

Registered number: 05653781

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

COMPANY INFORMATION

Directors	JS Jasionowski GJ Grainger RW Bloxam MD Grigorova CM Ireland (appointed 29 June 2016) RA Bonwell (resigned 29 June 2016)
Company secretaries	RH Webster NG Taylor
Registered number	05653781
Registered office	30 Warwick Street London W1B 5NH
Independent auditor	KPMG LLP, Statutory Auditor Chartered Accountants 15 Canada Square London E14 5GL

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

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JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Business review

The results for the year, as shown on page 5, and the financial position of the Company, as shown on page 6 are considered to be satisfactory by the directors due to increased profitability and a strong net asset position.

There is some uncertainty as to the external commercial environment in 2017 due to global economic volatility. However the directors remain confident that the group's sector-leading service levels, diversification of services and geographic spread - all of which the directors believe have been enhanced through the acquisition activity of this company - will enable the group to maintain its market share.

The strategy of the Company is to act as a holding company for acquired investments within the Jones Lang LaSalle Group ("the Group"). Acquisition opportunities are identified and assessed, and if determined to be beneficial for the Company, are pursued further. However, in 2016 no new acquisitions were identified in accordance with this strategy, although further investments in existing subsidiary companies were made. The Company received capital subscriptions from its parent during the year which were used to fund these investments as well as deferred consideration liabilities from previous acquisitions.

The strategy of the Group is defined by the global strategy as set out by the ultimate parent company, Jones Lang LaSalle Inc., and is discussed in Jones Lang LaSalle Inc. group's form 10k filing at the United States Securities and Exchange Commission, which does not form part of this report.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Jones Lang LaSalle Inc. group and are not managed separately. Accordingly, the principal risks and uncertainties of the Company are discussed in the group's form 10k filing at the United States Securities and Exchange Commission, which does not form part of this report

In relation to the assessment and monitoring of economic, political and regulatory risks, the Company is continuing to evaluate the impact of the outcome of the 2016 referendum in relation to the UK's membership of the EU on the Company's business strategy and business risks in the short, medium and long term. In the short term there is no significant impact expected on the Company's business activities, there will be no immediate change in business strategy, and it does not affect the going concern position of the Company. Over the course of the expected two year transition period following the March 2017 notification of intention to leave the EU, the Company continues to closely monitor developments and will make appropriate changes to the business strategy once the impact on the UK and European real estate services industry is more certain.

Financial key performance indicators

The results of the company show a post tax profit of US\$ 26,751K (2015: loss of \$33,088K). The Company has net assets of \$796,723K (2015: \$742,118K).

The directors of Jones Lang LaSalle Inc., the Company's ultimate parent, manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is neither necessary nor appropriate for an understanding of the development, performance or position of the business of Jones Lang LaSalle Capital Investments, Limited. The development, performance and position of the Company, are discussed in Jones Lang LaSalle Inc. group's form 10k filing at the United States Securities and Exchange Commission, which does not form part of this report

This report was approved by the board on 29 September 2017 and signed on its behalf.



RH Webster
Secretary

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the Company is to act as a holding company for acquired investments.

Results and dividends

The profit for the year, after taxation, amounted to \$27,651 thousand (2015: loss \$33,088 thousand).

The directors did not pay an interim dividend during the year (2015: \$nil). The directors do not recommend the payment of a final dividend (2015: \$nil).

Directors

The directors who served during the year were:

JS Jasionowski
GJ Grainger
RW Bloxam
MD Grigorova
CM Ireland (appointed 29 June 2016)
RA Bonwell (resigned 29 June 2016)

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Future developments

The directors expect that the present level of activity will be sustained in the foreseeable future.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP, Statutory Auditor will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 29 September 2017 and signed on its behalf.



RH Webster
Secretary

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED**

We have audited the financial statements of Jones Lang LaSalle Capital Investments, Limited for the year ended 31 December 2016, set out on pages 5 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Sean McCallion (Senior Statutory Auditor)

for and on behalf of

KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

Date: *29 September 2017*

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$000	2015 \$000
Administrative expenses		(47,743)	(1,316)
Other operating charges		(16)	-
		<u>(47,759)</u>	<u>(1,316)</u>
Operating loss		(47,759)	(1,316)
Income from shares in group undertakings		120,101	-
Interest payable and similar expenses	5	(44,691)	(40,891)
		<u>27,651</u>	<u>(42,207)</u>
Profit/(loss) before tax		27,651	(42,207)
Tax on profit/(loss)	6	-	9,119
		<u>27,651</u>	<u>(33,088)</u>
Profit/(loss) for the year		27,651	(33,088)

The notes on pages 8 to 21 form part of these financial statements.

