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**JONES LANG LASALLE REPORTS 2002 NET INCOME IN LINE WITH GUIDANCE**

**Chicago and London, February 4, 2003** – Jones Lang LaSalle Incorporated (NYSE: JLL), the leading global real estate services and investment management firm, today reported net income of \$27.1 million, or \$0.85 per diluted share, for the fiscal year ended December 31, 2002. These results are in line with revised guidance and compare favorably to the prior year's net loss of \$15.4 million, or \$0.51 per share. Adjusted income of \$34.3 million, which excludes after tax non-recurring and restructuring charges, was \$1.08 per diluted share, slightly better than the First Call consensus estimate of \$1.05, which also excluded the impact of these charges.

For the fourth quarter of 2002, net income was \$17.5 million, or \$0.55 per share, as compared with a net loss of \$3.8 million or \$0.13 per share in 2001. The results for the fourth quarter of 2002 include \$13.3 million of non-recurring charges relating to the business restructuring approved by the Board of Directors in December and the impairment of a residential land co-investment from a business closed in 2001, offset by credits from the finalization of expenses associated with the 2001 global business restructuring. The results for the fourth quarter of 2001 included \$49.1 million of non-recurring and restructuring charges primarily related to severance and professional fees.

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**2002 Results Highlights**

- **Net income of \$27.1 million versus net loss of \$15.4 million in the prior year**
- **Delivered in excess of \$50 million targeted cost reductions**
- **Paid down credit facilities by more than \$34 million**

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"Though it was disappointing to reduce our earnings targets for 2002 in the third quarter, I am pleased that we have achieved our revised target in markets which remain extremely difficult to forecast," said Chris Peacock, President and Chief Executive Officer of Jones Lang LaSalle. "This was due primarily to strong performance from LaSalle Investment Management and highly effective expense management in our Americas region. It is encouraging that Asia Pacific has been able to stabilize a long run of declining performance, while in Europe we are working hard to respond to challenging market conditions with appropriate organizational changes and expense reductions. During the year we continued to win key new clients and assignments, and advance our market leadership."

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## **Jones Lang LaSalle Reports 2002 Net Income In Line With Guidance – Add One**

Reflecting the continued slow economic conditions worldwide, revenues were \$270.3 million for the quarter and \$840.4 million for the year, down three percent and seven percent respectively in U.S. dollars and down seven and ten percent in local currencies. A focus on tight expense controls, together with the continuing benefits of 2001 management actions to bring the organization in line with the expected 2002 business environment, helped to offset the revenue declines. Operating expenses for the year, excluding non-recurring and restructuring charges, were \$770.9 million, a five percent reduction on the prior year period in U.S. dollars, and \$63 million or eight percent in local currency terms. The impact on depreciation and amortization of the adoption of SFAS 142, effective January 1, 2002, accounted for \$10 million of this reduction, with the remaining \$53 million exceeding the targeted cost savings of \$50 million from the 2001 global business restructuring.

EBITDA was \$38.4 million for the quarter and \$90.7 million for the year, as compared to the prior year of \$20.6 million and \$59.8 million respectively. Reflecting the continued strong business cash flows, aggressive receivables management and reduced capital expenditures, the firm paid down its credit facilities by more than \$34 million from the prior year period. The U.S. dollar reported book value of the firm's Eurobonds increased by \$26.3 million as a result of the strengthening euro. Interest expense of \$17.0 million was \$3.1 million lower than the previous year reflecting the continued pay down of debt together with a generally lower interest rate environment, offset by the strengthening euro. Included in the current year tax expense of \$11.0 million is a credit of \$1.8 million associated with certain 2001 restructuring expenses, which previously were not considered tax deductible. The 2002 effective tax rate, excluding the impact of the non-recurring and restructuring charges, is 34 percent as compared with 42 percent in 2001.

