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Annual report and accounts 2006

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Registered number 2088415

Contents

Financial highlights

£232.1m
Turnover (£194 4m) +19%

£29.7m
Profit before tax (£20 6m) +44%

37.9p
Earnings per share (24 8p) +53%

The world of real estate is becoming increasingly diverse, both in the scope of services offered and the impact of global markets. As a leading global property adviser, DTZ is embracing this opportunity through its people and their unique skills, for the benefit of clients and shareholders.

DTZ operates across 40 countries advising multi national companies, major financial institutions, governments, developers and investors across the world on maximising the potential of their property as both an investment asset class and an occupier provision in offices, industrial, retail, leisure and residential sectors.

Surveyors, economists, financiers, accountants, researchers, linguists, planners and marketeers go to make up the 10,000 people who represent DTZ and operate from key central business districts across the globe.

Our business lines

The DTZ business is organised in five key business lines:

Its **Capital Markets** activity encompasses

Investment management
Managing portfolios on behalf of clients eg pension funds

Investment agency
Buying and selling properties on behalf of clients

Corporate finance
Advising on capital raising and real estate finance and indirect vehicles

Its **Valuation** teams conduct valuation for company accounts, due diligence, loan security, mergers and acquisitions and statutory valuation for compulsory purchase and local taxation

Occupational and Development Markets activity includes leasing, landlord and tenant advice, advising on development projects and acquiring and disposing of new space for major corporate clients

The **Professional Services** teams manage portfolios on behalf of landlords and large occupiers and provide general building consultancy advice and project management

Consulting & Research provides economic and property market analysis, integrated development and investment, and corporate consultancy services, providing a full assessment of worldwide risk and the delivery of opportunities for organisations and business worldwide

Contribution to Group turnover

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Our Business

Company and structure

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DTZ Holdings Plc is the largest legal entity in the DTZ system, and controls the DTZ brand It has controlling interests in 21 countries through its subsidiaries and has equity of up to 50% in a further nine countries through its associate and joint venture companies It also licences the brand in a further 10 countries

The Company is headquartered in London and listed on the London Stock Exchange

It is managed by a board comprising six executive directors, four non-executive directors and a non-executive Chairman

The business is run on a three way matrix of geography, skills and clients – all supported by a comprehensive Group infrastructure – designed to give maximum service delivery to clients Following DTZ's acquisition of a 50% interest in Rockwood Realty in North America in May 2006, operations are divided into three geographical areas – namely Europe, Middle East and Africa (EMEA), Asia Pacific, and the Americas To achieve excellence in service delivery we have streamlined our business into five key skill areas

- Capital Markets
- Valuation
- Occupational & Development Markets
- Professional Services
- Consulting & Research

All five skill lines are characterised by highly focused operations and leadership with an overriding commitment to the delivery of quality and service to the client

The Company's global coverage is afforded through its network of over 10,000 people operating out of 200 offices across 40 countries

Group objectives and strategy

Our clearly stated aim is to be a leading global real estate adviser renowned for exceptional client service

We work with clients to create leading edge property, investment and business solutions worldwide There are two key elements to this – providing first class services to meet our clients' needs and delivering them across the locations where they are required

The Company sees the diversity achieved across both geography and skills and the relationship driven culture through the Group as being important to driving client service and needs and providing a more easily defined spread and security of income The majority of our income comes from major global institutions, corporates and government bodies

Our emphasis is on achieving growth through organic development and careful acquisitions to enhance our geographic and skill representation globally, and to deliver on the following core objectives

- A comprehensive service coverage across key global cities
- Multi regional representation and integration
- Relationship driven and teamwork led culture
- Consistent brand image
- Effective infrastructure and remuneration policies

Our mission

To work with clients to create leading edge property, investment and business solutions worldwide

Our vision

To be a leading global adviser renowned for exceptional client service.

Our values

- Integrity
- Teamwork
- Service excellence
- Creativity
- Enjoyment
- Make it happen

History

2006

Global development Substantial global development and significant equity involvements in North America, South East Asia and Australia, as well as Europe

2004

Continued expansion globally Global growth continues through the opening of offices in India and Bahrain and continued expansion in China

2003

Accelerated practice growth Significant investment in corporate finance team and enhanced equity position in Asset Management subsidiary in France to further European expansion

2000

Global occupier services in the US An alliance is formed with The Staubach Company in the US to provide joint global occupier services

1999

Equity exchange with Asian partners Following an equity exchange with Asian partners CY Leung & Co and Edmund Tie & Co, the DTZ brand is extended to Asia and the Holdings company is renamed DTZ Holdings plc

1998

Consolidation in Europe Consolidation in Europe starts with significant equity purchases in France, Belgium and Holland

1997

Consultancy business acquired DTZ acquires Pieda plc, a leading UK consultancy practice majoring in public sector economic, strategic and corporate advice

1993

Expansion in Europe A European joint venture in 1993 with Jean Thouard of France and the Zadelhoff Group in Germany and the Netherlands creates the DTZ brand In the same year a merger with Bernard Thorpe and Partners completes national coverage in the UK

1987

Flotation on London Stock Exchange Debenham, Tewson & Chinnocks Holdings plc floats on the London Stock Exchange

1913

London Merger A merger creates Debenham, Tewson & Chinnocks in 1913

1853

Beginnings in London A second predecessor firm Debenham and Tewson is founded in Cheapside, London

1784

Beginnings in Birmingham The Company's history begins with the founding of predecessor firm, Cheshire Gibson, in Birmingham, UK

Our Reach

Europe, Middle East and Africa

94

Offices

Europe, Middle East and Africa is DTZ's longest established marketplace with significant representation in all the key central business districts

Throughout EMEA DTZ has one of the strongest market presences of any real estate adviser, delivering multidisciplinary services from 94 offices in 27 countries

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Asia Pacific

38

Offices

This fast moving dynamic region has been a major driver of world growth over the past decade and our representation mirrors this growth with coverage from 38 offices in nine countries employing 6,000 people

Within Asia-Pacific, DTZ is a leader in many of the main markets Australia, New Zealand, China, Hong Kong, Taiwan, India, Japan, Singapore and South East Asia all have strong representation In the fast-growing market of mainland China, DTZ is the largest established international property adviser

Pictur

The Americas

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68

Offices

Recent developments in the US now allow DTZ to deliver a broad range of services in the Americas Through our new arm DTZ Rockwood, established in May 2006, we now provide capital markets solutions to clients
This complements our long-standing alliance with The Staubach Company which enables us to fully service the occupier markets

Through DTZ Rockwood and our alliance with The Staubach Company we offer services through 68 offices across the US, Mexico, Canada and Brazil

Integrated Services

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Global mandate from Yahoo!

