



News Release

For Immediate Release

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JONES LANG LASALLE REPORTS FIRST QUARTER RESULTS IN LINE WITH EXPECTATIONS

Chicago and London, May 5, 2004 – Jones Lang LaSalle Incorporated (NYSE: JLL), the leading global real estate services and money management firm, today reported a net loss of \$6.1 million, or \$0.20 per diluted share of common stock, for the first quarter of 2004. These results compare favorably to the consensus estimate of a \$0.23 loss per diluted share, and to the first quarter 2003 net loss of \$7.2 million, or \$0.24 per share. EBITDA for the quarter was \$3.7 million compared to the prior year quarter of \$2.8 million.

First Quarter Highlights

- **Revenues increased 9 percent year over year in local currencies**
- **Net borrowings (excluding impact of forex) decreased by \$69 million**
- **Closed \$325 million credit facility at improved interest rate to fund the recently announced redemption of 9 percent Euro Notes**

“Our financial results continue to improve, the combination of focused operations and stabilizing world economies. It is early in the year to alter our view of the total year potential, but we are pleased with the solid first quarter results,” said Stuart Scott, the firm’s Chairman and Chief Executive Officer. “Significantly, the increasing strength of our balance sheet gives us flexibility and competitive advantage in the expected improving world economies and we look forward to the balance of 2004.”

Revenues increased by \$34.9 million to \$222.8 million for the quarter, an 18 percent increase in U.S. dollars, 9 percent in local currencies as all segments reported year-over-year revenue improvement. Operating expenses for the quarter of \$227.4 million increased 17 percent over the prior year period in U.S. dollars, 7 percent in local currency terms. The revenue strength, coupled with a continuing focus on costs, resulted in bottom-line operating improvements for all segments, although the reported operating results for Europe were adversely impacted by the timing of increased incentive compensation accruals.

Interest expense of \$3.8 million was slightly lower than the previous year, reflecting the continued pay down of debt and a generally lower interest rate environment, partially offset by the strengthening euro. The first quarter has traditionally represented the firm's peak borrowing requirements in the year as annual bonuses are paid. Reflecting continued strong business cash flows, an emphasis on receivables management and reduced capital expenditures, March 31, 2004 was the first time that the credit facilities had no outstanding balance at the end of the first quarter since the merger which formed Jones Lang LaSalle. On April 13, 2004, a three year \$325 million unsecured credit facility was closed on improved terms from the prior facility. This facility will be used to finance working capital needs and to refinance the 9 percent Euro Notes, which are first callable in June 2004. On May 4, the firm gave irrevocable notice to call these Euro Notes effective June 15, 2004, and as a result, the second quarter will include \$11.5 million (dependent upon prevailing exchange rates) of pre-tax expense consisting of the acceleration of debt issuance cost amortization and the premium paid to redeem these notes.

The current quarter tax benefit of \$2.4 million reflects a 28 percent effective tax rate. The prior year tax benefit of \$3.7 million reflected a 34 percent effective tax rate. The reduction in the effective tax rate reflects the continued disciplined management of the global tax position. This rate improvement will favorably affect the full year's projected results, but when applied to the seasonal net loss it negatively impacts the first quarter results year over year by \$0.5 million, or \$0.02 per share.

Business Segment First Quarter Performance Highlights

Investor and Occupier Services ("IOS")

- The Americas region maintained the momentum of its strong finish to 2003, reporting a 7 percent increase in revenues in the first quarter to \$63.9 million. There were solid performances in many of its transaction-driven businesses, particularly in the Leasing business, where transaction activity was up more than 20 percent, as well as Hotels, and Capital Markets. This was partially offset by a reduction in revenues in the Property Management business as a result of the trend in the current marketplace whereby buyers are increasingly looking to self-manage. The firm is continuing to focus on the profitability of assignments which has led to the withdrawal from selective management-only assignments. The operating loss for the quarter was \$0.9 million, as compared to a \$1.6 million loss for the same period last year.

