JONES LANG LASALLE INC (JLL)

200 E RANDOLPH DR
CHICAGO, IL 60601
312. 782.5800
http://www.joneslanglasalle.com/

8−K

Filed on 04/28/2005 − Period: 04/27/2005
File Number 001−13145

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): April 27, 2005

JONES LANG LASALLE INCORPORATED
(Exact name of registrant as specified in its charter)

Maryland	001-13145	36-4150422
(State or other jurisdiction of Incorporation)	(Commission File Number)	(IRS 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

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On April 27, 2005, Jones Lang LaSalle Incorporated issued a press release announcing its financial results for the first quarter ended March 31, 2005. The full text of this press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

The following exhibit is included with this Report:

99.1. Press release issued by Jones Lang LaSalle Incorporated on April 27, 2005 announcing its financial results for the first quarter ended March 31, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 27, 2005

JONES LANG LASALLE INCORPORATED

By: /s/ Lauralee E. Martin

Name: Lauralee E. Martin

Title: Executive Vice President, Chief Financial Officer and Chief Operating Officer

EXHIBIT INDEX

Exhibit 99.1 Press release issued by Jones Lang LaSalle Incorporated on April 27, 2005 announcing its financial results for the first quarter ended March 31, 2005.

JONES LANG LASALLE INC (JLL)

200 E RANDOLPH DR
CHICAGO, IL 60601
312. 782.5800
http://www.joneslanglasalle.com/

EX−99.1

8−K Filed on 04/28/2005 − Period: 04/27/2005
File Number 001−13145

Exhibit 99.1

Jones Lang LaSalle Reports Solid Revenue Growth in First Quarter Results

CHICAGO, April 27 /PRNewswire-FirstCall/ -- Jones Lang LaSalle Incorporated (NYSE: JLL), the leading global real estate services and money management firm, today reported a net loss of $8.6 million, or $0.27 per share of common stock, for the quarter ended March 31, 2005. The loss is consistent both with the seasonal nature of the business and the planned increases in the investments the firm has made in people and infrastructure to support future growth. The net loss for the same period in the prior year was $6.1 million, or $0.20 per share.

Revenues increased 9 percent in U.S. dollars, 6 percent in local currencies, to $240.2 million for the first quarter 2005 compared to $220.7 million for the same period in 2004. Revenues for LaSalle Investment Management, the firm's money management business, contributed a 10 percent year-over-year increase in U.S. dollars, 7 percent in local currencies, leading to an increase in operating income from the prior year of 35 percent in U.S. dollars and 30 percent in local currencies. Strong performance in both Corporate Property Services ("CPS") and Project and Development Services ("PDS") across all Investor and Occupier Services ("IOS") businesses also contributed to the revenue improvement. The continued economic and business improvement, principally in the Americas and Asia Pacific, has had a positive impact on the increase in revenues.

First Quarter Highlights:

- Revenues increased 9 percent in U.S. dollars and 6 percent in local currencies
- Operating income increased 35 percent for LaSalle Investment Management
- Net debt decreased $69 million from first quarter of 2004

"Our strong revenues in the first quarter demonstrate how our people continue to take advantage of generally healthy market conditions to deliver value to clients around the world," said Colin Dyer, the firm's Chief Executive Officer. "While a first-quarter loss is typical for our business -- with most of our profits coming later in the year -- it also reflects the operational investments we are making to strengthen our presence in key markets, extend our global service lines and improve our client-service delivery capabilities," Dyer added.

Operating expenses were $250.5 million for first quarter 2005 and $227.4 million for the same period in 2004, an increase of 10 percent in U.S. dollars, 8 percent in local currencies. The increase includes added staffing to service client and business wins, particularly in the IOS and LaSalle Investment Management segments in Asia Pacific, as well as the impact of strategic investments, such as the Quartararo & Associates acquisition made in the Americas during the third quarter of 2004. Offsetting the 2005 operating expenses is a $1.6 million pre-tax benefit from the agreed settlement of litigation relating to the 2003 abandonment of a property management software system in the Australian business. Through March 31, 2005, $5.9 million of the total settlement of $7.3 million has been received and recognized.