Services used
Capital Markets
Valuation
Occupational & Development Markets
Professional Services
Consulting & Research

Internet giant Yahoo! has chosen DTZ's Global Corporate Services team as its preferred real estate provider in three major global regions

The global DTZ team won all three instructions to implement and oversee all transaction management and project management activities for Yahoo! throughout Asia Pacific, EMEA (Europe, Middle East and Africa) and Latin America

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Enter the dragon

Services used
Capital Markets
Valuation
Occupational & Development Markets
Professional Services
Consulting & Research

Cross-country teamwork between Spain and China resulted in DTZ being appointed by Spanish company Eurochina Investment on an exclusive basis to advise on the development of a 1 5 million sq m Industrial Park in Ma'anshan, a town 300km west of Shanghai, China

DTZ is advising on the initial studies and market research, design management, construction and project management, marketing and property management of this colossal project The scheme includes residential, hotel, office and retail

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Advising investors on new markets

Services used
Capital Markets
Valuation
Occupational & Development Markets
Professional Services
Consulting & Research

Rubicon Europe Trust Group, Australia's first listed property trust dedicated to European office assets, has exclusively retained DTZ to advise on its debut into Europe

In its first deal, DTZ advised the Trust in its acquisition of a portfolio of German office buildings – two in Frankfurt and one in Berlin – for €344 million in December 2005 DTZ is now actively advising the Trust on its acquisition strategy throughout Europe under a long-term agreement

Under this long-term agreement DTZ provides investment agency, due diligence (including research, valuation, building consultancy) and property and asset management services to Rubicon

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Record breaking French sale

Services used
Capital Markets
Valuation
Occupational & Development Markets
Professional Services
Consulting & Research

DTZ's London and Paris offices, advised German open-end real estate fund KanAm Grund on the sale of five properties in the heart of Paris for in the region of €1 1 billion

The sale included some of Paris's most prestigious trophy landmarks Crystal Park (50,000 sq m) – perhaps the most impressive office building in the French capital, Tour Scor (30,000 sq m) and River Plaza (26,000 sq m)

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Dominant force in retail

Services used
Capital Markets
Valuation
Occupational & Development Markets
Professional Services
Consulting & Research

Hermes appointed DTZ as tactical assets manager and property manager for its £1 2 billion UK retail warehousing and leisure portfolio

This is the largest single retail warehouse asset management instruction that DTZ has won to date DTZ additionally provides advice on investment agency, retail and leisure leasing and rent reviews

DTZ has partial discretionary powers and is supervised through an Audit and Approval Committee

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Luxury resorts expand in Mexico

Services used
Capital Markets
Valuation
Occupational & Development Markets
Professional Services
Consulting & Research

A cross-Atlantic team involving Spain and DTZ's US alliance partner, The Staubach Company in Mexico, resulted in DTZ winning the exclusive agency instruction of a residential tourist project of 27,000 sq m in Playa del Carmen, Mexico

International developer FRC plans to develop over 160 luxury apartments in one of the best areas of the Mexican Caribbean

The development of the condominiums is underway, on a site of 2 6 hectares located a few minutes from the ocean and the famous Quinta Avenida with completion forecasted by the summer of 2007

Chairman's Overview

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From left

Mark Struckett
Group Chief Executive

Tim Melville-Ross
Chairman

Tim Maynard
Group Finance Director

Introduction

DTZ enjoyed a record performance in the year to 30 April 2006 As well as reporting on our results, I would like to highlight three key themes running through this report which have been central to our success in the period under review and which should continue to position the Group strongly for the future

- the development of our global platform
- the growing scale and complexity of the work we undertake
- the vital importance of recruiting and retaining the best people

Results

We are reporting our full year results under International Financial Reporting Standards for the first time

Turnover rose 19 3% during the year to £232 1 million (2005 £194 4 million) Profit before tax was £29 7 million, an increase of 44% on the figure of £20 6 million in the year to 30 April 2005

These excellent results and good progress across the Group's operations have led the Board to recommend a 40% increase in the final dividend to 7 00 pence (2005 5 00 pence), bringing a rise of 30% in the total dividend for the year to 9 75 pence (2005 7 50 pence) The Board anticipates improving the balance between interim and final dividends in future years

Our overall tax rate reduced from 37 8% to 31 9% due to the improved mix of our profits and the impact of efficiencies previously made, although the underlying rate, excluding a profit of £0 8 million on the sale of part of our interest in Investment Property Databank Ltd, was 32 8%

Earnings per share increased by 52 8% to 37 9 pence from 24 8 pence due to both the growth in profits and the reduced tax rate

The net cash position at 30 April 2006 was £30 3 million (2005 £14 0 million), demonstrating both the cash generative nature of the business and our strong working capital management

Strategy

We work with clients to create leading edge property, investment and business solutions worldwide This means we must provide an increasingly wide and complex range of services to meet our clients' needs across the locations where those services are required

We have therefore continued to grow and strengthen our office network around the world In addition to the examples shown below, we also completed the acquisition after the year end of a 50% interest in the US capital markets consultancy, Rockwood Realty Associates LLC, to create DTZ Rockwood This will both create a global capital markets capability, and be a powerful complement to our existing occupational markets relationship with The Staubach Company The rationale for this transaction is the massive increase in capital flows globally, which will be further enhanced as a result of emerging investment markets in China and India

The benefit of the increasing strength in our overseas operations is underlined by the growth in profitability of the businesses in question, notwithstanding considerable ongoing investment in our staff and systems to enhance synergies and efficiencies across the Group

The rich diversity in the demands of our clients means that we must continue to broaden the range of services we offer, and to ensure that the appropriate mix of these services is made available to maximise the opportunities available to the client The Buying Force initiative launched last year in association with PruPIM is increasingly valued by clients More recently we have launched a new property derivatives service with Tullett Prebon, and a secondary trading platform for unlisted property funds in association with Morley and JP Morgan Cazenove We are finding that the demands of some of our largest clients for an innovative range of services, appropriate to their own circumstances and delivered across a very wide geographic range, create a solid foundation for mutually beneficial long term relationships

Achievements this year

During the year, our continuing global expansion included

- The acquisition of a majority interest in our South East Asian business, based in Singapore As a result, we now have majority interests in all the most significant Asian and European markets except China and the Netherlands, where we have significant minority interests in market leading businesses
- Expansion in India with the opening of new offices in New Delhi and Mumbai, and in China, where new offices were opened in Wuhan and Xian
- The acquisition of Grosvenor Hickey Tindale Pty Ltd, a leading office agency in Sydney Australia, and of a new industrial division in Melbourne
- Development of our operation in Japan
- Growth in our Middle Eastern business with the opening of an office in Doha
- The expansion of our business in Moscow
- Several European initiatives, including the opening of a new office in Gothenburg, Sweden

Each of the acquisitions we have made were immediately earnings enhancing, which we anticipate will be true of the investment in DTZ Rockwood made after the year end

This growing global platform coupled with the expanding range of services we can offer has enabled us to meet the needs of an expanding number of blue chip clients, examples of which are given in the Business and Financial Review

People

As our business becomes increasingly complex and global, so the demands on our people become greater Moreover, it is ever more important that the Group should be able to ensure the most effective service delivery to our clients To this end, the new management structure I mentioned last year has been populated with key appointments that are already delivering value to clients and therefore to shareholders

These developments have also had a marked impact on our all-important recruitment, development and retention programmes The Business and Financial Review gives an example of the way we are meeting this challenge with significant numbers of new graduates joining DTZ to start their careers in another country

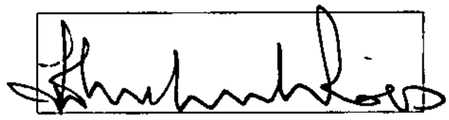
Excellent results are delivered through excellent performance and teamwork by our people, and the Board is very grateful for the commitment and professionalism of all our staff around the world They also require increasing alignment in the interests of staff and shareholders, and to this end we will be bringing forward proposals at the Annual General Meeting to introduce a package of equity linked long term incentives

