JONES LANG LASALLE INC
Form 10-K
February 27, 2015

United States
Securities and Exchange Commission
Washington, D.C. 20549
Form 10-K
Annual Report Pursuant to Section 13 or 15(d) of the Securities Act of 1934

For the fiscal year ended December 31, 2014 Commission File Number 1-13145
Jones Lang LaSalle Incorporated
(Exact name of registrant as specified in its charter)

Maryland	36-4150422
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 East Randolph Drive, Chicago, IL	60601
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 312-782-5800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock ($.01 par value)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [X] No [ ]
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.
Yes [ ] No [X]
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such period that the registrant was required to submit and post such files). Yes [X] No [ ]
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [ ]
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Large accelerated filer [X] Accelerated filer [ ] Non-accelerated filer [ ]
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]
The aggregate market value of the voting stock (common stock) held by non-affiliates of the registrant as of the close of business on July 1, 2014 was $5,611,263,806.
The number of shares outstanding of the registrant's common stock (par value $0.01) as of the close of business on February 23, 2015 was 44,834,250.

Portions of the Registrant's Proxy Statement for its 2015 Annual Meeting of Shareholders are incorporated by reference in Part III of this report.

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ITEM 1. BUSINESS

COMPANY OVERVIEW

Jones Lang LaSalle Incorporated ("Jones Lang LaSalle," which we may refer to as "JLL," "we," "us," "our," the "Company" or the "Firm") was incorporated in 1997. Our common stock is listed on The New York Stock Exchange under the symbol "JLL."

We are a financial and professional services firm specializing in real estate. We offer comprehensive integrated services on a local, regional and global basis to owner, occupier, investor and developer clients seeking increased value by owning, occupying or investing in real estate. We have more than 230 corporate offices worldwide from which we provide services to clients in more than 80 countries. We have approximately 58,100 employees, including 33,300 employees whose costs our clients reimburse.

In March 2014, we announced that we will use JLL as our principal trading name. Jones Lang LaSalle Incorporated remains our legal name. We have registered JLL as a trademark and have also introduced the following refreshed logo:

Using the shorter JLL name in the marketplace is a natural evolution of the firm's historically rich brand, recognizing that it is a truly global company located in multiple markets, with a wide range of expertise applied through many different client services. It also represents its adaptation to different communication styles in different countries, languages and channels, and especially the use of digital and online channels for marketing and communications.

JLL delivers an array of Real Estate Services ("RES") across three geographic business segments: (1) the Americas, (2) Europe, Middle East and Africa ("EMEA") and (3) Asia Pacific.

LaSalle Investment Management, a wholly-owned member of the Jones Lang LaSalle group that comprises our fourth business segment and uses LaSalle as its principal trading name, is one of the world's largest and most diversified real estate investment management firms. During 2014, we also refreshed the LaSalle brand and logo as follows:

In 2014, we generated record-setting fee revenue of $4.7 billion across our four business segments, an 18% increase over 2013 in local currency. We believe we remain well-positioned to take advantage of the opportunities in a consolidating industry and to navigate successfully the dynamic and challenging markets in which we compete worldwide.

We are proud to be a preferred provider of global real estate services, an employer of choice, a consistent winner of industry awards and a valued partner to the largest and most successful companies and institutions in the global marketplace.

In December 2014, Standard & Poor's Ratings Services ("S&P") announced that it had raised JLL's investment grade credit rating to BBB from BBB-. JLL's issuer and senior unsecured ratings from both S&P (BBB) and Moody's Investors Service, Inc. (Baa2) are now aligned as solid investment-grade ratings. The rating increase follows S&P's outlook change for JLL to positive in June 2014 and a recently announced change in ratings methodology. In its June analysis, S&P recognized JLL's conservative financial management, competitively strong market positions, wide geographic presence and well-executed global growth strategy.

For discussion of our segment results, please see "Results of Operations" and "Market Risks" within Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, as well as Note 3, Business

Segments, in the Notes to Consolidated Financial Statements.

Awards

We won numerous awards with respect to 2014, reflecting the quality of the services we provide to our clients, the integrity of our people and our desirability as a place to work. As examples, we were named:

- One of America's Best Managed Companies by Forbes
- For the sixth consecutive year, one of the Global Outsourcing 100 - International Association of Outsourcing Professionals
- For the seventh consecutive year, one of the World's Most Ethical Companies by the Ethisphere Institute.
- As having a perfect score on the Human Rights Campaign Foundation's 2015 Corporate Equality Index, a national benchmarking survey on corporate policies and practices related to LGBT workplace equality
- As a Winning "W" Company and were listed on the 2020 Honor Roll by the 2020 Women on Board
- As having one of the Top Ten Most Innovative Law Departments, by InsideCounsel.
- One of the Best Places to Work by a number of local publications
- Best in Class - Real Estate Interactive Media Award for Cities Research Center
- Best of the Best - Top Diversity Employer and Top Supplier Diversity Program by Black EOE Journal
- McDonald's Environmental Leader Product of the Year
- 2014 Energy Star Sustained Excellence Award by the U.S. Environmental Protection Agency
- Best Performing Property Brand by the Managing Partners' Forum Awards for Management Excellence
- Best Property Consultancy: China, Hong Kong, Japan, Philippines, Singapore, Indonesia, and India at the International Property Awards for Asia Pacific
- Investment Agency Team of the Year from UK Property Awards
- Best Places to Work in Money Management by Pensions & Investments
- Real Estate Investment Management Firm of the Year in Germany by International Fund Awards
- Best Performing Fund in Pan-European Property Fund Index by IPD European Property Investment Awards

Services and Clientele

The broad range of real estate services we offer includes (in alphabetical order):

Agency Leasing	Project and Development Management / Construction
Capital Markets	Property Management (Investors)
Corporate Finance	Real Estate Investment Banking / Merchant Banking
Energy and Sustainability Services	Research
Facility Management Outsourcing (Occupiers)	Strategic Consulting and Advisory Services
Investment Management	Tenant Representation
Lease Administration	Transaction Management
Logistics and Supply-Chain Management	Valuations
Mortgage Origination and Servicing	Value Recovery and Receivership Services

We offer these services locally, regionally and globally to real estate owners, occupiers, investors and developers for a variety of property types, including (in alphabetical order):

Critical Environments and Data Centers	Infrastructure Projects
Cultural Facilities	Military Housing
Educational Facilities	Office Properties
Government Facilities	Residential Properties (Individual and Multi-Family)
Healthcare and Laboratory Facilities	Retail Properties and Shopping Malls
Hotels and Hospitality Facilities	Sports Facilities

Industrial and Warehouse Properties	Transportation Centers

Individual regions and markets may focus on different property types to a greater or lesser extent depending on local requirements, market conditions and the strength of the business opportunities we perceive.

We work for a broad range of clients who represent a wide variety of industries and are based in markets throughout the world. Our clients vary greatly in size and complexity. They include for-profit and not-for-profit entities of all kinds, public-private partnerships and governmental ("public sector") entities. Increasingly, we are also offering services to middle-market companies seeking to outsource real estate services. Through LaSalle, we invest for clients on a global basis in both publicly traded real estate securities and private real estate assets and debt obligations. As an example of the breadth and significance of our client base, we provide services to approximately half of the Fortune 500 companies and approximately 70% of the Fortune 100 companies.

Distinguishing Attributes

The attributes that enhance our services and distinguish our Firm, which we discuss in more detail below under "Competitive Differentiators," include:

- Our focus on client relationship management as a means to provide superior client service on an increasingly coordinated basis;
- Our integrated global services platform;
- The quality and worldwide reach of our industry-leading research function, enhanced by applications of technology and our ability to synthesize complex information into practical advice for clients;
- Our reputation for consistent and trustworthy service delivery worldwide, as measured by our creation of best practices and by the skills, experience, collaborative nature and integrity of our people;
- Our ability to deliver innovative solutions and technology applications to assist our clients in maximizing the value of their real estate portfolios;
- Our local market knowledge;
- The strength of our brand and reputation;
- The strength of our financial position;
- Our high staff engagement levels;
- Our efforts to deliver the best possible returns for investment management clients;
- The quality of our internal governance and enterprise risk management; and
- Our sustainability leadership.

We have grown our business by expanding our client base and the range of our services and products, both organically and through a series of strategic acquisitions and mergers. Our extensive global platform and in-depth knowledge of local real estate markets enable us to serve as a single-source provider of solutions for the full spectrum of our clients' real estate needs. We began to establish this network of services across the globe through the 1999 merger of the Jones Lang Wootton companies ("JLW," founded in England in 1783) with LaSalle Partners Incorporated ("LaSalle Partners," founded in the United States in 1968).

Jones Lang LaSalle History and Acquisition Activities

Prior to our incorporation in Maryland in April 1997 and our initial public offering (the "Offering") of 4,000,000 shares of common stock in July 1997, JLL conducted its real estate services and investment management businesses as LaSalle Partners Limited Partnership and LaSalle Partners Management Limited Partnership (collectively, the Predecessor Partnerships). Immediately prior to the Offering, the general and limited partners of the Predecessor Partnerships contributed all of their partnership interests in the Predecessor Partnerships in exchange for an aggregate of 12,200,000 shares of common stock.

In March 1999, LaSalle Partners merged its business with that of JLW and changed its name to Jones Lang LaSalle Incorporated. In connection with the merger, we issued 14,300,000 shares of common stock and paid cash consideration of $6.2 million.

Since 2005, we have completed more than 60 acquisitions as part of our global growth strategy. These strategic acquisitions have given us additional share in key geographical markets, expanded our capabilities in certain service areas and further broadened the global platform we make available to our clients. These acquisitions have increased our presence and product offering globally, and have included acquisitions in the United Kingdom, Finland, France, Germany, the Netherlands, Sweden, Poland, Spain, Portugal, Turkey, Dubai, South Africa, Hong Kong, Singapore, Malaysia, Japan, Indonesia, India, the Philippines, Australia, Canada, Brazil and the United States.

We believe our market reach strengthens the long-term value of the enterprise in a number of ways, including by (1) protecting us from episodic volatility or disruption in any specific region, (2) enhancing the expertise of our people through knowledge sharing among colleagues across the globe and (3) allowing us to identify and react to emerging trends and risks quickly.

In January 2006, we acquired Spaulding & Slye, a privately held real estate services and investment company with 500 employees that significantly increased the Firm's market presence in New England and Washington, D.C.

In a multi-step acquisition starting in 2007, we acquired the former Trammell Crow Meghraj ("TCM"), one of the largest privately held real estate services companies in India. We have combined TCM's operations with our Indian operations and we now operate under the JLL brand name throughout India.

In May 2008, we acquired Kemper's Holding GmbH, making us the largest retail property advisor in Germany.

In July 2008, we acquired Staubach Holdings Inc. ("Staubach"), a U.S. real estate services firm specializing in tenant representation. Staubach, with 1,000 employees, significantly enhanced our presence in key markets across the United States and made us an industry leader in local, national and global tenant representation. The acquisition also established us as the market leader in public sector services and added scale to our industrial brokerage, investment sales, corporate finance and project and development services.

In May 2011, we completed the acquisition of King Sturge, a United Kingdom-based international property consultancy. The King Sturge acquisition, which extended our historical roots back to its founding in 1760, significantly enhanced the strength and depth of our service capabilities in the United Kingdom and in continental Europe, adding approximately 1,400 employees.

In 2014, we completed ten new acquisitions that expanded our capabilities in key regional markets: (1) GCL Europe, a leading French logistics and supply chain firm, (2) Tenzing AB, a Swedish leader in property investment advice, (3) YY Property Solutions Sdn Bhd, providing real estate agency and investment services across office, retail, industrial and residential sectors in Malaysia, (4) CLEO Construction Management, a California-based construction project management services firm that specializes in medical facilities, (5) Tasaciones Hipotecarias, the regulated real estate valuation subsidiary of BNP Paribas Real Estate Spain, an important strategic growth initiative for our finance sector business, (6) W.A. Ellis, a U.K.-based firm, strengthening our residential capability in the central London market and creating a leading prime estate agency business, (7) CRESA Portland LLC, a leading tenant representative and corporate services provider in Portland, expanding our Northwest Pacific presence, (8) Coverpoint Foodservice Consultants, U.K.-based specialist food and beverage advisers, expanding our European Retail & Leisure Consulting team, (9) the international residential project sales business of Henry Butcher, a leading Malaysian-based real estate advisory firm, and (10) Novo Interior, expanding our Tetris business in Portugal. We also purchased a portion of the remaining minority ownership in our Indian operations, for which we had previously recorded a Minority shareholder redemption liability on our Consolidated Balance Sheet, increasing our total ownership from 90% to 95%.

We will continue to consider acquisitions that we believe will strengthen our market positions, expand our service offerings, increase our profitability and supplement our organic growth.

Value Drivers for Providing Superior Client Service and Prospering as a Sustainable Enterprise

Our mission is to deliver exceptional strategic fully-integrated services, best practices and innovative solutions for real estate owners, occupiers, investors and developers worldwide. We deliver a combination of services, expertise and technology applications on an integrated global platform that we own (and do not franchise), the totality of which we believe distinguishes us from our competitors and contributes to service excellence and customer loyalty. While we face high-quality competition in individual markets, we believe that we have a unique set of attributes that makes us the best choice for clients seeking real estate and investment management services on a world-wide basis. We have the size and scale of resources necessary to deliver the expertise of the Firm wherever clients need it. Our culture of client service, teamwork, and integrity means that we can marshal those resources to deliver the greatest possible value and results. Our "client first" and ethical orientation means that our people focus on how we can best provide what our clients need and want, with integrity and transparency. Our governance and enterprise risk management orientation means that we have built an enterprise that clients can rely on over the long-term. Our strong intellectual capital, our long-term approach to business and our ability to anticipate, interpret and respond to the trends influencing our industry sector mean that we are quick and nimble in adapting to new challenges and opportunities in a fast changing world and in supporting our clients to do the same. In totality, these aspects result in a sustainable business model that supports and promotes our short, medium and long-term successes and creates financial and non-financial benefits for our stakeholders and the global community.

