UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM __________ TO __________

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)	(IRS Employer Identification No.)

200 East Randolph Drive, Chicago, IL	60601
(Address of principal executive office)	(Zip Code)

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

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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 5, 2003
Common Stock ($0.01 par value)	31,020,645

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

JONES LANG LASALLE INCORPORATED

CONSOLIDATED BALANCE SHEETS

MARCH 31, 2003 AND DECEMBER 31, 2002

($ in thousands, except share data)

	MARCH 31, 2003 (Unaudited)	DECEMBER 31, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	$ 13,485	13,654
Trade receivables, net of allowances of $4,972 and $4,992 in 2003 and 2002, respectively	194,755	227,579
Notes receivable	3,608	4,165
Other receivables	6,531	7,623
Prepaid expenses	13,785	15,142
Deferred tax assets	27,601	27,382
Other assets	11,381	10,760
Total current assets	271,146	306,305
Property and equipment, at cost, less accumulated depreciation of $123,433 and $116,214 in 2003 and 2002, respectively	78,173	81,652
Goodwill, with indefinite useful lives, at cost, less accumulated amortization of $36,052 and $36,398 in 2003 and 2002, respectively	316,727	315,477
Identified intangibles, with definite useful lives, at cost, less accumulated amortization of $30,241 and $28,928 in 2003 and 2002, respectively	17,115	18,344
Investments in and loans to real estate ventures	73,239	74,994
Long-term receivables, net	14,760	15,248
Prepaid pension asset	1,230	9,646
Deferred tax assets	24,963	18,839
Debt issuance costs, net	3,988	4,343
Other assets, net	7,597	7,668
	$ 808,938	852,516

JONES LANG LASALLE INCORPORATED
CONSOLIDATED BALANCE SHEETS - CONTINUED

MARCH 31, 2003 AND DECEMBER 31, 2002
($ in thousands, except share data)

	MARCH 31, 2003 (Unaudited)	DECEMBER 31, 2002
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 89,046	92,389
Accrued compensation	69,867	139,513
Short-term borrowings	14,573	15,863
Deferred tax liabilities	478	20
Other liabilities	26,629	21,411
Total current liabilities	200,593	269,196
Long-term liabilities:		
Credit facilities	54,000	26,077
9% Senior Euro Notes, due 2007	180,263	173,068
Deferred tax liabilities	3,263	146
Minimum pension liability	4,734	--
Other	16,840	17,071
Total liabilities	459,693	485,558
Commitments and contingencies		
Stockholders' equity:		
Common stock, $.01 par value per share, 100,000,000 shares authorized; 31,017,810 and 30,896,333 shares issued and outstanding as of March 31, 2003 and December 31, 2002, respectively	310	309
Additional paid-in capital	497,955	494,283
Deferred stock compensation	(19,326)	(17,321)
Retained deficit	(102,658)	(95,411)
Stock held by subsidiary	(4,659)	(4,659)
Stock held in trust	(460)	(460)
Accumulated other comprehensive loss	(21,917)	(9,783)
Total stockholders' equity	349,245	366,958
	$ 808,938	852,516

See accompanying notes to consolidated financial statements.

JONES LANG LASALLE INCORPORATED
CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME

THREE MONTHS ENDED MARCH 31, 2003 AND 2002
($ in thousands, except share data)
(UNAUDITED)

	2003	2002
Revenue:		
Fee based services	$ 182,046	165,303
Equity in earnings (losses) from unconsolidated ventures	80	(78)
Other income	2,971	2,605
Total revenue	185,097	167,830
Operating expenses:		
Compensation and benefits, excluding non-recurring and restructuring charges	128,021	111,623
Operating, administrative and other, excluding non-recurring and restructuring charges	54,227	50,748
Depreciation and amortization	9,690	9,471
Non-recurring and restructuring charges:		
Compensation and benefits	(444)	20
Operating, administrative and other	500	80
Total operating expenses	191,994	171,942
Operating loss	(6,897)	(4,112)
Interest expense, net of interest income	4,083	3,918
Loss before benefit for income taxes and minority interest	(10,980)	(8,030)
Net benefit for income taxes	(3,733)	(3,212)
Minority interest in earnings of subsidiaries	--	63
Net loss before cumulative effect of change in accounting principle	(7,247)	(4,881)
Cumulative effect of change in accounting principle	--	846
Net loss	$ (7,247)	(4,035)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	$ (3,077)	682
Minimum pension liability	(9,057)	--
Comprehensive loss	$ (19,381)	(3,353)

JONES LANG LASALLE INCORPORATED
CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME - CONTINUED

THREE MONTHS ENDED MARCH 31, 2003 AND 2002
($ in thousands, except share data)
(UNAUDITED)

	2003	2002
Basic loss per common share before cumulative effect of change in accounting principle	$ (0.24)	(0.16)
Cumulative effect of change in accounting principle	--	0.03
Basic loss per common share	$ (0.24)	(0.13)
Basic weighted average shares outstanding	30,715,364	30,207,897
Diluted loss per common share before cumulative effect of change in accounting principle	$ (0.24)	(0.16)
Cumulative effect of change in accounting principle	--	0.03
Diluted loss per common share	$ (0.24)	(0.13)
Diluted weighted average shares outstanding	30,715,364	30,207,897

See accompanying notes to consolidated financial statements.

<table>

JONES LANG LASALLE INCORPORATED
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

THREE MONTHS ENDED MARCH 31, 2003
($ in thousands, except share data)
(UNAUDITED)

<caption>

	Common Stock							Accumulated Other Comprehensive Loss		
	Shares	Amount	Additional Paid-In Capital	Deferred Stock Compensation	Retained Earnings (Deficit)	Stock Held by Subsidiary	Shares Held in Trust and Other	Minimum Pension Liability	Foreign Currency Translation	Total
<s>	<c>	<c>	<c>	<c>	<c>	<c>	<c>	<c>	<c>	<c>
Balances at December 31, 2002	30,896,333	$309	494,283	(17,321)	(95,411)	(4,659)	(460)	--	(9,783)	366,958
Net loss		--	--	--	(7,247)	--	--	--	--	(7,247)
Shares issued in connection with stock option plan	3,334	--	(6)	--	--	--	--	--	--	(6)
Restricted stock:										
Shares granted	--	--	4,806	(4,806)	--	--	--	--	--	--
Amortization of granted shares	--	--	--	1,108	--	--	--	--	--	1,108
Shares issued .	167,813	2	(2)	--	--	--	--	--	--	--
Shares repurchased for payment of taxes	(50,973)	(1)	(766)	--	--	--	--	--	--	(767)

JONES LANG LASALLE INCORPORATED
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY - CONTINUED

THREE MONTHS ENDED MARCH 31, 2003
($ in thousands, except share data)
(UNAUDITED)

	Common Stock		Additional Paid-In Capital	Deferred Stock Compensation	Retained Earnings (Deficit)	Stock Held by Subsidiary	Shares Held in Trust and Other	Accumulated Other Comprehensive Loss		Total
	Shares	Amount						Minimum Pension Liability	Foreign Currency Translation	
Stock compensation programs:										
Shares issued .	1,303	--	8	--	--	--	--	--	--	8
Amortization of granted shares	--	--	--	1,325	--	--	--	--	--	1,325
Reduction in stock compensation grants outstanding .	--	--	(368)	368	--	--	--	--	--	--
Minimum pension liability . . .	--	--	--	--	--	--	--	(9,057)	--	(9,057)
Cumulative effect of foreign currency translation adjustments	--	--	--	--	--	--	--	--	(3,077)	(3,077)
Balances at March 31, 2003	31,017,810	$310	497,955	(19,326)	(102,658)	(4,659)	(460)	(9,057)	(12,860)	349,245

<fn>

See accompanying notes to consolidated financial statements.

</table>

JONES LANG LASALLE INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED MARCH 31, 2003 AND 2002
($ in thousands)
(UNAUDITED)

	2003	2002
Cash flows from operating activities:		
Cash flows from earnings:		
Net loss	$ (7,247)	(4,035)
Reconciliation of net loss to net cash provided by earnings:		
Cumulative effect of change in accounting principle	--	(846)
Minority interest	--	63
Depreciation and amortization	9,690	9,471
Equity in earnings and gain on sale from unconsolidated ventures	(80)	78
Operating distributions from real estate ventures	689	787
Provision for loss on receivables and other assets	839	2,787
Stock compensation expense	--	139
Amortization of deferred compensation	2,955	2,106
Amortization of debt issuance costs	332	321
Net cash provided by earnings	7,178	10,871
Cash flows from changes in working capital:		
Receivables	34,122	49,441
Prepaid expenses and other assets	781	(3,178)
Deferred tax assets	1,049	67
Accounts payable, accrued liabilities and accrued compensation	(66,936)	(73,932)
Net cash flows from changes in working capital	(30,984)	(27,602)
Net cash used in operating activities	(23,806)	(16,731)
Cash flows used in investing activities:		
Net capital additions - property and equipment	(3,805)	(2,082)
Other acquisitions and investments, net of cash balances assumed	(1,100)	(224)
Investments in real estate ventures:		
Capital contributions and advances to real estate ventures	(550)	(7,966)
Distributions, repayments of advances and sale of investments	3,239	2,887
Net cash used in investing activities	(2,216)	(7,385)

JONES LANG LASALLE INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

THREE MONTHS ENDED MARCH 31, 2003 AND 2002
($ in thousands)
(UNAUDITED)

	2003	2002
Cash flows provided by financing activities:		
Proceeds from borrowings under credit facilities	116,623	129,717
Repayments of borrowings under credit facilities	(89,990)	(104,563)
Shares repurchased for payment of taxes on stock awards	(780)	--
Common stock issued under stock option plan and stock purchase programs	--	409
Net cash provided by financing activities	25,853	25,563
Net (decrease) increase in cash and cash equivalents	(169)	1,447
Cash and cash equivalents, beginning of period	13,654	10,446
Cash and cash equivalents, end of period	$ 13,485	11,893
Supplemental disclosure of cash flow information:		
Cash paid (received) during the period for:		
Interest	$ 315	276
Taxes, net of refunds	1,525	(506)

See accompanying notes to consolidated financial statements.

Readers of this quarterly report should refer to the audited financial statements of Jones Lang LaSalle Incorporated ("Jones Lang LaSalle", which may also be referred to as the "Company" or as "we," "us" or "our") for the year ended December 31, 2002, which are included in Jones Lang LaSalle's 2002 Form 10-K, filed with the United States of America Securities and Exchange Commission and also available on our website, since certain footnote disclosures which would substantially duplicate those contained in such audited financial statements have been omitted from this report. You should also refer to the "Summary of Critical Accounting Policies and Estimates" section within Item 2., "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein for further discussion of our accounting policies and estimates.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTERIM INFORMATION

Our consolidated financial statements as of March 31, 2003 and for the three months ended March 31, 2003 and 2002 are unaudited; however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the consolidated financial statements for these interim periods have been included. The results for the periods ended March 31, 2003 and 2002 are not necessarily indicative of the results to be obtained for the full fiscal year.

RECLASSIFICATIONS

We have reclassified certain prior year amounts to conform with the current presentation.

Beginning in December 2002, pursuant to the Financial Accounting Standards Board's ("FASB") Emerging Issues Task Force ("EITF") No. 01-14, "Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred", we have reclassified reimbursements received for out-of-pocket expenses to revenues in the income statement, as opposed to being shown as a reduction of expenses. Out-of-pocket expenses include, but are not limited to, expenses related to airfare, mileage, hotel stays, out-of-town meals, photocopies and telecommunications and facsimile charges. These out-of-pocket expenses amounted to $1.4 million and $920,000 for the three months ended March 31, 2003 and 2002, respectively. This reclassification has no impact on reported operating loss, net loss or cash flows for either period.

Beginning in December 2002, we reclassified as revenue our recovery of indirect costs related to our management services business, as opposed to being classified as a reduction of expenses in the income statement. This recovery of indirect costs amounted to $5.3 million and $5.0 million for the three months ended March 31, 2003 and 2002, respectively. This reclassification has no impact on reported operating loss, net loss or cash flows for either period.