Economic and property market conditions

We expect growth in both the US and China to moderate somewhat over the next year, but Eurozone growth is likely to accelerate from rather lower levels Given the lag between economic and property market recovery, we have still not seen the full impact on rental growth of the more robust economic growth experienced earlier in the decade We expect occupier markets globally to continue their recovery for some time Strength in investment markets may be affected by interest rate movements and yield compression in some markets However, this is likely to be offset for a broadly based group like DTZ by the increasing internationalisation and sophistication of the market as a whole

Conclusion

Only a small number of real estate advisers have global reach, and offer the range and quality of services needed by the most demanding international clients DTZ is already well placed in this regard The Board intends to continue pursuing the strategy that I have outlined above so that DTZ is acknowledged as the best in the business Given the solid foundations we have laid, and the significant progress we have made this year around the world, the Board is confident that the Group will continue to perform successfully and profitably through varying market cycles in the future The continued strong performance of our share price shows that shareholders have confidence in what we are doing, and we believe this latest set of results will further justify and underpin that confidence



Tim Melville-Ross
Chairman
4 July 2006

Our Performance

Overview

The past 12 months have seen further significant steps in our corporate and practice development while delivering a very strong set of results

I am pleased to report a significant rise to record levels in both our turnover and profitability, with turnover having grown 19 3% to £232 1 million (2005 £194 4 million) and profit before tax having risen by 44 0% to £29 7 million (2005 £20 6 million) Earnings before interest, tax, depreciation and amortisation (EBITDA) were £31 9 million (2005 £24 0 million) All these figures are reported under International Financial Reporting Standards for the first time for a full year

Earnings per share increased by 52 8% to 37 9 pence (2005 24 8 pence)

These results have been driven by good performances across the business The UK increased turnover by 12 2% and profit before tax rose 13 5% to £24 7 million (2005 £21 8 million) with significantly stronger performances in London, North of England, Professional Services and Corporate Finance

Continental Europe put in an extremely strong performance with a 25 6% increase in turnover and a near trebling of profits before tax to £7 1 million (2005 £2 6 million) This covers a broad spread, with France again providing very high profitability, our associate business in The Netherlands again using its dominant market position to perform very strongly despite continuing weak conditions, and our German business returning to profit, following significant development of the business over the past few years The results were achieved despite significant organic investment in developing our business in several countries, such as Russia

We continue to invest in Asia Pacific Their results take into account some significant corporate acquisitions through the year highlighted below and some substantial organic investment in building the business in countries such as India and Japan, while the results reflect only our share of the profits in our associate business in China where we have also been recruiting heavily Accordingly, the various strong performances, including from South East Asia post acquisition, were largely offset by our substantial revenue investment programme Nonetheless, overall the region produced a small profit of £217,000, a significant improvement on the loss of £1 2 million in 2004/05, reflecting the benefits of past investment

At the end of the year, our balance sheet was very strong with net cash of £30 3 million Since the year end, we have invested £19 6 million in cash ($35 million) as part of the consideration for our Rockwood acquisition in North America Our balance sheet leaves us well-placed to continue to develop the business to enhance further our position as a leading global real estate adviser

We have seen a steady and strong rise in our share price, so that in both 2005 and the first quarter of 2006, we were the best performing share in the property sector on the London Stock Exchange

Business Development
As the Chairman reported at the half year, we are increasingly required to provide our major investment and corporate clients with services across the world and we have continued to develop our business accordingly This has included

"We have seen a steady and strong rise in our share price, so that in both 2005 and Q1 2006, we were the best performing share in the property sector of the London Stock Exchange "

Profit before tax

+44%

£29 7m (£20 6m)

Europe, Middle East and Africa (EMEA)

- Acquiring the remaining minority interest in our Italian subsidiary
- Establishing representation in Switzerland
- Opening an office in Qatar, building on the success of our Bahrain operation
- Opening an office in Gothenburg
- Significantly boosting our capacity in Moscow through recruitment

Asia Pacific

- Increasing our holding to a majority interest in our South East Asia business (which is headquartered in Singapore, with offices in Thailand, Malaysia and Indonesia)
- Acquiring the leading Sydney office agency business of Grosvenor Hickey Tindale Pty Ltd, which we have merged into our existing operations in Sydney
- Acquiring an industrial and property management team in Melbourne
- Development of our office in Tokyo
- Continued expansion in our Chinese associate business with the opening of offices in Wuhan and Xian, bringing our mainland Chinese representation to 11 offices and 4,000 people
- Opened two more Indian offices in New Delhi and Mumbai

Americas

- Since the year end, we have announced the acquisition of a 50% interest in Rockwood Realty Associates LLC, now re-branded DTZ Rockwood, a specialist in North American capital markets, based in New York with eight other offices in the USA and Mexico Rockwood handled around $10 billion of domestic transactions in 2005 and together there is substantial scope for developing international flows between the Americas and our existing operations in EMEA and Asia Pacific This complements our existing relationship for occupier services in the Americas with The Staubach Company

  The continuing development of our global platform means we are well placed to benefit from the increasing globalisation of our market place

Property markets

The past 12 months have seen the global property investment markets continue to perform very strongly with an on-going increase in the scale and complexity of transactions, combined with an enhanced flow of cross-border real estate investment The weight of money from traditional and new sources targeting the sector continued to drive yield compression and hence capital value growth

The global occupational markets in business space are more varied, with rental recovery significantly underway in most areas and particularly in Asia Although this recovery is still to commence in parts of Europe, the overall direction is generally upwards Retail markets are patchy, with consumer expenditure in some countries placing pressure on retailers' margins

The performance of DTZ's five business skill lines is set out in the following pages with corresponding case studies:

- Capital Markets
- Valuation
- Occupational and Development Markets
- Professional Services
- Consulting & Research

Capital Markets

Investment/Asset Management Investment Agency and Corporate Finance

Turnover

£64.3m
+26%

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Commonwealth Property Fund

DTZ's investment team in Australia advised Commonwealth Property Fund, a Colonial First State Property Fund on the sale of a 50% interest in 60 Margaret Street, Sydney for AUS$179 25 million (£73 million) This deal is one of several Australian investment transactions in the financial year with a combined total of over AUS$1 billion clearly demonstrating the growing profile of DTZ Australia advising on major domestic deals

Our capital markets team has enjoyed a very successful year, with an increase in volume, scale and complexity of transactions delivering a 25 9% increase in revenues to £64 3 million We provide investment/asset management services for approximately £5 5 billion of property and have advised on over £10 billion of transactions

The increasing complexity and globalisation of the marketplace reinforces our desire to broaden our services both by skill and geography to offer our clients a comprehensive service while helping both differentiate the business from some of our smaller competitors and diversify our sources of income Thus, our capital markets offering has seen significant growth in investment management as well as the new areas within our corporate finance team to complement the growth in traditional direct investment

The investment management team continued its year on year growth with a 12% rise in revenue In the UK, we were appointed as discretionary managers to Safeway Pension Trustees Ltd and as tactical asset managers for Hermes on their £1 2 billion retail warehouse portfolio 2005 was the ninth consecutive year we out-performed the established industry benchmarks and, in addition, secured an industry award for the sixth consecutive year as discretionary managers for the top performing large pension fund We continued to see a very strong performance in EMEA, principally driven by France where we manage assets valued at approximately £1 billion Highlights included acquiring and managing portfolios in Brussels for JP Morgan Asset Management and for RREEF in Paris