### **Business Segment Fourth Quarter and Full-Year Performance Highlights**

#### ***Owner and Occupier Services***

- In the fourth quarter, the Americas region reported a three percent decline in revenues from the prior year period to \$102.3 million, as the transactional businesses remained slow. Full-year 2002 revenues of \$290.9 million were down eleven percent from 2001. Operating income for the quarter was \$24.3 million, down slightly on the same period last year, primarily as incentive compensation was recaptured. For the year, operating income was up \$5.7 million to \$32 million, reflecting strong cost savings with expenses down \$42.7 million.
- Europe had a weak fourth quarter with revenues at \$97.3 million, a nine percent decline on the prior year in U.S. dollars, eighteen percent in local currencies. The revenue decline reflected the weakened economic conditions in Germany and France and a softening in the English leasing market. For the full year, Europe's revenues declined nine percent in U.S. dollars from the previous year, to \$314.4 million. In local currencies the decline was fourteen percent. Operating income for both the quarter and the year was down more than fifty percent as cost savings were not sufficient to offset reduced revenues.

## **Jones Lang LaSalle Reports 2002 Net Income In Line With Guidance – Add Two**

- The 2002 fourth quarter and full year revenues for Asia Pacific were six percent and two percent lower than the same periods in 2001 as gains in Japan and Korea were offset by continued reduced transaction activity in Australia, Hong Kong and Singapore. The reduced revenues in the fourth quarter resulted in a similar reduction in operating income of \$2.5 million as expenses were held flat. Operating income for the year was essentially flat with 2001 as the reduced revenues were offset through cost savings.

### ***Investment Management***

During the fourth quarter of 2002, LaSalle Investment Management revenues were up \$8.6 million from the prior year. This was a combination of increased advisory and incentive fees offset by reduced equity earnings from real estate co-investments. In addition, the impact of the stronger euro and pound sterling increased the reported U.S. dollar revenues by \$1.7 million. Operating income for the fourth quarter of \$5.5 million was up \$1.0 million from the same period in 2001 as the increased revenues were offset by the increase in the ongoing cost base as a result of the investment in people for new fund growth, increased incentive compensation accruals and the impact of the strengthening European currencies on reported U.S. dollar expenses. Revenues for the year of \$109.0 million were up five percent on the prior year in U.S. dollars, two percent in local currencies, reflecting strong advisory and implementation fees offset by reduced equity earnings. The costs of investing in people to support new fund growth, together with increased incentive compensation, resulted in a \$1.7 million reduction in operating income to \$20.0 million.

### **2003 Outlook**

“We are a seasonal business with net income generated predominately in the second half of the year; as such, we plan to give total year earnings guidance later in the year when we have a more predictable view of the economy and its impact on our clients,” said Mr. Peacock. “Earnings guidance continues to be challenging due to the timing delays occurring with our clients’ decisions around transactions and the resulting impact on revenues. Subject to this caveat, we anticipate the first quarter of this year will reflect a continued decline in Europe with relatively flat revenues year-over-year in the balance of our business. As a result, our guidance for the first quarter, where we normally experience a loss, is a loss in the range of \$0.25-0.35 per share.”

“We believe the actions taken with the year-end restructuring will produce improved year-over-year earnings performance. Most importantly, the long-term sustainable growth we are pursuing for 2003 and beyond will come from our continued strategic focus on excellence in client service, delivered by the best people in our industry, supported by targeted investment in growth areas.”

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## **Jones Lang LaSalle Reports 2002 Net Income In Line With Guidance – Add Three**

### **About Jones Lang LaSalle**

Jones Lang LaSalle is the world's leading real estate services and investment management firm, operating across more than 100 markets on five continents. The company provides comprehensive integrated expertise, including management services, implementation services and investment management services on a local, regional and global level to owners, occupiers and investors. Jones Lang LaSalle is also the industry leader in property and corporate facility management services, with a portfolio of approximately 735 million square feet (68 million square meters) under management worldwide. LaSalle Investment Management, the company's investment management business, is one of the world's largest and most diverse real estate investment management firms, with \$23 billion of assets under management. For more information visit [www.joneslanglasalle.com](http://www.joneslanglasalle.com).