The three months ended March 31, 2002 reflect a reclassification made to separately identify the non-recurring and restructuring charges relating to this period. This reclassification has no impact on reported operating loss, net loss or cash flows for the period.

EARNINGS PER SHARE

For the three months ended March 31, 2003 and 2002, we calculated basic and diluted losses per common share based on basic weighted average shares outstanding of 30.7 million and 30.2 million, respectively. As a result of the net losses incurred for these periods, diluted weighted average shares outstanding do not give effect to common stock equivalents, since to do so would be anti-dilutive. These common stock equivalents consist principally of shares to be issued under employee stock compensation programs and outstanding stock options whose exercise price was less than the average market price of our stock during these periods. In addition, we did not include in the weighted average shares outstanding for the three months ended March 31, 2003 the 300,000 shares that we repurchased in the fourth quarter of 2002 and which are held by one of our subsidiaries.

STATEMENT OF CASH FLOWS

The effects of foreign currency translation on cash balances are reflected in cash flows from operating activities on the Consolidated Statements of Cash Flows.

INCOME TAX PROVISION

We provide for the effects of income taxes on interim financial statements based on our estimate of the effective tax rate for the full year. Based on our 2003 forecasted results we have estimated an effective tax rate of 34% for 2003. While there can be no assurance that we will achieve an effective tax rate of 34% in 2003, we believe that this is an achievable rate due to the impact of tax planning, particularly planning to reduce the impact of losses in jurisdictions where we cannot recognize tax benefits and planning to reduce the incidence of double taxation of earnings and other tax inefficiencies. For the three months ended March 31, 2002, we used an estimated effective tax rate of 40% on recurring operations. Due to the impact of tax planning undertaken later in the year, we ultimately achieved an effective tax rate of 34% on recurring operations for the full year of 2002. We continuously seek to develop and implement potential strategies and/or actions that would reduce our overall effective tax rate. We reflect the benefit from tax planning actions when we believe it is probable that they will be successful, which usually requires that certain actions have been initiated.

STOCK-BASED COMPENSATION

The amended and restated Stock Award and Incentive Plan ("SAIP"), adopted in 1997 and amended and restated in 2002 provides for the granting of options to purchase a specified number of shares of common stock and other stock awards to eligible participants of Jones Lang LaSalle. We account for our stock option and stock compensation plans under the provisions of FASB Statement No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), as amended by FASB Statement No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure" ("SFAS 148"), which allows entities to continue to apply the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"), using the intrinsic value based method, and provide pro forma net income and net income per share as if the fair value based method, defined in SFAS 123, as amended, had been applied. We have elected to apply the provisions of APB 25 in accounting for stock options and other stock awards. Therefore, pursuant to APB 25, no compensation expense has been recognized with respect to options granted at the market value of our common stock on the date of grant. Other stock awards, which were granted at prices below the market value of our common stock on the date of grant, have been recognized as compensation expense over the vesting period of those awards pursuant to APB 25. The following table provides pro forma net loss and net loss per common share as if the fair value based method had been applied to all awards ($ in

thousands, except share data):

	March 31, 2003	March 31, 2002
Net loss, as reported	$ (7,247)	(4,035)
Add: Stock-based employee compensation expense included in reported net loss, net of related tax effects . . .	1,795	1,347
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(2,174)	(1,621)
Pro forma net loss	$ (7,626)	(4,309)
Loss per share:		
Basic - as reported	$ (0.24)	(0.13)
Basic - pro forma	$ (0.25)	(0.14)
Diluted - as reported	$ (0.24)	(0.13)
Diluted - pro forma	$ (0.25)	(0.14)

As a result of a change in compensation strategy, other than as an inducement to certain new employees, we do not generally utilize stock option grants as part of our employee compensation strategy.

DERIVATIVES AND HEDGING ACTIVITIES

We apply FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), as amended by FASB Statement No. 138, "Accounting For Certain Derivative Instruments and Certain Hedging Activities", when accounting for derivatives and hedging activities.

In the normal course of business, we use derivative financial instruments in the form forward foreign currency exchange contracts to manage foreign currency risk. At March 31, 2003, we had forward exchange contracts in effect with a gross notional value of $140.0 million ($85.8 million on a net basis) and a market and carrying gain of approximately $700,000. In the past we have used interest rate swap agreements to limit the impact of changes in interest rates on earnings and cash flows. We did not use any interest rate swap agreements in 2002 or in the first quarter of 2003 and there were no such agreements outstanding as of March 31, 2003.

We require that hedging derivative instruments be effective in reducing the exposure that they are designated to hedge. This effectiveness is essential to qualify for hedge accounting treatment. Any derivative instrument used for risk management that does not meet the hedging criteria is marked-to-market each period with changes in unrealized gains or losses recognized currently in earnings.

As a firm, we do not enter into derivative financial instruments for trading or speculative purposes. We hedge any foreign currency exchange risk resulting from intercompany loans through the use of foreign currency forward contracts. SFAS 133 requires that unrealized gains and losses on these derivatives be recognized currently in earnings. The gain or loss on the re-measurement of the foreign currency transactions being hedged is also recognized in earnings. The net impact on our earnings during the three months

ended March 31, 2003 of the unrealized gain on foreign currency contracts, offset by the loss resulting from re-measurement of foreign currency transactions, was not significant.

REVENUE RECOGNITION

In certain of our businesses, primarily those involving management services, our clients reimburse us for expenses we incur on their behalf. We base the treatment of reimbursable expenses for financial reporting purposes upon the fee structure of the underlying contract. A contract that provides a fixed fee/billing, fully inclusive of all personnel or other recoverable expenses that we incur, and not separately scheduled as such, is reported on a gross basis. This means that our reported revenues include the full billing to our client and our reported expenses include all costs associated with the client. When the fee structure is comprised of at least two distinct elements, namely (i) the fixed management fee and (ii) a separate component which allows for scheduled reimbursable personnel or other expenses to be billed directly to the client, we will account for the contract on a net basis. This means we include the fixed management fee in reported revenues and we net the reimbursement against expenses. This characterization is based on the following factors: (i) the property owner generally has the authority over hiring practices and the approval of payroll prior to payment by Jones Lang LaSalle; (ii) Jones Lang LaSalle is the primary obligor with respect to the property personnel, but bears little or no credit risk under the terms of the management contract; (iii) reimbursement to Jones Lang LaSalle is generally completed simultaneously with payment of payroll or soon thereafter; and (iv) Jones Lang LaSalle generally earns no margin in the arrangement, obtaining reimbursement only for actual costs incurred. The majority of our service contracts utilize the latter structure and are accounted for on a net basis. We have always presented the above reimbursable contract costs on a net basis in accordance with accounting principles generally accepted in the United States of America. Such costs aggregated $97.9 million and $93.6 million for the three months ended March 31, 2003 and 2002, respectively. This treatment has no impact on operating loss, net loss or cash flows.

LEGAL PROCEEDINGS

The Company has contingent liabilities from various pending claims and litigation matters arising in the ordinary course of business, some of which involve claims from damages that are substantial in amount. Many of these matters are covered by insurance. Although the ultimate liability for these matters cannot be determined, based upon information currently available, we believe the ultimate resolution of such claims and litigation will not have a material adverse effect on our financial position, results of operations or liquidity.

On November 8, 2002, Bank One N.A. ("Bank One") filed suit against the Company and certain of its subsidiaries in the Circuit Court of Cook County, Illinois with regard to three different agreements relating to facility management, project development and broker services. The suit alleges negligence, breach of contract and breach of fiduciary duty on the part of Jones Lang LaSalle and seeks damages to recover a total of $40 million in compensatory damages and $80 million in punitive damages. The Company is aggressively defending the suit and on December 16, 2002 filed a counterclaim for breach of contract seeking payment of approximately $1.2 million for fees due for services provided under the agreements. While there can be no assurance as to the outcome, the Company believes that the complaint is without merit and, as such, will not have a material adverse effect on our financial position, results of operations or liquidity. The suits are in their early stages. As of the date of this report, we are in the process of discovery and no trial date has been set. As

such, the outcome of Bank One's suit cannot be predicted with any certainty and management is unable to estimate an amount or range of potential loss that could result if an improbable unfavorable outcome did occur.

(2) BUSINESS SEGMENTS

We manage our business along a combination of geographic and functional lines. We report operations as four business segments: the three geographic regions of Owner and Occupier Services ("OOS"), (i) Americas, (ii) Europe and (iii) Asia Pacific, each of which offer our full range of Corporate Solutions, Investor Services and Capital Markets Services; and (iv) Investment Management, which offers investment management services on a global basis. The OOS business consists primarily of tenant representation and agency leasing, capital markets and valuation services (collectively, "implementation services") and property management, corporate property services and project and development management services (collectively, "management services"). The Investment Management segment provides real estate investment management services to institutional investors, corporations, and high-net-worth individuals.

Total revenue by industry segment includes revenue derived from services provided to other segments. Operating income represents total revenue less direct and indirect allocable expenses. We allocate all expenses, other than interest and income taxes, as nearly all expenses incurred benefit one or more of the segments. Allocated expenses primarily consist of corporate global overhead, including certain globally managed stock programs. We allocate these corporate global overhead expenses to the business segments based on the relative revenue of each segment.

Our measure of segment operating results excludes non-recurring and restructuring charges. See Note 3 for a detailed discussion of these non-recurring and restructuring charges. We have determined that it is not meaningful to investors to allocate these non-recurring and restructuring charges to our segments. In addition, the Chief Operating Decision Maker of Jones Lang LaSalle measures the segment results without these charges allocated and performance for incentive compensation purposes is assessed before the impact of these charges.

The following table summarizes unaudited financial information by business segment for the three months ended March 31, 2003 and 2002 ($ in thousands):

	SEGMENT OPERATING RESULTS	
	MARCH 31,	
	2003	2002
OWNER AND OCCUPIER SERVICES - AMERICAS		
Revenue:		
Implementation services	$ 21,601	20,581
Management services	36,968	34,263
Equity losses	--	(10)
Other services	886	877
Intersegment revenue	69	117
	59,524	55,828
Operating expenses:		
Compensation, operating and administrative expenses	56,416	53,051
Depreciation and amortization	4,659	4,893
Operating loss	$ (1,551)	(2,116)

	SEGMENT OPERATING RESULTS	
	MARCH 31,	
	2003	2002
EUROPE		
Revenue:		
Implementation services	$ 48,789	45,146
Management services	20,920	18,344
Other services	1,593	1,247
	71,302	64,737
Operating expenses:		
Compensation, operating and administrative expenses	69,981	61,903
Depreciation and amortization	2,765	2,556
Operating income (loss)	$ (1,444)	278
ASIA PACIFIC		
Revenue:		
Implementation services	$ 15,005	14,892
Management services	14,280	12,927
Other services	463	405
	29,748	28,224
Operating expenses:		
Compensation, operating and administrative expenses	33,042	29,531
Depreciation and amortization	1,944	1,719
Operating loss	$ (5,238)	(3,026)
INVESTMENT MANAGEMENT -		
Revenue:		
Implementation services	$ 1,768	584
Advisory fees	22,715	18,560
Equity earnings (losses)	80	(68)
Other services	29	82
	24,592	19,158
Operating expenses:		
Compensation, operating and administrative expenses	22,878	18,003
Depreciation and amortization	322	303
Operating income	$ 1,392	852
Total segment revenue	$185,166	167,947
Intersegment revenue eliminations	(69)	(117)
Total revenue	$185,097	167,830
Total segment operating expenses	$192,007	171,959
Intersegment operating expense eliminations	(69)	(117)
Total operating expenses before non-recurring and restructuring charges	$191,938	171,842
Non-recurring and restructuring charges	$ 56	100
Operating loss	$ (6,897)	(4,112)

(3) NON-RECURRING AND RESTRUCTURING CHARGES

For the three months ended March 31, 2003 and 2002, non-recurring and restructuring charges totaled $56,000 and $100,000, respectively. The charges consist of the following elements ($ in thousands):

	March 31, 2003	March 31, 2002
Non-Recurring & Restructuring		
Land Investment and Development Group Impairment	$ --	80
2001 Global Restructuring Program:		
Compensation & Benefits	--	20
Operating, Administrative & Other	--	--
2002 Global Restructuring Program:		
Compensation & Benefits	(444)	--
Operating, Administrative & Other	500	--
Total Non-Recurring & Restructuring	$ 56	100

LAND INVESTMENT AND DEVELOPMENT GROUP IMPAIRMENT

As part of our broad based business restructuring in the second half of 2001, we closed the non-strategic residential land investment business in the Americas region of our Investment Management segment. We include in investment in and loans to real estate ventures the book value of the five remaining investments of $2.1 million, net of impairment charges of $6.3 million recorded in prior years. We included in non-recurring expense for the three months ended March 31, 2002 equity losses of $72,000. There were no similar charges for the three months ended March 31, 2003. We have provided guarantees associated with this investment portfolio of $1.2 million, which we currently do not expect to fund. We currently expect to have liquidated the Land Investment Group investments by the end of 2006.