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED
REGISTERED NUMBER:05653781

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 \$000	2015 \$000
Fixed assets			
Investments	7	1,634,471	1,663,566
		<u>1,634,471</u>	<u>1,663,566</u>
Current assets			
Debtors: amounts falling due within one year	8	13,645	13,709
		<u>13,645</u>	<u>13,709</u>
Creditors: amounts falling due within one year	9	(110,563)	(87,901)
		<u>(96,918)</u>	<u>(74,192)</u>
Net current liabilities			
		<u>(96,918)</u>	<u>(74,192)</u>
Total assets less current liabilities		<u>1,537,553</u>	<u>1,589,374</u>
Creditors: amounts falling due after more than one year	10	(740,830)	(847,256)
		<u>(740,830)</u>	<u>(847,256)</u>
Net assets		<u><u>796,723</u></u>	<u><u>742,118</u></u>
Capital and reserves			
Called up share capital	12	75,000	75,000
Share premium account	13	415,110	388,156
Other reserves	13	551,771	551,771
Profit and loss account	13	(245,158)	(272,809)
		<u>796,723</u>	<u>742,118</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

29 September 2017



JS Jasionowski

Director

The notes on pages 8 to 21 form part of these financial statements.

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000	\$000
At 1 January 2016	75,000	388,156	551,771	(272,809)	742,118
Comprehensive income for the year					
Profit for the year	-	-	-	27,651	27,651
Total comprehensive income for the year	-	-	-	27,651	27,651
Shares issued during the year	-	26,954	-	-	26,954
At 31 December 2016	75,000	415,110	551,771	(245,158)	796,723

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000	\$000
At 1 January 2015	75,000	222,728	551,771	(239,721)	609,778
Comprehensive income for the year					
Loss for the year	-	-	-	(33,088)	(33,088)
Total comprehensive income for the year	-	-	-	(33,088)	(33,088)
Shares issued during the year	-	165,428	-	-	165,428
At 31 December 2015	75,000	388,156	551,771	(272,809)	742,118

The notes on pages 8 to 21 form part of these financial statements.

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's functional and presentation currency is US Dollar, rounded to the nearest '000 US Dollar.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Jones Lang LaSalle Incorporated as at 31 December 2016 and these financial statements may be obtained from Jones Lang LaSalle Incorporated, 200 East Randolph Drive, Chicago, Illinois 60601, USA.

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.3 Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the Company's net current liabilities, which the directors believe to be appropriate for the following reasons. The Company is dependent on working capital on funds provided to it by the Company's ultimate parent undertaking. Jones Lang LaSalle Inc. has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company.

This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.4 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.9 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.10 Taxation

Tax is recognised in the Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors have not made any judgments in the process of applying the accounting policies that have a significant effect on the amounts recognised in the financial statements other than already disclosed in the notes to the accounts or made any key assumptions concerning the future and any other key sources of estimation uncertainty at the reporting date, that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year.

3. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	16	15
	<u>16</u>	<u>15</u>

The audit fee has been borne by a fellow group company, in both 2016 and 2015.

4. Employees

The Company has no employees (2015: nil) and the directors did not receive any remuneration in either year for qualifying services, as a director of this entity, from the Company.

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Interest payable and similar charges

	2016 \$000	2015 \$000
Deferred and contingent consideration due in respect of third party acquisitions	1,893	2,255
Loans from group undertakings	42,798	38,636
	<u>44,691</u>	<u>40,891</u>

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Taxation

	2016	2015
	\$000	\$000
Corporation tax		
Payments received from fellow group companies in respect of group relief	-	(9,119)
Total current tax	<u>-</u>	<u>(9,119)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit/(loss)	<u>-</u>	<u>(9,119)</u>

Factors affecting tax charge for the year

The tax assessed for the year is different than (2015: different than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016	2015
	\$000	\$000
Profit/(loss) before taxation	<u>27,651</u>	<u>(42,207)</u>
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	5,530	(8,547)
Effects of:		
Impairments not taxable	9,549	266
Interest not deductible for tax purposes	379	457
Short term timing difference leading to an increase (decrease) in taxation	-	968
Non-taxable income	(24,020)	-
Tax loss group relieved	8,562	6,856
Payment received from fellow group company in respect of group relief	-	(9,119)
Total tax charge for the year	<u>-</u>	<u>(9,119)</u>

Factors that may affect future tax charges

The main rate of UK corporation tax for 2016 is 20%, it was reduced from 21% to 20% effective from 1 April 2015 (2015:20.25%). In 2015, Finance (No.2) Act 2015 introduced reductions in the rate of UK corporation tax effective from 1 April 2017 it will be 19%. During 2016, Finance Act 2016 has set the UK corporation tax rate for the Financial Year 2020 as 17%.