Consultancy practices typically do not share our implementation expertise or local market awareness. Investment banking and investment management competitors generally possess neither our local market knowledge nor our real estate service capabilities. Traditional real estate firms lack our financial expertise and operating consistency. Other global competitors, which we believe franchise at least some of their offices through separate owners, do not have the same level of business coordination or consistency of delivery that we can provide through our network of wholly-owned offices, directly-employed personnel and integrated information technology, human resources and financial systems. That network also permits us to promote a high level of governance, enterprise risk management and integrity throughout the organization and to leverage our diverse and welcoming culture as a competitive advantage in developing clients, recruiting employees and acquiring businesses.

We have designed our business model to (1) create value for our clients, shareholders and employees and (2) establish high-quality relationships with the suppliers we engage and the communities in which we operate. Our synergistic approach seeks to derive business benefits from the application and intersection primarily of human resources, financial and intellectual capital and technology. Based on our established presence in, and intimate knowledge of, local real estate and capital markets worldwide, and supported by our investments in thought leadership, technology and the use of electronic and digital means to gather, analyze and communicate information relevant to our constituencies, we believe that we create value for clients by addressing their local, regional and global real estate needs as well as their broader business, strategic, operating and longer-term sustainability goals. Given the increasingly global and interconnected marketplace in which many of our clients compete, our own capacity to deliver global solutions has also become increasingly important to our business model.

We strive to create a healthy and dynamic balance between (1) activities that will produce short-term value and returns for our stakeholders through effective management of current transactions and business activities and (2) investments in people (such as new hires), acquisitions, technologies and systems designed to produce sustainable returns over the longer term.

Our financial strength and our reputation for integrity, strong governance and transparency, which we believe are among the strongest in the industry, give our clients confidence in our long-term ability to meet our obligations to them.

The ability to create and deliver value to our clients drives our revenue and profits, which in turn allows us to invest in our business and our people, improving productivity and shareholder value. In doing so, we enable our people to advance their careers by taking on new and increased responsibilities within a dynamic environment as our business expands geographically, adds adjacent service offerings and develops new competencies. We are also increasingly able to develop and expand our relationships with suppliers of services to our own organization as well as to our clients, for whom we serve a significant intermediary role. By expanding employment both internally and to outsourced providers, we stimulate economically the locations in which we operate, and we increase the opportunities for those we directly or indirectly employ to engage in community services and other activities beneficial to society.

Attributes of Our Business Model

Global Governance Structure

To achieve our mission, we must establish and maintain an enterprise that will sustain itself over the long term for the benefit of all of our stakeholders, clients, shareholders, employees, suppliers and communities, among others. Accordingly, we have committed ourselves to effective corporate governance that reflects best practices and the highest level of business ethics. For a number of years, we have governed the organization through a highly coordinated framework within which decisions are deliberated and corporate authority is derived.

GLOBAL STRATEGIC PRIORITIES

To continue to create on-going value for our clients, shareholders and employees, both from current and longer-term perspectives, we have identified five strategic priorities, which we call the G5. Although we have grown significantly over the past decade, we believe we have a substantial opportunity to continue to grow and prosper by providing our core services within our key markets, whose potential remains large given the global magnitude of commercial and residential real estate, broadly defined. From time to time we may add adjacent services that are not part of our historical core functions, but we intend these to be opportunistic in nature and targeted to individual geographical locations. An example is that we have successfully expanded the cross-border brokerage of high-end residential properties in London with the 2011 King Sturge merger, followed by the acquisition of W.A. Ellis during 2014. A second example is the expansion of the Tetris-branded fit-out business we originally acquired in France and have been introducing into other countries, including as the result of additional acquisitions.

We regularly re-evaluate whether the G5 continue to be the right priorities for best driving the business forward toward the overall objective of on-going value creation.

G1: Build our Leading Local and Regional Service Operations

Our strength in local and regional markets contributes to the strength of our global service capabilities. Our financial performance also depends, in great part, on the business we source and execute locally from our more than 230 wholly-owned offices around the world. We continually seek to leverage our established business presence in the world's principal real estate markets to provide expanded and adjacent local and regional services without a proportionate increase in infrastructure costs. We believe that these capabilities will continue to fuel our competitive advantage and make us more attractive to current and prospective clients, as well as to revenue-generating employees such as brokers and client relationship managers.

Metrics: During 2014, we completed 33,500 transactions for landlord and tenant clients, a 16% increase over 2013, representing 662 million square feet of space.

G2: Strengthen our Leading Position in Corporate Solutions

The accelerating trends of globalization, cost cutting, energy management and the outsourcing of real estate services by corporate occupiers support our decision to emphasize a truly global Corporate Solutions business that serves the comprehensive needs of corporate clients. This service delivery capability helps us create new client relationships, particularly as companies turn to outsourcing their real estate as a way to manage expenses and to implement sustainable practices. These services have proved to be counter-cyclical, as we have seen demand for them strengthen when the economy has weakened. In addition, a number of corporate clients are demanding the cross-regional capabilities that we can deliver.

Metrics: During 2014, we provided corporate facility management services for approximately 1.1 billion square feet of clients' real estate, a 5% increase from 2013. From large corporations, we had 58 new wins, 53 expansions of existing relationships and 22 contract renewals. From middle-market corporations, we had 61 new wins.

G3: Capture the Leading Share of Global Capital Flows for Investment Sales

Our focus on further developing our ability to provide global Capital Markets services reflects the increasingly international nature of cross-border money flows into real estate and the global marketing of real estate assets. Our real estate investment banking capability helps provide capital and other financial solutions by which our clients can maximize the value of their real estate.

Metrics: During 2014, we provided capital markets services for $118 billion of client transactions, a 19% increase from 2013.

G4: Strengthen LaSalle Investment Management's Leadership Position

With its integrated global platform, LaSalle is well-positioned to serve institutional real estate investors looking for attractive opportunities around the world. Increasingly, it has also been developing its ability to serve individual retail investors. LaSalle develops and implements strategies based on a thorough understanding of investor objectives and knowledge of risks and rewards. We intend to continue to maintain strong offerings in core products to meet the demand from clients who seek lower risk investments in the most stable and mature real estate markets. In addition, we continue to strengthen our capabilities in value-add, opportunistic and debt strategies to meet evolving client objectives.

Metrics: At the end of 2014, LaSalle had assets under management of $53.6 billion, an increase of 13% over 2013 while raising $8.9 billion of capital, the highest since 2007.

G5: Connections: Differentiate and Sustain the Organization by Connecting Across the Firm and with Clients and other Stakeholders

Connecting. To create real value and new opportunities for our clients, shareholders and employees, we regularly work to strengthen and fully leverage the links between our people, service lines and geographies to better connect with our clients and put the Firm's global expertise and experience to work for them. This includes constantly striving to leverage use of the Internet and emerging social media to gather, analyze and disseminate information that will be useful to our clients, employees, vendors and other constituencies. Linking our operations effectively to make service delivery more efficient not only serves client needs, it also contributes to our profitability and enhances our ability to identify and manage the enterprise risks inherent in our business.

Differentiating and Sustaining. We also recognize that the value we deliver to our clients, shareholders, employees and the global community closely relates to our Firm's people, brand, ethics and technology. As a professional services company, the focus on our people is paramount. Because our human capital contributes strongly to high-quality client service, this includes a focus on areas such as: employee productivity; health, safety and well-being; talent development and compensation; and diversity. Coupled with a strong brand and high ethical standards, our active role as good corporate citizens enables our long-lasting presence. Our use of technology to provide information to our clients and to improve the ability of our people play an undeniable role in maximizing our clients' real estate value, shaping our industry's response to global challenges such as market risk, climate change and urbanization. These values and culture help us embed sustainability principles throughout the enterprise and successfully differentiate us from our competition, therefore ensuring we continue our more than 250 year history.

Metrics: Our Employee Engagement Index, which measures the percentage of survey respondents reporting high levels of engagement with the Firm and their work reached 73% as measured in 2012, the last year we conducted a full survey.

We have committed resources to each of the G5 priorities in past years and expect to continue to do so in the future. This strategy has helped us weather economic downturns, continue to grow market share, expand our services by developing adjacent offerings and take advantage of new opportunities.

Our strategic review has validated the continued potential for our G5 priorities to drive the long-term sustained growth of our firm and deliver real value to our clients. In order to derive the full advantage of that potential, we recognize the need to accelerate the development of the G5 in order to meet the challenges of our dynamic markets and the specific themes we have identified such as globalization and urbanization. We will do this by targeting our efforts and capital resources to:

- Deploy innovative technology that allows our people to mine the depth of our intellectual property in order to provide the most sophisticated possible advice and service to our clients.
- Apply best practices in human resources to supply our businesses with well-trained, engaged and diverse employees and create an overall culture that serves to retain our top talent.
- Promote an updated and modern brand that fully leverages our digital capabilities and clearly reflects the breadth of our expertise, wisdom, governance and integrity.
- Establish and standardize tools and processes that make our operations highly productive and minimize losses from enterprise risk.

By continuing to invest in the future based on how our strengths can support the needs of our clients, we intend to enhance our position as an industry leader. Although we have validated our fundamental business strategies, each of our businesses continually re-evaluates how it can best serve our clients as their needs change, as technologies and the application of technologies evolve and as real estate markets, credit markets, economies and political environments exhibit changes, which in each case may be dramatic and unpredictable.

STRATEGY 2020: OUR FUTURE ORIENTATION

During the past four years, we have been conducting a significant internal process called our Strategy 2020 Project, which we designed to identify specific business and operational strategies that we believe will best drive the continued success of the G5 priorities over the longer term. They include:

- Employing an investment philosophy and filters that are focused on growth that will best meet client needs and concentrate on the most lucrative potential services, markets and cities;
- Establishing charters for internal business boards with responsibility for promoting more inter-connected global approaches, where appropriate, to client services and delivery;
- Using technology, including emerging digital, Internet and social media capabilities, to provide information to clients to help them maximize the value of their real estate portfolios and to mine and apply our knowledge to improve the ability of our people to provide superior client services;
- Deploying additional tools and metrics that will make our people as productive and efficient as possible;
- Determining how best to marshal, train, recruit, motivate and retain the human resources that will have the skill sets, diversity and other abilities necessary to accomplish our strategic objectives;
- Continuing to develop our brand and reputation for high quality client service, integrity and intimate local and global market knowledge;
- Building our brand in digital and social media channels; and
- Continuing to promote best-in-class governance, compliance, enterprise risk management and professional standards to operate a sustainable organization capable of meeting the significant challenges and risks inherent in global markets and to minimize disruptions to, and distractions from, the accomplishment of our corporate mission.

Viewed as complementary strategies, the G5 and Strategy 2020 work in combination to provide both short- and long-term paths to sustained success for our Firm.

As a professional services organization, the principal capitals we deploy are (1) human resources enabled by (2) intellectual property in the form of market knowledge, technology and innovation, and a reputation for quality, expertise and integrity that is reflected by the strength of our brand and (3) financial resources. Our 2020 strategy review confirmed that the historical approach we have taken to our business should sustain us in the future. We believe there is ample room for growth within our core markets and competencies without having to resort to particularly different business lines to continue to grow and prosper as a business organization. We will, however, maintain an open mind to moving into adjacent businesses where local teams identify specific opportunities.

We also believe that our historical approach to growth through a combination of organic development of talent and opportunistic acquisitions continues to be the best overall approach for us. Our business model has natural risk mitigation benefits derived from the diversity of our geographic presence, asset classes served and complementary service lines. This diversity also provides revenue streams that have both short-term transactional and longer-term annuity characteristics.

During 2014, we devoted continued significant efforts and resources, including at a meeting of the senior leaders from across our business, to implement our 2020 strategies and priorities through the deployment of cross-functional workstreams that have engaged our leadership globally. We expect these workstreams to continue for the foreseeable future and we have put a mechanism in place for both our Board of Directors and our Global Executive Board to monitor and influence their progress on a regular basis.

Our Strategy 2020 Project identified certain particular challenges we will need to confront to successfully implement its goals:

- In terms of our financial capital, we recognize the challenge of maintaining healthy short-term profit margins while continuing to invest in the further growth of the business. As there is constant fee pressure from our clients that is inherent in a competitive professional services environment, we need to continue to find additional ways to increase the productivity of our people so that we can drive higher revenue per person. Additional productivity can be derived by improved application of technology, by continuous process improvements and through increased staff well-being and training and development, among other techniques.

- In terms of our human capital, we recognize that our investments in talent will continue to be a primary method of creating long-term value and that continuing business growth will necessitate the growth and increased flexibility and diversity of our workforce. This can be a challenge, particularly in emerging markets, where the available pool of talent does not necessarily have the skill sets we need. Consequently, we may need to establish our own training programs beyond what is typically required for companies in developed markets. Increased reliance on third-party suppliers may create challenges in terms of due diligence, performance management and ensuring that third-party personnel have the same level of commitment and integrity as we demand in our own people. In developed markets, the challenge of growing a workforce with the requisite skill sets can be frustrated by the targeted efforts of competitors to hire away our people, including sometimes by offering above-market compensation.

- In terms of our intellectual capital, we recognize the challenge of continuing to identify innovations through which we can provide increasingly valuable services to our clients, including as the result of developing, identifying and successfully applying new technologies to our business processes. We also must confront the challenges inherent in managing and mining the significant data in our systems so that it can be made useful to our people and maximized in terms of our ability to analyze it in a sophisticated way for the benefit of our clients. As we develop our intellectual capital, we need to make sure our brand, and the awareness it generates in the marketplace, keeps pace with our capabilities and the messages we want associated with them in the minds of current and prospective clients, employees and other third parties in the business community and society at large.

Greater alignment with The International <IR> Framework

Building on the Strategy 2020 Project and as an important part of our Integrated Reporting approach, in 2014 we proceeded to identify and interrogate a number of additional medium- to long-term global megatrends with the potential to impact materially upon our business. Using the 'six capitals' model advocated by the International Integrated Reporting Council, this review encompassed a strong focus on non-financial trends, as potential future challenges and opportunities were identified across all six capitals (financial, human, intellectual, manufactured, social and natural).