Additionally, as part of the 2001 restructuring program, we disposed of our Americas Development Group, although we retained an interest in certain investments the group had originated. We included in non-recurring expense for the three months ended March 31, 2002 equity losses of $8,000. There were no similar charges for the three months ended March 31, 2003. We include in investments in and loans to real estate ventures the book value of the one remaining Development Group investment of $658,000. We currently expect to have liquidated this investment by the end of 2003.

BUSINESS RESTRUCTURING

Business restructuring charges include severance, professional fees and costs related to excess lease space associated with the realignment of our business. The actual costs incurred with respect to our 2002 restructuring have varied from our original estimates for a variety of reasons, including the identification of additional facts and circumstances, the complexity of international labor law and developments in the underlying business resulting in the unforeseen reallocation of resources and better or worse than expected settlement discussions with employees and/or landlords. These events resulted in the recording of a credit to non-recurring compensation and benefits expense of $444,000 and the recording of approximately $500,000 to non-recurring operating, administrative and other expense for additional lease costs of excess space reflecting a lease modification signed in the first quarter of 2003.

The following table displays the net charges for the three months ended March 31, 2003 and 2002 (in thousands):

NON-RECURRING & RESTRUCTURING	March 31, 2003	March 31, 2002
Owner and Occupier Services:		
Americas	$ --	8
Europe	56	--
Asia Pacific	--	--
Investment Management	--	72
Corporate	--	20
Total Non-Recurring & Restructuring	$ 56	100

(4) ACCOUNTING FOR BUSINESS COMBINATIONS, GOODWILL AND OTHER INTANGIBLE ASSETS

We apply FASB Statement No. 141, "Business Combinations" ("SFAS 141"), when accounting for business combinations. SFAS 141 requires that we use purchase method of accounting for all business combinations completed after June 30, 2001. SFAS 141 also specifies that intangible assets acquired in a purchase method business combination must meet certain criteria to be recognized and reported apart from goodwill. The acquisition of the minority interest in our Skandia joint venture was at a discount to the fair value of the net assets acquired. As a result, we recorded an after-tax gain of $341,000 as an extraordinary item in the fourth quarter of 2002.

We apply FASB Statement No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"), when accounting for goodwill and other intangible assets. SFAS 142 requires an annual impairment evaluation of intangibles with indefinite useful lives. To accomplish this annual evaluation we determine the carrying value of each reporting unit by assigning assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of evaluation. For purposes of evaluating SFAS 142, we define reporting units as Investment Management, Americas OOS, Australia OOS, Asia OOS, and by country groups in Europe OOS. The result of the 2002 evaluation was that the fair value of each reporting unit exceeded its carrying amount, and therefore no impairment loss was recognized on goodwill. The 2003 evaluation is planned to take place later this year. There were no triggering events in the first quarter that would have required an impairment evaluation.

We have $333.8 million of unamortized intangibles and goodwill as of March 31, 2003, that are subject to the provisions of SFAS 142. A significant portion of these unamortized intangibles and goodwill are denominated in currencies other than US dollars, which means that a portion of the movements in the reported book value of these balances are attributable to movements in foreign currency exchange rates. The tables below set forth further details on the foreign exchange impact on intangible and goodwill balances. Of the $333.8 million of unamortized intangibles and goodwill, $316.7 million represents goodwill with indefinite useful life, which we ceased amortizing January 1, 2002. As a result of adopting SFAS 142 on January 1, 2002, we credited to the income statement, as the cumulative effect of a change in accounting principle, $846,000, which represented our

negative goodwill balance at January 1, 2002. The gross carrying amount of this negative goodwill (which related to the Americas OOS reporting segment) at January 1, 2002 was $1.4 million with accumulated amortization of $565,000. The remaining $17.1 million of identified intangibles (principally representing management contracts acquired) will be amortized over their remaining definite useful lives (with a maximum of four years remaining). Other than the prospective non-amortization of goodwill, which results in a non-cash improvement in our operating results, the adoption of SFAS 142 did not have a material effect on our revenue, operating results or liquidity.

In accordance with SFAS 142, the effect of this accounting change is applied prospectively. Supplemental comparative disclosure as if the change had been retroactively applied to the prior period is as follows ($ in thousands, except share data):

	For the Three Months Ended March 31, 2003	2002
Reported net loss	$ (7,247)	(4,035)
Add back: Cumulative effect of change in accounting principle	--	(846)
Adjusted net loss	$ (7,247)	(4,881)
Basic loss per common share	$ (0.24)	(0.13)
Cumulative effect of change in accounting principle	--	(0.03)
Adjusted basic loss per common share	$ (0.24)	(0.16)
Diluted loss per common share	$ (0.24)	(0.13)
Cumulative effect of change in accounting principle	--	(0.03)
Adjusted diluted loss per common share	$ (0.24)	(0.16)

The following table sets forth, by reporting segment, the current year movements in the gross carrying amount and accumulated amortization of our goodwill with indefinite useful lives ($ in thousands):

	Owner and Occupier Services			Investment Management	Consolidated
	Americas	Europe	Asia Pacific		
Gross Carrying Amount					
Balance as of January 1, 2003	$179,335	58,145	82,755	31,640	351,875
Impact of exchange rate movements	28	(1,096)	2,245	(273)	904
Balance as of March 31, 2003	$179,363	57,049	85,000	31,367	352,779

	Owner and Occupier Services			Investment Management	Consolidated
	Americas	Europe	Asia Pacific		
Accumulated Amortization					
Balance as of January 1, 2003 . .	$(15,531)	(4,704)	(5,835)	(10,328)	(36,398)
Impact of exchange rate movements . .	4	471	(162)	33	346
Balance as of March 31, 2003 . .	$(15,527)	(4,233)	(5,997)	(10,295)	(36,052)
Net book value . . .	$163,836	52,816	79,003	21,072	316,727

The following table sets forth, by reporting segment, the current year movements in the gross carrying amount and accumulated amortization of our intangibles with definite useful lives as well as estimated future amortization expense ($ in thousands, unless otherwise noted).

	Owner and Occupier Services			Investment Management	Consolidated
	Americas	Europe	Asia Pacific		
Gross Carrying Amount					
Balance as of January 1, 2003 . .	$ 39,377	819	2,296	4,780	47,272
Impact of exchange rate movements . .	--	(12)	162	(66)	84
Balance as of March 31, 2003 . .	$ 39,377	807	2,458	4,714	47,356
Accumulated Amortization					
Balance as of January 1, 2003 . .	$(22,494)	(435)	(1,219)	(4,780)	(28,928)
Amortization expense - Q1	(1,192)	(26)	(75)	--	(1,293)
Impact of exchange rate movements . .	(5)	7	(88)	66	(20)
Balance as of March 31, 2003 . .	$(23,691)	(454)	(1,382)	(4,714)	(30,241)
Net book value . . .	$ 15,686	353	1,076	--	17,115

ESTIMATED ANNUAL AMORTIZATION EXPENSE	
Remaining 2003 Amortization	$3.9 million
For Year Ended 12/31/04	$5.2 million
For Year Ended 12/31/05	$4.7 million
For Year Ended 12/31/06	$3.2 million
For Year Ended 12/31/07	None

(5) NEW ACCOUNTING STANDARDS

ACCOUNTING FOR ASSET RETIREMENT OBLIGATIONS

We adopted the provisions of FASB Statement No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"), as of January 1, 2003. SFAS 143 addresses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated retirement costs. The standard applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal use of the asset.

SFAS 143 requires that the fair value of the liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The fair value of the liability is added to the carrying amount of the associated asset and this additional carrying amount is depreciated over the life of the asset. The liability is accreted at the end of each period through charges to operating expense. If the obligation is settled for other than the carrying amount of the liability, the Company will recognize a gain or loss on settlement. Operating leases for space we occupy in certain of our Asian markets contain obligations that would require us, on termination of the lease, to reinstate the space to its original condition. We have assessed our liability under such obligations as required by the adoption of SFAS 143. This has not had a material impact on our financial statements.

ACCOUNTING FOR COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES

As of January 1, 2003, we adopted FASB Statement No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" ("SFAS 146"). SFAS 146 requires that a liability for costs associated with an exit or disposal activity be recognized when the liability is incurred rather than when a company commits to such an activity and also establishes fair value as the objective for initial measurement of the liability. SFAS 146 is effective for exit or disposal activities that are initiated after December 31, 2002. The adoption has not had a material impact on our financial statements.

ACCOUNTING AND DISCLOSURE BY GUARANTORS

We apply FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"), which addresses the disclosure to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees. The Company has not entered into, or modified guarantees pursuant to the recognition provisions of FIN 45 during the three months ended March 31, 2003. Guarantees covered by the disclosure provisions of FIN 45 are discussed in the "Liquidity and Capital Resources" section within Item 2., "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein.

CONSOLIDATION OF VARIABLE INTEREST ENTITIES

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51" ("FIN 46"). FIN 46 addresses the consolidation by business enterprises of variable interest entities as defined. FIN 46 applies immediately to variable interests in variable interest entities created after January 31, 2003. We have not invested in any variable interest entities created after January 31, 2003. For public enterprises with a variable interest entity created before February 1, 2003, FIN 46 applies to that enterprise no later than the beginning of the first interim or annual period beginning after June 15, 2003. We are still analyzing the requirements of FIN 46 and do not anticipate that its adoption will have a material impact on our financial statements.

(6) UNITED KINGDOM RETIREMENT PLAN

We maintain a contributory defined benefit pension plan in the United Kingdom to provide retirement benefits to eligible employees. On January 1, 2003 we curtailed the United Kingdom defined benefit plan and implemented a defined contribution plan. No gain or loss was required to be recognized as a result of the curtailment. The table below shows how the curtailment impacted the accumulated benefit obligation, the projected benefit obligation and the fair value of the plan assets (amounts in millions):

	At December 31, 2002	At January 1, 2003
Projected benefit obligation . . .	$ 104.2	$ 92.7
Accumulated benefit obligation . .	$ 82.2	$ 90.1
Fair value of plan assets	$ 85.3	$ 85.3
Surplus/(Shortfall) of Plan Assets to accumulated benefit obligation	$ 3.1	$ (4.8)

Given that after the curtailment the accumulated benefit obligation exceeds the fair value of plan assets, we are required under accounting principles generally accepted in the United States of America to record a minimum pension liability through other comprehensive income in stockholders' equity. The minimum pension liability is equal to the excess accumulated benefit obligation of $4.8 million plus the value of the prepaid pension asset relating to the United Kingdom defined benefit plan which was $8.1 million at January 1, 2003. The adjustment to reflect the required minimum pension liability of $12.9 million, net of associated tax benefit of $3.9 million, was recorded through other comprehensive income in the three months ended March 31, 2003.

(7) SHARE REPURCHASE

On October 30, 2002, we announced that our Board of Directors had approved a share repurchase program. Under the program, we may repurchase up to one million shares of our outstanding common stock in the open market and in privately negotiated transactions from time to time, depending upon market prices and other conditions. In the fourth quarter of 2002, we repurchased 300,000 shares at an average price of $15.56 per share. We did not repurchase any shares in the first quarter of 2003. Given that shares repurchased under this program are not cancelled, but are held by one of our subsidiaries, we include them in our equity account. However, these shares are excluded from our share count for the purposes of calculating earnings per share.