Our investment agency teams had a successful 12 months in their domestic marketplaces with notable highlights including a £235 million sale and leaseback transaction in Singapore for DBS Bank Ltd, a £160 million sale of 50 Avenue Montaigne, Paris for Unibail and advising British Land on the sale of 10 Fleet Place, London for £109 million In China, we saw the emergence of a core investment market in key locations such as Shanghai where we acted for clients including Citigroup and Morgan Stanley Property Investors

Notwithstanding the strength of domestic markets, the globalisation of the marketplace continued with cross-border transactions representing over 35% of global investment in the six months up to March 2006 Significant transactions we have undertaken include the sale of five properties in Paris for the German Fund, KanAm Grund for £760 million and Boultbee Land's acquisition of two shopping centres in Sweden for £120 million

The corporate finance team has seen a 75 3% growth in revenues to £5 0 million and made substantial gains in terms of client development, market positioning and capital raising, working in conjunction with our country teams Their pipeline of further work is particularly encouraging In conjunction with the wider capital markets teams, they have also worked with clients to innovate and develop new products An example is our targeting of the indirect investment marketplace where a highlight has been advising on Equitable Life's recent sale of £435 million of Unit Trust units to Liquid Realty, believed to be the largest secondary trade conducted in EMEA

The innovation and expansion in our capital markets offering is set to continue, with our establishment of an innovative secondary trading platform with Morley Fund Management and JP Morgan Cazenove and our tie-up with Tullett Prebon in the property derivatives market

Our geographical platform has been considerably enhanced since the year end by our new North American business Through DTZ Rockwood, we are now better able to capitalise upon the US cross-border investment activity and capital-raising opportunities as well as offering direct access to this huge market We are already seeing exciting opportunities emerge

Valuation

Valuations, Due Diligence and Corporate Recovery

Turnover

£43.2m
+26%

Forth Ports

A comprehensive DTZ team from across the Group has undertaken a strategic review and valuation of Forth Ports' UK land bank The 400 acres of land covers the Edinburgh waterfront and eight operational port assets at Tilbury and in Scotland Through this work DTZ has built a strong relationship with Forth Ports and has been retained to prepare annual Red Book valuations for the company

Picture removed

Our valuation teams continue to deliver a strong performance, increasing their revenues by 26 3% to £43 2 million The drivers of the increase are the continued strong trading in the capital markets, allied to our teams winning an increased share of large, complex, cross-border valuation assignments, as well as the increase in demand for valuations in various countries following regulatory changes

As a consequence, we have built our teams across EMEA, consolidating our market-leading positions in Belgium, Sweden, The Netherlands and the UK This has resulted in a particularly pleasing growth in valuation services in continental Europe, where our turnover has increased by almost 40%, both through domestic and cross-border work Examples include the refinancing of the London and Regional Scandinavian portfolio and pan European work for Orco As markets in EMEA become increasingly transparent and better regulated for the overseas investor, we anticipate the growth in our EMEA valuation business will continue

There has also been significant development in Asia Pacific For example, within mainland China, we are the only international company with a Grade A valuation licence, while we have grown our Australian valuation teams to complement our market leading operations in New Zealand Significant projects include undertaking the due diligence for a Chinese bank of more than 1,000 properties in mainland China with a value in excess of £800 million and the valuation of a portfolio of properties spread across Vietnam and the Philippines for a Singapore based client

During the year, we have continued to grow our corporate sector valuation work in support of mergers and acquisitions, often working alongside our corporate finance team This area requires a complexity of advice few are able to offer An example of this service was the valuation of the GSW portfolio of 54,000 residential units in Germany

The valuation teams' revenues continue to be underpinned by a solid foundation of annual portfolio valuation work with clients including UBS, Standard Life and Citadel In addition, we have continued to grow our corporate recovery team which saw an enhanced level of activity during the year as a result of lenders taking a more active approach

Occupational and Development Markets

Landlord Leasing, Development Agency and Tenant Representation

Turnover

£70.8m
+20%

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Dubai International Properties

DTZ was appointed by Dubai International Properties as sole marketing and leasing agents in respect of Dubai Tower in Doha

Soaring impressively over the Doha skyline the iconic Dubai Towers will be the tallest tower in Qatar standing 406m tall (83 storeys) DTZ has been appointed as the sole agents in leasing the retail, office and apartment elements of the development

Due for completion in 2008, Dubai Towers will comprise 2 53 million sq ft

The occupational and development market teams have seen a 19 8% increase in revenues to £70 8 million Over the years, we have maintained our commitment to our occupier agency teams in key centres and emerging markets and are benefiting from the recovery in some leasing markets

In the office sector, many markets are characterised by a shortage of quality stock generating pressure for new development However, we are also seeing the continuing impact of off-shoring, switching demand from some of the more mature markets to the developing world In the year, we strengthened our market position in Sydney through the acquisition and integration of Grosvenor Hickey Tindale and saw the beneficial impact of the acquisition of Hodnett Martin Smith in London, which took place at the end of 2004/05 The integration of these teams has provided an enhanced deal flow and wider cross-selling opportunities to other parts of the Group in these high value marketplaces Notable office leasing highlights include the leasing of 117,300 sq ft at 259 George Street, Sydney to Suncorp Metway, advising Fortis Bank on the acquisition of 220,000 sq ft in Amsterdam and securing AMEX as a tenant in Belgrave House at 131,000 sq ft, one of the largest lettings in London so far this year Within India, our Bangalore office sealed one of the largest acquisition deals in Southern India when we advised KLA Tencor on the acquisition of a 140,000 sq ft facility in Chennai

The industrial and warehousing sector in the UK continues to see demand driven by food retailers as they consolidate supply chains Elsewhere in EMEA, the demand is less polarised, particularly in Central & Eastern Europe where economic growth is driving strong demand from a wide range of manufacturers During the year, we have seen an increase in our pan-EMEA client base and have continued to work with clients such as Slough Estates and DHL as they expand their EMEA operations

In the retail sector, occupier demand remains stable, albeit we have seen a rise in the number of retailers suffering difficulties as their margins come under increasing pressure Demand continues to be driven by retailers with large unit requirements and although rents remain solid, we are seeing an increase in the underlying incentive packages in some areas A notable highlight in Asia Pacific has been our retail team advising on a 700,000 sq ft mixed use retail scheme in Central Jakarta

The past year has also witnessed a continuation in the trend of corporates seeking to maximise, increasingly on a pan-regional basis, the benefits and cost efficiencies from their property holdings For example, we have been appointed by Yahoo! as its preferred corporate real estate provider in EMEA, Asia Pacific and Latin America and instructed to undertake a review of the building and facilities of the European portfolio of Amadeus IT Group SA, together with some premises in Asia

In the UK, the re-emergence of rental growth in certain markets has helped our landlord and tenant teams grow their revenues with a greater number of rent reviews being conducted Highlights included being appointed by the Grosvenor Estate as sole professional adviser to their entire London estate