- In Europe, the IOS business experienced stronger revenues in the first quarter, up 26 percent in U.S. dollars, 10 percent in local currencies. This revenue was driven primarily by England, with significant transactions closing in Capital Markets, another impressive quarter by the European Hotels business and the growth markets of Central Europe. There was positive revenue growth in France and Belgium, although revenues again declined in Germany and Holland reflecting continued difficult local economic conditions. Operating expenses year over year increased 26 percent in U.S. dollars, 11 percent in local currencies, with the most significant factors being the timing impact of increased accrued incentive compensation due to strong revenue performance and other costs associated with the generation of additional revenues.
- First quarter revenues for the Asia Pacific region were up 23 percent in U.S. dollars, 8 percent in local currencies. Increased revenues were seen across the region, with the strongest performance in the growth markets of India and North Asia where revenues increased more than 35 percent in local currencies. Operating expenses increased 18 percent in U.S. dollars, 4 percent in local currencies, reflecting increased compensation costs as a result of the investments made in key markets partially offset by continued discipline around operating, administration and other expenses.

Investment Management

LaSalle Investment Management revenues were up 17 percent in U.S. dollars, 8 percent in local currencies, primarily driven by increased equity earnings and additional advisory fees related to the successful second closing of the Canadian Income and Growth Fund. Operating expenses increased 13 percent in U.S. dollars, 5 percent in local currencies. The increase in operating expenses was a result of additional compensation costs to service new business, and accrued incentive compensation as a result of performance.

Outlook

Given the seasonal character of the business, with the majority of profits occurring in the second half of the year, the firm is not providing full year 2004 guidance. A small profit is anticipated in the second quarter before the costs associated with the retirement of the Euro Notes, which are expected to be approximately \$11.5 million pre-tax, dependent upon prevailing exchange rates. As a result, the overall results for the second quarter will reflect a GAAP net loss.

About Jones Lang LaSalle

Jones Lang LaSalle is the world's leading real estate services and money management firm, operating across more than 100 markets around the globe. 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 725 million square feet (67 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 money management firms, with approximately \$23 billion of assets under management.

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, 2003, under "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Quantitative and Qualitative Disclosures about Market Risk," 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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Conference Call

The firm will conduct a conference call for shareholders, analysts and investment professionals on Thursday, May 6 at 11:30 a.m. EDT.

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: +1 877 809 9540
- International callers: +1 706 679 7364

Replay Information Available: (2:30 p.m. EDT) Thursday, May 6 through (Midnight EDT) Thursday, May 13 at the following numbers:

- International callers: +1 706 645 9291
- U.S. callers: +1 800 642 1687
- Pass code: 7020968

Live web cast (available through May 13)

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.firstcallevts.com/service/ajwz405775746gf12.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

This information is also available on the company's website at www.joneslanglasalle.com

JONES LANG LASALLE INCORPORATED
Consolidated Statements of Earnings
For the Three Months Ended March 31, 2004 and 2003
(in thousands, except share data)
(Unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2004</u>	<u>2003</u>
Revenue:		
Fee based services	\$ 217,040	\$ 184,861
Equity in earnings from unconsolidated ventures	2,123	80
Other income	3,623	2,971
Total revenue	<u>222,786</u>	<u>187,912</u>
Operating expenses:		
Compensation and benefits	155,064	130,678
Operating, administrative and other	64,077	54,385
Depreciation and amortization	8,302	9,690
Non-recurring and restructuring charges:		
Compensation and benefits	(210)	(444)
Operating, administrative and other	190	500
Total operating expenses	<u>227,423</u>	<u>194,809</u>
Operating loss	(4,637)	(6,897)
Interest expense, net of interest income	<u>3,814</u>	<u>4,083</u>
Loss before benefit for income taxes	(8,451)	(10,980)
Net benefit for income taxes	(2,366)	(3,733)
Net loss	<u>\$ (6,085)</u>	<u>\$ (7,247)</u>
EBITDA (1)	<u>\$ 3,665</u>	<u>\$ 2,793</u>
Basic loss per common share	<u>\$ (0.20)</u>	<u>\$ (0.24)</u>
Basic weighted average shares outstanding	<u>31,045,367</u>	<u>30,715,364</u>
Diluted loss per common share	<u>\$ (0.20)</u>	<u>\$ (0.24)</u>
Diluted weighted average shares outstanding	<u>31,045,367</u>	<u>30,715,364</u>

Please reference attached financial statement notes.