(8) SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

On July 26, 2000, Jones Lang LaSalle Finance B.V. ("JLL Finance"), a wholly-owned subsidiary of Jones Lang LaSalle, issued 9% Senior Euro Notes with an aggregate principal amount of euro 165 million, due 2007 (the "Euro Notes"). The payment obligations under the Euro Notes are fully and unconditionally guaranteed by Jones Lang LaSalle Incorporated and certain of its wholly-owned subsidiaries: Jones Lang LaSalle Americas, Inc.; LaSalle Investment Management, Inc.;

Jones Lang LaSalle International, Inc.; Jones Lang LaSalle Co-Investment, Inc.; and Jones Lang LaSalle Ltd. (the "Guarantor Subsidiaries"). All of Jones Lang LaSalle Incorporated's remaining subsidiaries (the "Non-Guarantor Subsidiaries") are owned by the Guarantor Subsidiaries. The following supplemental Condensed Consolidating Balance Sheets as of March 31, 2003 and December 31, 2002, Condensed Consolidating Statement of Earnings for the three months ended March 31, 2003 and 2002, and Condensed Consolidating Statement of Cash Flows for the three months ended March 31, 2003 and 2002 present financial information for (i) Jones Lang LaSalle Incorporated (carrying any investment in subsidiaries under the equity method), (ii) Jones Lang LaSalle Finance B.V. (the issuer of the Euro Notes), (iii) on a combined basis the Guarantor Subsidiaries (carrying any investment in Non-Guarantor subsidiaries under the equity method) and (iv) on a combined basis the Non-Guarantor Subsidiaries (carrying their investment in JLL Finance under the equity method). Separate financial statements of the Guarantor Subsidiaries are not presented because the guarantors are jointly, severally, and unconditionally liable under the guarantees, and Jones Lang LaSalle Incorporated believes that separate financial statements and other disclosures regarding the Guarantor Subsidiaries are not material to investors. In general, historically, Jones Lang LaSalle Incorporated has entered into third party borrowings, financing its subsidiaries via intercompany accounts that are then converted into equity, or long-term notes, on a periodic basis. Certain Guarantor and Non-Guarantor Subsidiaries also enter into third party borrowings on a limited basis. All intercompany activity has been included as subsidiary activity in investing activities in the Condensed Consolidating Statements of Cash Flows. We manage cash on a consolidated basis and there is a right of offset between bank accounts in the different groupings of legal entities in the condensed consolidating financial information. Therefore, in certain cases, negative cash balances have not been reallocated to payables as they legally offset positive cash balances elsewhere in Jones Lang LaSalle Incorporated. In certain cases, we have calculated taxes on the basis of a group position that includes both Guarantor and Non-Guarantor Subsidiaries. In such cases, the taxes have been allocated to individual legal entities on the basis of that legal entity's pre tax income. For periodic reporting purposes, the adjustment for the global effective tax rate is made in the parent organization. In addition to the reclassifications listed in Note 1, in the first quarter of 2003, $17 million of goodwill related to the JLW merger was reclassified from the guarantor subsidiary Jones Lang LaSalle, Ltd. to various non-guarantor subsidiaries. We have reclassified the December 31, 2002 comparative balance sheet to reflect this movement.

<table>

JONES LANG LASALLE INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

CONDENSED CONSOLIDATING BALANCE SHEET

As of March 31, 2003
($ in thousands)

<caption>

<s>	Jones Lang LaSalle Incorporated (Parent and Guarantor) <c>	Jones Lang LaSalle Finance B.V. <c>	Guarantor Subsidiaries <c>	Non-Guarantor Subsidiaries <c>	Eliminations <c>	Consolidated Jones Lang LaSalle Incorporated <c>
ASSETS						
Cash and cash equivalents .	$ 2,933	76	(2,472)	12,948	--	13,485
Trade receivables, net of allowances .	--	--	64,381	130,374	--	194,755
Other current assets	12,106	--	24,766	26,034	--	62,906
Total current assets	15,039	76	86,675	169,356	--	271,146
Property and equipment, at cost, less accumulated depreciation .	4,616	--	36,758	36,799	--	78,173
Intangibles resulting from business acquisitions and JLW merger, net of accumulated amortization	--	--	212,840	121,002	--	333,842
Other assets, net . .	18,747	--	68,745	38,285	--	125,777
Investments in subsidiaries	270,246	--	287,096	905	(558,247)	--
	$ 308,648	76	692,114	366,347	(558,247)	808,938

JONES LANG LASALLE INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

CONDENSED CONSOLIDATING BALANCE SHEET

As of March 31, 2003
($ in thousands)

	Jones Lang LaSalle Incorporated (Parent and Guarantor)	Jones Lang LaSalle Finance B.V.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Jones Lang LaSalle Incorporated
LIABILITIES AND STOCKHOLDERS' EQUITY						
Accounts payable and accrued liabilities	$ 15,359	5,499	21,870	46,318	--	89,046
Short-term borrowings	--	33	6,012	8,528	--	14,573
Other current liabilities	(65,627)	(240,624)	381,259	21,966	--	96,974
Total current liabilities . .	(50,268)	(235,092)	409,141	76,812	--	200,593
Long-term liabilities:						
Credit facilities .	--	54,000	--	--	--	54,000
9% Senior Euro Notes, due 2007 .	--	180,263	--	--	--	180,263
Other	5,012	--	12,727	7,098	--	24,837
Total liabilities	(45,256)	(829)	421,868	83,910	--	459,693
Commitments and contingencies						
Stockholders' equity	353,904	905	270,246	282,437	(558,247)	349,245
	$ 308,648	76	692,114	366,347	(558,247)	808,938

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CONDENSED CONSOLIDATING BALANCE SHEET
As of December 31, 2002
($ in thousands)

<caption>

<s>	Jones Lang LaSalle Incorporated (Parent and Guarantor) <c>	Jones Lang LaSalle Finance B.V. <c>	Guarantor Subsidiaries <c>	Non-Guarantor Subsidiaries <c>	Eliminations <c>	Consolidated Jones Lang LaSalle Incorporated <c>
ASSETS						
Cash and cash equivalents	$ 8,657	65	(3,849)	8,781	--	13,654
Trade receivables, net of allowances . .	--	--	84,033	143,546	--	227,579
Other current assets .	21,303	--	29,006	14,763	--	65,072
Total current assets	29,960	65	109,190	167,090	--	306,305
Property and equipment, at cost, less accumulated depreciation .	5,088	--	38,913	37,651	--	81,652
Intangibles resulting from business acquisitions and JLW merger, net of accumulated amortization	--	--	214,524	119,297	--	333,821
Other assets, net . . .	16,399	--	77,047	37,292	--	130,738
Investment in subsidiaries	280,330	--	283,585	774	(564,689)	--
	$ 331,777	65	723,259	362,104	(564,689)	852,516

CONDENSED CONSOLIDATING BALANCE SHEET - CONTINUED
As of December 31, 2002
($ in thousands)

	Jones Lang LaSalle Incorporated (Parent and Guarantor)	Jones Lang LaSalle Finance B.V.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Jones Lang LaSalle Incorporated
LIABILITIES AND STOCKHOLDERS' EQUITY						
Accounts payable and accrued liabilities	$ 22,622	1,215	24,184	44,368	--	92,389
Short-term borrowings	--	205	4,210	11,448	--	15,863
Other current liabilities	(64,630)	(201,274)	404,201	22,647	--	160,944
Total current liabilities	(42,008)	(199,854)	432,595	78,463	--	269,196
Long-term liabilities:						
Credit facilities	--	26,077	--	--	--	26,077
9% Senior Notes, due 2007	--	173,068	--	--	--	173,068
Other	2,168	--	10,334	4,715	--	17,217
Total liabilities	(39,840)	(709)	442,929	83,178	--	485,558
Stockholders' equity	371,617	774	280,330	278,926	(564,689)	366,958
	$ 331,777	65	723,259	362,104	(564,689)	852,516

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JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS

For the Three Months Ended March 31, 2003
($ in thousands)

<caption>

	Jones Lang LaSalle Incorporated (Parent and Guarantor)	Jones Lang LaSalle Finance B.V.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Jones Lang LaSalle Incorporated
<s>	<c>	<c>	<c>	<c>	<c>	<c>
Revenue	$ --	--	85,355	99,742	--	185,097
Equity earnings (loss) from subsidiaries . . .	(8,263)	--	(1,976)	96	10,143	--
Total revenue	(8,263)	--	83,379	99,838	10,143	185,097
Operating expenses before non-recurring and restructuring charges	2,330	(54)	87,435	102,227	--	191,938
Non-recurring and restructuring charges .	--	--	(444)	500	--	56
Operating income (loss)	(10,593)	54	(3,612)	(2,889)	10,143	(6,897)
Interest expense, net of interest income . . .	(1,841)	(187)	3,231	2,880	--	4,083
Earnings (loss) before provision (benefit) for income taxes	(8,752)	241	(6,843)	(5,769)	10,143	(10,980)
Net provision (benefit) for income taxes	(1,505)	145	1,420	(3,793)	--	(3,733)
Net earnings (loss) . . .	$ (7,247)	96	(8,263)	(1,976)	10,143	(7,247)

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JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS

For the Three Months Ended March 31, 2002
($ in thousands)

<caption>

<s>	Jones Lang LaSalle Incorporated (Parent and Guarantor)	Jones Lang LaSalle Finance B.V.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Jones Lang LaSalle Incorporated
Revenue	$ --	--	75,623	92,207	--	167,830
Equity earnings (loss) from subsidiaries	(3,228)	--	(1,444)	58	4,614	--
Total revenue	(3,228)	--	74,179	92,265	4,614	167,830
Operating expenses before non-recurring and restructuring charges	3,386	16	75,601	92,839	--	171,842
Non-recurring and restructuring charges	20	--	80	--	--	100
Operating income (loss)	(6,634)	(16)	(1,502)	(574)	4,614	(4,112)
Interest expense, net of interest income	(2,387)	(230)	3,584	2,951	--	3,918
Earnings (loss) before provision (benefit) for income taxes and minority interest	(4,247)	214	(5,086)	(3,525)	4,614	(8,030)
Net provision (benefit) for income taxes	(212)	156	(1,858)	(1,298)	--	(3,212)
Minority interests in earnings of subsidiaries	--	--	--	63	--	63

JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS - CONTINUED

For the Three Months Ended March 31, 2002
($ in thousands)

	Jones Lang LaSalle Incorporated (Parent and Guarantor)	Jones Lang LaSalle Finance B.V.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Jones Lang LaSalle Incorporated
Net earnings (loss) before cumulative effect of change in accounting principle . .	(4,035)	58	(3,228)	(2,290)	4,614	(4,881)
Cumulative effect of change in accounting principle	--	--	--	846	--	846
Net earnings (loss) . . .	$ (4,035)	58	(3,228)	(1,444)	4,614	(4,035)

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JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the Three Months Ended March 31, 2003
($ in thousands)

<caption>

<s>	Jones Lang LaSalle Incorporated (Parent and Guarantor) <c>	Jones Lang LaSalle Finance B.V. <c>	Guarantor Subsidiaries <c>	Non-Guarantor Subsidiaries <c>	Consolidated Jones Lang LaSalle Incorporated <c>
Cash flows provided by (used in) operating activities	$ 3,957	11,575	(28,382)	(10,956)	(23,806)
Cash flows provided by (used in) investing activities:					
Net capital additions - property and equipment . .	(25)	--	(2,441)	(1,339)	(3,805)
Other acquisitions and investments, net of cash balances assumed	--	--	(1,100)	--	(1,100)
Subsidiary activity	(8,876)	(39,315)	27,728	20,463	--
Investments in real estate ventures	--	--	3,770	(1,081)	2,689
Net cash provided by (used in) investing activities	(8,901)	(39,315)	27,957	18,043	(2,216)
Cash flows provided by (used in) financing activities:					
Net borrowings under credit facility	--	27,751	1,802	(2,920)	26,633
Shares repurchased	(780)	--	--	--	(780)
Common stock issued under stock option plan	--	--	--	--	--
Net cash provided by (used in) financing activities	(780)	27,751	1,802	(2,920)	25,853
Net increase (decrease) in cash and cash equivalents	(5,724)	11	1,377	4,167	(169)
Cash and cash equivalents, beginning of period	8,657	65	(3,849)	8,781	13,654
Cash and cash equivalents, end of period	$ 2,933	76	(2,472)	12,948	13,485