*Statements in this press release regarding, among other things, future financial results and performance, achievements, plans and objectives 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 which may cause actual results, performance, achievements, plans and objectives of Jones Lang LaSalle to be materially different from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include those 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 Jones Lang LaSalle's Annual Report on Form 10-K for the year ended December 31, 2001, under "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Quantitative and Qualitative Disclosures about Market Risk," and elsewhere in Jones Lang LaSalle's Quarterly Report on Form 10-Q for the quarters ended March 31, June 30, and September 30, 2002 in Jones Lang LaSalle's Proxy Statement dated April 4, 2002, and in other reports filed with the Securities and Exchange Commission. Statements speak only as of the date of this release. Jones Lang LaSalle expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in Jones Lang LaSalle's expectations or results, or any change in events.*

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## **Jones Lang LaSalle Reports 2002 Net Income In Line With Guidance – Add Four**

### **Conference Call**

The firm will conduct a conference call for shareholders, analysts and investment professionals on Wednesday, February 5 at 9 a.m. EST.

To participate in the teleconference, please dial into one of the following phone numbers five to ten minutes before the start time:

- United States callers: +1 800 967 7135
- International callers: +1 719 457 2626

Replay Information Available: (Noon EST) Wednesday, February 5 through (Midnight EST) Tuesday, February 11 at the following numbers

- International Callers: +1 719 457 0820
- U.S. Callers +1 888 203 1112
- Pass code 297956

### **Live web cast** (available through February 12)

Follow these steps to listen to the web cast:

1. You must have a minimum 14.4 Kbps Internet connection
2. Log onto: <http://www.firstcallevents.com/service/ajwz373496796gf12.html>
3. Download free Windows Media Player software: (link located under registration form)
4. If you experience problems listening, send an e-mail to [webcastsupport@tfprn.com](mailto:webcastsupport@tfprn.com)

This information is also available on the Company's website at [www.joneslanglasalle.com](http://www.joneslanglasalle.com)

**JONES LANG LASALLE INCORPORATED**  
**Consolidated Statements of Earnings**  
**For the Three and Twelve Months Ended December 31, 2002 and 2001**  
(in thousands, except share data)  
(Unaudited)

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2002 (1)</u>	<u>2001 (1)</u>	<u>2002 (1)(2)</u>	<u>2001 (1)</u>
Revenue:				
Fee based services	\$ 268,153	\$ 271,266	\$ 831,096	\$ 889,633
Equity in earnings from unconsolidated ventures	176	1,883	2,581	8,560
Other income	1,987	4,111	6,752	7,256
Total revenue	<u>270,316</u>	<u>277,260</u>	<u>840,429</u>	<u>905,449</u>
Operating expenses:				
Compensation and benefits	165,882	152,298	530,527	545,609
Operating, administrative and other	53,452	55,212	203,211	222,229
Depreciation and amortization	8,886	11,954	37,125	47,420
Non-recurring and restructuring charges:				
Compensation and benefits	11,919	35,956	11,438	40,120
Operating, administrative and other	1,429	13,136	3,433	37,112
Total operating expenses	<u>241,568</u>	<u>268,556</u>	<u>785,734</u>	<u>892,490</u>
Operating income	28,748	8,704	54,695	12,959
Interest expense, net of interest income	<u>4,057</u>	<u>4,372</u>	<u>17,024</u>	<u>20,156</u>
Income (loss) before provision for income taxes and minority interest	24,691	4,332	37,671	(7,197)
Net provision for income taxes	8,164	8,079	11,037	7,986
Minority interests in earnings (losses) of subsidiaries	(602)	15	711	228
Net income (loss) before extraordinary item and cumulative effect of change in accounting principle	<u>\$ 17,129</u>	<u>\$ (3,762)</u>	<u>\$ 25,923</u>	<u>\$ (15,411)</u>
Extraordinary gain on the buy-out of minority interest, net of tax (3)	341	-	341	-
Cumulative effect of change in accounting principle	-	-	846	-
Net income (loss)	<u>\$ 17,470</u>	<u>\$ (3,762)</u>	<u>\$ 27,110</u>	<u>\$ (15,411)</u>
EBITDA (4)	<u>\$ 38,444</u>	<u>\$ 20,623</u>	<u>\$ 90,722</u>	<u>\$ 59,767</u>
Basic earnings (loss) per common share before extraordinary item and cumulative effect of change in accounting principle	\$ 0.56	\$ (0.13)	\$ 0.85	\$ (0.51)
Extraordinary gain on the buy-out of minority interest, net of tax	0.01	-	0.01	-
Cumulative effect of change in accounting principle	-	-	0.03	-
Basic earnings (loss) per common share	<u>\$ 0.57</u>	<u>\$ (0.13)</u>	<u>\$ 0.89</u>	<u>\$ (0.51)</u>
Basic weighted average shares outstanding	<u>30,670,749</u>	<u>30,091,845</u>	<u>30,486,842</u>	<u>30,016,122</u>
Diluted earnings (loss) per common share before extraordinary item and cumulative effect of change in accounting principle	\$ 0.54	\$ (0.13)	\$ 0.81	\$ (0.51)
Extraordinary gain on the buy-out of minority interest, net of tax	0.01	-	0.01	-
Cumulative effect of change in accounting principle	-	-	0.03	-
Diluted earnings (loss) per common share	<u>\$ 0.55</u>	<u>\$ (0.13)</u>	<u>\$ 0.85</u>	<u>\$ (0.51)</u>
Diluted weighted average shares outstanding	<u>31,739,621</u>	<u>30,091,845</u>	<u>31,854,397</u>	<u>30,016,122</u>

