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

FORM 8-K/A
(AMENDMENT NO. 2)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): July 11, 2008

JONES LANG LASALLE INCORPORATED

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation)

001-13145

(Commission File Number)

36-4150422

(IRS Employer Identification No.)

200 East Randolph Drive, Chicago, IL

(Address of Principal Executive Offices)

60601

(Zip Code)

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

Not Applicable

(Former name or former address, if changed since last report.)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

INTRODUCTORY NOTE

This amendment No. 2 (the "Amendment") hereby amends the Current Report on Form 8-K/A (Amendment No. 1) of Jones Lang LaSalle Incorporated, a Maryland corporation (the "Company"), filed with the Securities and Exchange Commission (the "SEC") on July 17, 2008 (the "Report"), and the Current Report on Form 8-K (the "Initial Report") of the Company on July 16, 2008 to report that on July 11, 2008, the Company completed the acquisition of Staubach Holdings, Inc., a Texas corporation ("Staubach"), pursuant to the Agreement and Plan of Merger, dated as of June 16, 2008, by and among the Company, Jones Lang LaSalle Tenant Representation, Inc., a Texas corporation and an indirect, wholly-owned subsidiary of the Company ("Merger Sub") and Staubach (the "Merger Agreement"). This Amendment includes the information required by Item 9.01 of Form 8-K relating to the acquisition of Staubach. The information previously reported in the Report is incorporated by reference into this Amendment.

SECTION 9 - FINANCIAL STATEMENTS AND EXHIBITS

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial statements of businesses acquired.

Consolidated audited financial statements required by Item 9.01(a) of Form 8-K for Staubach as of March 31, 2008 and for the nine months ended March 31, 2008 are filed as Exhibit 99.1 to this Amendment.

(b) Pro forma financial information.

The pro forma financial information required by Item 9.01(b) as of and for the three months ended March 31, 2008 and for the year ended December 31, 2007 is filed as Exhibit 99.2 to this Amendment.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
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2.1	Agreement and Plan of Merger, dated June 16, 2008, by and among Jones Lang LaSalle Incorporated, Jones Lang LaSalle Tenant Representation, Inc. and Staubach Holdings, Inc. (incorporated by reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 20, 2008)
23.1	Consent of Independent Auditors
99.1	Consolidated audited financial statements of Staubach Holdings, Inc. as of and for the nine months ended March 31, 2008
99.2	Unaudited pro forma combined financial information for Jones Lang LaSalle Incorporated as of and for the three months ended March 31, 2008 and for the year ended December 31, 2007

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 hereunto duly authorized.

Date: August 15, 2008

JONES LANG LASALLE INCORPORATED

By: /s/ Lauralee E. Martin

Name: Lauralee E. Martin

Title: Chief Operating and Financial Officer

Consent of Independent Auditor

We consent to the incorporation by reference of our report dated August 8, 2008, relating to our audit of the consolidated financial statements of Staubach Holdings, Inc. as of and for the nine months ended March 31, 2008 included in this Current Report on Form 8-K/A of Jones Lang LaSalle Incorporated filed on August 15, 2008, into Jones Lang LaSalle Incorporated's previously filed Registration Statement on Forms S-8 (Nos. 333-110366, 333-117024, 333-42193 and 333-73860) and Form S-3 (No. 333-70969).

/s/ McGladrey & Pullen, LLP

McGladrey & Pullen, LLP
Dallas, Texas
August 15, 2008

STAUBACH HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Financial Statements

March 31, 2008

(With Independent Auditor's Report Thereon)

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Independent Auditor's Report

The Board of Directors and Shareholders

Staubach Holdings, Inc.:

We have audited the accompanying consolidated balance sheet of Staubach Holdings, Inc. and subsidiaries (the "Company") as of March 31, 2008, and the related consolidated statements of income, shareholders' equity, and cash flows for the nine months then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Staubach Holdings, Inc. and subsidiaries as of March 31, 2008, and the results of their operations and their cash flows for the nine months then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ McGladrey & Pullen, LLP
Dallas, Texas
August 8, 2008

STAUBACH HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Balance Sheet

March 31, 2008

Assets

Current assets:		
Cash and cash equivalents	\$	63,209,335
Restricted cash		1,909,571
Receivables:		
Service and management fees		31,026,350
License fees		1,340,357
Affiliates		598,802
Federal and state income taxes		3,572,871
Other		1,151,220
Total receivables, net		<u>37,689,600</u>
Prepaid expenses and other assets		3,555,061
Deferred tax asset, net		874,626
Total current assets		<u>107,238,193</u>
Furniture, fixtures, and equipment, net		5,424,599
Goodwill		157,793,821
Intangible assets, net		101,374,271
Other assets		1,352,214
Total assets	\$	<u>373,183,098</u>

See notes to consolidated financial statements.

STAUBACH HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Balance Sheet

March 31, 2008

Liabilities and Shareholders' Equity

Current liabilities:	
Bonuses payable	\$ 39,457,057
Accounts payable and accrued liabilities	18,598,803
Deferred revenue	3,871,000
Total current liabilities	61,926,860
Deferred tax liability, net	38,990,302
Total liabilities	100,917,162
Commitments and contingencies (notes 2, 5, 7, 9, and 10)	
Puttable shares of Class A voting common stock consisting of 3,992,997 shares issued and outstanding	83,214,057
Shareholders' equity:	
Class A voting common stock, \$0.01 par value. Authorized 100,000,000 shares; issued and outstanding 15,971,988 shares	159,720
Additional paid-in capital	183,485,867
Retained earnings	5,406,292
Total shareholders' equity	189,051,879
Total liabilities and shareholders' equity	\$ 373,183,098

See notes to consolidated financial statements.

STAUBACH HOLDINGS, INC.
AND SUBSIDIARIES

Consolidated Statement of Income

Nine months ended March 31, 2008

Revenues:		
Service fee revenues	\$	239,784,641
License fee revenues		13,616,828
Management fee revenues		<u>8,153,455</u>
Total revenues		<u>261,554,924</u>
Operating expenses		
Salaries, bonus, and benefits		181,419,927
Selling, general, and administrative expenses		30,653,543
Depreciation and amortization		<u>26,136,560</u>
Total operating expenses		<u>238,210,030</u>
Operating income		23,344,894
Other income (expense):		
Other income		469,085
Interest income		1,808,317
Interest expense		<u>(570,295)</u>
Income before income taxes		25,052,001
Income tax		<u>9,807,710</u>
Net income for nine months ended	\$	<u>15,244,291</u>

See notes to consolidated financial statements.