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JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the Three Months Ended March 31, 2002
($ in thousands)

<caption>

	Jones Lang LaSalle Incorporated (Parent and Guarantor)	Jones Lang LaSalle Finance B.V.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidated Jones Lang LaSalle Incorporated
<s>	<c>	<c>	<c>	<c>	<c>
Cash flows provided by (used in) operating activities	$ (311)	3,791	(13,027)	(7,184)	(16,731)
Cash flows provided by (used in) investing activities:					
Net capital additions - property and equipment . .	(397)	--	(174)	(1,511)	(2,082)
Investments in e-commerce ventures	--	--	(224)	--	(224)
Subsidiary activity	1,131	(33,817)	25,234	7,452	--
Investments in real estate ventures	--	--	(4,351)	(728)	(5,079)
Net cash provided by (used in) investing activities	734	(33,817)	20,485	5,213	(7,385)
Cash flows provided by (used in) financing activities:					
Net borrowings under credit facility	--	30,057	(6,440)	1,537	25,154
Common stock issued under stock option plan	409	--	--	--	409
Net cash provided by (used in) financing activities	409	30,057	(6,440)	1,537	25,563
Net increase (decrease) in cash and cash equivalents	832	31	1,018	(434)	1,447
Cash and cash equivalents, beginning of period	3,142	52	(2,843)	10,095	10,446
Cash and cash equivalents, end of period	$ 3,974	83	(1,825)	9,661	11,893

</table>

(9) SUBSEQUENT EVENTS

In April 2003, we completed a feasibility analysis of a property management and trust accounting system that was in the process of being implemented in Australia. As a result of the review, we have concluded that the potential benefits from successfully correcting deficiencies in the system that would allow it to be implemented throughout Australia are not justified by the costs that would have to be incurred to do so. We are currently developing a transition plan to an existing alternative system which is expected to take up to six months. The balance sheet value of the abandoned system at March 31, 2003 was Australian $7.4 million (US $4.5 million). As a result of this decision, in the second quarter we will estimate the fair value of the abandoned system and record an impairment charge for the difference between this fair value and the Australian $7.4 million (US $4.5 million) balance sheet value. Given the short transition period and limited functionality of the existing system we do not expect that the fair value will be significant and as a result expect the impairment charge to be at least Australian $7.0 million (US $4.3 million).

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto for the three months ended March 31, 2003, included herein, and Jones Lang LaSalle's audited consolidated financial statements and notes thereto for the fiscal year ended December 31, 2002, which have been filed with the United States of America Securities and Exchange Commission as part of our 2002 Annual Report on Form 10-K and is also available on our website.

SUMMARY OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

An understanding of our accounting policies is necessary for a complete analysis of our results, financial position, liquidity and trends. The preparation of our financial statements requires management to make certain critical accounting estimates that impact the stated amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting periods. These accounting estimates are based on management's judgment and are considered to be critical because of their significance to the financial statements and the possibility that future events may differ from current judgments, or that the use of different assumptions could result in materially different estimates. We review these estimates on a periodic basis to ensure reasonableness. However, the amounts we may ultimately realize could differ from such estimated amounts.

REVENUE RECOGNITION - We recognize advisory and management fees in the period in which we perform the service. Transaction commissions are recognized as income when we provide the service unless future contingencies exist. If future contingencies exist, we defer recognition of this revenue until the respective contingencies are satisfied. Development management fees are generally recognized as billed, which we believe approximates the percentage of completion method of accounting. Incentive fees are generally tied to some form of contractual milestone and are recorded in accordance with the specific terms of the underlying compensation agreement. The Securities and Exchange Commission's Staff Accounting Bulletin No. 101, "Revenue Recognition" ("SAB 101"), provides guidance on the application of accounting principles generally accepted in the United States of America to selected revenue recognition issues. We believe that our revenue recognition policy is appropriate and in accordance with accounting principles generally accepted in the United States of America and SAB 101.

In certain of our businesses, primarily those involving management services, our clients reimburse us for expenses we incur on their behalf. We base the treatment of reimbursable expenses for financial reporting purposes upon the fee structure of the underlying contract. A contract that provides a fixed fee/billing, fully inclusive of all personnel or other recoverable expenses that we incur, and not separately scheduled as such, is reported on a gross basis. This means that our reported revenues include the full billing to our client and our reported expenses include all costs associated with the client. When the fee structure is comprised of at least two distinct elements, namely (i) the fixed management fee and (ii) a separate component which allows for scheduled reimbursable personnel or other expenses to be billed directly to the client, we will account for the contract on a net basis. This means we include the fixed management fee in reported revenues and we net the reimbursement against expenses. This characterization is based on the following factors: (i) the property owner generally has the authority over hiring practices and the approval of payroll prior to payment by Jones Lang LaSalle; (ii) Jones Lang LaSalle is the primary obligor with respect to the property personnel, but bears little or no credit risk under the terms of the management contract; (iii) reimbursement to Jones Lang LaSalle is generally completed simultaneously with payment of payroll or soon thereafter; and (iv) Jones Lang LaSalle generally earns no margin in the arrangement, obtaining reimbursement only

for actual costs incurred. The majority of our service contracts utilize the latter structure and are accounted for on a net basis. We have always presented the above reimbursable contract costs on a net basis in accordance with accounting principles generally accepted in the United States of America. Such costs aggregated $97.9 million and $93.6 million for the three months ended March 31, 2003 and 2002, respectively. This treatment has no impact on operating loss, net loss or cash flows.

Beginning in December 2002, pursuant to the Financial Accounting and Standards Board's ("FASB") Emerging Issues Task Force ("EITF") No. 01-14, "Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred", we have reclassified reimbursements received for out-of-pocket expenses to revenues in the income statement, as opposed to being shown as a reduction of expenses. Out-of-pocket expenses include, but are not limited to, expenses related to airfare, mileage, hotel stays, out-of-town meals, photocopies and telecommunications and facsimile charges. These out-of-pocket expenses amounted to $1.4 million and $920,000 for the three months ended March 31, 2003 and 2002, respectively. This reclassification has no impact on reported operating loss, net loss or cash flows for either period.

Beginning in December 2002, we reclassified as revenue our recovery of indirect costs related to our management services business, as opposed to being classified as a reduction of expenses in the income statement. This recovery of indirect costs amounted to $5.3 million and $5.0 million for the three months ended March 31, 2003 and 2002, respectively. This reclassification has no impact on reported operating loss, net loss or cash flows for either period.

ACCOUNTS RECEIVABLE - We estimate the allowance necessary to provide for uncollectible accounts receivable. This estimate includes specific accounts for which payment has become unlikely. We also base this estimate on historical experience, combined with a careful review of current developments and with a strong focus on credit quality. The process by which we calculate the allowance begins in the individual business units where specific problem accounts are identified and reserved as part of an overall reserve that is formulaic and driven by the age profile of the receivables. These reserves are then reviewed on a quarterly basis by regional and global management to ensure that they are appropriate. As part of this review, we develop a range of potential reserves on a consistent formulaic basis. Over the last two years we have placed considerable focus on working capital management and in particular, collecting our receivables on a more timely basis. As we are successful in doing this, the range of potential reserves is narrowing. We would normally expect that the allowance would fall within this range. The table below sets out certain information regarding our accounts receivable, allowance for uncollectible accounts receivable, range of possible allowance and the bad debt expense we incurred for the three months ended March 31, 2003 and 2002 ($ in millions).

	Gross Accounts Receivable	Accounts Receivable More Than 90 Days Past Due	Allowance for Uncollectible Accounts Receivable	Maximum Allowance	Minimum Allowance	Bad Debt Expense
March 31, 2003 .	$ 199.8	7.2	5.0	6.3	3.2	0.8
March 31, 2002 .	$ 176.1	10.7	8.3	9.2	4.6	2.5

PERIODIC ACCOUNTING FOR INCENTIVE COMPENSATION - An important part of our overall compensation package is incentive compensation, which we typically pay out to employees in the first quarter of the year after it is earned. In our interim financial statements we accrue for incentive compensation based on the percentage of revenue and compensation costs recorded to date relative to forecasted revenue and compensation costs for the full year, as substantially all incentive compensation pools are based upon revenues and profits. The impact of this incentive compensation accrual methodology is that we accrue very little incentive compensation in the first six months of the year, with the majority of our incentive compensation accrued in the second half of the year, particularly in the fourth quarter. We adjust the incentive compensation accrual in those unusual cases where earned incentive compensation has been paid to employees. In addition, we exclude from the standard accrual methodology incentive compensation pools that are not subject to the normal performance criteria. These pools are accrued for on a straight-line basis. Incentive compensation for the three months ended March 31, 2003 increased $4.1 million ($3.6 million excluding the impact of movements in foreign currency exchange rates) when compared to the same period in 2002. This increase is due to the timing of incentive compensation since a greater portion of our forecasted annual revenues was achieved in the first quarter of 2003 when compared to the same period last year. In addition, in 2003, we have an increased dollar value of incentive compensation that is not subject to normal performance criteria and is therefore accounted for on a straight-line basis.

We have a stock ownership program for certain of our senior employees pursuant to which they receive a portion of their annual incentive compensation in the form of restricted stock units of our common stock. These restricted shares vest 50% at 18 months from the date of grant (January of the following year to which the restricted stock units relate) and 50% vest at 30 months from the date of grant. The related compensation cost is amortized to expense over the service period. The service period consists of the 12 months of the year to which payment of the restricted stock units relate, plus the periods over which the shares vest. Given that individual incentive compensation awards are not finalized until after year-end, we must estimate the portion of the overall incentive compensation pool that will qualify for this program. This estimation factors in the performance of the Company and individual business units, together with the target bonuses for qualified individuals. We do not estimate and account for the current year impact of this program until the fourth quarter (namely, the enhancement, the deferral and the related amortization) because the majority of our incentive compensation is accrued in the fourth quarter. In March 2003, we decreased the deferred compensation by approximately $383,000 because the population eligible for the stock ownership program was awarded less incentive compensation related to 2002 than we had originally estimated. This change in estimate resulted in additional cash bonus related to 2002 being paid in the first quarter of 2003. The additional cash bonus was expensed in the first quarter 2003 financial statements. In March of 2002, we increased the deferred compensation by approximately $181,000 since the population eligible for the stock ownership program was awarded more incentive compensation related to 2001 than we had originally estimated. This change in estimate resulted in less cash bonus related to 2001 being paid in the first quarter of 2002. This was credited to the income statement in the first quarter 2002 financial statements.

The table below sets out the amortization expense related to the stock ownership program for the three months ended March 31, 2003 and 2002 (in thousands):

	March 31, 2003	March 31, 2002
Compensation expense amortization	$ 1,568	1,699

ASSET IMPAIRMENT - We apply FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), to recognize and measure impairment of long-lived assets. We review long-lived assets, including investments in real estate ventures, intangibles and property and equipment for impairment on an annual basis, or whenever events or circumstances indicate that the carrying value of an asset group may not be recoverable. The review of recoverability is based on an estimate of the future undiscounted cash flows expected to be generated by the asset group. If impairment exists due to the inability to recover the carrying value of an asset group, we record an impairment loss to the extent that the carrying value exceeds estimated fair value.

We apply FASB Statement No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"), when we account for goodwill and other intangible assets. SFAS 142 requires an annual impairment evaluation of intangibles with indefinite useful lives. To accomplish this annual evaluation, we determine the carrying value of each reporting unit by assigning assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of evaluation. For purposes of evaluating SFAS 142, we define reporting units as Investment Management, Americas OOS, Australia OOS, Asia OOS, and by country groups in Europe OOS. We determine the fair value of each reporting unit on the basis of a discounted cash flow methodology and compare it to the reporting unit's carrying value. The result of the 2002 evaluation was that the fair value of each reporting unit exceeded its carrying amount, and therefore no impairment loss was recognized on goodwill. The 2003 evaluation is planned to take place later this year. There were no triggering events in the first quarter that would have required an impairment evaluation.