While JLL is most heavily dependent on financial, human and intellectual capital in order to execute its own operations, significant trends were identified with implications for our business across all six capitals. Furthermore, changes in the availability of all six capitals’ stocks impact our clients’ businesses, and by extension, our service provision. Through internal consultation, 21 trends were identified as being significant for the business in the medium- to long-term. All of these "Global Trends" which we are tracking and/or actively managing are illustrated in the table below. The "JLL Activities" which address these trends are summarized in the table below primarily via a combination of references to (1) sections within Items 1 and 1A in this Form 10-K and (2) resources we publish on our website where relevant points are discussed in more detail.

Type of Capital	Global Trends	JLL Activities
Financial	Continued risk of financial crises	Maintaining our financial strength as a differentiator; Financial Risk Factors Enterprise Risk Management; External Market Risk Factors
	Potential increase in disruptive market cycles	Enterprise Risk Management; External Market Risk Factors; Financial Risk Factors
	Shift towards emerging markets	G1: Build our Leading Local and Regional Service Operations Strategy 2020 focus on potential growth markets and cities
	Regulatory reform in banking & other sectors	Enterprise Risk Management; Internal Operational Risk Factors
	Growth increasingly dependent on productivity gains	Strategy 2020 focus on productivity
	Global push against tax avoidance	Enterprise Risk Management; External Market Risk Factors; Financial Risk Factors
Human	Changing demographics affects workplace profiles	Enterprise Risk Management; Human Resource Risk Factors
	Growing importance of technology in the workplace	G5: Connections Strategy 2020 Internal HR programs for data & technology and social media
	Evolving leadership needs	Leadership pipeline development program
	Diversity is equated with "good business"	Strategy 2020 Sustainability Report 2013 (on our website) Diversity and Inclusion Report (on our website)
Intellectual	Increased risk of cyber-attacks and data theft	Enterprise Risk Management; Internal Operational Risk Factors
	Intellectual capital becomes increasingly disseminated	Strategy 2020 focus on technology, digital and social media Enterprise Risk Management; Internal Operational Risk Factors
	Digital technology transforms how people live and work	Strategy 2020 focus on technology, digital and social media
Manufactured	Urbanization trends, including rapid urbanization and ‘megacities'	G1: Build our Leading Local and Regional Service Operations Strategy 2020 focus on potential growth markets and cities JLL Cities Research Centre (on our website)
	Changing levels of demand for different types of real estate	Strategy 2020 focus on most lucrative potential services JLL Research
	Expansion of the global investable real estate universe	G3: Capture the Leading Share of Global Capital Flows for Investment Sales G4: Strengthen LaSalle Investment Management's Leadership Position
Social	Unprecedented levels of transparency	Code of Business Ethics and Corporate Sustainability Transparency Report 2013 (on our website)

		Enterprise Risk Management; External Market Risk Factors
	Increasing political instability and conflict	Enterprise Risk Management; External Market Risk Factors
	Businesses need to demonstrate social contribution	Sustainability Report 2013 (on our website)
Natural	Increase in extreme weather events	Enterprise Risk Management; External Market Risk Factors Global Sustainability & Cities Research
	Natural resources in increasingly short supply	Enterprise Risk Management; Internal Operational Risk Factors Sustainability Report 2013 (on our website)

SUSTAINING OUR ENTERPRISE: A BUSINESS MODEL THAT COMBINES CAPITALS TO CREATE STAKEHOLDER VALUE

We have designed our business model to (1) create value for our clients, shareholders and employees and (2) establish high-quality relationships with the suppliers we engage and the communities in which we operate. Our synergistic approach seeks to derive business benefits from the application and intersection primarily of human resources, financial and intellectual capital and technology. Based on our intimate knowledge of local real estate and capital markets worldwide, as well as our investments in thought leadership and technology, we create value for clients by addressing their real estate needs as well as their broader business, strategic, operating and longer-term sustainability goals. Given the increasingly global and interconnected marketplace in which many of our clients compete, our own capacity to deliver global solutions has also become increasingly important to our business model.

We strive to create a healthy and dynamic balance between (1) activities that will produce short-term value and returns for our stakeholders through effective management of current transactions and business activities and (2) investments in people (such as new hires), acquisitions, technologies and systems designed to produce sustainable returns over the longer term.

Our financial strength and our reputation for integrity, strong governance and transparency, which we believe are among the strongest in the industry, give our clients confidence in our long-term ability to meet our obligations to them.

We apply our business model to the resources and capitals that we employ to provide services to assets owned or occupied by our clients. We provide these services through our own employees and, where necessary or appropriate in the case of property and facility management and project and development services, the management of third-party contractors. The revenue and profits we earn from those efforts are divided between further investments in our business, employee compensation and returns to our shareholders. We are increasingly focused on linking our business and sustainability strategies to promote the goal of creating long-term value for our shareholders, clients, employees and the global community of which our firm is part. These efforts help our clients manage their real estate more effectively and efficiently, promote employment globally and create wealth for our shareholders and employees. In turn, they allow us to be an increasingly impactful member of, and positive force within, the communities in which we operate. The following reflects a holistic picture of the inter-relatedness and dependencies of the different factors that constitute our business model and affect our ability to create value over time.

This diagram summarizes how we create value for our shareholders and our broader stakeholders. It starts with the capital resources – or inputs - that we need to do business. We use these resources to deliver services – or outputs - for our clients through a number of business activities that we closely manage.

The resources we use are broadly comparable to many other professional services firms globally. However, what makes JLL unique is that we provide real value in a changing world: both through the implementation of our G5 business strategy and the medium-term Strategy 2020 to future-proof our business model.

Finally, there are outcomes of our business model, which can be both positive and negative. We realize that these outcomes will eventually become our resources once again, so our business model is designed in a way that keeps our impact low and our influence on quality resources high. Ultimately, this business model shows how we seek to derive long-term profit by the sustainable use of all resources.

BUSINESS SEGMENTS

We report our operations as four business segments. We manage our RES product offerings geographically as (1) the Americas, (2) EMEA and (3) Asia Pacific, and we manage our investment management business globally as (4) LaSalle.

There are significant risks inherent in conducting a global business. We describe these in detail below in Item 1A, Risk Factors. Information regarding revenue and operating income or loss, attributable to each of our segments, is included in “Segment Operating Results” within Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and within Note 3 of our Notes to Consolidated Financial Statements. Information concerning the identifiable assets of each of our business segments is also set forth in Note 3 of our Notes to Consolidated Financial Statements.

REAL ESTATE SERVICES: AMERICAS, EMEA AND ASIA PACIFIC

To address the needs of real estate owners and occupiers, we provide a full range of integrated property, project management and transaction services locally, regionally and globally through our Americas, EMEA and Asia Pacific operating segments. We organize our RES in five major product categories:

- Leasing;
- Capital Markets and Hotels;
- Property and Facility Management;
- Project and Development Services; and
- Advisory, Consulting and Other Services.

Across these five broad RES categories, we leverage our deep real estate expertise and experience within the Firm to provide innovative solutions for our clients. For the year ended December 31, 2014, we derived our RES revenue from product categories and regional geographies as follows ($ in millions and showing change from 2013 in local currency):

For Property & Facility Management, Project & Development Services and total RES revenue, the table above shows "Fee Revenue," or revenue net of vendor and subcontract costs that are included both in revenue and expense ("gross contract costs"). We believe that excluding gross contract costs from revenue in this presentation gives a more accurate picture of the revenue growth rates in these RES product categories.

RES Revenue Mix by Business Lines and Geographies

For the year ended December 31, 2014, our global total fee revenue of $4.7 billion was generated in the following countries:

In the Americas, our total RES operating revenue for the year ended December 31, 2014, was derived from the following countries in the proportions indicated below:

In EMEA, our total RES operating revenue for the year ended December 31, 2014, was derived from the following countries in the proportions indicated below:

In Asia Pacific, our total RES operating revenue for the year ended December 31, 2014, was derived from the following countries in the proportions indicated below:

These product categories, and the services we provide within them, include:

1. Leasing Services

Agency Leasing Services executes marketing and leasing programs on behalf of investors, developers, property companies and public entities to secure tenants, and negotiate leases with terms that reflect our clients' best interests. In 2014, we completed approximately 17,300 agency leasing transactions representing approximately 266 million square feet of space. We typically base our agency leasing fees on a percentage of the value of the lease revenue commitment for consummated leases, although in some cases they are based on a dollar amount per square foot.

Tenant Representation Services establishes strategic alliances with clients to deliver ongoing assistance to meet their real estate needs and to help them evaluate and execute transactions to meet their occupancy requirements. Tenant Representation Services is also an important component of our local market services. We assist clients by defining space requirements, identifying suitable alternatives, recommending appropriate occupancy solutions, and negotiating lease and ownership terms with landlords. We help our clients lower their real estate costs, minimize real estate occupancy risks, improve occupancy control and flexibility, and create more productive office environments. We employ a multi-disciplinary approach to develop occupancy strategies linked to our clients' core business objectives.

We determine Tenant Representation Services fees on a negotiated fee basis. In various markets, landlords may be responsible for paying them. Fees sometimes reflect performance measures related to targets that we and our clients establish prior to engagement or, in the case of strategic alliances, at future annual intervals. We use quantitative and qualitative measurements to assess performance relative to these goals, and incentive fees may be awarded for superior performance. In 2014, we completed approximately 16,200 tenant representation transactions representing approximately 396 million square feet of space.

2. Property and Facility Management

Property Management Services provides on-site management services to real estate owners for office, industrial, retail, multi-family residential and specialty properties. We seek to leverage our market share and buying power to deliver superior service and value to clients. Our goal is to enhance our clients' property values through aggressive day-to-day management. We may provide services through our own employees or through contracts with third-party providers. We focus on maintaining high levels of occupancy and tenant satisfaction while lowering property operating costs. During 2014, we provided on-site property management services for properties totaling approximately 2.3 billion square feet.

We typically provide property management services through an on-site general manager and staff. We support them with regional supervisory teams and central resources in such areas as training, technical and environmental services, accounting, marketing and human resources. Our general managers are responsible for property management activities, client satisfaction and financial results. We do not compensate them with commissions, but rather with a combination of base salary and a performance bonus that is directly linked to results they produce for their clients. In some cases, management agreements provide for incentive compensation relating to operating expense reductions, gross revenue or occupancy objectives or tenant satisfaction levels. Consistent with industry custom, management contract terms typically range from one to three years, although some contracts are terminable at will at any time following a short notice period, usually 90 to 120 days, as is typical in the industry.

Integrated Facility Management Services provides comprehensive portfolio and property management services to corporations and institutions that outsource the management of the real estate they occupy. Properties under management range from corporate headquarters to industrial complexes. During 2014, Integrated Facility Management Services managed approximately 1.1 billion square feet of real estate for its clients. Our target clients typically have large portfolios (usually over one million square feet) that offer significant opportunities to reduce costs and improve service delivery. The competitive trends of globalization, outsourcing and offshoring have prompted many of these clients to demand consistent service delivery worldwide and a single point of contact from their real estate service providers. We generally develop performance measures to quantify the progress we make toward goals and objectives that we have mutually determined. Depending on client needs, our Integrated Facility Management Services units, either alone or partnering with other business units to benefit from their particular expertise or local market knowledge, provide services that include portfolio planning, property management, agency leasing, tenant representation, acquisition, finance, disposition, project management, development management, energy and sustainability services and land advisory services. We may provide services through our own employees or through contracts with third-party providers (as to which we may act in a principal capacity or which we may hire as an agent for our clients).

Our Integrated Facility Management Services units are compensated on the basis of negotiated fees that we typically structure to include a base fee and a performance bonus. We base performance bonus compensation on a quantitative evaluation of progress toward performance measures and regularly scheduled client satisfaction surveys. Integrated Facility Management Services agreements are typically three to five years in duration, although some contracts are terminable at will upon a short notice period, usually 30 to 60 days, as is typical in the industry.

We also provide Lease Administration and Auditing Services, helping clients centralize their lease management processes. Whether clients have a small number of leases or a global portfolio, we assist them by reducing costs associated with incorrect lease charges, right-sizing their portfolios through lease options, identifying underutilized assets and ensuring regulatory compliance to mitigate risk.

In the United States, the United Kingdom and selected other countries, we provide Mobile Engineering Services to clients with large portfolios of sites. Rather than using multiple vendors to perform facility services, these companies hire JLL to provide HVAC, electrical and plumbing services, and general interior repair and maintenance. Our multi-disciplined mobile engineers serve numerous clients in a specified geographic area, performing multiple tasks in a single visit and taking ownership of the operational success of the sites they service. This service delivery model reduces clients' operating costs by bundling on-site services and reducing travel time between sites.

3. Project and Development Services

Project and Development Services provides a variety of services to tenants of leased space, owners in self-occupied buildings and owners of real estate investments. These include conversion management, move management, construction management and strategic occupancy planning services. Project and Development Services frequently manages relocation and build-out initiatives for clients of our Property Management Services, Integrated Facility Management Services and Tenant Representation Services units. Project and Development Services also manages all aspects of development and renovation of commercial projects for our clients, serving as a general contractor in some cases. Additionally, we provide these services to public-sector clients, particularly to military and government entities and educational institutions, primarily in the United States and to a limited but growing extent in other countries.

Our Project and Development Services business is generally compensated on the basis of negotiated fees. Client contracts are typically multi-year in duration and may govern a number of discrete projects, with individual projects being completed in less than one year.

In EMEA, we provide fit-out and refurbishment services on a principal basis under the Tetris brand, which is an outgrowth of a previous acquisition completed by our French business.

4. Capital Markets and Hotels

Capital Markets and Hotels Services includes property sales and acquisitions, real estate financings, private equity placements, portfolio advisory activities and corporate finance advice and execution. We provide these services with respect to substantially all types of properties. In the United States, we are a Freddie Mac Program Plus® Seller/Servicer and operate a multi-family lending and commercial loan servicing platform. Real Estate Investment Banking Services includes sourcing capital, both in the form of equity and debt, derivatives structuring and other traditional investment banking services designed to assist investor and corporate clients in maximizing the value of their real estate. To meet client demands for marketing real estate assets internationally and investing outside of their home markets, our Capital Markets Services teams combine local market knowledge with our access to global capital sources to provide superior execution in raising capital for real estate transactions. By researching, developing and introducing innovative new financial products and strategies, Capital Markets Services is also integral to the business development efforts of our other businesses.

Clients typically compensate Capital Markets Services units on the basis of the value of transactions completed or securities placed. In certain circumstances, we receive retainer fees for portfolio advisory services. Real Estate Investment Banking fees are generally transaction-specific and conditioned upon the successful completion of the transaction.