Please reference attached financial statement notes.

**JONES LANG LASALLE INCORPORATED**  
**Segment Operating Results**  
**For the Three and Twelve Months ended December 31, 2002 and 2001**  
(in thousands)  
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2002 (1)	2001 (1)	2002 (1)(2)	2001 (1)
<b>OWNER &amp; OCCUPIER SERVICES - AMERICAS</b>				
Revenue:				
Implementation services	\$ 56,356	\$ 59,440	\$ 135,013	\$ 158,775
Management services	45,610	45,211	154,255	165,940
Equity earnings (losses)	-	280	(10)	366
Other services	271	627	1,170	1,665
Intersegment revenue	101	292	476	1,191
	102,338	105,850	290,904	327,937
Operating expenses:				
Compensation, operating and administrative	73,530	74,368	240,141	277,473
Depreciation and amortization	4,538	6,044	18,761	24,138
Operating income (5)	\$ 24,270	\$ 25,438	\$ 32,002	\$ 26,326
<b>EUROPE</b>				
Revenue:				
Implementation services	\$ 72,736	\$ 76,689	\$ 228,155	\$ 252,608
Management services	23,519	28,016	82,492	88,700
Other services	1,089	2,517	3,767	3,532
	97,344	107,222	314,414	344,840
Operating expenses:				
Compensation, operating and administrative	84,148	80,030	286,238	289,664
Depreciation and amortization	2,287	3,314	10,421	12,652
Operating income (5)	\$ 10,909	\$ 23,878	\$ 17,755	\$ 42,524
<b>ASIA PACIFIC</b>				
Revenue:				
Implementation services	\$ 24,389	\$ 25,668	\$ 77,329	\$ 79,731
Management services	12,933	13,728	47,625	47,945
Other services	580	865	1,624	1,878
	37,902	40,261	126,578	129,554
Operating expenses:				
Compensation, operating and administrative	34,730	34,435	120,136	122,959
Depreciation and amortization	1,728	1,852	6,673	6,951
Operating income (loss) (5)	\$ 1,444	\$ 3,974	\$ (231)	\$ (356)
<b>INVESTMENT MANAGEMENT-</b>				
Revenue:				
Implementation services	\$ 2,849	\$ 232	\$ 5,058	\$ 2,387
Advisory fees	29,760	22,344	101,169	93,558
Equity earnings	176	1,603	2,591	8,194
Other services	48	40	191	170
	32,833	24,219	109,009	104,309
Operating expenses:				
Compensation, operating and administrative	27,027	18,969	87,699	78,933
Depreciation and amortization	333	744	1,270	3,679
Operating income (5)	\$ 5,473	\$ 4,506	\$ 20,040	\$ 21,697
<hr/>				
Total segment revenue	\$ 270,417	\$ 277,552	\$ 840,905	\$ 906,640
Intersegment revenue eliminations	(101)	(292)	(476)	(1,191)
Total revenue	\$ 270,316	\$ 277,260	\$ 840,429	\$ 905,449
Total segment operating expenses	\$ 228,321	\$ 219,756	\$ 771,339	\$ 816,449
Intersegment operating expense eliminations	(101)	(292)	(476)	(1,191)
Total operating expenses before non-recurring and restructuring charges	\$ 228,220	\$ 219,464	\$ 770,863	\$ 815,258
Operating income before non-recurring and restructuring charges	\$ 42,096	\$ 57,796	\$ 69,566	\$ 90,191