Although the Land Investment Group was closed down in 2001, we have retained certain investments originated by this group. Included in investments in and loans to real estate ventures is the book value of the five remaining Land Investment Group investments of $2.1 million, net of impairment charges of $6.3 million recorded in prior years. We continue to monitor this portfolio very carefully and have not recorded an impairment charge for the three months ended March 31, 2003. We have provided guarantees associated with this investment portfolio of $1.2 million, which we currently do not expect to be required to fund. We expect to have liquidated the Land Investment Group investments by the end of 2006.

Although we sold the Development Group in 2001, we have retained certain investments originated by this group. Included in investments in and loans to real estate ventures is the book value of the one remaining Development Group investment of $658,000. We continue to monitor this investment very carefully and have not recorded an impairment charge for the three months ended March 31, 2003. We expect to have liquidated the remaining Development Group investment by the end of 2003.

INCOME TAXES - We account for income taxes under the asset and liability method. Because of the global and cross border nature of our business, our corporate tax position is complex. We generally provide taxes in each tax jurisdiction in which we operate based on local tax regulations and rules. Such taxes are provided on net earnings and include the provision for taxes on substantively all differences between accounting principles generally accepted in the United States of America and tax accounting, excluding certain non-deductible items and permanent differences.

We provide for the effects of income taxes on interim financial statements based on our estimate of the effective tax rate for the full year. Based on our 2003 forecasted results, we have estimated an effective tax rate of 34% for 2003. While there can be no assurance that we will achieve an effective tax rate of 34% in 2003, we believe that this is an achievable tax rate due to the impact of tax planning, particularly planning to reduce the impact of losses in jurisdictions where we cannot recognize tax benefits and planning to reduce the incidence of double taxation of earnings and other tax inefficiencies. For the three months ended March 31, 2002, we used an estimated effective tax rate of 40% for

recurring operations. If we had used an estimated effective tax rate of 40% in the first quarter of 2003, the tax benefit would have been $4.3 million as compared to the $3.7 million tax benefit that we actually recorded. Due to the impact of tax planning undertaken later in 2002, an effective tax rate of 34% on recurring operations was achieved for the full year of 2002. Our global effective tax rate is also sensitive to changes in the mix of our geographic profitability as local statutory tax rates range from 10% to 43% in the countries in which we have significant operations. We continuously seek to develop and implement strategies and/or actions that would reduce our overall effective tax rate. We reflect the benefit from tax planning actions when we believe it is probable that they will be successful, which usually requires that certain actions have been initiated.

ACCOUNTING FOR SELF-INSURANCE PROGRAMS - In our Americas business, in common with many other American companies, we have chosen to retain certain risks regarding workers' compensation and health insurance rather than purchase third-party insurance. Estimating our exposure to such risks involves subjective judgments about future developments. We engage the services of an independent actuary on an annual basis to assist us in quantifying our potential exposure.

- HEALTH INSURANCE - Beginning in January 2002, we chose to self-insure our health benefits for all employees based in the United States of America, although we did purchase stop loss coverage to limit our exposure. We engage an actuary who specializes in health insurance to estimate our likely full-year cost at the beginning of the year and expense this cost on a straight-line basis throughout the year. In the fourth quarter, we employ the same actuary to estimate the required reserve for unpaid health costs we would need at year-end. With regard to the year-end reserve, the actuary provides us with a point estimate, which we accrue; additionally we accrue a provision for adverse deviation. Given the nature of medical claims, it may take up to 12 months for claims to be processed and recorded. The reserve balance at March 31, 2003, which relates to both 2002 and 2003 is $3.1 million. The reserve balance at December 31, 2002 was $2.4 million. Our external service provider is currently working to analyze the development of the reserve estimate from year-end. The table below sets out certain information related to the cost of this program for the three months ended March 31, 2003 and 2002 ($ in millions):

	March 31, 2003	March 31, 2002
Expense to Company . . .	$ 3.0	3.1
Employee contributions .	0.7	0.6
Total program cost . . .	$ 3.7	3.7

- WORKERS' COMPENSATION INSURANCE - We have been self-insured for workers' compensation insurance for a number of years. We have stop loss insurance in place which limits our exposure in certain cases. On a periodic basis we accrue using the various state rates based on job classifications, engaging on an annual basis in the third quarter, an independent actuary who specializes in workers' compensation to estimate our exposure based on actual experience. In prior years, we have recorded an adjustment to revenues for the difference between the actuarial estimate and our reserve after the receipt of the actuary's report (usually in the third quarter). Given our considerable experience in this area, in the first quarter of 2003 we determined that we would accrue for the estimated adjustment to revenues on a periodic basis. The credit taken to revenue for this was $433,000 in the first quarter of 2003. There were no similar credits in the first quarter of 2002.

- CAPTIVE INSURANCE COMPANY - In order to better manage our global insurance program, we use a captive insurance company to provide professional indemnity insurance coverage on a "claims made" basis to certain of our international operations in addition to our traditional insurance coverage. The maximum risk retained by this captive insurance company in any one year is pound sterling 1 million (approximately $1.6 million). Given the nature of these types of claims, it may take several years for there to be a resolution of the underlying claims and to finalize the expense. We are required to estimate the ultimate cost of these claims. This estimate includes specific claim reserves that are developed on the basis of a review of the circumstances of the individual claim. Given that the timeframe for these reviews may be lengthy, we also provide a reserve against the current year exposures on the basis of our historic loss ratio. The table below provides the reserve balance which can relate to multiple years, that we have established as of ($ in millions):

March 31, 2003 . . .	$1.7
March 31, 2002 . . .	$1.7

COMMITMENTS AND CONTINGENCIES - We are subject to various claims and contingencies related to lawsuits, taxes and environmental matters as well as commitments under contractual obligations. We recognize the liability associated with commitments and contingencies when a loss is probable and estimable. Our contractual obligations relate to the provision of services by us in the normal course of our business. Please see Part II "Other Information" Item 1., "Legal Proceedings" for a discussion of certain legal proceedings.

RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 2003 COMPARED TO THREE MONTHS ENDED MARCH 31, 2002

ITEMS AFFECTING COMPARABILITY

LASALLE INVESTMENT MANAGEMENT REVENUES

Our Investment Management business is in part compensated through the receipt of incentive fees when investment performance exceeds agreed benchmark levels. Depending upon performance, these fees can be significant and will generally be recognized when agreed events or milestones are reached. The timing of recognition may impact comparability between quarters, in any one year, or compared to a prior year.

ACQUISITION

In December 2002, Jones Lang LaSalle acquired the 45% minority interest in the joint venture company Jones Lang LaSalle Asset Management Services, which since 2000 has exclusively provided asset management services for all Skandia Life properties in Sweden. The purchase price of the minority interest was approximately $1 million, a discount to the fair value of the net assets acquired. Because the acquisition occurred in December of 2002, this joint venture was accounted for as a minority interest in the first quarter of 2002.

FOREIGN CURRENCY

We operate in a variety of currencies in 34 countries, but report our results in U.S. dollars. This means that our reported results may be positively or negatively impacted by the volatility of currencies against the U.S. dollar. This volatility makes it more difficult to perform period-to-period comparisons of the reported results of operations. As an example, the euro, the pound sterling and the Australian dollar, each a currency used in a significant portion of our operations, strengthened in the last nine months of 2002, and remained strong in the first quarter of 2003. This means that for those businesses located in jurisdictions that utilize these currencies, the U.S. dollar reported revenues and expenses in the first quarter of 2003 demonstrate an apparent growth rate that is not consistent with the real underlying growth rate in the local operations. In order to provide more meaningful period-to-period comparisons of the reported results of operations in our discussion and analysis of financial condition and results of operations, we have provided information about the impact of foreign currencies where we believe that it is necessary. In addition, set out below is guidance as to the key currencies that the Company does business in and their significance to reported revenues and operating results. The operating results sourced in pound sterling and US dollars understates the profitability of the businesses in the United Kingdom and America because they include the locally incurred expenses of our global offices in London and Chicago, respectively, as well as the European regional office in London. The revenues and operating income of the global investment management business are allocated to their underlying currency, which means that this analysis may not be consistent with the performance of the geographic OOS segments. In particular, as incentive fees are earned by this business, there may be significant shifts in the geographic mix of revenues and operating income. The following table sets forth revenues derived from our most significant currencies ($ in millions, except for exchange rates).

	Pound Sterling	Euro	Australian Dollar	US Dollar	Other	Total
REVENUES						
Q1, 2003 . .	$ 37.7	37.2	11.9	70.0	28.3	185.1
Q1, 2002 . .	$ 34.9	32.7	11.2	63.3	25.7	167.8
OPERATING INCOME (LOSS)						
Q1, 2003 . .	$ (2.6)	2.9	(1.4)	(2.4)	(3.4)	(6.9)
Q1, 2002 . .	$ (2.5)	3.8	(2.5)	(1.0)	(1.9)	(4.1)
AVERAGE EXCHANGE RATES						
Q1, 2003 . .	1.600	1.075	0.595	N/A	N/A	N/A
Q1, 2002 . .	1.426	0.877	0.520	N/A	N/A	N/A

REVENUE

Total revenue, after elimination of intersegment revenue, increased $17.3 million, or 10.3%, to $185.1 million for the three months ended March 31, 2003 from $167.8 million for the three months ended March 31, 2002, which reflects the general strengthening of the euro, pound sterling and Australian dollar against the US dollar when compared to the first quarter of last year. Excluding the impact of these movements in foreign currency exchange rates, reported US dollar revenues increased 1.5% for the three months ended March 31, 2003. Revenues in the management services and implementation services business were flat quarter-over-quarter with growth in advisory fees in our Investment Management business.

OPERATING EXPENSES

Total operating expenses, after the elimination of intersegment expense, increased $20.1 million, or 11.7%, to $192.0 million for the three months ended March 31, 2003 from $171.9 million for the three months ended March 31, 2002, which reflects the general strengthening of the euro, pound sterling and Australian dollar against the US dollar when compared to the first quarter of last year. Excluding the impact of these movements in foreign currency exchange rates, reported US dollar expenses increased 3.3% for the three months ended March 31, 2003.

Compensation and benefits expense increased $16.4 million for the three months ended March 31, 2003 when compared to the same period last year. The impact of movements in foreign currency exchange rates, primarily the euro, pound sterling and Australian dollar, is attributable for $9.3 million of the increase in reported US dollar compensation and benefits expense for the three months ended March 31, 2003. The balance of the increase in compensation and benefit expense for first quarter of 2003 is primarily attributable to the timing of incentive compensation expense, as a higher portion of our forecasted full year revenues were achieved in the first quarter of 2003 compared to the first quarter of 2002. In addition, we had an increased dollar value of incentive compensation that is not subject to normal performance criteria and therefore is accounted for on a straight-line basis. A discussion of our periodic accounting for incentive compensation can be found in Critical Accounting Policies and Estimates, included herein.

Operating, administrative and other expenses increased $3.5 million for the three months ended March 31, 2003 when compared to the same period last year. The impact of movements in foreign currency exchange rates, primarily the euro, pound sterling and Australian dollar, is attributable to all of the increase in reported US dollar operating, administrative and other expense for the three months ended March 31, 2003. Excluding this impact, operating, administrative and other expenses for the first quarter of 2003 are essentially flat when compared to the first quarter of 2002, reflecting our emphasis on cost control. Our continued focus on working capital management resulted in an improvement of $1.6 million in bad debt expense. This was partially offset by an increase of $1.2 million in insurance cost reflecting the market tightening in insurance cost and availability.

The non-recurring and restructuring charges recorded primarily in the fourth quarter of 2002 of $14.9 million included $12.7 million of severance costs associated with the most recent global restructuring program and approximately $500,000 for the lease costs of excess space as a result of this restructuring. The actual costs incurred related to our 2002 restructuring have varied from our original estimates for a variety of reasons, including the identification of additional facts and circumstances, the complexity of international labor law and developments in the underlying business, resulting in the unforeseen reallocation of resources and better or worse settlement discussions with employees and/or

landlords. These events have resulted in the recording of a credit to non-recurring compensation and benefits expense of $444,000 in the first quarter of 2003. Also in the first quarter of 2003, we have recorded $500,000 to the non-recurring operating, administrative and other expense for additional lease costs of excess lease space in Europe reflecting a lease modification that was signed in the first quarter of 2003. See Note 3 to Notes to Consolidated Financial Statements for a more detailed discussion of these non-recurring and restructuring items.

