 45.4 | 45.9 |
| Consolidated Fee Revenue | | $ 908.3 | $ 852.2 | $ 1,688.8 | $ 1,597.1 |
| Consolidated Fee-based Operating Expenses | | $ 835.9 | $ 777.6 | $ 1,593.1 | $ 1,498.8 |
| *Adjusted Operating Income Margin (fee-based)* | | *8.0%* | *9.0%* | *5.7%* | *6.4%* |

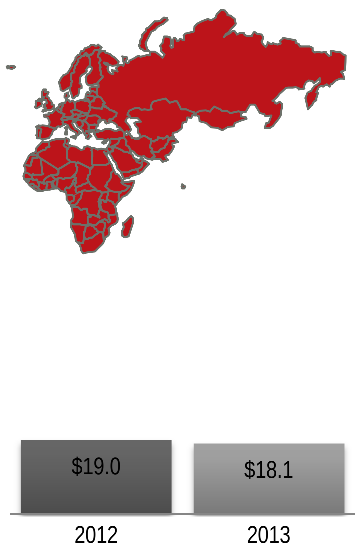
Note: Consolidated revenue and fee revenue exclude equity earnings (losses). Restructuring and acquisition charges are excluded from operating expenses. Restructuring and acquisition charges as well as intangible amortization related to the King Sturge acquisition are excluded from operating expenses when calculating adjusted operating income margin.

# Q2 2013 Adjusted EBITDA* Performance

($ in millions)

## Americas

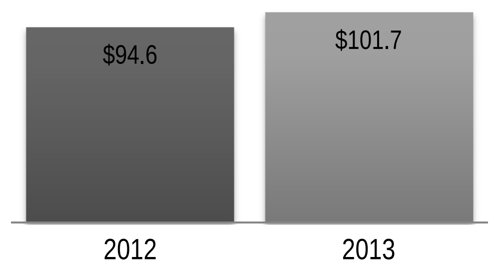

## EMEA




## Asia Pacific


## LIM


## Consolidated



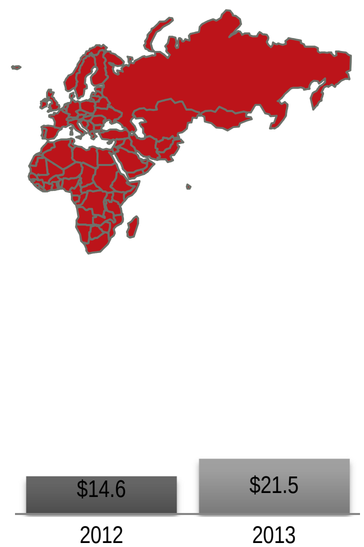

* Refer to slide 23 for Reconciliation of GAAP Net Income to Adjusted EBITDA for the three months ended June 30, 2012, and 2013, for details relative to these adjusted EBITDA calculations. Segment EBITDA is calculated by adding the segment's depreciation and amortization to its reported operating income, which excludes restructuring and acquisition charges. Consolidated adjusted EBITDA is the sum of the EBITDA of the four segments.

# YTD 2013 Adjusted EBITDA* Performance

($ in millions)

Americas


EMEA




Asia Pacific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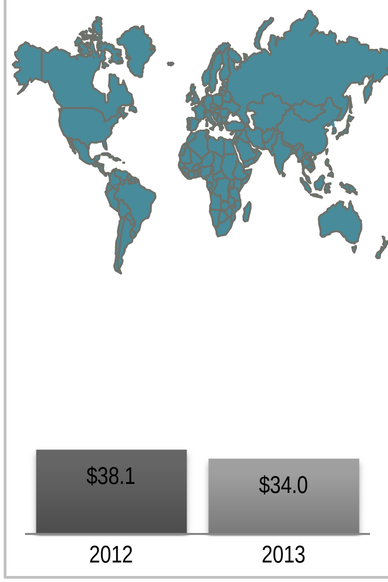


Consolidated


* Refer to slide 23 for Reconciliation of GAAP Net Income to Adjusted EBITDA for the six months ended June 30, 2012, and 2013, for details relative to these adjusted EBITDA calculations. Segment EBITDA is calculated by adding the segment's depreciation and amortization to its reported operating income, which excludes restructuring and acquisition charges. Consolidated adjusted EBITDA is the sum of the EBITDA of the four segments.

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# Q2 2013 Real Estate Services Revenue

($ in millions; % change in USD over Q2 2012)

| | Americas  | | | EMEA  | | | Asia Pacific  | | | Total RES  | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Leasing | $197.8 | ↑ | 6% | $60.2 | ↓ | (9%) | $40.6 | ↓ | (11%) | $298.6 | ↔ | 0% |
| Capital Markets & Hotels | $53.4 | ↑ | 27% | $63.2 | ↑ | 27% | $41.0 | ↑ | 72% | $157.6 | ↑ | 36% |
| Property & Facility Management | $110.1 | ↑ | 8% | $46.9 | ↑ | 9% | $100.5 | ↑ | 8% | $257.5 | ↑ | 8% |
| *Fee Revenue* | *$86.3* | ↑ | *5%* | *$42.0* | ↔ | *0%* | *$82.3* | ↑ | *10%* | *$210.6* | ↑ | *6%* |
| Project & Development Services | $42.7 | ↓ | (5%) | $56.2 | ↑ | 7% | $21.4 | ↑ | 11% | $120.3 | ↑ | 3% |
| *Fee Revenue* | *$42.3* | ↓ | *(6%)* | *$27.6* | ↑ | *7%* | *$16.2* | ↓ | *(1%)* | *$86.1* | ↓ | *(1%)* |
| Advisory, Consulting & Other | $27.5 | ↑ | 3% | $41.6 | ↓ | (3%) | $25.0 | ↑ | 10% | $94.1 | ↑ | 2% |
| Total RES Operating Revenue | $431.5 | ↑ | 7% | $268.1 | ↑ | 5% | $228.5 | ↑ | 12% | $928.1 | ↑ | 8% |
| *Fee Revenue* | *$407.3* | ↑ | *6%* | *$234.6* | ↑ | *4%* | *$205.1* | ↑ | *12%* | *$847.0* | ↑ | *6%* |