Please reference attached financial statement notes.

**JONES LANG LASALLE INCORPORATED**

**Consolidated Balance Sheets**

**December 31, 2002 and December 31, 2001**

(in thousands)

(Unaudited)

	<u>December 31,</u> <u>2002</u>	<u>December 31,</u> <u>2001 (1)</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 13,654	\$ 10,446
Trade receivables, net of allowances	227,579	222,590
Notes receivable	4,165	3,847
Other receivables	7,623	8,872
Prepaid expenses	15,142	11,802
Deferred tax assets	16,624	16,935
Other assets	<u>10,760</u>	<u>11,340</u>
Total current assets	295,547	285,832
Property and equipment, at cost, less accumulated depreciation	81,652	92,503
Intangibles resulting from business acquisitions and JLW merger, net of accumulated amortization	333,821	328,169
Investments in and loans to real estate ventures	74,994	64,528
Long-term receivables, net	15,248	10,427
Prepaid pension asset	9,646	14,384
Deferred tax assets	29,032	25,770
Debt issuance costs	4,343	5,407
Other assets, net	<u>7,668</u>	<u>8,707</u>
	<u>\$ 851,951</u>	<u>\$ 835,727</u>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 88,180	\$ 107,668
Accrued compensation	139,513	140,980
Short-term borrowings	15,863	15,497
Deferred tax liabilities	819	23
Other liabilities	<u>21,411</u>	<u>23,467</u>
Total current liabilities	265,786	287,635
Long-term liabilities:		
Credit facilities	26,077	60,621
9% Senior Euro Notes, due 2007	173,068	146,768
Deferred tax liabilities	2,991	6,567
Other	<u>17,071</u>	<u>18,966</u>
Total liabilities	484,993	520,557
Commitments and contingencies		
Minority interest in consolidated subsidiaries	-	789
Stockholders' equity:		
Common stock, \$.01 par value per share, 100,000,000 shares authorized; 30,896,333 issued, 30,596,333 outstanding as of December 31, 2002; 30,183,450 shares issued and outstanding as of December 31, 2001	309	302
Additional paid-in capital	494,283	463,926
Deferred stock compensation	(17,321)	(6,038)
Retained deficit	(95,411)	(122,521)
Stock held in treasury by subsidiary	(4,659)	-
Stock held in trust	(460)	(1,658)
Accumulated other comprehensive income	<u>(9,783)</u>	<u>(19,630)</u>
Total stockholders' equity	<u>366,958</u>	<u>314,381</u>
	<u>\$ 851,951</u>	<u>\$ 835,727</u>

Please reference attached financial statement notes.

**JONES LANG LASALLE INCORPORATED**  
**Summarized Consolidated Statements of Cash Flows**  
**Twelve Months Ended December 31, 2002 and 2001**  
**(in thousands)**  
**(Unaudited)**

	<u>2002 (6)</u>	<u>2001 (6)</u>
Cash provided by earnings	\$ 83,402	\$ 73,899
Cash used in working capital	(15,033)	(19,796)
Cash used in investing activities	(26,340)	(32,549)
Cash used in financing activities	(38,821)	(29,951)
Net increase (decrease) in cash	<u>3,208</u>	<u>(8,397)</u>
Cash and cash equivalents, beginning of period	<u>10,446</u>	<u>18,843</u>
Cash and cash equivalents, end of period	<u>\$ 13,654</u>	<u>\$ 10,446</u>

Please reference attached financial statement notes.