After a slow start in the second half of 2005 in the UK, the residential sector saw a return to growth in 2006 Demand remains good in London and the South East although there are signs of oversupply in certain regional cities Overseas investors continue to target the sector and housebuilders remain active Our agency teams have performed well and we have handled a number of large land sales A highlight was the purchase of a site in Oakington for English Partnerships where we have been retained as sole advisor for a new town of over 10,000 homes Outside of the UK, a highlight was the sale of 430 residential units in The Sail, Marina Bay in Singapore

Professional Services

Property Management, Facilities Management and Building Consultancy/Project Management

Turnover

£37.1m
+13%

Mfar Holdings Pty Ltd

DTZ was appointed by Mfar Holdings Pvt Ltd to project manage the development of a new 350,000 sq ft office campus, which will be occupied by Philips Software Centre

Mfar Manyata Technology Park is located on the outskirts of Bangalore with a potential development of 700,000 sq ft in four phases DTZ's role involves the project management of phases two and three, totalling 350,000 sq ft to be ready for fit out later this year

Picture removed

In the year, professional services income rose by 12 9% to £37 1 million

The property and facilities management team accounted for £23 3 million of revenue, up from £20 7 million in 2005 The year saw the business continue to expand and in EMEA alone, we now manage in excess of 6,400 properties with over 18,000 tenancies and are responsible for the collection of rents from properties with a value in excess of £1 1 billion per annum Our commitment and investment in our teams has seen an increase in capabilities across EMEA and within Asia Pacific - in mainland China, we are the market leaders, with over 400 million sq ft under our management

Consistent with the theme of enhanced cross-border investment, we are seeing more cross border management mandates, such as from Rubicon, which involves teams from our German and Dutch offices

The trend from corporates to outsource the management of their portfolios has continued over the year and we have secured instructions to act as sole adviser to Bureau Veritas and extended our relationship with Pfizer across EMEA and Asia Pacific

Our facilities management teams continue to help us differentiate our property management service and deliver a customer-focused service to our occupiers We continue to invest and innovate in this area and to work closely with Buying Force (our joint venture with the Prudential), in respect of supplier procurement After a period of investment in the start-up of the business, Buying Force reached a near break-even position for the year and we are confident about prospects for the company into the future

The recurring nature of such management income, due mainly to fixed term contracts, provides on-going protection against the cyclical nature of some of our markets and offers cross-selling opportunities to other parts of the Group

Our building consultancy team has continued to expand and we have strengthened our presence particularly in EMEA by expanding our teams in Spain, Germany and France and introducing the capability into Poland The expansion has been driven by an enhanced flow of tenant fit-out, project management work and pre-purchase due diligence surveys This is in evidence throughout the world where there has been substantial demand for due diligence surveys, working on tight delivery timetables, in support of investment transactions

In Asia Pacific, our building consultancy team has expanded and, within India, there has been a very significant demand for project management services An example is McAfee appointing us to manage their relocation and fit-out of a new 120,000 sq ft office in Bangalore

Consulting & Research

Economic Development Investment and Corporate Consultancy and Research

Turnover

£16.7m
-3%

Picture removed

Pirelli & Co. Real Estate

Pirelli & Co Real Estate (Pirelli RE), the largest Italian real estate asset manager, appointed DTZ as its preferred adviser to assist with the expansion and consolidation of its asset management operations in Central & Eastern Europe, Germany, Ukraine and Turkey

DTZ provides investment strategy advice and recommendations on potential joint venture and corporate acquisition opportunities Strategy will be based on the analysis of the property markets in 12 different locations and will include the assessment of both the commercial and residential sectors

At the half year we reported that turnover had reduced compared to the corresponding period in 2004/05, due to both the reconfiguration of our consultancy services and a drop in public sector work around the General Election in May 2005 I am pleased to report that there are signs that these issues are easing so that, while revenues for the year in the UK fell from £17 2 million to £16 7 million, the second half saw an improvement on the corresponding period of 2004/05, with a promising pipeline of new instructions

The realignment of the business focused on building further our development, corporate and investment consultancy teams We have undertaken significant senior recruitment in our corporate consulting team, which has provided strategic real estate advice to a variety of public sector clients including the Metropolitan Police and large corporates such as Electrolux and Nestle

Our investor consulting business has also seen a significant growth in client base and is closely aligned to our capital markets business and product development teams In addition to the traditional role of advising on strategy for direct investment funds, we are increasingly advising a number of clients on indirect portfolios across the world

The research team maintains its thought leadership position in the sector and continues to provide support for our market-facing teams The continued excellence of this service was demonstrated by the team receiving an industry award as the leader in European real estate research

Outside the UK, the consulting and research turnover has doubled with particularly strong performances from Ireland and Germany, we are building on these foundations with further recruitment in France, Germany and the Middle East

Corporate issues
I am pleased to report that the changes to geographical and business line organisation within our EMEA business which were announced last year to facilitate the development of cross-border services are proving effective

The evolving global nature of the Group also requires on-going investment and changes in our infrastructure with a concurrent investment required in infrastructure technology and the on-going extension of common approaches to practice and risk management
Our approach to risk management generally is described in more detail in the Directors' Report

People
We are committed to being regarded as the best employer in our industry and our ability to attract and retain the best is fundamental to our success

Global mobility has become an important factor in both recruitment and retention whilst also being hugely beneficial to our corporate development As an example, the nature of graduate intake has changed markedly – last year we employed 92 graduates from UK universities, including 65 with postgraduate degrees Seventy five of these were employed in the UK, while the balance joined us across Europe and Asia – there are similar trends in university recruitment globally Over the past few years, there has also been much greater interest in relocation opportunities for existing staff which we are keen to facilitate, both to assist retention and help cross-border understanding

Market Outlook
Business space occupational markets around the world are generally improving, and this pattern is expected to continue at differing rates across the globe for the foreseeable future Retail markets are less consistent and the pressure on consumer expenditure in some areas may translate to rents and occupancy Nonetheless, overall the occupational markets are expected to be reasonably benign

The longer term outlook for the capital markets is more complex In the short term, particularly given the strong international flow, the weight of money is expected to continue to push demand However, this now appears to be creating some mismatches in locations or sectors where rental growth may not ultimately justify the yields paid, taking into account changes in mid to long term interest rates While selective, this may lead to some realignment in these areas, while the markets remain susceptible to further interest rate movements and changes in liquidity Nonetheless, the greater complexity, dynamism and internationalisation of the markets is expected to continue, providing active market conditions and we have broadened our offering into areas such as indirect investment and derivatives to benefit from these changes

While continued attention is needed to maintain a balance in the Group's areas of activity with the changing market structure, overall the global property industry is expected to provide a reasonable base for our operations and the continuing development of our business

Strategy
Through our operations and partnerships in EMEA, Asia Pacific and the Americas, we can now serve clients with more than 10,000 staff operating in 200 offices in 40 countries

It is our firm intention to continue to develop our position as a major global real estate advisory business and further build a reputation for outstanding client service We have made some significant strides during the past year and we need to continue to develop our capabilities in our traditional and emerging markets and services whilst investing in the necessary infrastructure

Finally, I would like to thank all our staff for producing these results and for their support as we expand and develop Their enthusiasm, dedication and pride in the business is evident in every office and is fundamental to the on-going progress the Group is making and our continuing success