Interest expense of $0.3 million for the quarter was significantly lower than the $3.8 million incurred in the first quarter of 2004, reflecting the continued pay-down of debt and the early redemption of the 9 percent Senior Notes in June 2004. The first quarter traditionally represents the firm's peak borrowing requirements in the year as annual bonuses are paid. During the first quarter of 2005, approximately 340,000 shares of common stock were repurchased for $15.2 million. Net debt as of March 31, 2005 was $121 million, a $69 million reduction from the prior year. The estimated effective tax rate for the first quarter of 2005 was 25.4 percent, as compared to 28.0 percent for the same period last year. This rate improvement, based on disciplined global tax planning, will favorably affect the full year's projected results, but when applied to the seasonal net loss it negatively impacts the first quarter year-over-year results by $0.3 million.

Business Segment First Quarter Highlights

Investor and Occupier Services

-- The Americas region continued the momentum of its strong 2004 finish into the first quarter of 2005, reporting a 16 percent year-over-year increase in revenues. Management services revenues were the main driver of the growth, increasing 18 percent for the quarter, while the transaction revenues grew 13 percent compared to 2004. The strategic acquisition of Quartararo & Associates, now part of the PDS business serving the greater New York area, contributed to the firm's performance as demonstrated by the revenue increase of 20 percent from that business in the Americas overall. The region also had strong performance in Public Institutions and its facility management business, CPS.

   Total operating expenses increased 22 percent for the quarter compared to 2004, with the increase reflecting higher staffing levels necessary to service new client wins as well as strategic hiring to expand market coverage in both leasing and capital markets.

-- The European region's revenues for the first quarter of 2005 declined 5 percent in U.S. dollars, 9 percent in local currencies, as a result of delays in the closing of certain anticipated transactions into the second quarter. Certain fourth-quarter 2004 restructuring efforts, which included realigning resources and further consolidating the

German business, together with hiring a new leader for that country, have started to have a positive impact in 2005. As a result, Germany showed early signs of improvement with an increase in revenues as compared to 2004. Overall, the European business is expected to have a stronger second quarter and anticipates achieving results that are above those of the prior year at second quarter end.

Operating expenses continue to be aggressively managed, with a decrease from the prior year of 3 percent in local currencies, representing an increase of 1 percent from the prior year in U.S. dollars.

-- Performance for the Asia Pacific region continued to confirm the commitment the firm has made to that region over the past few years, with revenues increasing more than 22 percent in U.S. dollars and 20 percent in local currencies. The main growth was in transaction activity, which increased over 30 percent in U.S. dollars from 2004. Management services revenues increased 13 percent in U.S. dollars over the prior year. The growth markets of China and Japan continued the momentum from the end of 2004, with revenues increasing 58 and 33 percent, respectively, in local currencies, for the first quarter of 2005 compared to the same period in 2004. The firm's leading market position in Hong Kong produced another strong quarter with revenues increasing over 25 percent in local currency over the prior year. The Asian Hotels business had another robust quarter in the core market of Australia, where revenues more than tripled from 2004.

Total operating expenses for the first quarter of 2005 increased 17 percent in U.S. dollars, 15 percent in local currencies over the prior year, reflecting continued investment in people and technology in the growth markets of China, India and Japan. Additionally, new offices were opened in Macau and Osaka.

LaSalle Investment Management

-- Revenues for first-quarter 2005 were up 10 percent in U.S. dollars, 7 percent in local currencies, over the prior year as the business continued to emphasize growth in its annuity revenues from advisory fees, which increased 10 percent from 2004 in U.S. dollars. First quarter transaction fees increased 23 percent over the prior year as capital flows into real estate remained strong. The business recognized total first quarter incentive fees of $2.3 million, with asset sales and portfolio performance producing strong investment returns for the firm's clients. Impairment charges were taken against two funds in the firm's co-investment portfolio resulting in a decline in equity earnings from 2004. For the year, the firm is expecting solid revenue contributions from its co-investment portfolio as additional assets are sold. The overall revenue strength resulted in operating income improvements of over 35 percent in U.S. dollars, 30 percent in local currencies, from 2004.

Strong response from investors to product offerings continues, and the business is ahead of its expected capital-raising activities with respect to funds planned for launch during 2005. In total, capital investments exceeded expectations in the first quarter of 2005. Specifically, capital investments in Asia Pacific funds during the first quarter of 2005 almost matched the levels seen for all of 2004.