JONES LANG LASALLE INCORPORATED
Segment Operating Results
For the Three Months Ended March 31, 2004 and 2003
(in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2004	2003
INVESTOR & OCCUPIER SERVICES - AMERICAS		
Revenue:		
Implementation services	\$ 24,076	\$ 21,601
Management services	37,991	36,968
Equity earnings	467	-
Other services	1,277	886
Intersegment revenue	82	69
	63,893	59,524
Operating expenses:		
Compensation, operating and administrative	61,115	56,416
Depreciation and amortization	3,663	4,659
Operating loss (2)	\$ (885)	\$ (1,551)
EUROPE		
Revenue:		
Implementation services	\$ 65,631	\$ 48,789
Management services	22,398	20,920
Other services	1,879	1,593
	89,908	71,302
Operating expenses:		
Compensation, operating and administrative	89,030	69,981
Depreciation and amortization	2,779	2,765
Operating loss (2)	\$ (1,901)	\$ (1,444)
ASIA PACIFIC		
Revenue:		
Implementation services	\$ 19,173	\$ 15,005
Management services	20,662	17,095
Other services	348	463
	40,183	32,563
Operating expenses:		
Compensation, operating and administrative	43,194	35,857
Depreciation and amortization	1,556	1,944
Operating loss (2)	\$ (4,567)	\$ (5,238)
INVESTMENT MANAGEMENT-		
Revenue:		
Implementation and other services	\$ 1,464	\$ 1,797
Advisory fees	25,696	22,154
Incentive fees	68	561
Equity earnings	1,656	80
	28,884	24,592
Operating expenses:		
Compensation, operating and administrative	25,884	22,878
Depreciation and amortization	304	322
Operating income (2)	\$ 2,696	\$ 1,392
<hr/>		
Total segment revenue	\$ 222,868	\$ 187,981
Intersegment revenue eliminations	(82)	(69)
Total revenue	\$ 222,786	\$ 187,912
Total segment operating expenses	\$ 227,525	\$ 194,822
Intersegment operating expense eliminations	(82)	(69)
Total operating expenses before non-recurring and restructuring charges	\$ 227,443	\$ 194,753
Operating loss before non-recurring and restructuring charges	\$ (4,657)	\$ (6,841)

Please reference attached financial statement notes.

JONES LANG LASALLE INCORPORATED
Consolidated Balance Sheets
March 31, 2004, December 31, 2003 and March 31, 2003
(in thousands)

	March 31, 2004 (Unaudited)	December 31, 2003	March 31, 2003 (Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 22,984	\$ 63,105	\$ 13,485
Trade receivables, net of allowances	240,570	253,126	194,755
Notes receivable	4,275	3,698	3,608
Other receivables	11,363	8,317	6,531
Prepaid expenses	17,568	18,866	13,785
Deferred tax assets	16,816	18,097	27,601
Other assets	10,040	7,731	11,381
Total current assets	323,616	372,940	271,146
Property and equipment, at cost, less accumulated depreciation	68,400	71,621	78,173
Intangibles resulting from business acquisitions and JLW merger, net of accumulated amortization	348,729	347,608	333,842
Investments in and loans to real estate ventures	67,757	71,335	73,239
Long-term receivables, net	9,785	13,007	14,760
Prepaid pension asset	12,812	11,920	1,230
Deferred tax assets	46,587	43,252	24,963
Debt issuance costs	3,825	4,113	3,988
Other assets, net	11,829	7,144	7,597
	\$ 893,340	\$ 942,940	\$ 808,938
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 89,189	\$ 96,466	\$ 89,046
Accrued compensation	89,625	154,317	69,867
Short-term borrowings	9,528	3,592	14,573
Deferred tax liabilities	2,199	2,623	478
Other liabilities	41,146	28,414	26,629
Total current liabilities	231,687	285,412	200,593
Long-term liabilities:			
Credit facilities	-	-	54,000
9% Senior Euro Notes, due 2007	203,214	207,816	180,263
Deferred tax liabilities	4,011	761	3,263
Minimum pension liability	-	-	4,734
Other	23,725	17,960	16,840
Total liabilities	462,637	511,949	459,693
Commitments and contingencies			
Stockholders' equity:			
Common stock, \$.01 par value per share, 100,000,000 shares authorized; 31,874,055, 31,762,077 and 31,017,810 shares issued and outstanding as of March 31, 2004, December 31, 2003 and March 31, 2003, respectively	319	318	310
Additional paid-in capital	528,055	519,438	497,955
Deferred stock compensation	(24,941)	(21,649)	(19,326)
Retained deficit	(65,431)	(59,346)	(102,658)
Stock held by subsidiary	(20,311)	(12,846)	(4,659)
Stock held in trust	(230)	(460)	(460)
Accumulated other comprehensive income (loss)	13,242	5,536	(21,917)
Total stockholders' equity	430,703	430,991	349,245
	\$ 893,340	\$ 942,940	\$ 808,938

Please reference attached financial statement notes.