**JONES LANG LASALLE INCORPORATED**  
**Adjusted Consolidated Statements of Earnings**  
**For the Three and Twelve Months Ended December 31, 2002 and 2001**  
(in thousands, except share data)  
(Unaudited)

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	<u>Adjusted (1)(7)</u>	<u>Adjusted (1)(7)</u>	<u>Adjusted (1)(7)</u>	<u>Adjusted (1)(7)</u>
Revenue:				
Fee based services	\$ 268,153	\$ 271,266	\$ 831,096	\$ 889,633
Equity in earnings from unconsolidated ventures	176	1,883	2,581	8,560
Other income	1,987	4,111	6,752	7,256
Total revenue	<u>270,316</u>	<u>277,260</u>	<u>840,429</u>	<u>905,449</u>
Operating expenses:				
Compensation and benefits	165,882	152,298	530,527	545,609
Operating, administrative and other	53,452	55,212	203,211	222,229
Depreciation and amortization	8,886	11,954	37,125	47,420
Total operating expenses excluding non-recurring and restructuring charges	<u>228,220</u>	<u>219,464</u>	<u>770,863</u>	<u>815,258</u>
Adjusted operating income excluding non-recurring and restructuring charges	42,096	57,796	69,566	90,191
Interest expense, net of interest income	<u>4,057</u>	<u>4,372</u>	<u>17,024</u>	<u>20,156</u>
Adjusted income before provision for income taxes, minority interest and extraordinary item	38,039	53,424	52,542	70,035
Net provision for income taxes	12,643	22,333	17,864	29,309
Minority interests in earnings (losses) of subsidiaries	(602)	15	711	228
Extraordinary gain on the buy-out of minority interest, net of tax (3)	<u>(341)</u>	<u>-</u>	<u>(341)</u>	<u>-</u>
Adjusted net income excluding non-recurring and restructuring charges	<u>\$ 26,339</u>	<u>\$ 31,076</u>	<u>\$ 34,308</u>	<u>\$ 40,498</u>
Adjusted income per common share	<u>\$ 0.83</u>	<u>\$ 1.00</u>	<u>\$ 1.08</u>	<u>\$ 1.31</u>
Adjusted weighted average shares outstanding	<u>31,739,621</u>	<u>31,111,076</u>	<u>31,854,397</u>	<u>30,975,315</u>
Adjusted EBITDA Calculation (8)				
Adjusted operating income	42,096	57,796	69,566	90,191
Depreciation and amortization	8,886	11,954	37,125	47,420
Minority interests in EBITDA	810	(35)	(1,098)	(612)
Adjusted EBITDA	<u>\$ 51,792</u>	<u>\$ 69,715</u>	<u>\$ 105,593</u>	<u>\$ 136,999</u>

Please reference attached financial statement notes.

## JONES LANG LASALLE INCORPORATED

### Reconciliation of Generally Accepted Accounting Principles (GAAP) Net Income to Adjusted Net Income For the Three and Twelve Months Ended December 31, 2002 and 2001 (in thousands, except share data) (Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2002	2001	2002	2001
<u>Non-Recurring &amp; Restructuring Charges</u>				
Impairment of E-Commerce Investments	(276)	1,049	(276)	18,001
Land Investment & Development Group Impairment Charges	975	0	2,979	3,533
2001 Global Restructuring Program				
- Compensation & Benefits	(810)	35,727	(1,291)	40,120
- Operating, Administrative & Other	98	12,316	98	15,578
2002 Global Restructuring Program				
- Compensation & Benefits	12,729	0	12,729	0
- Operating, Administrative & Other	632	0	632	0
Total Non-Recurring & Restructuring Charges	13,348	49,092	14,871	77,232
Net Benefit for Income Taxes on Non-Recurring & Restructuring Charges	4,479	14,254	5,027	21,323
Additional Tax Benefit on 2001 Restructuring Actions	0	0	1,800	0
Non-Recurring & Restructuring Charges After Tax	8,869	34,838	8,044	55,909
Cumulative Effect of Change in Accounting Principle	0	0	(846)	0
Net Adjustment to GAAP Net Income	8,869	34,838	7,198	55,909
Diluted Weighted Average Shares Outstanding	31,739,621	31,111,076	31,854,397	30,975,315
Net Adjustment Per Share	0.28	1.12	0.23	1.80
GAAP Earnings/(Loss) Per Share	0.55	(0.13)	0.85	(0.51)
Dilution Impact (9)	0.00	0.01	0.00	0.02
Adjusted Earnings Per Share	0.83	1.00	1.08	1.31

Please reference attached financial statement notes.

