

Attributes of Our Business Model

Our Differentiators

- **Growth-oriented, globally integrated firm**
 - Advisor and service provider
 - Local, regional and global market execution
 - Corporate outsourcing partner
 - Premier global real estate investment (LaSalle)
- **Operational excellence**
 - Productivity focus
 - Broad research capabilities
 - Strategic data & IT investments
- **Financial strength**
 - Investment grade balance sheet
 - Strong cash generator
 - Disciplined acquirer
 - Long-term value creation
 - Market share expansion
 - Margin focused
- **Premium brand**

Global Governance Structure

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

GLOBAL STRATEGIC PRIORITIES

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

the acquisition of W.A. Ellis during 2014. A second example is the expansion of the Tetris-branded fit-out business we originally acquired in France and have been introducing into other countries, including as the result of additional acquisitions.



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

G1: Build our Leading Local and Regional Service Operations

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

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

G2: Strengthen our Leading Position in Corporate Solutions

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

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

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

Our focus on further developing our ability to provide global Capital Markets services reflects the increasingly international nature of cross-border money flows into real estate and the global marketing of real estate

assets. Our real estate investment banking capability helps provide capital and other financial solutions by which our clients can maximize the value of their real estate.

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

G4: Strengthen LaSalle Investment Management's Leadership Position

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

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

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

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

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

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

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

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

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

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

STRATEGY 2020: OUR FUTURE ORIENTATION

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

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

- Continuing to promote best-in-class governance, compliance, enterprise risk management and professional standards to operate a sustainable organization capable of meeting the significant challenges and risks inherent in global markets and to minimize disruptions to, and distractions from, the accomplishment of our corporate mission.

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

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

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

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

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

- In terms of our financial capital, we recognize the challenge of maintaining healthy short-term profit margins while continuing to invest in the further growth of the business. As there is constant fee pressure from our clients that is inherent in a competitive professional services environment, we need to continue to find additional ways to increase the productivity of our people so that we can drive higher revenue per person. Additional productivity can be derived by improved application of technology, by continuous process improvements and through increased staff well-being and training and development, among other techniques.
- In terms of our human capital, we recognize that our investments in talent will continue to be a primary method of creating long-term value and that continuing business growth will necessitate the growth and increased flexibility and diversity of our workforce. This can be a challenge, particularly in emerging markets, where the available pool of talent does not necessarily have the skill sets we need. Consequently, we may need to establish our own training programs beyond what is typically required for companies in developed markets. Increased reliance on third-party suppliers may create challenges in terms of due diligence, performance management and ensuring that third-party personnel have the same level of commitment and integrity as we demand in our own people. In developed markets, the challenge of growing a workforce with the requisite skill sets can be frustrated by the targeted efforts of competitors to hire away our people, including sometimes by offering above-market compensation.
- In terms of our intellectual capital, we recognize the challenge of continuing to identify innovations through which we can provide increasingly valuable services to our clients, including as the result of

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

Greater alignment with The International <IR> Framework

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

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

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