Our Financial Position

Introduction
For the year ended 30 April 2005 and previous financial years the Group prepared its financial statements under UK Generally Accepted Accounting Principles ("UK GAAP") For the year ended 30 April 2006, the Group is required, along with other European Union listed companies, to prepare its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") As this is the Group's first full year statement under IFRS, all of the comparative financial information, together with a significant number of notes to the financial statements, have been restated Details and explanations of the changes together with reconciliations of last year's results were provided to shareholders in November 2005 However, for information purposes, we have included below a reconciliation and comparison between our results under IFRS and what they would have been had we continued to report under UK GAAP

As previously highlighted, we changed our internal reporting lines at the start of the year such that we are now organised regionally, operating within five distinct business lines as set out earlier Accordingly, all of the information included below and in the financial statements has been prepared on this basis

Overview
The Group achieved record results for the year with turnover up 19 3% to £232 1 million and profits before taxation ("PBT") up by 44 0% to £29 7 million, including a one-off profit of £0 8 million in respect of the sale of a fixed asset investment (see below) These results were achieved against a backdrop of continued investment in the business

Turnover
Whilst the investment market has been well publicised as having been particularly strong over the last year, we were extremely pleased with the growth achieved by a number of other areas of our business, of which an analysis is set out in Table 1

This analysis demonstrates the breadth of our business and provides confidence that we can be successful through varying market cycles in the future

Costs
Overall costs increased by £31 1 million to £208 9 million, which represented 90 0% of turnover (2005 91 4%), of which approximately 35% are variable The largest cost to the Group is staff, which amounted to £144 2 million or 62 1% of turnover (2005 61 1%) This represented a £25 3 million increase on the prior year, of which £14 7 million was as a result of new staff joining the Group through acquisitions and recruitment Other costs increased by £5 9 million, or 10 4%, to £62 1 million or 26 8% of turnover (2005 29 0%) Of the increase, approximately £2 0 million was attributable to costs inherited through acquisitions such that ongoing costs increased by only £3 9 million or 6 8%, despite the increased investment in infrastructure

Operating Profit
As a result of the above, our operating profit was £23 2 million (2005 £16 7 million) with margins improving to 10 0% (2005 8 6%)

Joint Ventures and Associates
The overall results from our joint ventures and associates increased from £3 6 million to £4 7 million as a result of a strong performance from our business in Holland and the development of our joint venture business, Buying Force

Income from other fixed asset investments amounted to £1 5 million which includes, inter-alia, the sale of 50% of our interest in Investment Property Databank Holdings Limited ("IPD") at a profit of £0 8 million and £0 3 million of income from our investment in Curzon Global Partners After net financing income of £0 3 million (2005 Expense – £0 3 million), the Group's profit before taxation increased by 44 0% to a record £29 7 million

A segmental profit before taxation analysis by region is set out in Table 2

Strong profit growth was achieved in all regions, notwithstanding the increased investment made in the business

Taxation
We continued to drive through efficiencies such that our effective tax rate reduced from 37 8% to 31 9%, although the underlying rate, excluding the profit of £0 8 million on the sale of shares in IPD, was 32 8% We have now achieved a rate which is broadly equivalent to our underlying tax rate

Dividends and earnings per share
Basic earnings per share increased by 52 8% from 24 8 pence last year to 37 9 pence, or 36 3 pence excluding one-off items As a result, the Board is recommending a 40 0% increase in the final dividend per ordinary share to 7 00 pence which, together with the interim dividend of 2 75 pence per share, provides shareholders with a total dividend for the year of 9 75 pence per share, representing an overall increase for the year of 30 0% and a dividend cover of 3 9 times

Corporate activity
In order to deliver our strategy, the Group continued to invest both organically, as set out earlier, and through acquisitions, of which a summary is set out below

Acquisitions
- Edmund Tie & Company Holdings Pte Ltd ("ETCH") On 21 November 2005, the Group acquired a 51% interest in ETCH, which operates full service offices in Singapore, Malaysia, Thailand and Indonesia, the Group previously held a 5% interest in this region The initial consideration was £1 3 million in cash with further payments, depending upon performance, of up to £1 2 million at the end of three years
- Grosvenor Hickey Tindale Pty Ltd ("GHT") On 31 August 2005, the Group acquired the entire issued share capital of GHT, a specialist Sydney agency practice The initial consideration was £1 9 million in cash with further payments, depending upon performance, of up to £2 7 million, over a three year period

Each of the acquisitions was immediately earnings enhancing

In addition, we acquired a further 35% of the ordinary shares in DTZ Italy for £0 9 million increasing our holding to 100%

Since the year end, the Group acquired on 10 May 2006, a 50% interest in Rockwood Realty Associates LLC ("Rockwood") for an initial consideration of US$45 0 million (£24 2 million) of which 81% was in cash and 19% in shares A further payment of US$3 5 million (£1 9 million) is to be paid in shares if Rockwood achieves EBITDA in the year to February 2007 of US$13 2 million (£7 1 million) In addition, a further deferred payment will be paid based on two times Rockwood's average EBITDA for the two years ending February 2009, up to a maximum of US$75 million (£40 3 million)

Pensions
The Group now accounts for pensions in accordance with IAS19 which requires the full deficit of post retirement benefits under defined benefit arrangements to be recognised in the balance sheet, whilst any actuarial gains and losses are recognised directly through equity, outside the income statement

At 30 April 2006 there was a deficit (net of tax) held on the balance sheet of £4 1 million (2005 £5 6 million)

This follows the triennial valuation as at 30 April 2005 which showed a past service deficit (net of tax) of a similar amount Following this valuation, the Group agreed with the trustees of the scheme to settle this deficit over a 10 year period In addition, it was agreed to change the future accrual rates for existing members These changes are not expected to materially change the Group's current funding amounts

Cashflow and borrowings
Net cash at 30 April 2006 was £30 3 million (2005 £14 0 million), an increase of £16 3 million Free cashflow increased from £17 2 million to £19 3 million as set out in Table 3

Working capital management continues to be a key performance measure and our average outstanding debtor days reduced again during the year Since the year end we took out a US$35 million loan, repayable over five years, to fund the acquisition of our interest in Rockwood We also have committed facilities of £20 million which, combined with our existing net cash balance and expected cashflows for the year, provides the Group with substantial resources with which to fund its strategic aims and enable it to continue to deliver value to shareholders

Shareholder value
As highlighted last year, we measure the net returns on invested capital ("ROIC") compared to our cost of capital ("WACC") as a way of determining increases in shareholder value or Economic Value Added ("EVA") ROIC is defined for this purpose as our After Tax Operating Profits as a percentage of Shareholders' Funds (after writing back both goodwill previously written off to reserves and the pension deficit) and Loans WACC is the weighted capital cost of our equity and debt (as calculated by external analysts) which measure the returns required by shareholders A comparison for the last three years is set out in Table 4

The returns achieved exceeded our cost of capital in each of the years to the extent that the value provided to shareholders, or EVA, has grown 7 7% over the last two years to 9 9% In absolute terms £9 3 million of EVA was added This represents almost 50% of our after tax returns which clearly demonstrates that our strategy and related investments continue to generate value All new investments are appraised, taking into account both their risks, including costs of integration, and the appropriate hurdle rates