We also deliver specialized Capital Markets Services for hotel and hospitality assets and portfolios on a global basis including investment sales, mergers and acquisitions and financing. We provide services to assets that span the hospitality spectrum: luxury properties; resorts; select service and budget hotels; golf courses; theme parks; casinos;

spas; and pubs.

We provide Value Recovery Services to owners, investors and occupiers to help them analyze the impact of a possible financial downturn on their assets and identify solutions that allow them to respond decisively. In this area, we address the operational and occupancy needs of banks and insurance companies that are merging with or acquiring other institutions. We assist banks and insurance companies with challenged assets and liabilities on their balance sheets by providing valuations, asset management, loan servicing and disposition services. We provide receivership services and special asset servicing capabilities to lenders, loan servicers and financial institutions that need help managing defaulted real estate assets. In addition, we provide valuation, asset management and disposition services to government entities to maximize the value of owned securities and assets acquired from failed financial institutions or from government relief programs. We also assist owners by identifying potentially distressed properties and the major occupiers who are facing challenges.

5. Advisory, Consulting and Other Services

Valuation Services provides clients with professional valuation services and helps them determine market values for office, retail, industrial and mixed-use properties. Such services may involve valuing a single property or a global portfolio of multiple property types. We conduct valuations, which typically involve commercial property, for a variety of purposes, including acquisitions, dispositions, debt and equity financings, mergers and acquisitions, securities offerings (including initial public offerings) and privatization initiatives. Clients include occupiers, investors and financing sources from the public and private sectors. For the most part, our valuation specialists provide services outside of the United States. We usually negotiate compensation for valuation services based on the scale and complexity of each assignment, and our fees typically relate in part to the value of the underlying assets.

Consulting Services delivers innovative, results-driven real estate solutions that align strategically and tactically with clients' business objectives. We provide clients with specialized, value-added real estate consulting services in such areas as mergers and acquisitions, occupier portfolio strategy, workplace solutions, location advisory, financial optimization strategies, organizational strategy and Six Sigma process solutions. Our professionals focus on translating global best practices into local real estate solutions, creating optimal financial and operational results for our clients.

We also provide Advisory Services for hotels, including hotel valuations and appraisals, acquisition advice, asset management, strategic planning, management contract negotiation, consulting, industry research and project and development services for asset types spanning the hospitality spectrum.

We typically negotiate compensation for Consulting Services based on work plans developed for advisory services that vary based on scope and complexity of projects. For transaction services, we generally base compensation on the value of transactions that close.

We provide Energy and Sustainability Services to occupiers and investors to help them develop their corporate sustainability strategies, green their real estate portfolios, reduce their energy consumption and carbon footprint, upgrade building performance by managing Leadership in Energy and Environmental Design ("LEED") construction or retrofits and provide sustainable building operations management. We have more than 1,500 energy and sustainability accredited professionals. Cumulatively, we have helped our U.S. clients reduce greenhouse gas emissions by an estimated 11.9 million metric tons and saved them an estimated $2.5 billion in energy costs from 2007-2013 (see jll.com/sustainability for details). In 2013 alone, we documented $39 million in estimated energy savings for our U.S. clients and reduced their greenhouse gas emissions by 220,000 tons. Our sustainability teams worked on a total of 1,852 buildings, a 33% increase compared to 2012.

We generally negotiate compensation for Energy and Sustainability Services for each assignment based on the scale and complexity of the project or shared savings.

LASALLE INVESTMENT MANAGEMENT

Our global real estate investment management business, a member of the JLL group that we operate under the brand name of LaSalle Investment Management, has three priorities:

- Deliver superior performance,
- Develop and execute investment strategies that meet the specific investment objectives of our clients, and
- Deliver uniformly high levels of service globally.

We provide investment management services to institutional and retail investors, including high-net-worth individuals. We seek to establish and maintain relationships with sophisticated investors who value our global platform and extensive local market knowledge. As of December 31, 2014, LaSalle managed $53.6 billion of public real estate securities and private real estate assets, including debt and equity, making us one of the world's largest managers of institutional capital invested in real estate assets and securities.

LaSalle provides clients with a broad range of real estate investment products and services in the public and private capital markets. We design these products and services to meet the differing strategic, risk/return and liquidity requirements of individual clients. The range of investment alternatives includes private investments in multiple real estate property types including office, retail, industrial, health care and multi-family residential, as well as investments in debt. We act either through commingled investment funds or single client account relationships ("separate accounts"). We also offer indirect public investments, primarily in publicly traded real estate investment trusts ("REITs") and other real estate equities.

The geographic distribution of LaSalle's assets under management is as follows ($ in billions):

Separate Accounts	$29.7
Commingled Funds	11.9
Public Securities	12.0
Total Assets under Management	$53.6

We believe the success of our investment management business comes from our investment performance, industry-leading research capabilities, experienced investment professionals, innovative investment strategies, global presence and coordinated platform, local market knowledge and strong client focus. We maintain an extensive real estate research department whose dedicated professionals monitor real estate and capital market conditions around the world to enhance current investment decisions and identify future opportunities. In addition to drawing on public sources for information, LaSalle's research department utilizes the extensive local presence of JLL professionals throughout the world to gather and share proprietary insight into local market conditions.

The investment and capital origination activities of our investment management business have become increasingly global. We have invested in direct real estate assets in 19 countries across the globe, as well as in public real estate companies traded on all major stock exchanges. We expect that cross-border investment management activities, both fund raising and investing, will continue to grow.

Private Investments in Real Estate Properties (Separate Accounts and Fund Management)

In serving our investment management clients, LaSalle is responsible for the acquisition, management, leasing, financing and divestiture of real estate investments across a broad range of real estate property types. LaSalle launched its first institutional investment fund in 1979 and currently has a series of commingled investment funds, including 12 funds that invest in assets in the Americas, 10 funds that invest in assets located in Europe and seven funds that invest in assets in Asia Pacific. LaSalle also maintains separate account relationships with investors for whom we manage private real estate investments.

LaSalle is the advisor to Jones Lang LaSalle Income Property Trust, Inc., a non-listed real estate investment trust launched in 2012 that gives suitable individual investors access to a growing portfolio of diversified commercial real estate investments.

As of December 31, 2014, LaSalle had approximately $41.6 billion in assets under management in commingled funds and separate accounts.

Some investors prefer to partner with investment managers willing to co-invest their own funds to more closely align the interests of the investor and the investment manager. We believe that our ability to co-invest alongside the investments of clients' funds will continue to be an important factor in maintaining and continually improving our competitive position. We believe our co-investment strategy strengthens our ability to raise capital for new real estate investments and real estate funds. At December 31, 2014, we had a total of $297.1 million of investments in real estate ventures that are included in LaSalle's $53.6 billion of assets under management.

We may engage in merchant banking activities in appropriate circumstances. These involve making investments of the Firm's capital to acquire properties in order to seed investment management funds before they have been offered to clients. Historically, we have done this substantially through investment vehicles such as LaSalle Investment Company II ("LIC II") as further described in Note 5, Investment in Real Estate Ventures within the Notes to Consolidated Financial Statements. We may also provide investment capital directly, as we have increasingly done more recently.

LaSalle conducts its operations with teams of professionals dedicated to achieving specific client objectives. We establish investment committees within each region whose members have specialized knowledge applicable to underlying investment strategies. These committees must approve all investment decisions to make private market investments. We utilize the investment committee approval process for LaSalle's investment funds and for all separate account relationships.

LaSalle is generally compensated for investment management services for private equity investments based on capital invested and managed (known as advisory fees), with additional fees (known as incentive fees) tied to investment performance above benchmark levels. In some cases, LaSalle also receives fees tied to acquisitions. The terms of contracts vary by the form of investment vehicle involved and the type of service we provide. Our investment funds have various life spans, typically ranging between five and nine years, but in some cases they are open-ended. Separate account advisory agreements generally have specific terms with "at will" termination provisions, and include fee arrangements that are linked to the market value of the assets under management, plus in some cases incentive fees.

Investments in Public Equity

LaSalle also offers clients the ability to invest in separate accounts focused on public real estate equity. We invest the capital of these clients principally in publicly traded securities of real estate investment trusts and property company equities. As of December 31, 2014, LaSalle had approximately $12.0 billion of assets under management in these types of investments. LaSalle is typically compensated by securities investment clients on the basis of the market value of assets under management.

REVENUE SUMMARY

For the year ended December 31, 2014, we generated a total of $4.7 billion of fee revenue, meaning revenue net of gross contract costs for vendor and subcontract costs that are included in revenue and expense, from the following RES product categories and LaSalle:

COMPETITION

As the result of our significant growth over the previous decade, we are now one of the two largest real estate services and investment management providers on a global basis. We believe that other similar global providers are significantly smaller in terms of revenue than either of us. We believe that JLL's geographic reach, scope of services and scale of resources have become sufficient to provide substantially all of the services our clients need, wherever they need them. To most effectively serve and retain current clients, and win new clients, we strive to be the best firm in our industry.

Although there has been, and we expect will continue to be, consolidation within our industry, the totality of real estate services constituting the industry remains very large and as a whole the provision of these services remains highly diverse and fragmented. Accordingly, since we provide a broad range of commercial real estate and investment management services across many geographies, we face significant competition at international, regional and local levels. Depending on the service, we also face competition from other real estate service providers, some of which may not traditionally be thought of as such, including institutional lenders, insurance companies, investment banking firms, investment managers, accounting firms, technology firms, firms providing outsourcing services of various types (including technology or building products) and companies that self-provide their real estate services with in-house capabilities. While these competitors may be global firms that claim to have service competencies similar to ours, many are local or regional firms which, although substantially smaller in overall size, may be larger in a specific local or regional market.

COMPETITIVE DIFFERENTIATORS

We believe that the key value drivers we list below create several competitive differentiators. These form the basis of our market positioning as the firm of choice for sophisticated clients seeking an integrated financial and professional services firm specializing in real estate on a global basis.

Client Relationship Management. We support our ability to deliver superior service to our clients through our ongoing investments in client relationship management and account management. Our goal is to provide each client with a single point of contact at our firm, an individual who is answerable to, and accountable for, all the activities we undertake for the client. We believe that we enhance superior client service through best practices in client relationship management, the practice of seeking and acting on regular client feedback, and recognizing each client's own specific definition of excellence.

Our client-driven focus enables us to develop long-term relationships with real estate investors, occupiers and developers. By developing these relationships, we are able to generate repeat business and create recurring revenue sources. In many cases, we establish strategic alliances with clients whose ongoing service needs mesh with our ability to deliver fully integrated real estate services across multiple business units and locations. We support our relationship focus with an employee compensation and evaluation system designed to reward client relationship building, teamwork and quality performance, in addition to revenue development.

Integrated Global Business Model. By combining a wide range of high-quality, complementary services and delivering them at consistently high service levels globally through wholly-owned offices with directly employed personnel, we develop and implement real estate strategies that meet the increasingly complex and far-reaching needs of our clients. We also believe that we have secured an established business presence in the world's principal real estate markets, with the result that we can grow revenue without a proportionate increase in infrastructure costs. With operations on six continents and over 230 corporate offices, we have in-depth knowledge of local and regional markets and can provide a full range of real estate services around the globe. This geographic coverage, combined with the ability and willingness of our people to communicate and connect with each other across a common global platform, positions us to serve the needs of our multinational clients and manage investment capital on a global basis. We anticipate that our cross-selling potential across geographies and product lines will continue to develop new revenue sources for multiple business units within JLL.

We also anticipate that over time we will continue to expand our service offerings that are complementary or adjacent to our current offerings. An example would be providing services to multi-family residential real estate that complements our current services to commercial clients seeking to develop multi-use properties that encompass office, retail and residential space. Another example is that we have used our cross-border capabilities to expand the brokerage business, acquired from King Sturge in 2011, of high-end residential properties based in London.

Industry-Leading Research Capabilities. We invest in and rely on comprehensive top-down and bottom-up research to support and guide the development of real estate and investment strategy for our clients. With approximately 350 research professionals who gather data and cover market and economic conditions around the world, we are an authority on the economics of commercial real estate. Research also plays a key role in keeping colleagues throughout the organization attuned to important trends and changing conditions in world markets. We facilitate the dissemination of this information to colleagues through our company-wide intranet. We are also devising new approaches through technology, including the use of the Internet and social media techniques, to make our research, services and property offerings more readily available to our people and our clients.

We believe that our investments in research, technology, people and thought leadership position our Firm as a leading innovator in our industry. Our various research initiatives investigate emerging trends to help us anticipate future conditions and shape new services to benefit our clients. Professionals in our Consulting Services practice identify and respond to shifting market and business trends to address changing client needs and opportunities. LaSalle relies on our comprehensive understanding of global real estate and capital markets to develop new investment products and services tailored to the specific investment goals and risk/return objectives of our clients. We believe that our commitment to innovation and thought leadership in sustainability helps us secure and maintain profitable long-term relationships with the clients we target: the world's leading real estate owners, occupiers, investors and developers.

Delivery of innovative solutions and consistent worldwide service (including through applications of technology). We believe that our globally coordinated investments in research, technology, people, quality control and innovation, combined with the fact that our offices are wholly-owned (rather than franchised) and our professionals are directly employed, enable us to develop, share and continually evaluate best practices across our global organization. As a result, we are able to deliver the same consistently high levels of client service and operational excellence substantially wherever our clients' real estate investment and services needs exist.

Based on our general industry knowledge and specific client feedback, we believe we are recognized as an industry leader in technology. We possess the capability to provide sophisticated information technology systems on a global basis to serve our clients and support our employees. For example, FutureView (sm), our global portfolio optimization tool, allows corporate real estate teams with geographically diverse portfolios to identify potential rent savings by comparing their lease obligations to our firm's sophisticated local market forecasts. OneView by JLL (sm), our client extranet technology, provides clients with detailed and comprehensive insight into their portfolios, the markets in which they operate and the services we provide to them.

Connect (sm), our intranet technology, offers our employees easy access to the Firm's policies, news and collective thinking regarding our experience, skills and best practices. We also have implemented globally integrated systems for finance, human resources, and client relationship management, as well as securities management and trading systems for our investment management business.