JONES LANG LASALLE INCORPORATED
Summarized Consolidated Statements of Cash Flows
For the three Months Ended March 31, 2004 and 2003
(in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2004 (3)	2003 (3)
Cash provided by earnings	\$ 6,704	\$ 7,178
Cash used in working capital	(47,360)	(30,984)
Cash provided by (used in) investing activities	158	(2,216)
Cash provided by financing activities	377	25,853
Net decrease in cash	<u>(40,121)</u>	<u>(169)</u>
Cash and cash equivalents, beginning of period	63,105	13,654
Cash and cash equivalents, end of period	<u>\$ 22,984</u>	<u>\$ 13,485</u>

Please reference attached financial statement notes.

JONES LANG LASALLE INCORPORATED
Schedule of Non-Recurring and Restructuring Charges
For the Three Months Ended March 31, 2004 and 2003
(in thousands, except share data)
(Unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2004</u>	<u>2003</u>
<u>Non-Recurring & Restructuring Charges</u>		
Abandonment of Property Management Accounting System		
- Compensation & Benefits	-	-
- Operating, Administrative & Other	190	-
2001 Global Restructuring Program		
- Compensation & Benefits	(35)	-
- Operating, Administrative & Other	-	-
2002 Global Restructuring Program		
- Compensation & Benefits	(175)	(444)
- Operating, Administrative & Other	-	500
Total Non-Recurring & Restructuring Charges (Credits)	<u>(20)</u>	<u>56</u>
Net expense (benefit) for Income Taxes on Non-Recurring and Restructuring Charges	6	(19)
Non-Recurring and Restructuring Charges (Credits) After Tax	<u>(14)</u>	<u>37</u>
Diluted Weighted Average Shares Outstanding	31,045,367	30,715,364
Per Share Impact of Non-Recurring and Restructuring Charges (Credits)	(0.00)	0.00

Please reference attached financial statement notes.

JONES LANG LASALLE INCORPORATED
CURRENCY ANALYSIS OF REVENUES AND OPERATING INCOME (LOSS)

(in millions)

(Unaudited)

	<u>Pound Sterling (4)</u> \$	<u>Euro</u> \$	<u>Australian Dollar</u> \$	<u>US Dollar (4)</u> \$	<u>Other</u> \$	<u>TOTAL</u> \$
REVENUES (4)						
Q1, 2004	50.5	43.5	17.6	77.9	33.3	222.8
Q1, 2003	37.7	37.2	13.7	70.0	29.3	187.9
OPERATING INCOME (LOSS) (4)						
Q1, 2004	-2.5	4.8	-1.5	-3.4	-2.0	-4.6
Q1, 2003	-2.6	2.9	-1.4	-2.4	-3.4	-6.9
AVERAGE EXCHANGE RATES						
Q1, 2004	1.842	1.246	0.764	N/A	N/A	N/A
Q1, 2003	1.600	1.075	0.595	N/A	N/A	N/A

Please reference attached financial statement notes.

JONES LANG LASALLE INCORPORATED
Financial Statement Notes

- (1) EBITDA represents earnings before interest expense, income taxes, depreciation and amortization. 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.

Reconciliation from operating loss to EBITDA (in thousands):

	Three Months Ended March 31,	
	2004	2003
Operating loss	\$ (4,637)	\$ (6,897)
Plus: Depreciation and amortization	8,302	9,690
EBITDA	<u>\$ 3,665</u>	<u>\$ 2,793</u>

- (2) 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.
- (3) The consolidated statements of cash flows are presented in summarized form. Please reference our first quarter Form 10-Q for detailed consolidated statements of cash flows.
- (4) 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 operating income (loss). The operating income (loss) 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 operating income (loss) 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 IOS segments. In particular, as incentive fees are earned by this business, there may be significant shifts in the geographic mix of revenues and operating income (loss).