Outlook

Consistent with prior years, the firm is not providing full-year earnings guidance for the remainder of 2005 due to both the transactional nature of a large part of the firm's service offerings as well as the seasonal nature of the business. This seasonality back-ends the majority of the firm's profits into the fourth quarter; it is therefore premature to predict the remaining 2005 operating environment at this time. The European business is expected to have a stronger second quarter and anticipates an increase in revenues for the first half of the year over the prior-year period. Overall, the firm continues to emphasize growth in its annuity revenues as well as enhancement of the profit margins in all its product and service lines. The firm has and will continue to increase its strategic growth investments in 2005 to areas such as China, and to its global Corporate Solutions and global Capital Markets service offerings. The current economic environment appears stable globally for real estate services, with continued strong growth expected in the Asia Pacific region.

About Jones Lang LaSalle

Jones Lang LaSalle is the world's leading real estate services and money management firm, operating across more than 100 markets around the globe. The company provides comprehensive integrated expertise, including management services, implementation services and investment management services on a local, regional and global level to owners, occupiers and investors. Jones Lang LaSalle is also the industry leader in property and corporate facility management services, with a portfolio of over 843 million square feet (79 million square meters) under management worldwide. LaSalle Investment Management, the company's investment management business, is one of the world's largest and most diverse real estate money management firms, with approximately $26 billion of assets under management.

Statements in this press release regarding, among other things, future financial results and performance, achievements, plans and objectives may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance, achievements, plans and objectives of Jones Lang LaSalle to be materially different from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include those discussed under "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Quantitative and

Qualitative Disclosures about Market Risk," and elsewhere in Jones Lang LaSalle's Annual Report on Form 10-K for the year ended December 31, 2004 and in other reports filed with the Securities and Exchange Commission. Statements speak only as of the date of this release. Jones Lang LaSalle expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect any change in Jones Lang LaSalle's expectations or results, or any change in events.

Conference Call

The firm will conduct a conference call for shareholders, analysts and investment professionals on Thursday, April 28, 2005 at 9:00 a.m. EDT. To participate in the teleconference, please dial into one of the following phone numbers five to ten minutes before the start time:

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

Replay Information Available: (12:00 p.m. EDT) Thursday, April 28 through (Midnight EDT) Thursday, May 5 at the following numbers:

- U.S. callers: +1 800 642 1687
- International callers: +1 706 645 9291
- Pass code: 5484566

Live web cast (available through May 6)

Follow these steps to listen to the web cast:

1. You must have a minimum 14.4 Kbps Internet connection
2. Log on to http://www.joneslanglasalle.com/shareholders/index.asp and follow instructions
3. Download free Windows Media Player software: (link located under registration form)

If you experience problems listening, send an e-mail to webcastsupport@tfprn.com .

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

JONES LANG LASALLE INCORPORATED
Consolidated Statements of Earnings
For the Three Months Ended March 31, 2005 and 2004
(in thousands, except share data)
(unaudited)

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
Revenue:		
Fee based services	$ 235,182	$ 217,040
Other income	4,994	3,623
Total revenue	240,176	220,663
Operating expenses:		
Compensation and benefits	172,126	155,064
Operating, administrative and other	71,591	64,077
Depreciation and amortization	8,310	8,302
Non-recurring and restructuring charges/(credits):		
Compensation and benefits	-	(210)
Operating, administrative and other	(1,569)	190
Total operating expenses	250,458	227,423
Operating loss	(10,282)	(6,760)
Interest and other costs:		
Interest expense, net of interest income	330	3,814
Equity in earnings (loss) from unconsolidated ventures	(892)	2,123
Loss before income tax benefits	(11,504)	(8,451)
Income tax benefits	(2,922)	(2,366)
Net loss	$ (8,582)	$ (6,085)
EBITDA (1)	$ (2,864)	$ 3,665
Basic loss per common share	$ (0.27)	$ (0.20)
Basic weighted average shares outstanding	31,268,640	31,045,367
Diluted loss per common share	$ (0.27)	$ (0.20)
Diluted weighted average shares outstanding	31,268,640	31,045,367

Please reference attached financial statement notes.