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Fixed asset investments

	Investments in subsidiary companies \$000
Cost or valuation	
At 1 January 2016	1,663,566
Additions	26,954
Adjustments	(8,330)
	<hr/>
At 31 December 2016	1,682,190
	<hr/>
Impairment	
Charge for the period	47,719
	<hr/>
At 31 December 2016	47,719
	<hr/>
Net book value	
At 31 December 2016	1,634,471
	<hr/> <hr/>
At 31 December 2015	1,663,566
	<hr/> <hr/>

Additions during the year consisted of subscriptions for capital in direct subsidiaries.

Adjustments represent deferred consideration and earn-outs no longer payable.

The following investments were written off during the year: bluuco Ltd \$31,117K and bluu projects Ltd \$5,550K. The following provisions against investments were made during the year: KHK Group Ltd \$3,638K; Environmental Governance Ltd \$983K; W.A. Ellis LLP \$6,431K.

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Churston Heard Ltd	Ordinary	100 %	Real estate services
KHK Group Ltd	Ordinary	100 %	Real estate services
Environmental Governance Ltd	Ordinary	100 %	Real estate services
Creevy LLH Ltd	Ordinary	100 %	Real estate services
Jones Lang LaSalle Dorchester Ltd	Ordinary	100 %	Real estate services
Jones Lang LaSalle Holdings, Inc	Ordinary	100 %	Real estate services
Jones Lang LaSalle New England LLC	Ordinary	100 %	Real estate services
Jones Lang LaSalle Investments LLC	Ordinary	100 %	Real estate services
Jones Lang LaSalle (pty) Ltd	Ordinary	100 %	Real estate services
bluuco Ltd	Ordinary	100 %	Real estate services
bluu Projects Ltd	Ordinary	49 %	Real estate services
Coverpoint Catering Consultancy Ltd	Ordinary	100 %	In liquidation
W.A.Ellis LLP	Partnership interest	100 %	Real estate services

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

7. Fixed asset investments (continued)

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Red Blue Fund Management Ltd	Ordinary	100 %	Real estate services
Jones Lang LaSalle International Holdings Ltd	Ordinary	100 %	Real estate services
King Sturge Holdings Ltd	Ordinary	100 %	Real estate services
King & Co Ltd	Ordinary	100 %	Real estate services
JP Sturge Ltd	Ordinary	100 %	Real estate services
Jones Lang LaSalle (SE) Ltd	Ordinary	100 %	Real estate services
Jones Lang LaSalle UAE Ltd	Ordinary	100 %	Real estate services
Jones Lang LaSalle Brokerage, Inc	Ordinary	100 %	Real estate services
Jones Lang LaSalle - Central Texas, LLC	Ordinary	100 %	Agency leasing and tenant representation
Jones Lang LaSalle - Northeast, Inc	Ordinary	100 %	Agency leasing and tenant representation
Jones Lang LaSalle - Northwest, LLC	Ordinary	100 %	Property management and leasing
Jones Lang LaSalle - Texas, Inc	Ordinary	100 %	Agency leasing and tenant representation
Jones Lang LaSalle Great Lakes Corporate Real Estate Partners LLC	Ordinary	50 %	Agency leasing and tenant representation
Jones Lang LaSalle Michigan, LLC	Ordinary	100 %	Agency leasing and tenant representation
Jones Lang LaSalle Florida Holdings, LP	Ordinary	100 %	Property management and leasing
Jones Lang LaSalle Midwest, LLC	Ordinary	100 %	Agency leasing and tenant representation
Jones Lang LaSalle of Pennsylvania, Inc	Ordinary	100 %	Property management and leasing
Jones Lang LaSalle Arizona, LLC	Ordinary	100 %	Agency leasing and tenant representation Property management, tenant representation and leasing
Jones Lang LaSalle of New York, LLC	Ordinary	100 %	Property management and leasing
New England - Jones Lang LaSalle, LLC	Ordinary	100 %	Property management and leasing
SilverPlace, LLC	Ordinary	50 %	Real estate services
Spaulding and Slye Federal Services LLC	Ordinary	100 %	Real estate services
Jones Lang LaSalle d.o.o. (Croatia)	Ordinary	100 %	Real estate services
Jones Lang LaSalle d.o.o. (Serbia)	Ordinary	100 %	Real estate services
Jones Lang LaSalle EOOD	Ordinary	100 %	Real estate services
King Sturge Hungary Kft	Ordinary	100 %	In liquidation
Jones Lang LaSalle s.r.o.	Ordinary	100 %	Real estate services
CDW Real Estate GmbH	Ordinary	100 %	In liquidation
Jones Lang LaSalle Multifamily LLC	Ordinary	100 %	Real estate services
Tetris Projects Design & Build (pty) Ltd	Ordinary	100 %	Real estate services
bluu Projects Ltd	Ordinary	51 %	Real estate services
Light bluu Ltd	Ordinary	100 %	Real estate services
bluu Solutions Ltd	Ordinary	100 %	Real estate services