We expect that we will continue to seek and implement additional ways in which we can develop and deploy technology platforms, use the Internet and employ social media techniques as business tools that will proactively make our own services and the real estate properties we list on the Internet increasingly efficient and useful to our constituencies and that will support our marketing and client development activities.

Maximizing Values of Real Estate Portfolios. To maximize the values of our real estate investments, LaSalle capitalizes on its strategic research insights and local market knowledge to develop an integrated approach that leads to innovative solutions and value enhancement. Our global strategic perspective allows us to assess pricing trends for real estate and know which investors worldwide are investing actively. This gives us an advantageous perspective on implementing buying and selling strategies. During hold periods, our local market research allows us to assess the potential for cash flow enhancement in our clients' assets based on an informed opinion of rental-rate trends. When combined, these two perspectives provide us with an optimal view that leads to timely execution and translates into superior investment performance.

Strong Brand and Reputation. In 2008, we introduced a new global brand positioning and visual identity to further differentiate us from our competitors. Based on evidence provided by marketing surveys we have commissioned, the extensive coverage we receive in top-tier business publications, the major awards we receive in many categories of real estate, sustainability and ethics, as well as our significant, long-standing client relationships, we believe that large corporations and institutional investors and occupiers of real estate recognize JLL's ability to reliably create value in changing market conditions. Our reputation is based on our deep industry knowledge, excellence in service delivery, integrity and our global provision of high-quality, professional real estate and investment management services. We believe that the combined strength of the JLL and LaSalle brands represent a significant advantage when we pursue new business opportunities and is also a major motivator for talented people to join us around the world.

During 2014, we introduced the more formal use of the name "JLL," together with refreshed logos for both JLL and LaSalle, across our businesses. The JLL name, which is also our New York Stock Exchange ticker symbol, has been used informally for a number of years, and we will use it in co-existence with "Jones Lang LaSalle," which remains our legal name. Using the shorter JLL name represents its adaptation to different communication styles in different countries, languages and channels, and especially the use of digital and online channels for marketing and communications.

We believe we hold the necessary trademarks worldwide with respect to the "Jones Lang LaSalle," "JLL" and "LaSalle Investment Management" names and the related logos, which we expect to continue to renew as necessary. We have obtained the right to use the top level domain names of each of ".jll" and ".lasalle" from the Internet Corporation for Assigned Names and Numbers ("ICANN") and are in the process of negotiating formal usage agreements, after which we will move toward implementation.

Financial Strength. We focus on maintaining financial performance metrics, particularly our leverage and interest coverage ratios, that allow us to maintain investment grade financial ratings. We believe that confidence in the financial strength of long-term service providers has become increasingly important to our clients. We believe that clients are increasingly making financial strength an important criterion when they select real estate service providers. Accordingly, our ability to present a superior financial condition distinguishes us as we compete for business.

We also believe that our geographic dispersion and the range of our global service offerings diversify the sources of our revenue, reducing the overall inherent volatility of operating a real estate services business. This creates an additional measure of financial stability relative to other firms with more limited service offerings or that are only local or regional and therefore must rely on the strength of fewer different markets and services.

For a number of years, we have maintained investment grade ratings from S&P and Moody's Investor Services, Inc. In December 2014, S&P announced that it had raised JLL's investment grade credit rating to BBB from BBB-. JLL's issuer and senior unsecured ratings from both S&P (BBB) and Moody's Investors Service (Baa2) are now aligned. Our primary source of credit is our unsecured credit facility (the "Facility") provided by an international syndicate of banks, which as of December 31, 2014 had a borrowing capacity of $1.2 billion and a maturity date of October 2018. Subsequent to December 31, 2014, we amended and expanded the Facility; refer to Note 15, Subsequent Events, within the Notes to Consolidated Financial Statements for additional discussion. During 2012, both to diversify our sources of credit and take advantage of historically low interest rates, we issued $275.0 million of long-term senior notes with a ten-year maturity and a fixed interest rate of 4.4% per annum.

Employee Engagement. As a business whose primary asset is the expertise and capabilities of its people, it is important to periodically measure and evaluate the level of our employee engagement, their performance enablement, as defined below, and the effectiveness of our managers. We conducted our most recent comprehensive survey in full during the summer of 2012 and an abbreviated update survey during 2013. For both of those surveys, we used an outside provider to conduct the study and then assist us in evaluating the results.

Using our outside provider's definitions:

- Employee engagement means the extent to which employees are motivated to contribute to organizational success and are willing to apply discretionary effort to accomplishing tasks important to the achievement of organizational goals;
- Performance enablement means the extent to which an organization is committed to high levels of customer service and relies upon continuous improvement practices to achieve superior organizational results; and
- Manager effectiveness means the extent to which supervisors are leaders, capable of facilitating team performance through effectively managing both the tasks and responsibilities as well as facilitating teamwork and interpersonal relationships.

Our results indicated that our people reported an overall higher level of engagement, performance enablement and manager effectiveness than the global norms. In all cases, our top quartile of most engaged employees demonstrated significantly higher results than the top quartile of the global norms. Our Employee Engagement Index, which measures the percentage of survey respondents reporting high levels of engagement with the Firm and their work here reached 73% as measured in 2012, our most recent engagement survey.

While we were pleased with the results, we are developing and intend to implement various actions to address specific areas where the data indicated room for improvement or possible concerns. For example, while engagement for new hires increased, scores for our most tenured employees declined. Additionally, we recognize that our communication and response to survey feedback could improve. In any event, we believe that the quality of our people, and their commitment to our organization and to providing a high level of service to our clients, provides us with an important differentiator within the markets in which we operate.

In our 2013 update survey, 81% of respondents either agreed or strongly agreed that, "Overall, I am extremely satisfied with this company as a place to work." This was up 6% from the previous year and 10% above the global norm measured by our outside provider.

Strong governance, enterprise risk management and integrity. Our overlapping and communicative senior management and Board of Directors structure promotes an environment of best practices in corporate governance and controls. We believe that these attributes allow us to infuse a culture of internal communication and connectivity throughout the organization that is unparalleled in our industry.

Successful management of any organization's enterprise risks is critical to its long-term viability. We seek to promote, operate and continually improve a globally integrated enterprise risk management model that optimizes our overall risk/reward profile through the coordinated and sophisticated interaction of business and corporate staff functions.

Related to our governance and enterprise risk management efforts, we believe in uncompromising integrity and the highest ethical conduct. We are proud of the global reputation we have earned and are determined to protect and enhance it. The integrity our brand represents is one of our most valuable assets and a strong differentiator for our company.

Sustainability leadership. We have over 180 professionals dedicated to sustainability services for our clients. Beyond this, we are increasingly integrating sustainability into our own operations as well as the core real estate services we deliver across the Firm. An example is the sustainability experts in Project and Development Services who manage green building certifications and the creation of central sustainability roles to embed sustainability throughout the advice we give. Another example is the efforts that LaSalle is making to solidify its leadership role in responsible investing and sustainable best practices with the assets it acquires and manages for clients. Our overall leadership in sustainability is evidenced by our significant thought leadership, technology, awards and industry involvement.

With sustainability as a key focus, we invest heavily in our research and thought leadership to guide our clients' real estate investment and occupation strategies. We continue to develop influential sustainability research that supports our clients and contributes to the wider industry. Our global publications serve as good examples of our progress, including the Global Sustainability Perspective, the Real Estate Sustainability Transparency Index and the Green Blog. We also maintain partnerships with nearly 50 sustainability organizations and initiatives to further our own and our clients' sustainability commitments. These include global efforts such as the World Green Building Council as well as numerous local green building councils.

In our Energy and Sustainability Services business, we have developed industry leading technology platforms designed to help our clients reduce their environmental footprint and energy costs: (1) OneView Energy and Sustainability Analytics help us manage an ever-increasing volume of sustainability data on behalf of our clients around the globe; (2) Portfolio Energy and Environmental Reporting System, ("PEERS") provides a web-based platform for ongoing energy and environmental measurement and reporting including carbon footprint assessment; (3) Environmental Sustainability Platform is a real-time metering and monitoring program that enables on-line, real-time monitoring of building energy consumption; and (4) IntelliCommand is a powerful platform that combines smart technology with building operations expertise and execution to provide 24/7 real-time remote monitoring and control of facilities. These demonstrate our global expertise in the provision of technology solutions and advance our role in addressing such global challenges and opportunities as climate change and smart buildings. Using our proprietary sustainability platforms, we helped our clients measure and improve their environmental impact in approximately 126,000 buildings as of 2013.

Our sustainability consulting services benefit a wide range of clients including, for example, Leasing clients who commission green leases, green interior design and green assessments of prospective buildings; Capital Markets and Investment Management clients who want green building valuation assessments; and Project and Development

Services clients who request retrofits to existing buildings.

INDUSTRY TRENDS

Since 2010, commercial real estate markets have broadly recovered around the world, although at different speeds and different levels of strength. As indicated by the Property Clocks (sm) published by JLL's research team and provided below, commercial values in most markets continued to rise through 2014, though at varying rates of growth.

Global capital flows for investment sales by region, below, indicate that volumes have continued to expand since they reached their lowest levels in the wake of the global financial crisis. However, market dynamics reflect contrasting conditions between the capital markets and the leasing markets. The strong capital markets have been supported by globally low interest rates, which have been encouraged by the so-called "quantitative easing" by the U.S. Federal Reserve Bank.

On the other hand, the leasing markets have been flatter since corporations have remained financially cautious in terms of commitments to space expansions and have also been focused on space optimization as a means to control cost and improve productivity.

We define market volumes for Leasing as gross absorption of office real estate space in square meters for the United States, Europe and selected markets in Asia Pacific. We define market volumes for Capital Markets as the US dollar equivalent value of investment sales transactions globally in the office, retail, industrial, hotels, mixed-use and certain other asset classes (excluding entity-level transactions, development deals and multi-family residential investment), for individual property assets or portfolios of assets with a value above $5 million. Our research professionals aggregate this market volume information from a number of sources globally and make it publicly available through the quarterly publication of our Global Market Perspective reports. In assessing our market share performance, we compare our own Leasing and Capital Markets revenue performance to the market volume performance in a region or globally to determine whether we are growing faster than the overall market.

During 2011 and 2012, additional uncertainty was injected into the markets by the political and economic challenges that arose within the European Union, particularly as they influenced the credit quality of sovereign bonds issued by various European countries and the stability and liquidity of European banks. These pressures seemed to abate somewhat during 2013, but later in 2014 there have been indications of renewed weakness in the Eurozone as currencies have fallen and deflation concerns have surfaced. Significant negative developments occurred during 2014 in the relationship between Russia, on the one hand, and the United States and European countries on the other, with sanctions being applied to trade with Russia and no clear path to any resolution in the foreseeable future. In late 2014, oil prices began to reduce significantly, which has put pressure on economies, such as Russia's, that rely on oil sales. Unemployment has continued to improve steadily in the United States, although wages have not improved commensurately. Interest rates remained very low in the United States and the equity markets were strong throughout 2014. Political change and uncertainty, combined with slower than previous growth, also have led to questions that largely remained during 2014 about the ability of certain countries in Asia, particularly China and India, to continue to develop at historical rates, with India showing signs of recovery with a more pro-business government now in place. Conditions in the Middle East remained unstable, or in some cases worsened, during 2014, and lower oil prices added uncertainty to the picture toward the end of 2014. Commercial interests in the business potential of the more stable African countries appeared to continue to expand during 2014, although the Ebola outbreak caused severe concerns in affected countries.

Increasing Demand for Global Services and Globalization of Capital Flows. Many corporations have continued to pursue growth opportunities in international markets. Many are striving to control costs by outsourcing or off-shoring non-core business activities. Both trends have increased the demand for global real estate services, including facility management, tenant representation and leasing, and property and energy management services. We believe that these trends will favor real estate service providers with the capability to provide services - and consistently high service levels - in multiple markets around the world. The highly competitive marketplace for the services we provide, combined with financial pressures experienced by certain of our competitors have, however, continued to put negative pressure on fees within some of our service lines.

Additionally, real estate capital flows have become increasingly global, as more assets are marketed internationally and as more investors seek real estate investment opportunities beyond their own borders. This trend has created new opportunities for investment managers equipped to facilitate international real estate capital flows and execute cross-border real estate transactions. One example we have seen in particular is that London residential real estate has become a type of "reserve currency" for wealthy individuals from other countries who are seeking stability in their investment holdings, which we expect to continue as uncertainty increases within Russia and the Middle East.

Growth of Outsourcing. In recent years, outsourcing of professional real estate services has increased substantially, as corporations focused corporate resources on core competencies. Although some continue to unbundle and separate the sources of their real estate services, large users of commercial real estate services continue to demonstrate an overall preference for working with single-source service providers able to operate locally, regionally and globally. The ability to offer a full range of services on this scale requires significant infrastructure investment, including information technology applications and personnel training. Smaller regional and local real estate service firms, with limited resources, are less able to make such investments. In addition, public and other non-corporate users of real estate, including government agencies and health and educational institutions, have begun to outsource real estate activities as a means of reducing costs. As a result, we believe there continues to be significant growth opportunities for firms like ours that can provide integrated real estate services across many geographic markets.

In 2014, our Corporate Solutions business has continued to expand its client base as follows:

Alignment of Interests of Investors and Investment Managers. Institutional investors continue to allocate significant portions of their investment capital to real estate. Many investors have shown a desire to commit their capital to investment managers willing to co-invest their own capital in specific real estate investments or real estate funds. In addition, investors are increasingly requiring that fees paid to investment managers be more closely aligned with investment performance. As a result, we believe that investment managers with co-investment capital, such as LaSalle, will have an advantage in attracting real estate investment capital. In addition, co-investment may bring the opportunity to provide additional services related to the acquisition, financing, property management, leasing and disposition of such investments.

We expect institutional capital to continue to flow into real estate as many institutional funds are currently under-allocated to real estate as an asset class and as interest rates have remained at historically low levels. We are also seeing institutional investors begin to consolidate their real estate portfolios, moving away from the spread of smaller managers assembled over the last cycle to larger managers such as LaSalle.