**STAUBACH HOLDINGS, INC.
AND SUBSIDIARIES**

Consolidated Statement of Shareholders' Equity

Nine months ended March 31, 2008

	Class A common stock		Additional paid-in capital	Retained earnings/ (accumulated deficit)	Total
	Shares	Amount			
Balance, June 30, 2007	7,999,415	\$ 79,994	\$ 17,365,148	\$ (9,837,999)	\$ 7,607,143
Shares of common stock issued in conjunction with the acquisition of licenses	11,951,270	119,513	248,898,296	-	249,017,809
Redeem shares of common stock previously held by terminated employees	(12,832)	(128)	(125,741)	-	(125,869)
Shares of common stock issued to employees at \$2/share	2,132	21	41,041	-	41,062
Shares of common stock granted to employees	25,000	250	481,250	-	481,500
Less: puttable shares of common stock	(3,992,997)	(39,930)	(83,174,127)	-	(83,214,057)
Net income	-	-	-	15,244,291	15,244,291
Balance, March 31, 2008	<u>15,971,988</u>	<u>\$ 159,720</u>	<u>\$ 183,485,867</u>	<u>\$ 5,406,292</u>	<u>\$ 189,051,879</u>

See notes to consolidated financial statements.

**STAUBACH HOLDINGS, INC.
AND SUBSIDIARIES**

Consolidated Statement of Cash Flows

Nine months ended March 31, 2008

Cash flows from operating activities:

Net income	\$	15,244,291
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		26,136,560
Loss on disposal of furniture, fixtures, and equipment		31,886
Deferred federal and state income taxes		(6,988,538)
Stock compensation		518,298
Changes in operating assets and liabilities:		
Restricted cash		(1,775,795)
Receivables		(14,058,583)
Prepaid expenses and other assets		304,579
Deferred compensation plan assets		5,584,739
Deferred compensation plan liabilities		(6,347,868)
Accounts payable, accrued liabilities and deferred revenue		(17,305,324)
Bonuses payable		9,782,473
Net cash provided by operating activities		<u>11,126,718</u>
Cash flows from investing activities:		
Cash received as part of Stock Exchange (Note 2)		23,814,850
Proceeds on disposal of furniture, fixtures, and equipment		339,952
Acquisition of furniture, fixtures, and equipment		(1,045,072)
Net cash provided by investing activities		<u>23,109,730</u>
Cash flows from financing activities:		
Cash paid to previous shareholders of The Staubach Company		(60,080,783)
Redeem shares of common stock		(125,869)
Issuance of common stock		4,264
Net cash used in financing activities		<u>(60,202,388)</u>
Net decrease in cash and cash equivalents		(25,965,940)
Cash and cash equivalents, beginning of period		89,175,275
Cash and cash equivalents, end of period	\$	<u><u>63,209,335</u></u>

Supplemental disclosure of cash flow information

Cash paid for income taxes	\$	<u>19,818,210</u>
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Schedule of noncash investing and financing activities

See Note 2 for net assets acquired with the Stock Exchange

See notes to consolidated financial statements.

**STAUBACH HOLDINGS, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

(1) Organization and Summary of Significant Accounting Policies

(a) Principal Business Activities

Staubach Holdings, Inc. and its wholly-owned subsidiaries (the "Company") represent tenants and other potential real estate users in the acquisition and management of real property, providing a comprehensive range of strategic real estate consulting services primarily throughout the United States of America. The Company is organized functionally, and its principal lines of business include Corporate Services and Capital and Strategic Services.

The Company's fiscal year ends June 30th. The accompanying financial statements are for less than a year and may not be indicative of the Company's annual results.

See Note 2 regarding the formation of Staubach Holdings, Inc.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and the following wholly owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

The consolidated financial statements include the following wholly owned subsidiaries:

- Staubach - Northern California, Inc.
- Staubach Advisory Services, Inc.
- Staubach Arizona, LLC
- Staubach Bay Area, Inc.
- Staubach Commercial Services - SoCal, Inc.
- Staubach Global Services RR, Inc.
- Staubach Governmental Services, Inc. dba Staubach Educational and Municipal Services Inc
- Staubach Michigan, LLC
- Staubach Midwest Construction Services LLC
- Staubach Northwest, LLC
- Staubach Retail Services - New England, LLC
- Staubach - Houston, Ltd. dba The Staubach Company
- The Staubach Company
- The Staubach Company - Carolinas, LLC
- The Staubach Company - Central Texas, LLC
- The Staubach Company - Florida Holdings, LP
- The Staubach Company - Los Angeles, Inc.
- The Staubach Company - Northeast, Inc.
- The Staubach Company - Raleigh, LLC
- The Staubach Company - South Florida, LLC
- The Staubach Company - Southeast, Inc.
- The Staubach Company - Tennessee, LLC
- The Staubach Company New York, LLC
- The Staubach Company of New England, LLC
- The Staubach Company of New Jersey, LLC
- The Staubach Company of Pennsylvania, Inc.
- The Staubach Company, Front Range, LLLP

The Staubach Company, Minnesota, Inc.
The Staubach Company, West Advisory Inc.
The Staubach Company-Southwest, Inc.
The Staubach Management Company of New Jersey, LLC
Staubach Capital Markets, Inc.
Staubach Capital I, LLC
Staubach Investment Sales, Inc.
Staubach Corporate Finance, Inc.
Staubach Assets, Inc.

(c) **Cash and Cash Equivalents**

For purposes of reporting cash flows, all highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

(d) **Restricted Cash**

Restricted cash represents funds held in escrow on behalf of customers.

(e) **Concentration of Credit Risk**

During the period ended March 31, 2008, the Company had certain concentrations of credit risk with various financial institutions in the form of cash, cash equivalents, and restricted cash. For purposes of evaluating credit risk, the stability of financial institutions conducting business with the Company is periodically reviewed. If the financial institutions failed to completely perform under the terms of the financial instruments, the exposure for credit loss would be the amount of the financial instruments less amounts covered by regulatory insurance. To date, the Company has not experienced any losses in its cash accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

(f) **Allowances for Doubtful Accounts**

Receivables are carried net of the allowances for doubtful accounts, approximately \$34,000 as of March 31, 2008. Management's determination of the adequacy of those allowances is based primarily upon evaluations of historical loss experience, individual receivables, current economic conditions, and other relevant factors. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

(g) **Furniture, Fixtures, and Equipment**

Furniture, fixtures, and equipment are carried at cost, less accumulated depreciation and amortization. Repairs and maintenance are charged to operations. Depreciation is computed using the straight-line method over estimated useful lives. Amortization related to leasehold improvements is computed using the straight-line method over the shorter of the appropriate lease term or the estimated useful life of the asset. The Company has determined that the estimated useful lives of its furniture, fixtures, and equipment range from three to ten years.