JONES LANG LASALLE INCORPORATED  
CURRENCY ANALYSIS OF REVENUES AND ADJUSTED OPERATING INCOME  
(in millions)  
(Unaudited)

	Pound Sterling (10) \$	Euro \$	Australian Dollar \$	US Dollar (10) \$	Other \$	TOTAL \$
<b>REVENUES (1)</b>						
2002						
Q1, 2002	34.5	32.7	9.2	63.2	25.7	165.3
Q2, 2002	46.8	31.9	12.5	70.2	32.9	194.3
Q3, 2002	42.7	35.7	11.9	89.8	30.4	210.5
Q4, 2002	60.3	44.9	15.3	108.5	41.3	270.3
Total	<u>184.3</u>	<u>145.2</u>	<u>48.9</u>	<u>331.7</u>	<u>130.3</u>	<u>840.4</u>
2001						
Q1, 2001	46.3	43.1	11.2	77.5	24.3	202.4
Q2, 2001	42.6	35.0	10.6	85.7	30.0	203.9
Q3, 2001	38.9	39.1	12.5	101.4	29.9	221.8
Q4, 2001	61.5	46.8	16.5	113.7	38.8	277.3
Total	<u>189.3</u>	<u>164.0</u>	<u>50.8</u>	<u>378.3</u>	<u>123.0</u>	<u>905.4</u>
<b>ADJUSTED OPERATING INCOME (7)(10)</b>						
2002						
Q1, 2002	-2.5	3.8	-2.5	-1.0	-1.9	-4.1
Q2, 2002	7.2	-0.2	-0.3	4.0	2.6	13.3
Q3, 2002	1.8	2.6	-0.1	14.8	-0.8	18.3
Q4, 2002	12.3	4.7	6.0	16.4	2.7	42.1
Total	<u>18.8</u>	<u>10.9</u>	<u>3.1</u>	<u>34.2</u>	<u>2.6</u>	<u>69.6</u>
2001						
Q1, 2001	-0.4	8.7	-0.5	-4.2	-3.5	0.1
Q2, 2001	1.8	3.9	-0.8	3.9	-2.4	6.4
Q3, 2001	-2.3	9.0	-0.7	23.4	-3.5	25.9
Q4, 2001	19.4	8.1	4.9	18.8	6.6	57.8
Total	<u>18.5</u>	<u>29.7</u>	<u>2.9</u>	<u>41.9</u>	<u>-2.8</u>	<u>90.2</u>

Please reference attached financial statement notes.

**JONES LANG LASALLE INCORPORATED**  
**Financial Statement Notes**

- (1) Certain amounts described below have been reclassified to conform with the current presentation.

Beginning in January 2002, we began accounting for the revenues of our Global Consulting unit on a gross basis, as opposed to netting these revenues into expenses. These revenues amounted to \$4.3 million and \$10.4 million in the three and twelve months ended December 31, 2001, respectively.

Beginning in December 2002, pursuant to the FASB's Emerging Issues Task Force ("EITF") No. 01-14, "Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred", we have reclassified reimbursements received for out-of-pocket expenses to revenues in the income statement, as opposed to being shown as a reduction of expenses. These out-of-pocket expenses amounted to \$1.0 million and \$4.0 million in the three and twelve months ended December 31, 2001, respectively, and \$0.9 million and \$2.9 million in the three and twelve months ended December 31, 2002, respectively.

Beginning in December 2002, pursuant to EITF No. 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent", we have reclassified our burden income, which represents our receipts above our directly reimbursable management services costs, to revenues in the income statement, as opposed to being shown as a reduction of expenses. The amount of reimbursables totaled \$2.5 million and \$9.3 million in the three and twelve months ended December 31, 2001, respectively, and \$2.1 million and \$9.7 million in the three and twelve months ended December 31, 2002, respectively.