OPERATING LOSS

We reported an operating loss for the three months ended March 31, 2003 of $6.9 million, as compared to $4.1 million for the three months ended March 31, 2002. Please see "Seasonality" below.

INTEREST

Interest expense, net of interest income, for the three months ended March 31, 2003 was relatively in-line with the same period last year at $4.1 million compared to $3.9 million for the three months ended March 31, 2002. The interest expense benefit of substantially repaying our facilities year-over-year was masked by the impact of the strengthening euro which increased the reported US dollar value of the interest expense on the Euro Notes by approximately $730,000.

BENEFIT FOR INCOME TAXES

The income tax benefit for the three months ended March 31, 2003 was $3.7 million, as compared to $3.2 million for the three months ended March 31, 2002. Our estimated effective tax rate for the first quarter of 2003 was 34%, as compared to 40% for 2002. If we had used an estimated effective tax rate of 40% in the first quarter of 2003, our tax benefit would have been $4.3 million as compared to the $3.7 million tax benefit that we actually recorded. See the Income Tax Provision section of Note 1 to Notes to Consolidated Financial Statements for a further discussion of our estimated effective tax rate.

NET LOSS

We reported a net loss of $7.2 million for the three months ended March 31, 2003 as compared to a net loss before cumulative effect of a change in accounting principle of $4.9 million for the three months ended March 31, 2002. Including the cumulative effect of a change in accounting principle (a net benefit of $846,000) related to the adoption of SFAS 142 in 2002, which is discussed in detail in Note 5 to Notes to Consolidated Financial Statements, our net loss for the three months ended March 31, 2002 was $4.0 million.

SEGMENT OPERATING RESULTS

See Note 2 to Notes to Consolidated Financial Statements for a discussion of our segment reporting. Our measure of segment operating results excludes non-recurring and restructuring charges. We have determined that it is not meaningful to investors to allocate these non-recurring and restructuring charges to our segments. In addition, the Chief Operating Decision Maker of Jones Lang LaSalle measures the segment results without these charges allocated and performance for incentive compensation purposes is assessed before the impact of these charges. As such, these costs are not included in the discussions below. See Note 3 to Notes to Consolidated Financial Statements for a detailed discussion of the non-recurring and restructuring charges.

OWNER AND OCCUPIER SERVICES

AMERICAS

Revenue for the Americas region increased $3.7 million, or 6.6%, to $59.5 million for the three months ended March 31, 2003, as compared to $55.8 million for the three months ended March 31, 2002. The increase year-over-year can be attributed to improved transaction flow in the Tenant Representation business and new business wins in the Project and Development unit, partially offset by a decrease in Capital Markets revenues as 2002 included two significant transactions.

Operating expenses for the Americas region increased $3.2 million, or 5.5%, to $61.1 million for the three months ended March 31, 2003, as compared to $57.9 million for the three months ended March 31, 2002. The increase in operating expenses is primarily attributable to the timing of recognition of incentive compensation which was $2.6 million higher in the first quarter of 2003 when compared to the same period of 2002, which is because a greater percentage of forecasted annual revenue was recorded in the first quarter of 2003. In addition, in 2003 there is a greater dollar value of incentive compensation that is not subject to normal performance criteria and is therefore accounted for on a straight-line basis. The increase in incentive compensation is a timing difference that may reverse over the balance of the year dependent upon performance. See the Periodic Accounting for Incentive Compensation section of Critical Accounting Policies and Estimates, included herein, for a further discussion of the timing of incentive compensation recognition. Operating, administrative and other expenses were flat year over year, reflecting a strong focus on cost controls.

EUROPE

Revenues for the Europe region increased $6.6 million, or 10.2%, to $71.3 million for the three months ended March 31, 2003, as compared to $64.7 million for the three months ended March 31, 2002, which reflects the general strengthening of the euro and pound sterling against the US dollar when compared to last year. Excluding the impact of movements in foreign currency exchange rates, reported US dollar revenues for the first quarter of 2003 decreased 7.4% when compared to the same period in 2002. A positive performance for the quarter in Southern Europe, where a significant Capital Markets transaction was closed in Spain, was offset by continued revenue pressures in Belgium, France, England and Germany.

Operating expenses for the Europe region increased $8.2 million, or 12.7%, to $72.7 million for the three months ended March 31, 2003, as compared to $64.5 million for the three months ended March 31, 2002. Excluding the impact of movements in foreign currency exchange rates, operating expenses decreased 3.1% for the first quarter of 2003 when compared to the same period last year. The decrease in operating expense is primarily attributable to lower bad debt expense year-over-year as well as an emphasis on cost control.

ASIA PACIFIC

Revenue for the Asia Pacific region increased $1.5 million, or 5.3%, to $29.7 million for the three months ended March 31, 2003, as compared to $28.2 million for the three months ended March 31, 2002. Excluding the impact of movements in foreign currency exchange rates, revenues decreased 1.8% for the three months ended March 31, 2003 when compared to the same period last year. The decrease in revenue is primarily attributable to continued difficult market conditions in the core markets of Hong Kong and Singapore, partially offset by improvement in our North Asia businesses in Japan and China.

Operating expenses for the Asia Pacific region increased $3.7 million, or 11.8%, to $35.0 million for the three months ended March 31, 2003, compared to $31.3 million for the three months ended March 31, 2002. Excluding the impact of movements in foreign exchange rates, operating expenses increased 4.2% for the first quarter of 2003 when compared to the

same period last year. The increase in expenses is primarily attributable to compensation and benefits, together with an investment in training and marketing expense as this region implements its strategic growth plan.

INVESTMENT MANAGEMENT

Investment Management revenue increased $5.4 million, or 28.1%, to $24.6 million for the three months ended March 31, 2003, as compared to $19.2 million for the three months ended March 31, 2002. Excluding the impact of movements in foreign currency exchange rates, Investment Management revenue increased 20.8% for the first quarter of 2003 when compared to the same period last year. Positive performance was seen across all regions, as advisory fees increased year-over-year due to the successful renegotiation of several fee arrangements, as well as the introduction of additional investments and products in 2003. The fee renegotiations were the result of a review of the profitability of the European investment management business. This review also identified a $2.5 billion portfolio where the client's need for "transactions with advice" for non-discretionary assets was not consistent with the full range of investment management services typically offered. The Investment Management business worked collaboratively with the Europe OOS business to transfer the account to where "transactions with advice" services could be provided most efficiently and effectively. Management responsibility for this portfolio was transferred from the Investment Management business to our Europe OOS business effective January 1, 2003.

Operating expenses for Investment Management increased $4.9 million, or 26.8%, to $23.2 million for the three months ended March 31, 2003, as compared to $18.3 million for the three months ended March 31, 2002. Excluding the impact of movements in foreign currency exchange rates, operating expenses increased 19.1%. The increase in expenses is primarily attributable to the timing of recognition of incentive compensation as a greater percentage of forecasted annual revenue was recorded in the first quarter of 2003, as well as the costs attributable to the introduction of additional investments and products. See the Periodic Accounting for Incentive Compensation section of Critical Accounting Policies and Estimates, included herein, for a further discussion of the timing of incentive compensation.

PERFORMANCE OUTLOOK

The firm anticipates taking a one-time impairment charge of up to $4.5 million pre-tax relating to its decision to abandon the further development of a property management accounting system in Australia. After completing a feasibility analysis in April 2003, we have concluded that the potential benefits from successfully correcting deficiencies in the system that would allow it to be implemented throughout Australia are not justified by the costs that would have to be incurred to do so.

The seasonality of the firm's business leads revenue and profits to be generated primarily during the second half of the year. The firm has previously communicated that it will not issue full-year guidance until the impact on its businesses of uncertain economic and operating environments becomes clearer. On an operating basis, the firm currently expects to be modestly profitable for the second quarter, excluding the one-time impairment charge.

CONSOLIDATED CASH FLOWS

CASH FLOWS USED IN OPERATING ACTIVITIES

During the three months ended March 31, 2003 cash flows used in operating activities totaled $23.8 million, as compared to $16.7 million during the three months ended March 31, 2002. The cash flows used in operating activities for the three months ended March 31, 2003 can be further divided into cash generated from operations of $7.2 million (compared to $10.9 million generated in 2002) and cash used in balance sheet movements (primarily working capital management) of $31.0 million (compared to a use of $27.6 million in 2002). Given the seasonality of our

business together with our practice of paying bonuses in the first quarter, we expect to see negative operating cash flows in the first quarter.

CASH FLOWS USED IN INVESTING ACTIVITIES

We used $2.2 million for investing activities during the three months ended March 31, 2003, as compared to $7.4 million used during the three months ended March 31, 2002. This is a result of the timing of our co-investment cash flows, which are dependent upon the underlying fund's investment decisions.

CASH FLOWS PROVIDED BY FINANCING ACTIVITIES

Cash flows provided by financing activities were $25.9 million during the three months ended March 31, 2003, as compared to $25.6 million during the three months ended March 31, 2002.

LIQUIDITY AND CAPITAL RESOURCES

Historically, we have financed our operations, acquisitions and co-investment activities with internally generated funds, our common stock and borrowings under our credit facilities. As of March 31, 2003, we have a $275 million revolving credit facility for working capital needs, investments and acquisitions. Under the terms of the revolving credit facility, we have the authorization to borrow up to an additional $50.0 million under local facilities. We also have outstanding euro 165 million in aggregate principal amount of 9% Senior Euro Notes (the "Euro Notes"), all of which mature on June 15, 2007. Beginning June 15, 2004, the Euro Notes can be redeemed, at our option, at the following redemption prices: during the twelve-month period commencing June 15, 2004 at 104.50% of principal; during the twelve-month period commencing June 15, 2005 at 102.25% of principal; and commencing June 15, 2006 and thereafter at 100.00% of principal.

As of March 31, 2003, there was $54.0 million outstanding under the revolving credit facility, euro 165 million ($180.3 million) of borrowings outstanding under the Euro Notes and short-term borrowings (including capital lease obligations) of $14.6 million. The short-term borrowings are primarily borrowings by subsidiaries on various interest-bearing overdraft facilities. As of March 31, 2003, $12.4 million of the total short-term borrowings were attributable to local overdraft facilities. The increase in the reported US dollar book value of the Euro Notes of $7.2 million in the first three months of 2003 was solely as a result of the strengthening euro. No additional Euro Notes have been issued.

Jones Lang LaSalle and certain of our subsidiaries guarantee the revolving credit facility and the Euro Notes (the "Facilities"). In addition, we guarantee the local overdraft facilities of certain subsidiaries. Third-party lenders request these guarantees to ensure payment by the Company in the event that one of our subsidiaries fails to repay its borrowing on an overdraft facility. The guarantees typically have one-year or two-year maturities. We apply Financial Accounting Standards Board Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"), to recognize and measure the provisions of future guarantees. The guarantees of the revolving credit facility, Euro Notes and local overdraft facilities do not meet the recognition provisions, but do meet the disclosure requirements of FIN 45. We have local overdraft facilities totaling $37.2 million, of which $12.4 million was outstanding as of March 31, 2003. We have provided guarantees of $26.0 million related to the local overdraft facilities, as well as guarantees related to the $275 million revolving credit facility and the euro 165 million Euro Notes, which in total represent the maximum future payments that Jones Lang LaSalle could be required to make under the guarantees provided for subsidiaries' third-party debt.

With respect to the revolving credit facility, we must maintain a certain level of consolidated net worth and a ratio of funded debt to EBITDA. We must also meet a minimum interest coverage ratio and a minimum liquidity ratio. We were in compliance with all covenants as of March 31, 2003. Additionally, we are restricted from, among other things, incurring certain levels of indebtedness to lenders outside of the Facilities and disposing of a significant portion of our assets. Lender approval is required for certain levels of co-investment. The revolving credit facility bears variable rates of interest based on market rates. We are authorized to use interest rate swaps to convert a portion of the floating rate indebtedness to a fixed rate, however, none were used in 2002 or in the first quarter of 2003 and none were outstanding as of March 31, 2003. The effective interest rate on the Facilities was 8.3% for the three months ended March 31, 2003 (versus an effective rate of 7.8% for the same period in 2002). The increase in the effective interest rate is due to the mix of our borrowings being more heavily weighted toward the higher coupon Euro Notes.

