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Jones Lang LaSalle, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Your first question comes from the line of Edward Yruma of J.P. Morgan.

Edward Yruma - J.P. Morgan.

Hi, good morning. Thanks for taking my question. In terms of the current market environment, how does that impair or deprive you and enable you to liquidate your funds at LaSalle? Is it more difficult to liquidate given the tough environment?

Colin Dyer - President and Chief Executive Officer

Well, LaSalle first of all operates, as we said in our comments, not on our behalf but on behalf of its clients. And so it's comfortably taking judgments at the... asset-by-asset level within its funds as to whether to continue to hold, to further develop or to realize the value of any assets. Those judgments obviously are taken against considerations of the maturity of our fund in other words how long it has to run before its promised liquidation date but also critically on the current, very local market conditions. So if you consider the broad sweep of the geography of the LaSalle Investment across as we said evenly one-third U.S.; one-third, Europe; and one-third, Asia Pacific, market conditions across those geographies will vary considerably until the judgments on what's appropriate in terms of whole develop or sell will vary by geography and by asset. In general at this point, I would say that the comments are that in the Americas good assets are very saleable, generally the clients saw the repurchases are fewer than they might have been a year and a half ago, that typically better capitalized and lower leveraged, but good assets are saleable.

Edward Yruma - J.P. Morgan.

Gotcha. And I know you touched upon on--

Lauralee E. Martin - Chief Financial Officer and Chief Operating Officer

May I give just one additional comment?

Edward Yruma - J.P. Morgan.

Sure.

Lauralee E. Martin - Chief Financial Officer and Chief Operating Officer

We did book \$30 million worth of incentive fees, which means obviously we are selling assets and we're selling assets with a lot of profits. So we have given guidance. We got a number of funds that are into liquidation stage and still feel very comfortable with those.

Edward Yruma - J.P. Morgan.

Gotcha. And I know you talked about some extra scrutiny in this tough market environment from a cost perspective. Are you examining your compensation plans and is there an opportunity to provide more flexibility should this market downturn persist? Thank you.

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