Industry Consolidation and Other Trends. We believe that consolidation in our industry will continue as the larger, more financially and operationally stable companies gain market share and become increasingly capable of servicing the needs of global clients. We also believe that developed countries will be favored for new investment as the risk appetite of investors remains conservative. Additionally, selecting service providers with the best reputation for sustainability leadership, governance, enterprise risk management and ethics will become increasingly important. Operators and investors seeking efficiencies from developing their supply chains will want to avoid the significant potential costs and reputational issues associated with compliance missteps, such as violations of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act or anti-money laundering regulations.

EMPLOYEES

With the help of aggressive goal setting and performance measurement systems and training, we attempt to instill in all our people the commitment to be the best in the industry. Our goal is to be the real estate advisor of choice for clients and the employer of choice in our industry. To achieve that, we intend to continue to promote human resources techniques that will attract, motivate and retain high quality employees. The following table details our respective headcount at December 31, 2014 and 2013 (rounded to the nearest hundred):

	2014	2013
Professional non reimbursable employees	24,800	21,900
Directly reimbursable employees	33,300	30,800
Total employees	58,100	52,700

Reimbursable employees include our property and integrated facility management professionals and our building maintenance employees. The cost of these employees is generally reimbursable by our clients. Our employees are not members of any labor unions, with the exception of approximately 1,400 directly reimbursable property maintenance employees in the United States. Approximately 40,800 and 36,700 of our employees at December 31, 2014 and 2013, respectively, were based in countries other than the United States.

INTELLECTUAL PROPERTY

We regard our technology and other intellectual property, including our brands, as a critical part of our business.

We hold various trademarks, trade dress and trade names and rely on a combination of patent, copyright, trademark, service mark, and trade secret laws, as well as contractual restrictions to establish and protect our proprietary rights. We own numerous domain names, have registered numerous trademarks, and have filed applications for the registration of a number of our other trademarks and service marks in the United States and in foreign countries.

Consistent with our belief that we are recognized as an industry leader in technology as discussed above, we currently have a patented process in the United States for a "System and Method for Evaluating Real Estate Financing Structures" that assists clients with determining the optimal financing structure for controlling their real estate assets, including, for example, whether a client should own a particular asset, lease the asset, or control the asset by means of some other financing structure. We also have a number of pending United States patent applications to further enable us to provide high levels of client service and operational excellence. We will continue to file additional patent applications on new inventions, as appropriate, demonstrating our commitment to technology and innovation.

Although we believe our intellectual property plays a role in maintaining our competitive position in a number of the markets that we serve, we do not believe we would be materially adversely affected by the expiration or termination of our trademarks or trade names or the loss of any of our other intellectual property rights other than the “JLL,” "Jones Lang LaSalle" and "LaSalle Investment Management" names, and our Design (Three Circles) mark that is also trademarked. Our trademark registrations have to be renewed every ten years. Based on our most recent trademark registrations, the JLL mark would expire in 2024, while the Jones Lang LaSalle name would expire in 2022 and the Design (Three Circles) mark would expire in 2021. Our LaSalle Investment Management mark would expire in 2015 if we failed to renew it. Since these intellectual property rights are important to us, our intention is to renew these trademark registrations when the appropriate time comes.

CORPORATE GOVERNANCE; CODE OF BUSINESS ETHICS; CORPORATE SUSTAINABILITY AND RELATED MATTERS

We are committed to the values of effective corporate governance, operating our business to the highest ethical standards and conducting ourselves in an environmentally and socially responsible manner. We believe that these values promote the best long-term performance of the Company for the benefit of our shareholders, clients, staff and other constituencies.

Corporate Governance. We believe our policies and practices reflect corporate governance initiatives that comply with:

- The listing requirements of the New York Stock Exchange ("NYSE"), on which our Common Stock is traded;
- The corporate governance requirements of the Sarbanes Oxley Act of 2002, as currently in effect;
- U.S. Securities and Exchange Commission ("SEC") regulations;
- The Dodd-Frank Wall Street Reform and Consumer Protection Act, as currently in effect; and
- The General Corporation Law of the State of Maryland, where Jones Lang LaSalle is incorporated.

Our Board of Directors regularly reviews corporate governance developments and modifies our By-Laws, Guidelines and Committee Charters accordingly. As a result, over the past years we have adopted the following corporate governance policies and approaches that are considered to be best practices in corporate governance:

- Annual elections of all members of our Board of Directors;
- Annual "say on pay" votes by shareholders with respect to executive compensation;
- Right of shareholders owning 30% of the outstanding shares of our Common Stock to call a special meeting of shareholders for any purpose;
- Majority voting in Director elections;
- Separation of Chairman and CEO roles, with the Chairman serving as Lead Independent Director;
- Required approval by the Nominating and Governance Committee of any related-party transactions;
- Executive session among the Non-Executive Directors at each in-person meeting;
- Annual self-assessment by the Board of Directors and each of its Committees; and
- Annual assessment by the Company's senior executive management of the operation of the Board of Directors.

Code of Business Ethics. The ethics principles that guide our operations globally are embodied in our Code of Business Ethics, which applies to all employees of the Company, including our Chief Executive Officer, Chief Financial Officer, Global Controller and the members of our Board of Directors. The Code of Business Ethics is the cornerstone of our Ethics Everywhere Program, by which we establish, communicate and monitor the overall elements of our efforts. We are proud of, and are determined to protect and enhance, the global reputation we have established since, in a service business such as ours, the integrity that our brand represents is one of our most valuable assets. For a number of years we have applied for and received Ethics Inside™ certification from NYSE Governance Services, a leading organization dedicated to best practices in ethics, compliance, corporate governance and citizenship. We believe it is the only available independent verification of a company's ethics program. In 2014, for the seventh consecutive year, we were also named to Ethisphere's list of the World's Most Ethical Companies.

We support the principles of the United Nations Global Compact, the United Nations Principles of Responsible Investing and, given that our clients include a number of the major companies within the electronic industry, the Electronic Industry Code of Conduct. We are also a member of the Partnering Against Corruption Initiative sponsored by the World Economic Forum.

Vendor Code of Conduct. JLL expects that each of its vendors, meaning any firm or individual providing a product or service to JLL or indirectly to our clients as a contractor or subcontractor, will share and embrace the letter and spirit of our commitment to integrity. While vendors are independent entities, their business practices may significantly reflect upon us, our reputation and our brand. Accordingly, we expect all vendors to adhere to the JLL Vendor Code of Conduct, which we publish in multiple languages on our website, www.jll.com. We continue to evaluate and implement new ways to monitor the quality and integrity of our supply chain, including developing means by which we can efficiently survey and compare responses about the ethical environment and riskiness of current and potential suppliers that we engage both for our own firm and on behalf of clients.

Corporate Sustainability. We encourage and promote the principles of sustainability everywhere we operate, seeking to improve the communities and environment in which our people work and live. We design our corporate policies to reflect the highest standards of corporate governance and transparency, and we hold ourselves responsible for our social, environmental and economic performance. These priorities guide the interactions we have with our shareholders, clients, employees, regulators and vendors, as well as with all others with whom we come into contact. We pursue our vision to lead the transformation of the real estate industry by making a positive impact both in and beyond our business.

We also work to foster an environment that values the richness of our differences and reflects the diverse world in which we live and work. By cultivating a dynamic mix of people and ideas, we enrich our Firm's performance, the communities in which we operate and the lives of our employees. We seek to recruit a diverse workforce, develop and promote exceptional talent from diverse backgrounds and embrace the varied experiences of all our employees.

Corporate Political Activities. Given the diversity of the Company's clients, shareholders, staff and other constituencies, the general approach of the Company is to not take positions as an organization on social or political issues or on political campaigns. Accordingly, our use of corporate funds or other resources for political activities has been negligible. From time to time, the Company may comment on proposed legislation or regulations that directly affect our business interests and therefore the interests of our shareholders.

Conflicts Minerals. Since we are not a manufacturer, nor do we contract to manufacture, we do not believe that we engage in the purchase or procurement of conflicts minerals, either for ourselves or our clients.

COMPANY WEBSITE AND AVAILABLE INFORMATION

JLL's Website address is www.jll.com. On the Investor Relations page on our website, we make available, free of charge, as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission, or SEC: our Annual Report on Form 10-K, our Proxy Statement on Schedule14A, Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act. You also may read and copy any document we file with the SEC at its public reference room at 100 F Street, NE, Washington, D.C. 20549. Information about its public reference room can be obtained by calling the SEC at 1.800.SEC.0330. The SEC maintains an Internet site that contains annual, quarterly and current reports, proxy statements and other information that we file electronically with the SEC. The SEC's Website address is www.sec.gov.

Our Website includes information about our corporate governance. We will also make the following materials available in print to any shareholder who requests them in writing from our Corporate Secretary at the address of our principal executive office set forth on the cover page of this 10-K report:

Code of Business Ethics	Vendor Code of Conduct	Corporate Facts	Transparency Report	Sustainability Report

- Code of Business Ethics;
- Vendor Code of Conduct;
- Bylaws;
- Corporate Governance Guidelines;
- Charters for our Audit, Compensation, and Nominating and Governance Committees;
- Statement of Qualifications for Members of the Board of Directors;
- Complaint Procedures for Accounting and Auditing Matters; and
- Statements of Beneficial Ownership of our Equity Securities by our Directors and Officers.

JLL intends to post on its website any amendment or waiver of the Code of Business Ethics with respect to a member of our Board of Directors or any of the executive officers named in our proxy statement.

Our Sustainability Report is available at www.jll.com/sustainability. Our latest report documents the Firm's achievements and challenges within both our services and operations. We take this seriously and are on a journey to embed sustainability deeply into our business. The report demonstrates how our approach aligns with our clients, adds value for shareholders and benefits our workforce and the wider community. We support five key sustainability focus areas: energy and resources; green buildings; client service excellence; community and supply chain; and workplace well-being and diversity. We adhere to best practice standards, including CDP (formerly the Carbon Disclosure Project), the Global Reporting Initiative G4 and the International Integrated Reporting Council.

INTEGRATED REPORTING

Initially as a pilot company from 2012-2014 and now as a part of the business network of the International Integrated Reporting Council ("IIRC"), we support the general principles designed to promote communications and our integrated thinking about how an organization's strategy, governance and financial and non-financial performance lead to the creation of value over the short, medium and long term. This Annual Report on Form 10-K focuses on our business strategy and our financial performance, including an initial attempt to illustrate how being a sustainable enterprise is integral to our success. Our citizenship and sustainability efforts for ourselves and our clients are reflected primarily in our annual Sustainability Report. Our governance and remuneration practices are reported primarily in the Proxy Statement for our Annual Meeting of Shareholders. The mechanisms we use to provide confidence to our clients with respect to our transparency and fair dealing are summarized in our Transparency Report, which we first published in 2013. The behaviors and standards we expect of our employees and of the suppliers we engage for our own firm and on behalf of clients are presented in our Code of Business Ethics and our Vendor Code of Conduct. Our Corporate Facts document is intended to provide an overall summary of the information we believe will be of primary interest to our different stakeholders.

We intend this Annual Report to satisfy the requirements of the International <IR> Framework (the "Framework") issued by the IIRC in December, 2013 (www.theiirc.org). Following the Exhibit Index, we present a tie-sheet that cross-references the requirements in the Framework and the locations of our responses within this Annual Report.

Responsibility for Integrated Reporting. The Finance and Legal Services functions of our Company are primarily responsible for the integrity of our integrated reporting efforts and acknowledge that we have applied a collaborative approach in the preparation and presentation of this report. To do so, we have also engaged the members of our Global Operating Board (the "GOB", which consists of the leaders of our corporate staff functions in addition to others and is described below in more detail, with respect to the preparation of the information presented in Items 1 (Business) and 1A (Risk Factors). In our collective opinion, this report is presented in accordance with the Framework. However, as our effort to comply with the Framework is done voluntarily, we disclaim any legal liability to the extent that this report is deemed to not comply with the Framework.

ITEM 1A. RISK FACTORS

General Overview. Our business is complex, dynamic, entrepreneurial and international. Accordingly, it is subject to a number of significant risks in the ordinary course of its operations. If we cannot or do not successfully manage the risks associated with the services we provide, our operations, business, operating results, reputation and/or financial condition could be materially and adversely affected.

One of the challenges of a global business such as ours is to determine in a sophisticated manner the critical enterprise risks that exist or may newly develop over time as our business evolves. We must then determine how best to employ reasonably available resources to prevent, mitigate and/or minimize those risks that we are able to identify as having the greatest potential to cause significant damage from an operational, financial or reputational standpoint. An important dynamic we must also consider and appropriately manage is how much and what types of commercial insurance to obtain and how much potential liability may remain uninsured consistent with the infrastructure that is in place within the organization to identify and properly manage it.

Various factors over which we have no control significantly affect commercial real estate markets. These include (1) macro movements of the stock, bond, currency and derivatives markets; (2) the political environment; (3) government policy and regulations, in each case whether at local, national or international levels; and (4) the cost and availability of natural and non-renewable resources used to operate real estate. As an example, the severe financial disruption and global recession that occurred during 2008 and 2009 materially impacted global real estate markets as the volume and pace of commercial real estate transactions contracted and real estate pricing and leasing in many countries and markets fell substantially. More recently, the Russian geopolitical developments have significantly impacted the economy in that country, with no clear resolution in sight, and therefore the willingness for multi-national companies to expand their businesses. Although commercial real estate markets in most major cities were stable to improved during 2014, primarily as a result of the low interest rate environment that has been encouraged by the activities of various central banks, their continued recovery has in some cases remained uncertain for various reasons. These include (1) significant uncertainties arising out of the ongoing financial and political challenges within the European Union; (2) stubbornly high unemployment and underemployment and/or low middle-class wage growth around the world, including within the U.S and various European countries in particular; (3) the relative slow-down in certain economies in Asia, including those of China and India; and (4) uncertainty added to the forecast for many economies, particularly in Russia and the Middle East, as the result of the sharp drop in oil and commodity prices later in 2014. Governments are responding to problematic situations in different and sometimes unpredictable and politically motivated ways. Accordingly, it is inherently difficult to make accurate predictions about the future movements in the markets in which we operate even as we did see continued improvement during 2014 and clear strength in the U.S. equities markets.