Table 1 Turnover

	2006			2005			
	EMEA £m	**Asia Pacific £m**	**Total £m**	EMEA £m	Asia Pacific £m	Total £m	Increase %
Capital Markets	**61.7**	**2.6**	**64.3**	50 8	0 3	51 1	25 9
Valuation	**41.9**	**1.3**	**43.2**	33 5	0 7	34 2	26 3
Occupational and Development Markets	**66.3**	**4 5**	**70.8**	58 3	0 8	59 1	19 8
Professional Services	**34.9**	**2.2**	**37.1**	31 8	1 0	32 8	12 9
Consulting & Research	**16.6**	**0.1**	**16.7**	17 2	–	17 2	(3 2)
	221.4	**10.7**	**232.1**	191 6	2 8	194 4	19 3

Table 2 Profit by region

	UK and Ireland £m	EMEA (ex UK and Ireland) £m	EMEA £m	Asia Pacific £m	Corporate overheads £m	Total £m
2005/06	**24 7**	**7.1**	**31.8**	**0.2**	**(2.3)**	**29 7**
2004/05	21 8	2 6	24 4	(1 2)	(2 6)	20 6
Increase (%)	13 5	166 1	30 1	–	12 5	44 0

In addition, over the same period of time, dividends have increased from 6 50 to 9 75 pence per ordinary share and since 1 May 2003 the share price has increased from 67 5 pence to 643 0 pence at 30 April 2006

A graph showing Total Shareholder Returns for the five years ended 30 April 2006 as compared to the FTSE Small Cap Index is set out in the Directors' Report

IFRS/UK GAAP Comparisons
For comparative and information purposes, we have set out in Table 5 our results on an IFRS and UK GAAP basis

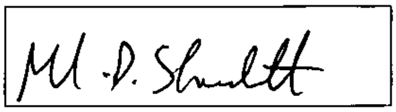
To enable shareholders to understand the changes that have been made between UK GAAP and IFRS, a reconciliation of the Group's profit before taxation is set out in Table 6

Note The UK GAAP profit before taxation for the year ended 30 April 2006 has been prepared based on the accounting policies in place at 30 April 2005 and takes no account of any changes that have subsequently been made

Financial risk management
The Group has formal financial risk management policies which cover those financial risks which are considered material to the Group's operations and results These policies and limits are reviewed annually and to ensure compliance, appropriate delegated authorities have been set together with reporting procedures These policies include

- Foreign currency risk The Group publishes its results in sterling but has a number of overseas businesses operating in foreign currencies The Group does not hedge the foreign exchange risks arising from the translation of overseas business results into sterling but will, within limits agreed by the Board, hedge against committed transaction foreign currency exposures and the translation exposure of foreign currency denominated assets and liabilities
- Interest rate risk The Group's guideline is that no more than 50% of net interest rate exposures on debt (net of any working capital balances) should be at floating rates At 30 April 2006 the Group had surplus funds of £30 3 million net of borrowings of £1 5 million
- Liquidity risk The Group maintains a debt to capital ratio that has flexibility to allow it to meet its strategic objectives In addition, policies have been set on appropriate borrowing levels to net cash requirements and minimum covenant levels required of financing sources The Group's requirements are reviewed annually, or more often if the need arises, and at 30 April 2006 the Group, in addition to the surplus funds referred to above, had committed facilities of £20 million

Financial systems and controls
A formal risk management process is now embedded within the Group which is supported by KPMG LLP who act as our internal auditors The work undertaken not only reviews practice risks but also our financial systems and controls As a result of this work and our own plans, we continue to ensure that the appropriate infrastructure is in place to meet not only the growing needs of the business but also the increased regulatory environment, at the same time as managing the associated risks



Mark Struckett
Group Chief Executive
4 July 2006

Tim Maynard
Group Finance Director
4 July 2006

Table 3 Cash flow

	2006 £m	2005 £m
Cash flow from operations	**30 3**	28 7
Taxation	**(7 9)**	(8 2)
Interest	**0 3**	(0 3)
Capital expenditure	**(3 4)**	(3 0)
Free cash flow	**19.3**	17 2
Dividends	**(4 2)**	(3 6)
Investments (net of proceeds)	**0 4**	(6 4)
Financing	**0.8**	0 2
Increase in net funds	**16 3**	7 4
Net funds brought forward	**14.0**	6 6
Net funds carried forward	**30.3**	14 0

Table 4 Shareholder value

	2006	2005	2004
Return on invested capital (%)	**19 9**	16 1	11 4*
Weighted average cost of capital (%)	**10.0**	8 8	9 2
EVA (%)	**9.9**	7 3	2 2
EVA (£m)	**9.3**	5 7	1 6

*Calculated on a UK GAAP basis

Table 5 IFRS/UK GAAP

	2006		2005	
	IFRS £m	**UK GAAP £m**	IFRS £m	UK GAAP £m
Group turnover	**232 1**	**232.1**	194 4	194 4
Group profit before tax	**29.7**	**26.9**	20 6	18 5
Basic earnings per share	**37 9p**	**32.8p**	24 8p	20 1p
Shareholders' funds	**62.5**	**71.1**	43 9	54 8

Table 6 Group profit before tax

	2006 £m	2005 £m
UK GAAP – Profit before taxation	**26.9**	18 5
Share based payments	**(0.1)**	(0 1)
Employee benefits (holiday pay)	**0.6**	(0 2)
Tenant inducements	**0.5**	0 2
Pensions	**(0 1)**	(0 3)
Goodwill amortisation	**1 9**	2 5
IFRS – Profit before taxation	**29.7**	20 6

Our Corporate Responsibility

Corporate social responsibility report

Picture removed

Our influence through clients

The National Assembly for Wales appointed DTZ to measure the impact of development on the Welsh environment and economy DTZ will assess the likelihood of different types of property development contributing towards government environmental targets, such as reducing carbon emissions, energy consumption and use of natural resources

Our approach

DTZ recognises, understands and manages the environmental, social and economic impacts of its activities Tender requirements, trends in ethical and responsible property investment, and our commitment to attract and retain the best people mean the way we manage Corporate Responsibility (CR) and our ability to build internal competence in related issues, is material to our long-term financial performance

Our continued inclusion in the FTSE4Good index testifies to our success in achieving many of our CR objectives Our commitment to continuous improvement means that we regularly review and revise our CR policy and performance

Our values, our business and our clients

DTZ's purpose is to work with our clients to provide leading edge property, investment and business solutions on a worldwide scale Our core values of integrity, service excellence, making it happen, enjoyment, creativity and teamwork help guide a strong delivery-focused culture that encourages innovative and collaborative solutions for our clients

Our clients are the reason we exist and we constantly look to offer them the advice and skills that will maximise their returns from the built environment Our ability to give clients the best advice relies on being able to recruit and retain the highest quality employees Only by doing both can we ensure that the shareholders who own the business are fairly rewarded

Two of our primary types of clients are those who seek Corporate Occupier services, which includes advice on and the management of, commercial and residential real estate, and those who seek Capital Market services, which includes advice on and the management of portfolios of real estate assets To provide unrivalled services to our clients, we must understand better than anyone else the property sector and the trends affecting it

We recognise that our corporate occupier clients – many of whom are internationally recognised brands themselves – increasingly seek guidance on the environmental and social impacts of the buildings they occupy In many cases our clients also seek assurances that our Corporate Responsibility policies are consistent with their own To win these clients DTZ has to demonstrate we are a responsible and trusted business partner