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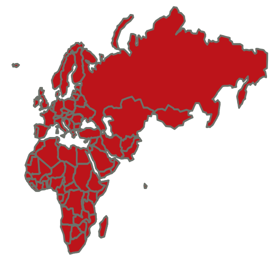
Note: Segment and Consolidated Real Estate Services ("RES") operating revenue exclude Equity earnings (losses). Fee revenue presentation of Property & Facility Management, Project & Development Services and Total RES Operating Revenue excludes gross contract costs.

# YTD 2013 Real Estate Services Revenue

($ in millions; % change in USD over YTD 2012)

| | Americas | EMEA | Asia Pacific | Total RES |
|---|---|---|---|---|
| |  |  |  |  |
| Leasing | $350.1 ↑ 4% | $109.1 ↓ (4%) | $68.6 ↓ (13%) | $527.8 ↔ 0% |
| Capital Markets & Hotels | $92.1 ↑ 32% | $121.5 ↑ 36% | $64.7 ↑ 43% | $278.3 ↑ 36% |
| Property & Facility Management | $218.6 ↑ 7% | $89.7 ↑ 5% | $200.5 ↑ 6% | $508.8 ↑ 6% |
| *Fee Revenue* | *$175.7 ↑ 5%* | *$82.5 ↔ 0%* | *$164.7 ↑ 10%* | *$422.9 ↑ 6%* |
| Project & Development Services | $80.7 ↓ (5%) | $112.1 ↑ 9% | $41.2 ↑ 13% | $234.0 ↑ 4% |
| *Fee Revenue* | *$80.1 ↓ (5%)* | *$51.6 ↑ 3%* | *$31.6 ↑ 2%* | *$163.3 ↓ (1%)* |
| Advisory, Consulting & Other | $51.5 ↑ 4% | $80.7 ↔ 0% | $43.3 ↑ 7% | $175.5 ↑ 2% |
| Total RES Operating Revenue | $793.0 ↑ 7% | $513.1 ↑ 9% | $418.3 ↑ 7% | $1,724.4 ↑ 7% |
| *Fee Revenue* | *$749.5 ↑ 6%* | *$445.4 ↑ 7%* | *$372.9 ↑ 8%* | *$1,567.8 ↑ 6%* |

Note: Segment and Consolidated Real Estate Services ("RES") operating revenue exclude Equity earnings (losses). Fee revenue presentation of Property & Facility Management, Project & Development Services and Total RES Operating Revenue excludes gross contract costs.

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# Reconciliation of GAAP Net Income to Adjusted Net Income and Earnings per Share

| ($ in millions) | Three Months Ended June 30 2013 | Three Months Ended June 30 2012 | Six Months Ended June 30 2013 | Six Months Ended June 30 2012 |
|---|---|---|---|---|
| GAAP Net income attributable to common shareholders | $ 46.3 | $ 37.2 | $ 59.4 | $ 51.2 |
| Shares (in 000s) | 45,141 | 44,847 | 45,091 | 44,726 |
| GAAP diluted earnings per share | $ 1.03 | $ 0.83 | $ 1.32 | $ 1.14 |
| GAAP Net income attributable to common shareholders | $ 46.3 | $ 37.2 | $ 59.4 | $ 51.2 |
| Restructuring and acquisition charges, net | 5.0 | 12.4 | 7.4 | 19.1 |
| Intangible amortization, net | 0.4 | 1.2 | 0.8 | 2.8 |
| Adjusted net income | $ 51.7 | $ 50.8 | $ 67.6 | $ 73.1 |
| Shares (in 000s) | 45,141 | 44,847 | 45,091 | 44,726 |
| Adjusted diluted earnings per share | $ 1.15 | $ 1.13 | $ 1.50 | $ 1.63 |

# Reconciliation of GAAP Net Income to Adjusted EBITDA

| ($ in millions) | Three Months Ended June 30 2013 | Three Months Ended June 30 2012 | Six Months Ended June 30 2013 | Six Months Ended June 30 2012 |
|---|---|---|---|---|
| GAAP Net income | $ 49.5 | $ 37.7 | $ 62.7 | $ 51.9 |
| Interest expense, net of interest income | 9.0 | 7.5 | 17.0 | 14.9 |
| Provision for income taxes | 16.4 | 12.8 | 20.8 | 17.7 |
| Depreciation and amortization | 20.2 | 20.0 | 39.2 | 39.6 |
| EBITDA | $ 95.1 | $ 78.0 | $ 139.7 | $ 124.1 |
| Restructuring and acquisition charges | 6.6 | 16.6 | 9.8 | 25.6 |
| Adjusted EBITDA | $ 101.7 | $ 94.6 | $ 149.5 | $ 149.7 |