Governance over Enterprise Risk Management. We attempt to approach enterprise risk issues in a coordinated way across the globe. We govern our enterprise risk program primarily through our GOB, which includes our Global Chief Financial Officer, our business segment Chief Operating Officers and the leaders of our principal corporate staff groups: Finance, Legal Services, Accounting, Insurance, Human Resources, Tax, Marketing, Information Technology, Business Resumption, Professional Standards, Communications and Corporate Sustainability. The GOB coordinates its enterprise risk activities with our Internal Audit function, whose leadership attends GOB meetings and facilitates quarterly risk assessments of our business in order to determine where to focus its auditing and advisory efforts.

Our Board of Directors and its Committees take active roles in overseeing management's identification and mitigation of the Company's enterprise risks. The Audit Committee focuses on the process by which management continuously identifies its enterprise risks and monitors the mitigation efforts that have been established. The Board focuses on substantive aspects of management's evaluation of our enterprise risks and the efforts we take to contain and mitigate them. Each of the Compensation Committee and the Nominating and Governance Committee also monitors and discusses with management those risks that are inherent in the matters that are within each such Committee's purview.

As a standing agenda item for its quarterly meetings, the Audit Committee discusses with management the process that has been followed in order to establish an enterprise risk management report. This report reflects (1) the then current most significant enterprise risks that management believes the Company is facing; (2) the efforts management is taking to avoid or mitigate the identified risks; and (3) how the Company's internal audit function proposes to align its activities with the identified risks. The management representatives who regularly attend the Audit Committee meetings and participate in the preparation of the report and the discussion include our (1) Chief Financial Officer, (2) General Counsel and (3) Director of Internal Audit. At the meetings, the Director of Internal Audit reviews with the Committee how the report has informed the decisions about which aspects of the Company Internal Audit will review as part of its regular audit procedures, as well as how various programmatic activities by Internal Audit have been influenced by the conclusions drawn in the report.

The enterprise risk management report is provided to the full Board as a regular part of the materials for its quarterly meetings. At those meetings, the Board asks questions of management about the conclusions drawn in the enterprise risk management report and makes substantive comments and suggestions. Additionally, during the course of each year, the Audit Committee (or sometimes the full Board) meets directly on one or multiple occasions with the senior-most leaders of our critical corporate functions to consider, among other topics, the enterprise risks those internal organizations face and how they are managing and addressing them. At each Board meeting, the Chairman of our Audit Committee reports to the full Board on the activities of the Audit Committee, including with respect to its oversight of the enterprise risk management process. Given our level of acquisition activities, our Board receives periodic updates on the status of integrating new businesses and how we are attempting to mitigate the enterprise risks inherent in making acquisitions. We also discuss with the Board any lessons learned from the acquisitions we have completed and any processes or approaches we have changed or improved as a result.

As a regular part of its establishment of executive compensation, the Compensation Committee considers how the structuring of our compensation programs will affect risk-taking and the extent to which they will drive alignment with the long-term success of the enterprise and the interests of our shareholders.

In the normal course of its activities, our Nominating and Governance Committee reviews emerging best practices in corporate governance and stays abreast of changes in laws and regulations that affect the way we conduct our corporate governance, which represents another important aspect of overall enterprise risk management.

Risk Mitigation Efforts. We do not attempt to discuss in this section all of the various significant efforts we employ to attempt to mitigate or contain the risks we identify, although we believe we have a robust program to do so in a systematic way. These efforts include (1) quarterly reviews by our GOB of operational errors and litigation situations so that we can consider whether there are steps we can take, such as changes to policies or additional staff training, that will prevent similar issues from recurring; (2) monthly reviews by our global team of Ethics Officers of internal ethics matters (starting in 2014, including the cost of investigating and resolving them) and general external ethics issues as well as consideration of whether there are new or different activities we can establish within our Ethics Everywhere program in order to proactively address them; and (3) the activities by our Director of Professional Standards to coordinate enterprise risk mitigation and prevention among the business, our internal auditors and our other corporate staff functions. One of the workstreams for the implementation of our Strategy

2020 Project, discussed in more detail above under "Company Overview," is our "Getting Safely to 2020" Program, by which we are seeking to instill across all of our business lines more consistent approaches to certain risk mitigation and governance techniques.

Seeking Opportunities in Risks. Risks in business can also mean opportunity if they can be translated into services that help clients mitigate their own risks and for which they are willing to pay fees that adequately compensate the provider for the risks being absorbed. An example of how we may be able to monetize the absorption of risks is our ability to charge fees for taking on, as principal, the risks of performance of subcontractors so that our clients do not have to bear them directly. Another example is our experience and ability to conduct business with integrity in emerging markets that are generally perceived to be less transparent, which allows us to charge fees to multi-national companies that want to expand their footprint into new markets with the assistance of service providers they can trust to protect their interests and act according to ethical and other best practices.

Categorization of Enterprise Risks. This section reflects our current views concerning the most significant risks we believe our business faces, both in the short-term and the long-term. We do not, however, purport to include every possible risk from which we might sustain a loss. For purposes of the following analysis and discussion, we generally group the risks we face according to four principal categories:

- External Market Risk Factors;
- Internal Operational Risk Factors;
- Financial Risk Factors; and
- Human Resources Risk Factors.

We could appropriately place some of the risks we identify in more than one category, but we have chosen the one we view as primary. We do not necessarily present the risks below in their order of significance, the relative likelihood that we will experience a loss or the magnitude of any such loss. Certain of these risks also may give rise to business opportunities for the Firm, but our discussion of risk factors in Item 1A is limited to the adverse effects the risks may have on our business.

External Market Risk Factors

GENERAL ECONOMIC CONDITIONS AND REAL ESTATE MARKET CONDITIONS CAN HAVE A NEGATIVE IMPACT ON OUR BUSINESS.

Real estate markets are inherently cyclical. They correlate strongly to local and national economic and political conditions or, at least, to the perceptions and confidence of investors and users as to the relevant economic outlook. For example, corporations may be hesitant to expand space or enter into long-term commitments if they are concerned about the general economic environment. Corporations that are under individual financial pressure for any reason, or are attempting to more aggressively manage their expenses, may (1) reduce the size of their workforces, (2) reduce spending on capital expenditures, including with respect to their offices, (3) permit more of their staff to work from home offices, and/or (4) seek corresponding reductions in office space and related management services.

We have previously experienced, and expect in the future that we will be negatively impacted by, periods of economic slowdown or recession and corresponding declines in the demand for real estate and related services. The global economic crisis during the 2007-2009 period was extraordinary for its worldwide scope, severity and impact on major financial institutions, as well as the extent of governmental stimulus and regulatory responses. During the 2011-2014 period, the inability of the European Union to effect a sustainable resolution of the financial and political instability of certain of its member countries has prevented the return of a healthy level of confidence to its market, with some exacerbation of these issues resulting from the geopolitical uncertainty generated by the Russia, Crimea and Ukraine situation. Structural and political issues have similarly restrained a robust recovery in the United States, which has experienced gradual employment growth but wage stagnations, and have resulted in inconsistent and less robust development of certain Asian markets, including in China and India, although the business climate has improved in India during 2014 with the election of a government perceived to be more pro-business. We have been able to continue to grow our business largely by gaining market share and as the result of targeted acquisitions. We have been able to take advantage of the buoyant capital markets that have resulted from continued central bank-influenced low interest rates, and in 2014 the leasing markets also recovered generally within central business districts, where we are an historically strong participant. These dynamics have been favorable to our LaSalle business too, particularly as they have helped us raise new capital to invest and sell properties into strong markets, which benefits our clients and generates incentive fees and equity earnings. On the other hand, our business in Russia and Ukraine has been negatively impacted by the general economic and political situation in those countries although our revenues from them represent a small portion of our total global revenues.

The speed with which markets change, both positively and negatively, has accelerated due to the increased global interconnectivity that has resulted from the immediacy and availability of information permitted by the Internet and social media, among other reasons. This has added to the challenges of anticipating and quickly adapting to changes in business and revenue, particularly since real estate transactions are inherently complicated and longer-term in nature. A recent example has been the fast drop in oil prices that occurred at the end of 2014, which has complex potential ramifications in many of the countries in which we conduct business, although it is unclear how they will ultimately filter through to our specific markets.

Negative economic conditions and declines in the demand for real estate and related services in several markets or in significant markets could have a material adverse effect as a result of the following factors:

• Decline in Acquisition and Disposition Activity

A general decline in acquisition and disposition activity for commercial real estate can lead to a reduction in the fees and commissions we receive for arranging such transactions, as well as in fees and commissions we earn for arranging financing for acquirers. This can affect both our Capital Markets business in our RES segments as well as our LaSalle business, although not necessarily always negatively. For example, credit contractions such as those that took place during the recent global financial crisis, negatively impact real estate pricing and transaction volumes, which will reduce our Capital Markets fees. Additionally, a continued bias by investors toward conservatism means that their appetite for core investment products, which is a LaSalle strength, remains noticeably higher than for opportunistic or speculative products.

• Decline in the Real Estate Values and Performance, Leasing Activity and Rental Rates

A general decline in the value and performance of real estate and in rental rates can lead to a reduction in both (1) investment management fees, a significant portion of which is generally based upon the performance of investments and net asset values, and (2) the value of the co-investments we make with our investment management clients or merchant banking investments we have made for our own account. Additionally, such declines can lead to a reduction in fees and commissions that are based on the value of, or revenue produced by, the properties with respect to which we provide services. This may include fees and commissions (1) for property management and valuations, (2) generated by our Capital Markets, Hotels and other businesses for arranging acquisitions, dispositions and financings, and (3) for arranging leasing transactions. Such declines can also lead to an unwillingness or inability of clients to make new (or honor existing) capital commitments to funds sponsored by our investment management business, which can result in a decline of both investment management fees and incentive fees and can also restrict our ability to employ capital for new investments in current funds or establish new funds.

The general decline in the value and performance of real estate negatively impacted the value of our own co-investments during 2009 and 2010. As real estate markets have generally improved since 2010, we have seen the value of these investments return, as reflected in the increase in our equity earnings recognized over the last four years. The continued conservatism of corporate occupiers to commit to new space, and their desire to derive more productivity from the same, or a sometimes reduced, real estate footprint, made our Agency Leasing business more challenging during 2013 but it recovered during 2014 as low interest rates and the strength of the U.S. equity markets brought confidence back to corporate occupiers.

Historically for companies in our industry, a significant decline in real estate values in a given market has also generally tended to result in increased litigation and claims regarding advisory and valuation work done prior to the decline, as well as pressure from investment management clients regarding performance.

• Decline in Value of Real Estate Securities

A general decline in the value of real estate securities (for example, REITS) will have a negative effect on the value of the portfolios that our LaSalle business manages, and any securities held in accounts that LaSalle manages, and therefore the fees we earn on assets under management. In addition, a general decline in the value of real estate securities could negatively impact the amount of money that investors are willing to allocate to real estate securities and the pace of engaging new investor clients.

• Cyclicality in the Real Estate Markets; Lag in Recovery Relative to Broader Markets

Cyclicality in the real estate markets may lead to cyclicality in our earnings and significant volatility in our stock price, which in recent years has continued to be highly sensitive to market perception of the global economy generally and our industry specifically. Real estate markets are also thought to "lag" the broader economy. This means that even when underlying economic fundamentals improve in a given market, it may take additional time for these improvements to translate into strength in the real estate markets. This may be exacerbated when banks delay their resolution of commercial real estate assets whose values are less than their associated loans.

• Effect of Changes in Non-Real Estate Markets

Changes in non-real estate markets can also affect our business in different ways for different types of investors. For example, relative strength in the equity markets can lead certain investors to lower the level of capital allocated to real estate, which in turn can mean that our ability to generate fees from the operation of our investment management business will be negatively impacted. Strength in the equity markets can also negatively impact the perception of relative performance of real estate as an asset class, which in turn means that the incentive fees relating to the performance of our investment funds will be negatively impacted. For those investors who seek to maintain real estate as a relatively fixed percentage of their portfolios and will periodically rebalance in order to do so, the so-called "denominator effect" can lead to either (1) selling real estate when the equity markets are weak since that can make real estate investments too great of a proportion of their portfolios or (2) buying real estate when equity markets are strong in order to maintain the desired percentage relative to other assets. A low interest rate environment, such as we have experienced in recent years, can make yields from real estate more attractive compared to bonds and that has supported REIT stocks.

REAL ESTATE SERVICES AND INVESTMENT MANAGEMENT MARKETS ARE HIGHLY COMPETITIVE.

We provide a broad range of commercial real estate and investment management services. There is significant competition on an international, regional and local level with respect to many of these services and in commercial real estate services generally. Depending on the service, we face competition from other real estate service providers, institutional lenders, insurance companies, investment banking firms, investment managers, accounting firms, technology firms, consulting firms, firms providing outsourcing of various types (including technology, and building products), any of which may be a global, regional or local firm, and companies that self-provide their real estate services with in-house capabilities.

Many of our competitors are local or regional firms. Although they may be substantially smaller in overall size than we are, they may be larger than we are in a specific local or regional market. Some of our competitors have expanded the services they offer in an attempt to gain additional business. Some may be providing outsourced facility management services in order to sell products to clients (such as HVAC systems) that we do not offer. In some sectors of our business, particularly Corporate Solutions, some of our competitors may have greater financial, technical and marketing resources, larger customer bases, and more established relationships with their customers and suppliers than we have. Larger or better-capitalized competitors in those sectors may be able to respond faster to the need for technological changes, price their services more aggressively, compete more effectively for skilled professionals, finance acquisitions more easily, develop innovative products more effectively and generally compete more aggressively for market share. This can also lead to increasing commoditization of the services we provide and increasing downward pressure on the fees we can charge.

New competitors, or alliances among competitors that increase their ability to service clients, could emerge and gain market share, develop a lower cost structure, adopt more aggressive pricing policies, aggressively recruit our people at above-market compensation or provide services that gain greater market acceptance than the services we offer. Some of these may come from non-traditional sources, such as information aggregators. In order to respond to increased competition and pricing pressure, we may have to lower our prices, loosen contractual terms (such as liability limitations), develop our own innovative approaches to mining data and using information, or increase compensation, which may have an adverse effect on our revenue and profit margins. We may also need to become increasingly productive and efficient in the way we deliver services or with respect to the cost structure supporting our businesses, which may in turn require more innovative uses of technology as well as data gathering and data mining.