Beginning in September of 2002, we aggregated our loans to co-investments with our investments in co-investments. The co-investment loans in the December 31, 2001 balance sheet have been reclassified to conform with this new presentation.

- (2) The twelve months ended December 31, 2002 reflect an adjustment made to the first six months of 2002 to separately identify the non-recurring and restructuring charges relating to this period.
- (3) In December 2002, we exercised our option to purchase the remaining 45% interest in the joint venture company Jones Lang LaSalle Asset Management Services, which exclusively provides asset management services for all Skandia Life properties in Sweden. The purchase price was below the book value of the assets, resulting in an after-tax extraordinary gain of \$341,000.
- (4) EBITDA represents earnings before interest expense, income taxes, depreciation and amortization, and excludes Minority Interests in EBITDA. For the three and twelve months ended December 31, 2002, EBITDA excludes the cumulative effect of change in accounting principle resulting from the adoption of SFAS 142 and the extraordinary gain on the buy-out of minority interest. Management believes that EBITDA is useful to investors as a measure of operating performance, cash generation and ability to service debt. EBITDA is also used in the calculation of certain covenants related to our revolving credit facility. However, EBITDA should not be considered an alternative to (i) net income (loss) (determined in accordance with GAAP), (ii) cash flows (determined in accordance with GAAP), or (iii) liquidity.
- (5) For purposes of this analysis we have determined that the allocation of the non-recurring charges to our segments is not meaningful to investors. Additionally, we evaluate the performance of our segment results without these charges being allocated.
- (6) The consolidated statements of cash flows are presented in summarized form. Please reference our annual Form 10-K for detailed consolidated statements of cash flows.
- (7) Adjusted results for the twelve months ended December 31, 2002 exclude the cumulative effect of change in accounting principle relating to the adoption of SFAS 142. Adjusted results for all periods shown also exclude the effects of non-recurring and restructuring charges. The twelve months ended December 31, 2002 reflect an adjustment made to the first six months of 2002 to separately identify the non-recurring and restructuring charges relating to this period. This analysis is not intended to be a presentation in accordance with generally accepted accounting principles (GAAP).
- (8) Adjusted EBITDA represents earnings before interest expense, income taxes, depreciation and amortization, and excludes Minority Interests in EBITDA. For the three and twelve months ended December 31, 2002, Adjusted EBITDA excludes the cumulative effect of change in accounting principle resulting from the adoption of SFAS 142 and the extraordinary gain on the buy-out of minority interest. For all periods shown Adjusted EBITDA also excludes non-recurring and restructuring charges. Management believes that Adjusted EBITDA is useful to investors as a measure of operating performance, cash generation and ability to service debt. However, Adjusted EBITDA should not be considered an alternative to (i) net income (loss) (determined in accordance with GAAP), (ii) cash flows (determined in accordance with GAAP), or (iii) liquidity.

**JONES LANG LASALLE INCORPORATED**  
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- (9) Dilution impact represents the impact of including common stock equivalents in the fully diluted weighted average shares outstanding when converting GAAP results for the three and twelve months ended December 31, 2001 to Adjusted. As a result of the GAAP net loss for the three and twelve months ended December 31, 2001, the diluted weighted average shares outstanding do not include common stock equivalents, as to do so would be anti-dilutive. However, due to an Adjusted net income for these periods, common stock equivalents are included in the diluted weighted average shares outstanding.
- (10) The objective of this presentation is to provide guidance as to the key currencies that the Company does business in and their significance to reported revenues and adjusted operating income. The adjusted operating income sourced in pound sterling and US dollars understates the profitability of the businesses in the United Kingdom and America because it includes the locally incurred expenses of our global offices in London and Chicago, respectively, as well as the European regional office in London. The revenues and adjusted operating income of the global investment management business are allocated to their underlying currency, which means that this analysis may not be consistent with the performance of the geographic OOS segments. In particular, as incentive fees are earned by this business, there may be significant shifts in the geographic mix of revenues and adjusted operating income.