JONES LANG LASALLE INCORPORATED
Segment Operating Results
For the Three Months and Years Ended March 31, 2005 and 2004
(in thousands)
(unaudited)

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
INVESTOR & OCCUPIER SERVICES - AMERICAS		
Revenue:		
Implementation services	$ 27,099	$ 24,076
Management services	44,983	37,991
Equity earnings	(1)	467
Other services	1,577	1,277
Intersegment revenue	289	82
	73,947	63,893
Operating expenses:		
Compensation, operating and administrative	75,337	61,115
Depreciation and amortization	3,612	3,663
Operating loss	$ (5,002)	$ (885)
EUROPE		
Revenue:		
Implementation services	$ 59,017	$ 65,631
Management services	23,464	22,398
Other services	2,573	1,879
	85,054	89,908
Operating expenses:		
Compensation, operating and administrative	90,472	89,030
Depreciation and amortization	2,551	2,779
Operating loss	$ (7,969)	$ (1,901)
ASIA PACIFIC		
Revenue:		
Implementation services	$ 24,900	$ 19,173
Management services	23,443	20,662
Other services	592	348
	48,935	40,183
Operating expenses:		
Compensation, operating and administrative	50,547	43,194
Depreciation and amortization	1,805	1,556
Operating loss	$ (3,417)	$ (4,567)
INVESTMENT MANAGEMENT-		
Revenue:		
Implementation and other services	$ 1,902	$ 1,464
Advisory fees	28,250	25,696
Incentive fees	2,376	68
Equity earnings	(891)	1,656
	31,637	28,884
Operating expenses:		
Compensation, operating and administrative	27,649	25,884
Depreciation and amortization	343	304
Operating income	$ 3,645	$ 2,696
Total segment revenue	$ 239,573	$ 222,868
Intersegment revenue eliminations	(289)	(82)
Equity loss (earnings) revenue eliminations	892	(2,123)
Total revenue	$ 240,176	$ 220,663
Total segment operating expenses	$ 252,316	$ 227,525
Intersegment operating expense eliminations	(289)	(82)
Total operating expenses before non-recurring charges (credits)	$ 252,027	$ 227,443
Operating loss before non-recurring charges (credits)	$ (11,851)	$ (6,780)

Please reference attached financial statement notes.

JONES LANG LASALLE INCORPORATED
Consolidated Balance Sheets
March 31, 2005, December 31, 2004 and March 31, 2004
(in thousands)
(unaudited)

	March 31, 2005	December 31, 2004	March 31, 2004
ASSETS			
Current assets:			
Cash and cash equivalents	$ 27,941	$ 30,143	$ 22,984
Trade receivables, net of allowances	276,255	328,876	240,570
Notes receivable	4,568	2,911	4,275
Other receivables	8,438	11,432	11,363
Prepaid expenses	21,452	22,279	17,568
Deferred tax assets	16,359	28,427	16,816
Other assets	19,933	12,189	10,040
Total current assets	374,946	436,257	323,616
Property and equipment, at cost, less accumulated depreciation	71,758	75,531	68,400
Intangibles resulting from business acquisitions and JLW merger, net of accumulated amortization	348,115	351,664	348,729
Investments in and loans to real estate ventures	74,816	73,570	67,757
Long-term receivables, net	12,936	16,179	9,785
Prepaid pension asset	2,420	2,253	12,812
Deferred tax assets	53,236	43,202	46,587
Debt issuance costs	1,502	1,704	3,825
Other assets, net	18,963	12,017	11,829
	$ 958,692	$ 1,012,377	$ 893,340
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities	$ 111,190	$ 130,489	$ 89,189
Accrued compensation	109,140	244,659	96,560
Short-term borrowings	17,405	18,326	9,528
Deferred tax liabilities	2,787	262	2,199
Deferred income	22,508	16,106	19,073
Other liabilities	25,668	17,221	15,138
Total current liabilities	288,698	427,063	231,687
Long-term liabilities:			
Credit facilities	131,302	40,585	-
9% Senior Euro Notes, due 2007	-	-	203,214
Deferred tax liabilities	53	671	4,011
Deferred compensation	14,227	8,948	8,967
Minimum pension liability	2,989	3,040	-
Other	23,872	24,090	14,758
Total liabilities	461,141	504,397	462,637
Stockholders' equity:			
Common stock, $.01 par value per share, 100,000,000 shares authorized; 33,933,258, 33,243,527 and 31,874,055 shares issued and outstanding as of March 31, 2005, December 31, 2004 and March 31, 2004, respectively	340	332	319
Additional paid-in capital	592,831	575,862	528,055
Deferred stock compensation	(28,520)	(34,064)	(24,941)
Retained earnings (deficit)	(3,686)	4,896	(65,431)
Stock held by subsidiary	(74,147)	(58,898)	(20,311)
Stock held in trust	(530)	(530)	(230)
Accumulated other comprehensive income	11,263	20,382	13,242
Total stockholders' equity	497,551	507,980	430,703
	$ 958,692	$ 1,012,377	$ 893,340

Please reference attached financial statement notes.