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

7. Fixed asset investments (continued)

bluu Regions Ltd	Ordinary	100 %	Real estate services
bluu City Ltd	Ordinary	100 %	Real estate services
King Sturge Ltd (Hong Kong)	Ordinary	100 %	In liquidation

Name	Registered office
Churston Heard Ltd, KHK Group Ltd, Environmental Governance Ltd, Jones Lang LaSalle Dorchester Ltd, bluuco Ltd, bluu Projects Ltd, Light bluu Ltd, bluu Solutions Ltd, bluu Regions Ltd, bluu City Ltd, Coverpoint Catering Consultancy Ltd, W.A.Ellis LLP, Red Blue Fund Management Ltd, King Sturge Holdings Ltd, King & Co Ltd, Jones Lang LaSalle (SE) Ltd, Jones Lang LaSalle UAE Ltd	30 Warwick Street, London, W1B 5NH, UK
Creevy LLH Ltd	1st Floor St Vincent Street, Glasgow, G2 5ND
Jones Lang LaSalle d.o.o. (Croatia)	Euro Tower, Ivana Lucia, HR 1000, Zagreb, Croatia
Jones Lang LaSalle d.o.o. (Serbia)	Danube Center, Bulevar Mihajla Pupina 10 L, Belgrade, Serbia
Jones Lang LaSalle EOOD	3rd Floor, 10 Tsar Osvoboditel Blvd, Sredets Region, Sofia, Bulgaria
King Sturge Hungary Kft	1054 Budapest, Szabadtag ter 14, Hungary
CDW Real Estate GmbH	Wilhem-Leuschner Strasse 78, Frankfurt am Main, 60329, Germany
Jones Lang LaSalle s.r.o.	Astoria Palace, Hodzovo namestie 1/A, 811 06, Bratislava
King Sturge Ltd (Hong Kong)	16-19 floors, Princess Building, 10 Charter Road, Central, Hong Kong
Jones Lang LaSalle (pty) Ltd, Tetris Projects Design & Build (pty) Ltd	Office 303, The Firs, Bierman Avenue, Rosebank, Johannesburg, South Africa
Jones Lang LaSalle Holdings, Inc, Jones Lang LaSalle Investments, LLC, Spaulding and Slye Federal Services LLC, Jones Lang LaSalle Multifamily LLC	c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE, 19808, United States
Jones Lang LaSalle - Central Texas, LLC, Jones Lang LaSalle - Northeast, Inc., Jones Lang LaSalle - Texas, Inc.	701 Brazos, Suite 1050, Austin, Travis, TX, 78701, United States
Jones Lang LaSalle Arizona, LLC	3636 North Central Avenue, Phoenix, Arizona 85012, United States
Jones Lang LaSalle Great Lakes Corporate Real Estate Partners LLC	50 West Broad Street, Columbus, Franklin, OH, 43215, United States
Jones Lang LaSalle Michigan, LLC	601 Abbott Road, East Lansing, Ingham, MI, 48823, United States
Jones Lang LaSalle Florida Holdings, LP	1201 Hays Street, Tallahassee, FL, 32301, United States
Jones Lang LaSalle Midwest, LLC	801 Adlai Stevenson Drive, Springfield, Sangamon, IL, 62703, United States
Jones Lang LaSalle of Pennsylvania, Inc and New England - Jones Lang LaSalle, LLC	11 South 12th Street, PO Box 1463, Richmond, VA, 23218, United States
SilverPlace, LLC	7850, 400 Walker Drive, Greenbelt, MD, 20770-3203, United States
Jones Lang LaSalle Northwest, LLC	1010 Union Avenue SE, Olympia, Washington 98501, United States
Jones Lang LaSalle of New York, LLC	251 Little Falls Drive, Wilmington, Delaware, 19808, United States