We believe that the revolving credit facility, together with the Euro Notes, local borrowing facilities and cash flow generated from operations, will provide adequate liquidity and financial flexibility to meet our needs to fund working capital, capital expenditures, co-investment activity and share repurchases.

We expect to continue to pursue co-investment opportunities with our investment management clients in the Americas, Europe and Asia Pacific. Co-investment remains very important to the continued growth of Investment Management, which would likely be negatively impacted if a substantial decrease in co-investment activity were to occur. As of March 31, 2003, we had total investments and loans of $73.2 million in 19 separate property or fund co-investments, with additional capital commitments of $136.4 million for future fundings of co-investments. With respect to certain co-investment indebtedness, we also had repayment guarantees outstanding at March 31, 2003 of $4.9 million. The $136.4 million capital commitment is a commitment to LaSalle Investment Limited Partnership, referred to as LaSalle Investment Company ("LIC"). We expect that LIC will draw down on our commitment over the next five to seven years as it enters into new commitments. LIC is a series of four parallel limited partnerships and is intended to be our co-investment vehicle for substantially all new co-investments. We have an effective 47.85% ownership interest in LIC. Primarily institutional investors, including a significant shareholder in Jones Lang LaSalle, hold the remaining 52.15% interest in LIC. Our investment in LIC is accounted for under the equity method of accounting in the accompanying Consolidated Financial Statements. In addition, our Chairman and another Director of Jones Lang LaSalle are investors in LIC on equivalent terms to other investors. At March 31, 2003, LIC has unfunded capital commitments of $68.7 million for future fundings of co-investments. LIC currently has no external debt, but may enter into a revolving credit facility for its working capital purposes.

Our net co-investment funding for 2003 is anticipated to be approximately $15 million (planned co-investment less return of capital from liquidated co-investments). For the three months ended March 31, 2003, we have received a net $2.7 million as the return of capital from liquidated co-investments exceeded funded co-investments for the period.

Capital expenditures are anticipated to be approximately $25 million for 2003, primarily for ongoing improvements to computer hardware and information systems.

On October 30, 2002, we announced that our Board of Directors had approved a share repurchase program. Under the program, Jones Lang LaSalle may repurchase up to one million shares in the open market and in privately negotiated transactions from time to time, depending upon market prices and other conditions. In the fourth quarter of 2002, we repurchased 300,000 shares at an average price of $15.56 per share. No shares have been repurchased in the first quarter of 2003. Given that shares repurchased

under this program are not cancelled, but are held by one of our subsidiaries, we include them in our equity account. However, these shares are excluded from our share count for the purposes of calculating earnings per share.

SEASONALITY

Historically, our revenue, operating income and net earnings in the first three calendar quarters are substantially lower than in the fourth quarter. Other than for the Investment Management segment, this seasonality is due to a calendar-year-end focus on the completion of real estate transactions, which is consistent with the real estate industry generally. The Investment Management segment earns performance fees on clients' returns on their real estate investments. Such performance fees are generally earned when assets are sold, the timing of which we do not have complete discretion over. Non-variable operating expenses, which are treated as expenses when they are incurred during the year, are relatively constant on a quarterly basis.

OTHER MATTERS

NEW ACCOUNTING STANDARDS

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51" ("FIN 46"). FIN 46 addresses the consolidation by business enterprises of variable interest entities as defined. FIN 46 applies immediately to variable interest entities created after January 31, 2003. For public enterprises with a variable interest entity created before February 1, 2003, FIN 46 applies to that enterprise no later than the beginning of the first interim or annual reporting period beginning after June 15, 2003. We are still analyzing the requirements of FIN 46 and do not anticipate that its adoption will have a material impact on our financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

MARKET AND OTHER RISK FACTORS

MARKET RISK

The principal market risks (namely, the risk of loss arising from adverse changes in market rates and prices) to which we are exposed are:

- Interest rates on borrowings; and
- Foreign exchange risks.

In the normal course of business we manage these risks through a variety of strategies, including the use of hedging transactions using various derivative financial instruments such as interest rate swap agreements and forward exchange contracts. We do not enter into derivative financial instruments for trading or speculative purposes.

INTEREST RATES

We centrally manage our debt, taking into account investment opportunities and risks, tax consequences and overall financing strategies. We are primarily exposed to interest rate risk on the $275.0 million revolving multi-currency credit facility, due in September 2004, that is available for working capital, investments, capital expenditures and acquisitions. This facility bears a variable rate of interest based on market rates. The interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower the overall borrowing costs. To achieve this objective, in the past we have entered into derivative financial instruments such as interest rate swap agreements when appropriate and may do so in the future. We entered into no such agreements in 2002 or the first quarter of 2003, and none were outstanding as of March 31, 2003.

The effective interest rate on our debt for the three months ended March 31, 2003 was 8.3% as compared to a rate of 7.8% for the same period of 2002. The increase in the effective interest rate is due to the mix of our borrowings being more heavily weighted toward the higher coupon Euro Notes.

FOREIGN EXCHANGE

Revenues outside of the United States were 62% of our total revenues for the three months ended March 31, 2003. Operating in international markets means that we are exposed to movements in foreign exchange rates, primarily the British pound (20% of revenues for the three months ended March 31, 2003), the euro (20% of revenues for the three months ended March 31, 2003) and the Australian dollar (6% of revenues for the three months ended March 31, 2003). Changes in these foreign exchange rates would have the largest impact on translating the operating profit of our international operations into US dollars.

The British pound expenses incurred as a result of both the worldwide operational headquarters and the Europe regional headquarters being located in London act as a partial operational hedge against our translation exposure to the British pound.

The interest on the euro 165 million of notes acts as a partial hedge against our translation exposure on our euro denominated earnings. We enter into forward foreign currency exchange contracts to manage currency risks associated with intercompany loans. At March 31, 2003, we had forward exchange contracts in effect with a gross notional value of $140.0 million ($85.8 million on a net basis) and a market and carrying gain of approximately $700,000. The net impact on our earnings during the three months ended March 31, 2003 of the unrealized gain on foreign currency contracts, offset by the loss resulting from re-measurement of foreign currency transactions, was not significant.

DISCLOSURE OF LIMITATIONS

Since the information presented above includes only those exposures that exist as of March 31, 2003, it does not consider those exposures or positions which could arise after that date. The information represented herein has limited predictive value. As a result, the ultimate realized gain or loss with respect to interest rate and foreign currency fluctuations will depend on the exposures that arise during the period, the hedging strategies at the time, and interest and foreign currency rates.

ITEM 4. CONTROLS AND PROCEDURES

Within the 90 days prior to the date of this report, Jones Lang LaSalle carried out an evaluation, under the supervision and with the participation of the Company's management, including Christopher A. Peacock, the company's Chief Executive Officer and Lauralee E. Martin, the Company's Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, Mr. Peacock and Ms. Martin concluded that Jones Lang LaSalle's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in Jones Lang LaSalle's periodic SEC filings.

There were no significant changes made in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company has contingent liabilities from various pending claims and litigation matters arising in the ordinary course of business, some of which involve claims for damages that are substantial in amount. Many of these matters are covered by insurance. Although the ultimate liability for these matters cannot be determined, based upon information currently available, we believe the ultimate resolution of such claims and litigation will not have a material adverse effect on our financial position, results of operations or liquidity.

On November 8, 2002, Bank One N.A. ("Bank One") filed suit against the Company and certain of its subsidiaries in the Circuit Court of Cook County, Illinois with regard to services provided in 1999 and 2000 pursuant to three different agreements relating to facility management, project development and broker services. The suit alleges negligence, breach of contract and breach of fiduciary duty on the part of Jones Lang LaSalle and seeks damages to recover a total of $40 million in compensatory damages and $80 million in punitive damages. The Company is aggressively defending the suit and on December 16, 2002 filed a counterclaim for breach of contract seeking payment of approximately $1.2 million for fees due for services provided under the agreements. While there can be no assurance as to the outcome, the Company believes that the complaint is without merit and, as such, will not have a material adverse effect on our financial position, results of operations or liquidity. The suits are in their early stages. As of the date of this report, we are in the process of discovery and no trial date has been set. As such, the outcome of Bank One's suit cannot be predicted with any certainty and management is unable to estimate an amount or range of potential loss that could result if an improbable unfavorable outcome did occur.

In the third quarter of 2001 we established a reserve of $1.6 million which we believe is adequate to cover our exposures resulting from the insolvency of HIH Insurance Ltd. ("HIH"), one of our former insurance providers. HIH provided public liability coverage to the Australian operations of the Company for the years from 1994 to 1997, which coverage would typically provide protection against, among other things, personal injury claims arising out of accidents occurring at properties for which we had property management responsibilities. As of March 31, 2003, $1.2 million of the reserve established remained to cover claims which would have been covered by the insurance provided by HIH. Due to the strengthening of the Australian dollar, the US dollar reported reserve balance has increased whereas the local currency reserve balance has decreased. Although there can be no assurance, we believe this reserve is adequate to cover any remaining claims and expenses resulting from the HIH insolvency. Due to the nature of the claims covered by this insurance, it is possible that future claims may be made.

ITEM 5. OTHER INFORMATION

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this filing and elsewhere (such as in reports, other filings with the Securities and Exchange Commission, press releases, presentations and communications by Jones Lang LaSalle or its management and written and oral statements) may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause Jones Lang LaSalle's actual results, performance, achievements, plans and objectives to be materially different from any future results, performance, achievements, plans and objectives expressed or implied by such forward-looking statements. Such factors are discussed in our Annual Report on Form 10-K for the year ended December 31, 2002 in Item 1. "Business," Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations," Item 7A. "Quantitative and Qualitative Disclosures About Market Risk," and elsewhere, in this Quarterly Report on Form 10-Q in Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations", Item 3 "Quantitative and Qualitative Disclosure about Market Risk" and elsewhere, and in other reports filed with the Securities and Exchange Commission. Jones Lang LaSalle expressly disclaims any obligation or undertaking to update or revise any forward-looking statements to reflect any changes in events or circumstances or in its expectations or results.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) A list of exhibits is set forth in the Exhibit Index which immediately precedes the exhibits and which is incorporated by reference herein.

(b) Reports on Form 8-K

On May 7, 2003, Jones Lang LaSalle filed a report on Form 8-K incorporating a press release announcing earnings for the quarterly period ended March 31, 2003.

SIGNATURE

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

JONES LANG LASALLE INCORPORATED

Dated: May 6, 2003

BY: /S/ LAURALEE E. MARTIN

Lauralee E. Martin
Executive Vice President and
Chief Financial Officer
(Authorized Officer and
Principal Financial Officer)

CERTIFICATIONS

I, Christopher A. Peacock, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jones Lang LaSalle Incorporated;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 6, 2003

/s/ Christopher A. Peacock

Christopher A. Peacock,
President and Chief Executive Officer

CERTIFICATIONS

I, Lauralee E. Martin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jones Lang LaSalle Incorporated;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 6, 2003

/s/ Lauralee E. Martin

Lauralee E. Martin,
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Certification of Chief Executive Officer dated May 6, 2003, attached hereto as Exhibit 99.1.
99.2	Certification of Chief Financial Officer dated May 6, 2003, attached hereto as Exhibit 99.2.

EXHIBIT 99.1

Certification of Chief Executive Officer Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Jones Lang LaSalle Incorporated (the "Company") on Form 10-Q for the period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Christopher A. Peacock, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher A. Peacock

Christopher A. Peacock
Chief Executive Officer
May 6, 2003

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

EXHIBIT 99.2

Certification of Chief Financial Officer Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Jones Lang LaSalle Incorporated (the "Company") on Form 10-Q for the period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Lauralee E. Martin, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of her knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lauralee E. Martin

Lauralee E. Martin
Chief Financial Officer
May 6, 2003

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.