Our industry has continued to consolidate, as evidenced by alliances in recent history that have resulted in the Grubb Newmark Knight Frank business and the merger between DTZ and Cassidy Turley, both of which included firms that had previously had significant financial problems but were able to recapitalize and reposition themselves. There is an inherent risk that competitive firms may be more successful than we are at growing through merger and acquisition activity. While we have successfully grown organically and through a series of acquisitions, sourcing and completing acquisitions are complex and sensitive activities. In light of the continuing need to provide clients with more comprehensive services on a more productive and cost efficient basis, we expect increasing acquisition opportunities to emerge and may increase our acquisition activity compared to recent years. For example, in 2011 we completed the significant acquisition of King Sturge in Europe after having considerably slowed our acquisition activity from 2008 through 2010. During 2012, 2013 and 2014, we completed four, five, and ten acquisitions, respectively. We are considering, and will continue to consider, acquisitions that we believe will strengthen our market position, increase our profitability and supplement our organic growth. We have found it relatively more challenging to identify appropriate acquisition candidates in our investment management business than we have been able to do in our RES business. In any event, there is no assurance that we will be able to continue our acquisition activity in the future at the same pace as we have in the past.

We believe we emerged from the global economic downturn in a stronger financial and market share position relative to certain of our traditional competitors. This may in some cases lead to a willingness on the part of a competitor to engage in aggressive pricing, advertising or hiring practices in order to maintain market shares or client relationships. To the extent this occurs, it increases the competitive risks and the fee and compensation pressures we face, although ramifications will differ from one competitor to another given their different positions within the marketplace and their different financial situations.

We are substantially dependent on long-term client relationships and on revenue received for services under various service agreements. Many of these agreements may be canceled by the client for any reason with as little as 30 to 60 days' notice, as is typical in the industry. In this competitive market, if we are unable to maintain these relationships or are otherwise unable to retain existing clients and develop new clients, our business, results of operations and/or financial condition may be materially adversely affected. The global economic downturn and continued weaknesses in the markets in which they themselves compete have led to additional pricing pressure from clients as they themselves came under financial pressure, participated in governmental bail-out programs or filed for bankruptcy or insolvency protection, as some significant clients did. These effects have continued to moderate through 2014, but they could increase again in the wake of the continuing political and economic uncertainties within the European Union, the United States, China, India, Russia or the Middle East, including as a result of the uncertain results of significantly lower oil prices.

REPUTATIONAL AND BRAND RISKS.

The value and premium status of our brand is one of our most important assets. An inherent risk in maintaining our brand is that we may fail to successfully differentiate the scope and quality of our service and product offerings from those of our competitors, or that we may fail to sufficiently innovate or develop improved products or services that will be attractive to our clients. Additionally, given the rigors of the competitive marketplace in which we operate, there is the risk that we may not be able to continue to find ways to operate more productively and more cost-effectively, including by achieving economies of scale, or that we will be limited in our ability to further reduce the costs required to operate on a globally coordinated platform.

The dynamic nature of the Internet and social media, which have substantially increased the availability and transparency of information, could devalue the information that we gather and disseminate as part of our business model and may harm certain aspects of our brokerage business in the event that principals of transactions prefer to transact directly with each other. In this regard, we face potential disintermediation challenges from companies whose primary business is to aggregate and disseminate for compensation the listing information they obtain from firms like ours that represent commercial landlords offering space to let.

The rapid dissemination and increasing transparency of information, particularly for public companies, increases the risks to our business that could result from negative media or announcements about ethics lapses or other operational problems, which could lead clients to terminate or reduce their relationships with us. We are also subject to misappropriation of one of the names or trademarks we own by third parties that do not have the right to use them so that they can trade off of the goodwill we have built up in our intellectual property, and our efforts to police usage of our intellectual property may not be successful in all situations.

THE SEASONALITY OF OUR REAL ESTATE SERVICES BUSINESS EXPOSES US TO RISKS.

Within our Real Estate Services business, our revenue and profits have historically grown progressively by quarter throughout the year. This is a result of a general focus in the real estate industry on completing or documenting transactions by fiscal-year-end and the fact that certain of our expenses are constant through the year. Historically, we have reported a relatively smaller profit in the first quarter and then increasingly larger profit during each of the following three quarters, excluding the recognition of investment-generated performance fees and co-investment equity gains or losses (each of which can be particularly unpredictable).

The seasonality of our business makes it difficult to determine during the course of the year whether planned results will be achieved, and thus to adjust to changes in expectations. Additionally, negative economic or other conditions that arise at a time when they impact performance in the fourth quarter, such as the particular timing of when larger transactions close or changes in the value of the U.S. dollar against other currencies, may have a more significant impact than if they occurred earlier in the year. To the extent we are not able to identify and adjust for changes in expectations or we are confronted with negative conditions that inordinately impact the fourth quarter of a calendar year, we could experience a material adverse effect on our financial performance.

As a result of growth in our property management and integrated facility management businesses and other services related to the growth of outsourcing of corporate real estate services, there has been somewhat less seasonality in our revenue and profits during the past few years than there was historically, but we believe that some level of seasonality will always be inherent in our industry and outside of our control. We continued to experience a level of seasonality in 2014 that was similar to previous years. We are unable to predict whether the dynamic nature of the markets in which we operate, or any change in their economic or political structures, will have a material effect on the historical seasonality of our business in 2015 and beyond.

POLITICAL AND ECONOMIC INSTABILITY AND TRANSPARENCY: PROTECTIONISM; TERRORIST ACTIVITIES; HEALTH EPIDEMICS.

We provide services in over 80 countries with varying degrees of political and economic stability and transparency. For example, within the past few years certain Middle Eastern, Asian, European and South American countries have experienced serious political and economic instability that will likely continue to arise from time to time in countries in which we have operations. It is difficult for us to predict where or when a significant change in the political leadership or regime within a given country may occur, or what the implications of such a change will be on our operations given that legislative, regulatory, tax and business environments can be altered quickly and dramatically. For example, continuing political activities in Russia and separately in various Middle Eastern countries have significantly disrupted business activity in those countries. Also, in recent years there have been significant political changes in a number of countries, including the U.S. and India as examples, resulting in changes to financial, tax, healthcare, governance and other laws that may directly affect our business and continue to evolve. Starting in the second half of 2011, debate arose about the continued viability of the European Union and the euro currency, and uncertainties remain about how this situation may ultimately be resolved.

Our ability to operate our business in the ordinary course and our willingness to commit new resources or investments may be affected or disrupted in one way or another, such as reductions in revenue, increases in taxes (due to more aggressive taxation policies), increases in other expenses (such as with respect to employee healthcare), restrictions on repatriating funds, difficulties in collecting receivables from clients, difficulties in recruiting staff, increased corruption or other material adverse effects.

In the event that governments engage in protectionist policies which favor local firms over foreign firms or which restrict cross-border capital flows, our ability to utilize and benefit from our global platform and integrated business model could be adversely affected. The global downturn also significantly added to the deficit spending of certain governments in countries where we do business and has called into question the creditworthiness of some countries, which has not entirely gone away as an issue. More recently, particularly in Europe, governments instituted austerity programs in an effort to contract spending and avoid defaults on sovereign debt, some of which resulted in social unrest. The social unrest as the result of the implementation of the austerity programs has diminished and some European countries seem to have emerged successfully. There has been some speculation that one or more European countries may stop using the euro as its currency. The United States and the European Union have instituted various sanctions against Russia as a result of that country's actions with respect to Ukraine and Crimea. It is inherently difficult to predict what the consequences to our business may be from these situations as they develop further.

In addition, terrorist activities have escalated in recent years and at times have affected cities in which we operate. The 2008 terrorist attack in Mumbai, India, where we have a presence, is an example and there have been serious situations in other cities where we have operations, including London, Boston, Paris, Sydney, Ottawa and Moscow. To the extent that similar terrorist activities continue to occur, they may adversely affect our business because they tend to target the same type of high-profile urban areas in which we do business.

Health epidemics that affect the general conduct of business in one or more urban areas (including as the result of travel restrictions and the inability to conduct face-to-face meetings), such as occurred in the past from SARS and influenza, or may occur in the future from other types of outbreak, can also adversely affect the volume of business transactions, real estate markets and the cost of operating real estate or providing real estate services. During 2014 the

Ebola epidemic in certain countries in Africa caused significant concern globally, although so far it has been contained within Africa.

The increasing globalization by our multi-national clients creates pressure to further expand our own geographical reach into less developed countries, including for example within Africa, which tends to exacerbate the above risks. As we continue to provide services in countries that have relatively higher security risks and lower levels of transparency, our exposure to the risks inherent in doing business in less developed markets increases.

INFRASTRUCTURE DISRUPTIONS.

Our ability to conduct a global business may be adversely impacted by disruptions to the infrastructure that supports our businesses and the communities in which they are located. This may include disruptions involving electrical, communications, information technology, transportation or other services used by JLL or third parties with which we conduct business. It may also include disruptions as a result of natural disasters such as hurricanes, earthquakes and floods, whether as a result of climate change or otherwise, political instability, general labor strikes or turmoil, cyber-attacks or terrorist attacks. These disruptions may occur, for example, as a result of events affecting only the buildings in which we operate (such as fires), or as a result of events with a broader impact on the cities where those buildings are located (including, potentially, the longer-term effects of global climate change). Nearly all of our employees in our primary locations, including Chicago, London, Singapore and Sydney, work in close proximity to each other in one or more buildings. If a disruption occurs in one location and our employees in that location are unable to communicate with or travel to other locations, our ability to service and interact with our clients may suffer, and we may not be able to successfully implement contingency plans that depend on communication or travel.

The infrastructure disruptions we describe above may also disrupt our ability to manage real estate for clients or may adversely affect the value of real estate investments we make on behalf of clients. The buildings we manage for clients, which include some of the world's largest office properties and retail centers, are used by numerous people daily. As a result, fires, earthquakes, floods, other natural disasters, defects and terrorist attacks can result in significant loss of life, and, to the extent we are held to have been negligent in connection with our management of the affected properties, we could incur significant financial liabilities and reputational harm. An example during 2012 was Hurricane Sandy, which disrupted our own operations in the Northeast United States and caused significant flooding damage to buildings we manage for clients in lower Manhattan, some of which took significant periods of time to recover fully. During 2013 and 2014, Asia experienced significant, and in some cases unprecedented, typhoon activity.

The occurrence of natural disasters and terrorist attacks can also significantly impact the availability and/or cost of commercial insurance policies covering real estate, both for our own business and for those clients whose properties we manage and who may purchase their insurance through the insurance buying programs we make available to them. Sometimes, even where policies are available, specific coverage for wind, flooding, earthquakes or terrorism may not be available or may be very expensive.

There can be no assurance that the disaster recovery and crisis management procedures we employ will suffice in any particular situation to avoid a significant loss. Given that our staff is increasingly mobile and less reliant on physical presence in a Company office, our disaster recovery plans increasingly rely on the availability of the Internet (including "cloud" technology) and mobile phone technology, so the disruption of those systems, such as because of a cyber-attack, would likely affect our ability to recover promptly from a crisis situation. Additionally, our ability to foresee or mitigate the potential consequences to managed properties, and real estate generally, from the effects of climate change, may be limited. We have significant operations and client relationships in cities with coastal exposure, such as New York and Florida.

CIVIL AND REGULATORY CLAIMS; LITIGATING DISPUTES IN DIFFERENT JURISDICTIONS.

Substantial civil legal liability or a significant regulatory action against our Firm could have a material adverse financial effect or cause us significant reputational harm, which in turn could seriously harm our business prospects. Many legal systems, including in the United States, have fairly significant barriers against recovering legal fees from plaintiffs that file cases we consider frivolous, so the costs to us of defending such cases can be substantial even if we prevail.

While we maintain commercial insurance in an amount we believe is appropriate, we also maintain a significant level of self-insurance for the liabilities we may incur. Although we place our commercial insurance with only highly-rated companies, the value of otherwise valid claims we hold under insurance policies may become uncollectible due to the insolvency of the applicable insurance company.

Additionally, the claims we have can be complex and insurance companies can prove difficult or bureaucratic in resolving claims, which may result in payments to us being delayed or reduced or that we must litigate in order to enforce an insurance policy claim.

Any disputes we have with third parties, or any government regulatory matters, generally must be adjudicated within the jurisdiction in which the dispute arose. Therefore, our ability to resolve our disputes successfully depends on the local laws that apply and the operation of the local judicial system. The timeliness, quality, transparency, integrity and sophistication of judicial systems vary widely from one jurisdiction to the next. Our geographic diversity therefore may expose us to disputes in certain jurisdictions that could be challenging to resolve efficiently and/or effectively, particularly as there appears to be an increasing tendency toward litigation in emerging markets, where the rule of law is less reliable, legal systems are less mature and transparent and the potential for judicial corruption remains a practical reality. It also may be more difficult to collect receivables from clients who do not pay their bills in certain jurisdictions, since resorting to the judicial system in certain countries may not be an effective alternative given the delays and costs involved.

Internal Operational Risk Factors

CONCENTRATIONS OF BUSINESS WITH CORPORATE AND INVESTOR CLIENTS CAUSES INCREASED CREDIT RISK AND GREATER IMPACT FROM THE LOSS OF CERTAIN CLIENTS; INCREASED RISKS FROM HIGHER LIMITATIONS OF LIABILITY IN CONTRACTS.

While our client base remains highly diversified across industries and geographies, we value the expansion of business relationships with individual corporate clients and institutional investors because of the increased efficiency and economics (both to our clients and our Firm) that can result from developing repeat business from the same client and from performing an increasingly broad range of services for the same client. Having increasingly large and concentrated clients also can lead to greater or more concentrated risks of loss if, among other possibilities, such a client (1) experiences its own financial problems, which can lead to larger individual credit risks, (2) becomes bankrupt or insolvent, which can lead to our failure to be paid for services we have previously provided or funds we have previously advanced, (3) decides to reduce its operations or its real estate facilities, (4) makes a change in its real estate strategy, such as no longer outsourcing its real estate operations, (5) decides to change its providers of real estate services or (6) merges with another corporation or otherwise undergoes a change of control, which may result in new management taking over with a different real estate philoso