(h) **Goodwill**

Goodwill represents the excess of the purchase price and related costs over the fair value assigned to the net tangible and identifiable assets acquired. SFAS No. 142, *Goodwill and Other Intangible Assets* ("SFAS 142") requires that goodwill not be amortized, but instead be evaluated for impairment at least annually or more often if events or changes in circumstances indicate that impairment may have occurred. Impairment losses are to be recognized to the extent that the carrying amount of goodwill exceeds its estimated fair value.

(i) **Revenue Recognition**

Lease commissions, which are included as service fee revenue in the accompanying consolidated statement of income, are generally recognized in accordance with the underlying agreement and upon our underlying obligations being satisfied. Service fees related to consulting transactions are recognized in the period in which the revenues are earned. License fee revenues are considered earned in the period in which the related licensee is paid its service fee. The Company recognizes fees from portfolio management over the terms of the respective management contracts as services are rendered.

Service and license fee revenues are generated from individual transactions. The Company is not dependent on one customer or group of customers in any single year.

The Company has certain lines of business in which it is reimbursed by its clients for expenses incurred on their behalf. The treatment of these expenses for financial reporting purposes is based upon the fee structure of the underlying contract. A contract that provides a fixed fee billing, fully inclusive of all personnel and other recoverable expenses, is reported on a gross basis. Reported revenues include the full billing to the client and reported expenses include all costs associated with the client. When a fee structure distinguishes between a fixed management fee and scheduled reimbursable personnel or other expenses, the contract is accounted for on a net basis. Reported revenues include the management fee, and the reimbursement is netted against expenses.

(j) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts 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. Actual results could differ from these estimates.

(k) Income Taxes

The Company uses the liability method of accounting for income taxes. Under this method, the Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in the tax rates is recognized in income in the period that includes the enactment date.

(l) Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred. Advertising and marketing costs expensed totaled \$3.2 million for the nine months ended March 31, 2008.

(m) Financial Instruments

The carrying amounts of financial instruments including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate fair value as of March 31, 2008, because of the relative short maturity of these items.

(n) Impairment of Long-Lived Assets

In accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, long-lived assets including definite life intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. No impairment loss was recorded for the nine months ended March 31, 2008.

(o) New Accounting Pronouncements

In June 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109* (“FIN 48”), which the Company will be required to adopt during the fiscal year ending June 30, 2009. FIN 48 requires companies to determine whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. This interpretation also provides guidance on derecognition, classification, and expanded disclosure requirements. The Company is currently in the process of assessing the impact that FIN 48 will have on its consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. This Statement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. It clarifies that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. This Statement does not require any new fair value measurements, but rather, it provides enhanced guidance to other pronouncements that require or permit assets or liabilities to be measured at fair value. This Statement is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact that the adoption of SFAS No. 157 will have, if any, on its financial position, results of operations and cash flows.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115*, which provides all entities, including not-for-profit organizations, with an option to report selected financial assets and liabilities at fair value. The objective of the statement is to improve financial reporting by providing entities with the opportunity to mitigate volatility in earnings caused by measuring related assets differently without having to apply the complex provisions of hedge accounting. Certain specified items are eligible for the irrevocable fair value measurement option as established by SFAS No. 159. SFAS No. 159 is effective as of the beginning of an entity's first fiscal year beginning after November 15, 2007. The Company is currently evaluating the impact that the adoption of SFAS No. 159 will have, if any, on its financial position, results of operation and cash flows.

In December 2007, the FASB issued SFAS 141(revised), *Business Combinations* ("SFAS 141(R)"). SFAS 141(R) will change how identifiable assets acquired and the liabilities assumed in a business combination will be recorded in the financial statements. SFAS 141(R) requires the acquiring entity in a business combination to recognize the full fair value of assets acquired and liabilities assumed in the transaction (whether a full or partial acquisition); establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and requires expensing of most transaction and restructuring costs. SFAS 141(R) applies prospectively to business combinations for which the acquisition date is after December 31, 2008. The Company is currently evaluating the impact that the adoption of SFAS 141(R) will have, if any, on its financial position, results of operations and cash flows.

In December 2007, the FASB issued SFAS 160, *Noncontrolling Interests in Consolidated Financial Statements—an amendment of Accounting Research Bulletin No. 51* ("SFAS 160"). SFAS 160 requires reporting entities to present noncontrolling (minority) interests as equity (as opposed to a liability or mezzanine equity) and provides guidance on the accounting for transactions between an entity and noncontrolling interests. SFAS 160 applies prospectively as of January 1, 2009. The Company is currently evaluating the impact that the adoption of SFAS 160 will have, if any, on its financial position, results of operations and cash flows.

(2) **Formation of Staubach Holdings, Inc. and the Stock Exchange**

Effective July 1, 2007, The Staubach Company (“TSC”) and certain of its licensees participated in a tax-free equity exchange transaction under Section 351 of the Internal Revenue Code (“the Stock Exchange”). As a result of the Stock Exchange, TSC and certain of its licensees became wholly-owned subsidiaries of Staubach Holdings, Inc., which was formed in June 2007.

The purpose of the Stock Exchange was to consolidate the business operations of TSC and certain of its licensees, permit the equity holders of TSC and the licensees to diversify their current ownership and to eliminate certain administrative time and duplicative functions involved in operating TSC and its licensees. TSC contributed all of its outstanding capital stock of approximately 3,540,000 shares in exchange for an aggregate of approximately 8,000,000 shares of the Company’s common stock, par value \$0.01, representing 40% of the total issued and outstanding shares of the Company. The remaining approximately 12,000,000 shares of the Company, representing 60% of the total shares issued and outstanding, were exchanged for the equity interest of certain of TSC’s licensees. In addition to the shares received in the transaction, TSC and the acquired licensees have a contingent right to receive additional shares of the Company’s common stock in the event that the Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) contribution growth of TSC or the acquired licensee, as applicable, for the twelve-month period ending December 31, 2009 compared to its normalized EBITDA for the twelve-month period ended December 31, 2006, exceeds the compounded EBITDA growth of the Company, on a consolidated basis, for the three-year period ending December 31, 2009. In the event of a change in control prior to December 31, 2009, this additional issuance would be calculated as of the time of the change in control.

Prior to the closing of the Stock Exchange, the Company and TSC entered into an agreement with Mr. and Mrs. Roger T. Staubach (“Mr. Staubach”) in which TSC assigned all of its rights to the intellectual property associated with the Staubach name to Mr. Staubach, who then exclusively licensed such intellectual property to the Company and TSC at no cost. Pursuant to the agreement, Mr. Staubach has the right to terminate the license upon the 12-year anniversary of the Stock Exchange closing, an initial public offering of the Company’s securities, a change in control of the Company, or Mr. Staubach being involuntarily terminated as a director or officer of the Company. If the license is terminated, the Company will no longer be able to conduct business under or using the Staubach name.