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. Debtors

	2016	2015
	\$000	\$000
Amounts owed by group undertakings	13,176	13,240
Other debtors	469	469
	<u>13,645</u>	<u>13,709</u>

9. Creditors: Amounts falling due within one year

	2016	2015
	\$000	\$000
Amounts owed to group undertakings	88,821	74,076
Other creditors	21,742	13,825
	<u>110,563</u>	<u>87,901</u>

Other creditors of \$21,742k (2015: \$13,825k) represent the discounted value of deferred and contingent consideration due in respect of third party acquisitions.

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. Creditors: Amounts falling due after more than one year

	2016 \$000	2015 \$000
Amounts owed to group undertakings	681,979	760,446
Other creditors	58,851	86,810
	<u>740,830</u>	<u>847,256</u>

Amounts owed to group undertakings include the following:

\$681,979K (2015: \$363,426K) of debt which is listed on the Channel Islands Stock Exchange and subject to an interest rate of 4.78% (2015: 8.5%) per annum. The listed debt has a fifteen year term and is redeemable in December 2031.

Unsecured discounted redeemable loan stock with a group undertaking having an amortised balance of \$0 as at 31 December 2016 (2015: \$68,264K) and subject to an implicit interest rate of 5.65%. The loan stock was redeemed on 20 December 2016.

Unsecured discounted redeemable loan stock with a group undertaking having an amortised balance of \$0 as at 31 December 2016 (2015: \$42,725K) and subject to an implicit interest rate of 5.00%. The loan stock was redeemed on 20 December 2016.

Unsecured discounted redeemable loan stock with a group undertaking having an amortised balance of \$0 as at 31 December 2016 and subject to an implicit interest rate of 4.34%. The loan stock was redeemed on 20 December 2016.

Unsecured discounted redeemable loan stock with a group undertaking having an amortised balance of \$0 as at 31 December 2016 and subject to an implicit interest rate of 4.05%. The loan stock was redeemed on 20 December 2016.

Other creditors represents the discounted value of deferred and contingent consideration due in respect of third party acquisitions.

The Company has minimum exposure to interest rate risk due to its long term debt being subject to fixed interest rates.

The Company's ultimate parent company, Jones Lang LaSalle Inc. has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company.

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Financial instruments

	2016 \$000	2015 \$000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	13,645	13,709
	<u>13,645</u>	<u>13,709</u>
Financial liabilities		
Financial liabilities measured at amortised cost	851,393	935,157
	<u>851,393</u>	<u>935,157</u>

Financial assets measured at amortised cost comprise amounts owed by group companies.

Financial liabilities measured at amortised cost amounts owed to group companies and amounts representing the discounted value of deferred and contingent consideration due in respect of third party acquisitions.

12. Share capital

	2016 \$000	2015 \$000
Shares classified as equity		
Allotted, called up and fully paid		
75,000,015 (2015: 75,000,014 Ordinary shares of \$1 each)	75,000	75,000
3 Ordinary shares of £1 each	-	-
	<u>75,000</u>	<u>75,000</u>

13. Reserves

Share premium

Amounts received by the company in excess of the par value of shares issued.

Other reserves

Represent capital contributions in previous years.

Profit and loss account

Company's accumulated profits less any accumulated losses available for the distribution to shareholders.

JONES LANG LASALLE CAPITAL INVESTMENTS, LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. Controlling party

The Company's immediate parent company during the year was Jones Lang LaSalle Acquisition Corp, a company incorporated in Delaware, registered office at c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE, 19808, United States . The ultimate parent company is Jones Lang LaSalle Incorporated, a company incorporated in Maryland, USA.

The only group in which the financial statements of the Company are consolidated is that headed by Jones Lang LaSalle Incorporated. Copies of the group financial statements of Jones Lang LaSalle Incorporated can be obtained from Jones Lang LaSalle Incorporated, 200 East Randolph Drive, Chicago, Illinois 60601.