JONES LANG LASALLE INCORPORATED
Summarized Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2005 and 2004
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2005	2004
Cash provided by earnings	$ 7,933	$ 6,704
Cash used in working capital	(94,768)	(47,360)
Net cash used in operating activities	(86,835)	(40,656)
Cash (used in) provided by investing activities	(7,815)	158
Cash provided by financing activities	92,448	377
Net decrease in cash and cash equivalents	(2,202)	(40,121)
Cash and cash equivalents, beginning of period	30,143	63,105
Cash and cash equivalents, end of period	$ 27,941	$ 22,984

Please reference attached financial statement notes.

JONES LANG LASALLE INCORPORATED
Financial Statement Notes

1. EBITDA represents earnings before interest expense, net of interest income, income taxes, depreciation and amortization. Although EBITDA is a non-GAAP financial measure, it is used extensively by management and is useful to investors as one of the primary metrics for evaluating operating performance and liquidity. The firm believes that an increase in EBITDA is an indicator of improved ability to service existing debt, to sustain potential future increases in debt and to satisfy capital requirements. EBITDA is also used in the calculations of certain covenants related to the firm's revolving credit facility. However, EBITDA should not be considered as an alternative either to net income or net cash provided by operating activities, both of which are determined in accordance with GAAP. Because EBITDA is not calculated under GAAP, the firm's EBITDA may not be comparable to similarly titled measures used by other companies.

   Below is a reconciliation of net loss to EBITDA (in thousands):

	Three Months Ended March 31,	
	2005	2004
Net loss	$ (8,582)	$ (6,085)
Add:		
Interest expense, net of interest income	330	3,814
Depreciation and amortization	8,310	8,302
Deduct:		
Net benefit from income taxes	(2,922)	(2,366)
EBITDA	$ (2,864)	$ 3,665

Below is a reconciliation of net cash used in operating activities, the most comparable cash flow measure on the consolidated statements of cash flows, to EBITDA (in thousands):

	Three Months Ended March 31,	
	2005	2004
Net cash used in operating activities	$ (86,835)	$ (40,656)
Add:		
Interest expense, net of interest income	330	3,814
Change in working capital and non-cash expenses	86,563	42,873
Less:		
Net benefit from income taxes	(2,922)	(2,366)
EBITDA	$ (2,864)	$ 3,665

2. Effective the fourth quarter of 2004, 'Equity in earnings from unconsolidated ventures' has been reclassified, for all periods presented on the Consolidated Statement of Earnings, from 'Revenue' to be presented as a separate line item between 'Total interest and other costs' and 'Income before provision for income taxes', in accordance with Rule 5-03 of Regulation S-X. As a result, 'Operating income' has been adjusted for the comparative year. Since equity earnings are an integral part of the Investment Management business, equity earnings has been included within 'Revenue' in segment operating results for discussion purposes only.

3. Net debt represents the aggregate of 'Short-term borrowings,' 'Credit facilities,' and '9% Senior Euro Notes' less 'Cash and cash equivalents'.

4. For purposes of segment operating results, the allocation of the non-recurring charges (credits) to segments has been determined to not be meaningful to investors. Additionally, the performance of segment results has been evaluated without these charges being allocated.

5. The consolidated statements of cash flows are presented in summarized form. For complete consolidated statements of cash flows, please refer to the firm's Quarterly Report on Form 10-Q for the period ended March 31, 2005, to be filed with the Securities and Exchange Commission shortly.

SOURCE Jones Lang LaSalle Incorporated
-0- 04/27/2005
/CONTACT: Lauralee E. Martin, Chief Operating and Financial Officer of Jones Lang LaSalle Incorporated, +1-312-228-2073/
/Web site: http://www.joneslanglasalle.com /