SFAS 141, *Business Combinations* (“SFAS 141”) stipulates that if a new entity is formed to issue equity interests to effect a business combination, one of the existing combining entities shall be determined to be the acquiring entity on the basis of the evidence available. As Staubach Holdings, Inc. was specifically formed to issue common stock to effect the Stock Exchange, it was determined that TSC is the acquiring entity and as a result, its net assets at the date of the Stock Exchange remained at their historical carrying basis with no step up to fair value. The historical stockholders’ equity of TSC has been retroactively restated to give effect for the shares received by the TSC shareholders in the Stock Exchange.

The purchase price of \$249,017,809 relating to the acquired licensees was allocated to the estimated fair value of the assets acquired and liabilities assumed in accordance with SFAS 141 as follows:

Cash and cash equivalents	\$ 23,814,850
Accounts receivable	9,857,565
Furniture, fixtures and equipment	4,214,940
Goodwill	157,793,821
Intangible assets	125,980,000
Prepaid and other assets	3,861,224
Total assets	325,522,400
Accounts payable and accrued liabilities	27,431,436
Deferred tax liability	49,073,155
Total liabilities	76,504,591
Net assets acquired	\$ 249,017,809

The purchase price as negotiated between the Company, TSC and the licensees was based on a multiple of the licensees EBITDA, as well as net assets and cash contributed.

With the acquired licensees being service organizations, the acquired goodwill is primarily attributable to the assembled and trained workforce, systems and programs employed by the licensees, perceived synergies to be achieved through the acquisition and the expectation that the acquired licensees in total will enhance the value of the entire organization.

(3) **Furniture, Fixtures, and Equipment**

Furniture, fixtures, and equipment consisted of the following at March 31, 2008:

Furniture and office equipment	\$	7,060,687
Software		2,141,551
Leasehold improvements		2,492,182
Total owned assets		11,694,420
Less accumulated depreciation and amortization		(6,269,821)
Furniture, fixtures and equipment, net	\$	<u>5,424,599</u>

Depreciation expense relating to furniture, fixtures, and equipment was approximately \$1,481,000 for the nine months ended March 31, 2008.

(4) **Intangibles**

Intangible assets consist of the following as of March 31, 2008:

	Useful life	
Right to use the Staubach trade name	12 years	\$ 101,000,000
Contractual backlog	10 months	19,800,000
In-place contracts	9 years	5,180,000
Total intangible assets		125,980,000
Accumulated amortization		(24,605,729)
Carrying value		<u>\$ 101,374,271</u>

The weighted average amortization period for intangible assets is approximately 10 years. Amortization expense was approximately \$24,606,000 for the nine months ended March 31, 2008. As of March 31, 2008, future amortization expense related to definite life intangibles is estimated to be as follows:

2008, three months ended June 30	\$	4,241,909
2009		9,047,639
2010		9,047,639
2011		9,047,639
2012		9,047,639
2013		9,047,639
Thereafter		51,894,167
	\$	<u>101,374,271</u>

(5) Leases

The Company leases office space and certain additional equipment under noncancelable operating leases. Future minimum lease payments under noncancelable operating leases as of March 31, 2008 are as follows (rounded):

2009	\$	8,897,000
2010		9,660,000
2011		9,022,000
2012		8,098,000
2013		5,918,000
Thereafter		25,440,000
Total minimum lease obligations	\$	<u>67,035,000</u>

The future minimum lease payments shown above have not been reduced for future estimated rents to be received from affiliates under unwritten sublease arrangements totaling approximately \$19,379,000 as of March 31, 2008.

The Company executed a 124 month lease agreement for a new office building encompassing approximately 119,200 rentable square feet in Dallas, Texas. The Company plans to relocate its corporate headquarters in the fourth quarter of fiscal year 2009 upon building completion. The lease commences January 2009 and requires monthly lease payments ranging from approximately \$303,000 to \$321,000. The Company has the option to renew the lease for two five-year renewal periods, and has the option to purchase the property upon the landlord marketing the property for sale.

Net rental expense for the period ended March 31, 2008 was approximately \$6,226,000 after deducting sublease income of \$779,000 and is included in selling, general, and administrative expenses in the accompanying consolidated financial statements.

(6) Class A Voting Common Stock

Effective with the termination of an employee's or contractor's relationship with the Company, the terminated employee or contractor is obligated to sell shares of the Company's common stock held by said employee or contractor to the Company, and the Company is obligated to purchase or redeem said shares. In addition, the Company must redeem shares of the Company's common stock held by Mr. Staubach upon his death or retirement. The amount to be paid out in accordance with the Shareholders' Agreement is derived from a formula that is based primarily on the Company's EBITDA and a multiple of (5).

The Shareholders' Agreement provides that shareholders can put back to the Company up to 20% of their common stock holdings in the Company after the third anniversary of the effective date of the Stock Exchange. The redemption amount for these shares is determined in the same manner as the redemption amount for a share subject to mandatory redemption, as noted above. That portion of the common stock holdings that can be put back to the Company has been reflected outside of equity on the consolidated balance sheet at its estimated fair value as of the date of issuance in accordance with Accounting Series Release 268 and EITF Abstract Topic D-98. As the put feature will not be exercised, the puttable shares have not been adjusted to their estimated redemption value.

As discussed in Note 12, all the common stock previously held by the Company's shareholders was acquired by Jones Lang LaSalle Incorporated effective July 11, 2008.

During the nine months ended March 31, 2008, the Company granted in total 25,000 shares of common stock to certain employees. In conjunction with the stock grants, the Company recorded compensation expense of \$481,500, which is based on an estimated fair value per share of \$19.26. The estimated fair value per share is derived from a formula that is based primarily on the Company's EBITDA and a multiple of (5).

During the nine months ended March 31, 2008, the Company allowed certain employees to acquire in total 2,132 shares of common stock at \$2/share. The difference between the consideration paid by employees and the estimated fair value per share of \$19.26 totaling \$36,798 has been recognized as compensation expense.

(7) Commitments and Contingencies

As of March 31, 2008, the Company obtained a letter of credit agreement with a financial institution for approximately \$5.4 million. The letter of credit was obtained in lieu of a security deposit for the owner of the Company's new office building that they will relocate to in fiscal year 2009 upon building completion.

The nature of the operations of the Company exposes it to the risk of claims and litigation in the normal course of business. Although the outcome of these matters cannot be determined with certainty, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial position or results of operations of the Company.

The Company is currently listed as a defendant, among others, relative to claims involving a former licensee. The plaintiff, a former employee of a former licensee, is seeking damages primarily relating to compensation of approximately \$8,000,000, collectively, from the listed defendants. As the plaintiff was never an employee of the Company, management does not believe that the case has merit and intends to vigorously defend their position in this matter.

(8) Income Taxes

The components of the provision (benefit) for income taxes for the period ended March 31, 2008 were as follows:

Current tax expense:	
Federal	\$ 13,849,971
State	2,946,277
	<u>16,796,248</u>
Deferred tax (benefit):	
Federal	(6,134,141)
State	(854,397)
	<u>(6,988,538)</u>
	<u>\$ 9,807,710</u>

The differences in income taxes provided and the amounts determined by applying the statutory tax rate to income before income taxes result from the following:

Income tax expense at the statutory rate	\$ 8,768,200
Effect of state taxes (net of federal benefit)	1,260,680
Effect of permanent differences	281,331
Reduction in valuation allowance	(159,867)
Other	(342,634)
Total tax expense	<u>\$ 9,807,710</u>

Permanent differences include the effect of certain intangibles, tax exempt interest income, basis differences on real estate investments and certain non-deductible expenses consisting primarily of meals and entertainment expenditures.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The principal components creating net deferred tax assets and liabilities as of March 31, 2008 were as follows:

Deferred tax assets

Current:

Accrued vacation	\$	213,184
Allowance for doubtful accounts		13,555
Deferred revenue		647,887
Total current, net		<u>874,626</u>

Deferred tax liabilities

Noncurrent:

Fixed assets		767,774
Investment in real estate partnerships		639,514
Capitalized reorganization expense		37,562
Other		149,349
Goodwill		(161,511)
Intangibles		(40,422,990)
Total noncurrent, net		<u>(38,990,302)</u>
Net deferred tax liability	\$	<u>(38,115,676)</u>

(9) Transactions with Licensees

Historically, the Company has entered into license agreements with separate real estate brokerage and consulting companies. The Company maintains license agreements with seven licensees. The Company licenses its trademarks to these companies for use in the real estate business. The licensees agree to abide by certain common business practices and operating procedures designed to protect the Company's trademarks. The Company generally receives monthly license fee revenue from each licensee for the right to use the trademarks and for certain administrative and marketing services provided by the Company. Typically, a license agreement may be canceled by either party for a material breach of the license agreement or for cause upon seven (7) days written notice, subject to certain cure periods as set forth in the license agreements. If a license agreement is terminated by a licensee under certain conditions, the Company may continue to collect license fees for a specified period of time as defined in the license agreement.

(10) Related-Party Transactions

In June 2007, TSC authorized a push-down of certain assets, including cash, notes receivable, investments and other assets and liabilities, to TSC Assets, LLC (“TSC Assets”). TSC Assets was formed by TSC and was wholly-owned by TSC at the point of inception. Immediately following the transfer of certain assets, TSC distributed a membership interest dividend consisting of an aggregate of approximately 3,540,000 membership units, representing 100% ownership, of TSC Assets to its shareholders on a pro-rata basis. The primary purpose of TSC Assets is to distribute the contributed assets to its shareholders. The Company has paid interest of approximately \$544,000 to TSC Assets which has been reflected as interest expense in the consolidated statement of income for advances made to the Company. There are no amounts payable to TSC Assets as of March 31, 2008.

The Company pays certain administrative costs on behalf of certain licensed or affiliated companies, which are periodically reimbursed by the licensee or affiliate. Including lease allocations as discussed in Note 5, monthly costs paid on behalf of these affiliates were approximately \$255,000 for the period ended March 31, 2008. The unreimbursed balance of administrative costs and certain other costs included in receivables – affiliates in the accompanying consolidated balance sheet was approximately \$598,800 at March 31, 2008.

In January 2000, TSC entered into a cost sharing arrangement with DTZ Holdings, a global real estate services firm, to provide marketing and support services on a global basis. DTZ acts as escrow agent for the expenses related to the venture, and is reimbursed by TSC on a quarterly basis. The cost sharing arrangement provides that TSC and DTZ Holdings will each fund 50% of the overhead. For the period ended March 31, 2008, the Company and TSC incurred expenses of approximately \$91,000 related to this arrangement.

In January 2008, the Company loaned an employee group (New York) \$442,823 with interest stated at the prime rate. A one time principal payment is due on December 31, 2008. As of March 31, 2008, the balance of the note receivable including accrued interest was approximately \$450,000 and is included in receivables – other on the accompanying consolidated balance sheet.

(11) 401(k) Plan

TSC adopted a 401(k) Plan and Trust (the “401(k) Plan”) effective July 1, 1988 that was assumed by the Company as a result of the Stock Exchange. All employees that have reached the age of 20 are eligible to participate in the 401(k) Plan. All amounts contributed by participating employees are immediately vested in full. The 401(k) plan allows for a discretionary matching provision to be determined by the board of directors annually. A total of approximately \$374,000 was expensed during the nine months ended March 31, 2008, related to this matching and is included in salaries, bonus, and benefits in the accompanying consolidated statement of income.

(12) Subsequent Events

Effective June 1, 2008, the Company and two of its licensees participated in a tax-free equity exchange under Section 368 of the Internal Revenue Code resulting in these two licensees becoming wholly-owned subsidiaries of the Company. A total of 365,930 shares of the Company’s common stock was issued to the two licensees.

In June 2008, the Board of Directors of the Company declared a dividend of \$2.36 per share to be paid to the shareholders of record as of June 17, 2008. The total amount of the dividend to be paid is \$48,262,687.

On July 11, 2008, the Company was acquired by Jones Lang LaSalle Incorporated (“Purchaser”) through a merger of Jones Lang LaSalle Tenant Representation, Inc., a wholly owned subsidiary of Purchaser, with and into the Company, with the Company continuing as the surviving corporation in the merger and becoming an indirect wholly owned subsidiary of Purchaser (the “merger”). Each share of the Company’s common stock is entitled to receive consideration consisting of the Closing Consideration Amount of \$180,352,500 and certain deferred payments. The Closing Consideration Amount consists of shares of common stock, par value \$.01 per share, of Purchaser having an aggregate value of \$100,000,000 and cash of \$80,352,500. The deferred payments total an aggregate amount of \$389,712,500 to be paid in installments on the certain anniversary dates, subject to adjustment as set forth in the Agreement and Plan of Merger dated June 16, 2008 (the “Merger Agreement”), with final payment due in full on July 11, 2013. In addition, the Shareholders may be entitled to receive additional consideration to the extent that the Tenant Representation Business Revenues exceed certain targets during the period July 1, 2008 through December 31, 2010. Such earn out payments, if earned, will be in an aggregate amount of up to \$113,850,000.

As a result of the merger, it was determined that certain assets and operations of the Company and its subsidiaries, including interest in certain licensees, would not remain part of the Company when the Company becomes controlled by Purchaser. In order for the shareholders of the Company to retain the benefit of these assets and operations, the assets were transferred to a newly formed limited liability company named Staubach Holdings Assets, LLC ("Holdings Assets") on June 17, 2008. The ownership of Holdings Assets has the same ownership as the Company as of June 17, 2008.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined financial information is based on the historical financial statements of Jones Lang LaSalle Incorporated ("Jones Lang LaSalle" or the "Company") and Staubach Holdings, Inc. ("Staubach") after giving effect to the purchase of Staubach by the Company using the purchase method of accounting. Staubach was acquired by the Company on July 11, 2008.

On June 1, 2008, Staubach and two of its licensees participated in a tax-free equity exchange resulting in the two licensees becoming wholly-owned subsidiaries of Staubach. Whereas the Staubach historical audited consolidated financial statements in Exhibit 99.1 do not include the impact of this tax-free equity exchange, these two licensees were consolidated subsidiaries of Staubach at the time of the acquisition by Jones Lang LaSalle. As a result, the Staubach as purchased financial statements used to prepare these pro forma combined financial statements include the combined results of these two licensees for all periods presented. The Staubach as purchased financial statements do not reflect certain purchase accounting adjustments in relation to Staubach's acquisition of these two licensees or the shares of common stock issued by Staubach in conjunction with that acquisition, the effect of which would have been eliminated in the pro forma adjustments. Additionally, all inter-company transactions between Staubach and its licensees have been eliminated in these pro forma combined financial statements.

The Staubach historical audited consolidated financial statements in Exhibit 99.1 include the results generated from two licensees, Staubach Retail and Cypress Equities, which were not acquired by Jones Lang LaSalle. As a result, the operating results generated from these two licensees were excluded from the historical Staubach as purchased financial statements used to prepare the pro forma financial statements for all periods presented.

The unaudited pro forma combined balance sheet as of March 31, 2008 gives effect to the Staubach acquisition as if it had occurred on March 31, 2008. The unaudited pro forma combined statements of operations for the year ended December 31, 2007 and for the three months ended March 31, 2008 give effect to the Staubach acquisition as if it had occurred on January 1, 2007.

This unaudited pro forma combined financial information is presented for informational purposes only and does not purport to represent what the Company's results of operations or financial position actually would have been had the Staubach acquisition and the related transactions occurred on the dates specified, nor does the information purport to project the Company's results of operations or financial position for any future period or at any future date. All pro forma adjustments are based on preliminary estimates and assumptions and are subject to revision upon finalization of the purchase accounting for the Staubach acquisition.

The unaudited pro forma combined financial information does not reflect any adjustments for synergies that the Company expects to realize from the Staubach acquisition. No assurances can be made as to the amount of net cost savings, if any, that may be realized.

The unaudited pro forma combined financial information should be read in conjunction with the Company's historical consolidated unaudited financial statements as of March 31, 2008 and for the three months ended March 31, 2008 and 2007, which are included in its March 31, 2008 Quarterly Report on Form 10-Q, and the Company's historical audited consolidated financial statements as of December 31, 2007 and for the year then ended which are included in its December 31, 2007 Annual Report on Form 10-K.

In addition, the unaudited pro forma combined financial information should be read in conjunction with the Staubach historical audited consolidated financial statements as of and for the nine months ended March 31, 2008 which are included as Exhibit 99.1 of this amendment No. 2 to the Current Report on Form 8-K/A (Amendment No. 1).

Jones Lang LaSalle Incorporated
 Unaudited Pro Forma Combined Balance Sheet
 As of March 31, 2008 (\$ in thousands)

Assets	Historical		Pro Forma Adjustments	Pro Forma Combined
	Jones Lang LaSalle	Staubach as purchased (1)		
Current assets:				
Cash and cash equivalents	\$ 74,648	64,431	(64,431) (6)	74,648
Trade receivables, net of allowances	749,300	32,439	—	781,739
Notes and other receivables	68,642	—	—	68,642
Prepaid expenses	28,268	3,555	(2,129) (12)	29,694
Deferred tax assets	64,999	875	—	65,874
Other	13,994	7,233	—	21,227
Total current assets	999,851	108,533	(66,560)	1,041,824
Property and equipment, net	200,909	5,567	—	206,476
Goodwill, with indefinite useful lives	731,501	157,794	344,983 (4)	1,234,278
Identified intangibles, net	44,673	101,374	(1,374) (5)	144,673
Investments in real estate ventures	164,042	—	—	164,042
Long-term receivables, net	42,733	—	—	42,733
Deferred tax assets	84,914	—	—	84,914
Other, net	47,051	1,829	9,400 (8)	58,280
Total assets	\$ 2,315,674	375,097	286,449 (3)	2,977,220
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 255,564	18,919	(793) (11)	273,690
Accrued compensation	320,784	39,457	—	360,241
Short-term borrowings	29,698	—	—	29,698
Deferred tax liabilities	13,811	—	—	13,811
Deferred income	22,504	3,871	(3,871) (12)	22,504
Deferred business acquisition obligations	44,542	—	—	44,542
Other	64,312	—	10,600 (7)	74,912
Total current liabilities	751,215	62,247	5,936	819,398
Noncurrent liabilities:				
Credit facilities	350,599	—	139,727 (8)	490,326
Deferred tax liabilities	1,910	38,990	(1,585) (3),(9)	39,315
Deferred compensation	41,468	—	—	41,468
Pension liabilities	1,096	—	—	1,096
Deferred business acquisition obligations	33,102	—	316,231 (2)	349,333
Other	50,484	—	—	50,484
Total liabilities	1,229,874	101,237	460,309	1,791,420
Puttable shares	—	83,214	(83,214) (6)	—
Minority interest	8,767	—	—	8,767
Shareholders' equity:				
Common stock	318	265	(245) (6),(10)	338
Additional paid-in capital	458,776	183,486	(83,506) (6),(10)	558,756
Retained earnings	487,679	6,895	(6,895) (6)	487,679
Shares held in trust	(1,930)	—	—	(1,930)
Accumulated other comprehensive income	132,190	—	—	132,190
Total shareholders' equity	1,077,033	190,646	(90,646)	1,177,033
Total liabilities and shareholders' equity	\$ 2,315,674	375,097	286,449	2,977,220

See accompanying notes to unaudited pro forma combined financial statements.

Jones Lang LaSalle Incorporated
 Unaudited Pro Forma Combined Statement of Operations
 For the twelve months ended December 31, 2007
 (\$ in thousands, except for share data)

	Historical		Pro Forma Adjustments	Pro Forma Combined
	Jones Lang LaSalle	Staubach as purchased (1)		
Revenue	\$ 2,652,075	348,889	(4,381) (12)	2,996,583
Operating expenses:				
Compensation and benefits	1,724,174	250,924	(710) (7), (12)	1,974,388
Operating, administrative and other	530,412	32,423	—	562,835
Depreciation and amortization	55,580	18,492	23,624 (5)	97,696
Restructuring charges (credits), net	(411)	—	—	(411)
Total operating expenses	2,309,755	301,839	22,914	2,634,508
Operating income	342,320	47,050	(27,295)	362,075
Interest expense, net of interest income	13,064	(1,496)	29,146 (8)	40,714
Gain on sale of investments	6,129	—	—	6,129
Equity in earnings from real estate ventures	12,216	244	—	12,460
Income before provision for income taxes and minority interest	347,601	48,790	(56,441)	339,950
Provision for income taxes	87,595	20,492	(22,012) (13)	86,075
Minority interest, net of tax	2,174	—	—	2,174
Net income	\$ 257,832	28,298	(34,429)	251,701
Net income available to common shareholders	\$ 256,490	28,298	(34,429)	250,359
Basic earnings per common share	\$ 8.01	—	—	7.36
Basic weighted average shares outstanding	32,021,380	—	1,997,682 (2)	34,019,062
Diluted earnings per common share	\$ 7.64	—	—	7.04
Diluted weighted average shares outstanding	33,577,927	—	1,997,682 (2)	35,575,609

See accompanying notes to unaudited pro forma combined financial statements.

Jones Lang LaSalle Incorporated
 Unaudited Pro Forma Combined Statement of Operations
 For the three months ended March 31, 2008
 (\$ in thousands, except for share data)

	Historical		Pro Forma Adjustments	Pro Forma Combined
	Jones Lang LaSalle	Staubach as purchased (1)		
Revenue	\$ 563,920	81,946	—	645,866
Operating expenses:				
Compensation and benefits	378,873	58,163	—	437,036
Operating, administrative and other	160,866	8,086	—	168,952
Depreciation and amortization	16,446	8,719	(5,688) (5)	19,477
Restructuring charges (credits), net	(188)	—	—	(188)
Total operating expenses	555,997	74,968	(5,688)	625,277
Operating income	7,923	6,978	5,688	20,589
Interest expense, net of interest income	1,176	(373)	6,961 (8)	7,764
Equity in (loss) earnings from real estate ventures	(2,213)	61	—	(2,152)
Income before provision for income taxes and minority interest	4,534	7,412	(1,273)	10,673
Provision for income taxes	1,143	3,113	(496) (13)	3,760
Minority interest, net of tax	552	—	—	552
Net income	\$ 2,839	4,299	(777)	6,361
Basic earnings per common share	\$ 0.09	—	—	0.19
Basic weighted average shares outstanding	31,772,825	—	1,997,682 (2)	33,770,507
Diluted earnings per common share	\$ 0.09	—	—	0.18
Diluted weighted average shares outstanding	33,229,444	—	1,997,682 (2)	35,227,126

See accompanying notes to unaudited pro forma combined financial statements.

1. Staubach Acquisition and Basis of Pro Forma Presentation

On July 11, 2008, a wholly-owned subsidiary of Jones Lang LaSalle purchased all of the outstanding shares of Staubach Holdings Inc. ("Staubach").

Staubach was formed in June 2007. Effective July 1, 2007, The Staubach Company ("TSC") and certain of its licensees participated in a tax-free equity exchange transaction whereby TSC and those licensees became wholly owned subsidiaries of Staubach. The equity exchange allowed TSC and those licensees to consolidate business operations. Exhibit 99.1 of this report on Form 8-K/A contains the historical audited consolidated financial statements of Staubach and those subsidiaries as of and for the nine months ended March 31, 2008.

On June 1, 2008, Staubach and two of its licensees participated in a tax-free equity exchange resulting in the two licensees becoming wholly-owned subsidiaries of Staubach. Whereas the Staubach historical audited consolidated financial statements in Exhibit 99.1 do not include the impact of this tax-free equity exchange, these two licensees were consolidated subsidiaries of Staubach at the time of the acquisition by Jones Lang LaSalle. As a result, the Staubach as purchased financial statements used to prepare these pro forma combined financial statements include the combined results of these two licensees for all periods presented. The Staubach as purchased financial statements do not reflect certain purchase accounting adjustments in relation to Staubach's acquisition of these two licensees or the shares of common stock issued by Staubach in conjunction with that acquisition, the effect of which would have been eliminated in the pro forma adjustments. Additionally, all inter-company transactions between Staubach and its licensees have been eliminated in these pro forma combined financial statements.

The Staubach historical audited consolidated financial statements in Exhibit 99.1 include the results generated from two licensees, Staubach Retail and Cypress Equities, which were not acquired by Jones Lang LaSalle. As a result, the operating results generated from these two licensees were excluded from the historical Staubach as purchased financial statements used to prepare the pro forma financial statements for all periods presented.

Certain additional reclassifications, which did not affect net income or equity, have been made to Staubach's historical balance sheet as of March 31, 2008 and income statements for the three months ended March 31, 2008 and the twelve months ended December 31, 2007 to conform to the Company's presentation.

The unaudited pro forma combined financial statements include estimated adjustments to record the assets and liabilities of Staubach at their respective fair values and represent management's best estimates based on information available at this time. The final allocation of the purchase price will be recorded after a final analysis to determine the fair values of Staubach's tangible and identifiable intangible assets and liabilities as of the closing date. The final purchase accounting adjustments may be materially different from the pro forma adjustments presented in this document. Such adjustments compared to the information shown in this document may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact the statements of operations due to adjustments in amortization of the adjusted assets or liabilities.

2. Estimated Purchase Consideration

The estimated total purchase consideration used in the pro forma balance sheet was \$547 million, comprised of the following (dollars in thousands):

Cash paid and liabilities assumed at closing	\$	122,827
Common stock issued		100,000
Present value of deferred payments		316,231
Estimated capitalizable acquisition costs		7,500
	\$	546,558

At closing, we paid approximately \$123 million in cash, as adjusted for Staubach's net liabilities, and \$100 million in shares of our common stock. The Company will issue 1,997,682 shares of its common stock pursuant to the Merger Agreement based on \$100 million divided by the Adjusted Trading Price of \$50.06, determined based on the average closing price for the five consecutive trading days up to and including August 14th, per the terms of the Merger Agreement.

The Merger Agreement also provides for the following deferred payments payable in cash: (i) \$78 million on July 1, 2010 (or on July 1, 2011 if certain revenue targets are not met); (ii) \$156 million on July 1, 2011 (or on July 2, 2012 if certain revenue targets are not met); and (iii) \$156 million on July 1, 2013. These payments were discounted to a present value of \$316 million based on a 6% discount rate and recorded as deferred business acquisition obligations on the pro forma balance sheet.

Staubach shareholders also will be entitled to receive an earn-out payment of up to approximately \$114 million, payable on a sliding scale, if certain thresholds are met with respect to the tenant representation business for the earn-out periods ended December 31, 2010, 2011 and 2012. This earn-out payment will be accounted for as purchase consideration when paid.

3. Preliminary Allocation of Purchase Consideration

The estimated purchase consideration was allocated to tangible and intangible assets based upon our preliminary estimate of fair value. The final purchase accounting adjustments will include additional adjustments to the fair value of the assets acquired and liabilities assumed. Based on our preliminary estimates, the purchase consideration was allocated as follows (dollars in thousands):

Assets:	
Current assets	\$ 41,973
Property and Equipment and Other Assets	7,396
Identifiable Intangibles	100,000
Goodwill	502,777
Total Assets	\$ 652,146
Liabilities:	
Current liabilities	\$ 68,183
Deferred tax liability	37,405
Total Liabilities	\$ 105,588
Estimated net assets acquired	\$ 546,558

Material changes to each of the elements of this preliminary allocation of the purchase price are possible.

4. Goodwill Pro Forma Adjustment

The pro forma balance sheet adjustment to goodwill is comprised of the following (dollars in thousands):

Preliminary allocation of purchase consideration – Note 3	\$ 502,777
Eliminate Staubach goodwill	(157,794)
Adjustment	344,983

5. Identifiable Intangible Assets and Amortization

A preliminary estimate of the fair value of identifiable intangible assets included in the pro forma balance sheet, the estimated useful life of these intangible assets and the associated amortization expense included in the pro forma statements of operations is as follows (dollars in thousands):

	Fair Value	Useful Life in years	Amortization twelve months ended December 31, 2007	Amortization three months ended March 31, 2008
Backlog	\$ 20,000	1	\$ 20,000	\$ —
Contracts and Customer Relationships	40,000	10	4,000	1,000
Trade Name	10,000	1	10,000	—
Non-Compete Agreements	30,000	5	6,000	1,500
	\$ 100,000		\$ 40,000	\$ 2,500

The pro forma balance sheet adjustment for identifiable intangibles is comprised of the following (dollars in thousands):

Estimated fair value	\$ 100,000
Eliminate Staubach identifiable intangibles	(101,374)
Adjustment	(1,374)

The pro forma adjustments to the combined statements of operations also include the elimination of Staubach's historical intangible amortization expense of \$16.4 million for the twelve months ended December 31, 2007 and \$8.2 million for the three months ended March 31, 2008.

6. Eliminate Acquired Balances

Pro forma adjustments to eliminate the equity balances of Staubach in the preliminary allocation of purchase price including puttable shares, common stock, additional paid-in-capital, and retained earnings.

A pro forma adjustment was also made to eliminate Staubach's cash and cash equivalents as the Company did not acquire these balances.

7. Lease Termination and Employee Costs

The pro forma combined balance sheet adjustments include an Other current liability of \$10.6 million, comprised of estimated costs related to vacated leased space of \$7.5 million, and estimated employee related termination costs of \$3.1 million.

The pro forma combined statement of operations for the year ended December 31, 2007 includes an additional \$1.7 million of employee related stay bonuses and termination costs as a pro forma adjustment to compensation and benefit expense.

8. Credit Facilities and Interest Expense

The Company estimates that the Staubach acquisition will result in the Company increasing its borrowing under revolving credit facilities by approximately \$140 million, comprised of \$123 million of cash paid at closing, \$8 million for acquisition related costs (see Note 2), and \$9 million of financing costs incurred as a result of the acquisition. The Company estimated the incremental interest expense on this borrowing based the 4.9% borrowing rate under its revolving credit facility on the date of the Staubach acquisition.

The pro forma interest expense adjustment also includes interest expense on the deferred acquisition payments and for the amortization of deferred financing costs. Interest expense on the deferred acquisition payments with a present value of \$316 million (see Note 2) was based on a 6% interest rate which represents an estimate of the rates on borrowing matching the terms of up to five years for the deferred acquisition payments. Financing costs of \$1.3 million are being expensed in 2007 and \$8.1 million are being deferred and amortized over four years, which corresponds with the stated term of our revolving credit facility.

The interest expense adjustments included in the pro forma statements of operations consist of the following (dollars in thousands):

	Twelve months ended December 31, 2007	Three months ended March 31, 2008
Credit facility \$140 million 4.9%	\$ 6,847	\$ 1,712
Deferred acquisition payments 6%	18,974	4,743
Amortization of deferred financing costs	3,325	506
	29,146	6,961

A 1/8 percent increase in the estimated borrowing rate of 4.9% would have increased interest expense by \$0.2 million for the twelve months ended December 31, 2007 and less than \$0.1 million for the three months ended March 31, 2008.

9. Deferred Tax Liabilities

The pro forma adjustment includes a \$39 million increase in deferred tax liabilities for the difference between the tax and book basis of identifiable intangibles, based on the initial estimate of the fair value of identifiable intangibles of \$100 million and an estimated marginal tax rate of 39%. The pro forma adjustment also includes a \$40 million decrease in the balance to remove the deferred tax liabilities established in relation to the \$101 million of Staubach identifiable intangibles eliminated in purchase accounting. Deferred taxes are subject to the final appraisals and the purchase price allocation to assets and liabilities.

The pro forma balance sheet adjustment for deferred tax liabilities is comprised of the following (dollars in thousands):

Estimated deferred tax liabilities related to intangibles	\$ 39,000
Eliminate Staubach deferred tax liabilities related to intangibles	(40,585)
Adjustment	(1,585)

10. Shares Issued

The purchase consideration includes 1,997,682 shares of the Company's common stock valued at \$50.06 per share or \$100 million (see Note 2). For the issuance of these shares pro forma adjustments totaling \$100 million were recorded to Common stock and Additional paid-in capital.

11. Leases

At March 31, 2008, Staubach's balance sheet had a deferred rent liability of \$0.8 million for the difference between straight-line rent expense and cash paid for rent which was eliminated for the combined pro forma balance sheet. The straight-line rent expense adjustment for the combined statements of operations for the year ended December 31, 2007 and for the three months ended March 31, 2008 assuming the Staubach acquisition had occurred on January 1, 2007 was not materially different than the rent expense reported by Staubach.

12. Deferred Income

At March 31, 2008, Staubach's balance sheet had deferred income of \$3.9 million and associated prepaid commissions of \$2.1 million which were eliminated for the combined pro forma balance sheet. The elimination of deferred income and prepaid commissions that existed as of January 1, 2007 resulted in pro forma adjustments to the combined statements of operations for the year ended December 31, 2007, reducing revenue by \$4.3 million and reducing compensation and benefit expense by \$2.4 million for the associated prepaid commission.

13. Income Tax Expense

A 39% estimated effective tax rate was used for pro forma adjustments, consistent with the effective rate in Staubach's historical audited financial statements for the nine months ending March 31, 2008.