Our Capital Markets clients – which include some of the world's largest institutional investors – seek guidance on the link between social, environmental and economic issues and the financial valuation of their property portfolios This is often in relation to changing regulatory requirements and other market fundamentals We have provided leading-edge research and advice on mainstream Responsible Property Investment (RPI), helping to reduce risk and maximise the return on real estate investments

Our influence through clients

Our corporate responsibility priorities are driven by legal obligations, client requirements, employee expectations and our own assessment of what is in the joint interests of our business and the communities on which our activities impact This assessment is informed by engagement with external and internal stakeholders

As a minimum requirement, DTZ complies with the laws, regulations and rules applicable to its business, and endeavours to conduct its business in accordance with established best practice in its countries of operation

DTZ has over 10,000 staff operating from 200 offices in 40 countries On behalf of our clients, DTZ manages more than 4,000 properties globally with an estimated capital value of over £16 billion We also influence investment decisions involving many billions of pounds of investment in real estate So, while we understand the importance of managing our own operations in a responsible manner, we believe our largest footprint relates to the decisions that our clients take based on our advice

As a result, a priority is to help our clients understand and address their own corporate responsibility-related issues including the impact that corporate responsibility issues have on the value of their real estate portfolio

Responsibilities and accountabilities
The Board as a whole is responsible for ensuring compliance with DTZ's corporate values and its Corporate Responsibility policy This includes an Environmental Policy, a Health & Safety Policy and a broad range of Human Resources Policies These policies are an integral part of DTZ's culture

The Corporate Responsibility Steering Group meets regularly throughout the year to consider, monitor and review environmental, ethical and social issues and associated risks relevant to the business The CR Steering Group is also responsible for the development of the Company's Corporate Responsibility policies and procedures

The DTZ Corporate Responsibility policy provides a unified framework for addressing CR issues within the Group, while recognising each business in each country operates within its own unique context

DTZ seeks to ensure that all employees are aware of, and abide by, DTZ's environmental, ethical and social policies In addition, the directors of our business units take responsibility for ensuring that DTZ has the competencies needed to provide advice on CR-related issues as they relate to the real estate sector

Health and safety
DTZ considers the maintenance of high standards of health and safety as critical to the successful management of a global business Within the UK alone, DTZ is responsible for managing the health and safety risks associated with some 600 properties, including around 50 shopping centres and a number of construction projects on behalf of clients as well as our own corporate offices

Comprehensive policies and procedures have significantly reduced risks and incidents in both our own operations and those properties managed on behalf of clients

Community
The built environment has an important impact on community development DTZ's Research & Consultancy division has undertaken economic footprint analyses to help the UK Department of Trade and Industry understand how property developments contribute to community development We have also undertaken research and extensive external consultations on the future of the town centre This, and other DTZ research, helps ensure that our clients have access to the best advice on the linkages between property management and community issues

DTZ is also committed to taking an active role in the communities in which it operates A number of our offices give time and resources to support their local communities and we support our employees in taking on social responsibilities

The DTZ Group makes charitable donations across the world through local offices In the UK, DTZ annually selects an individual charity to benefit from its fundraising activities, after consultation with staff This year WellChild, a leading UK children's charity for health and wellbeing was chosen Our South African office supports African Mothers, a charity working on HIV/AIDS In Poland, DTZ is a member of the Polish Foundation for CSR, a charitable organisation focused on underprivileged children in Poland

Protecting the environment
As a leading international real estate adviser, DTZ has an important role in raising awareness on the economic implications of environmental issues For instance, it is estimated that up to 40% of global CO_2 emissions are attributable to the construction and management of buildings In the European Union, this has led to the EU Energy Efficiency of Buildings Directive, which will have a significant impact on building codes

In partnership with White Young Green, a leading engineering and environmental consultant, DTZ has also developed an environmental and sustainability benchmarking tool for property and we are using this tool to help investors assess the CR-related risks associated with their property portfolios

We recognise our business activities may have a direct and indirect impact on the environment and therefore undertake these activities in a manner sensitive to their environmental impact, seeking to conserve natural resources, reduce waste and minimise pollution wherever possible

In the UK, a national procurement programme ensures all suppliers are assessed on their environmental policy, with emphasis on recycled products Our energy usage is monitored and benchmarked against industry recognised indices

Worldwide staff are motivated to act in an environmentally responsible manner through training and information to keep awareness high

Our People

Retention

DTZ is a people business – it is the skills and expertise of our employees that differentiate DTZ from its competitors, so it is important our people continue to find the culture and work motivating and rewarding

We know that career progression and total reward are important retention areas for us to continue to develop, and initiatives include the introduction of a flexible benefits package in the UK, a leadership programme, a global exchange programme and flexible work style options

DTZ recognises the importance of supporting lifestyle choices and understands that different career stages mean changing priorities We try to support these wherever possible, so that people can grow with the Company and we can retain valuable skills and experience

Picture removed

Global mobility

Picture removed

DTZ continues to grow its global presence, which brings increasing opportunities and business need to share knowledge and skills across our operations Global career opportunities are advertised through a global intranet service and an increasing number of people now choose to pursue international assignments to achieve professional and career development

Short-term development trips, graduate exchange programmes, secondments and permanent transfers are supported with language and cultural training Regular centrally run sessions throughout EMEA and Asia offer learning and networking opportunities to help cross border business building, and to develop an integrated work culture

Flexible benefits

Picture removed

DTZ recognises that increasingly employees look for a remuneration package that takes account of their individual circumstances and changing needs DTZ has pioneered this approach in the UK where a comprehensive choice of benefits to cover all areas of working and personal life is provided to suit personal needs

Benefits that can be chosen or traded include holidays, childcare vouchers, cars and dental insurance In the last 12 months 70% of people in the UK took advantage of the opportunity to review their benefits package to make choices to meet their individual needs

Learning and development

DTZ believes that personal development never stops Individuals drive their own requirements, supported by their line manager and comprehensive company wide e-learning, workshops, coaching and mentoring

An annual review system that monitors objectives, performance progress against those objectives, learning and development needs and individual career aspirations, is being rolled out across the DTZ network DTZ also works closely with leading business schools, to provide leadership programmes that develop participants' leadership, financial and strategic capabilities to provide the business with future leaders

In a company with representation in 40 countries cultural awareness training is high on the agenda and improving language skills is actively supported throughout the Company

Picture removed

Recruitment

Picture removed

DTZ aims to attract the best people in their field – those keen to work on groundbreaking and high profile assignments, with industry leading clients and in a collaborative team focused environment Surveyors, accountants, economists, financiers, researchers, linguists and support staff are all attracted by the career opportunities of DTZ's strong reputation

As one of the industry's largest recruiters of graduates DTZ attracts highly motivated and broad skilled talent through its targeting of leading universities We offer internships, work experience and sandwich placements across the DTZ world We value a diverse workforce and actively work with professional bodies, universities and schools to attract talent into the industry

Diversity

As a leading global employer in our industry, we foster a workplace where individuality and diversity are respected, encouraging everyone who works for DTZ to develop their careers in a stimulating and supportive environment in keeping with our values, which include integrity and teamwork

At DTZ, diversity is about achieving business excellence and competitor advantage through respecting and valuing individual differences and harnessing the advantages these bring We are committed to creating an environment that is based on meritocracy and inclusivity

Picture removed

Directors and Advisers

Directors

1 T D Melville-Ross CBE FCIS FCIB
Group Chairman
Non-executive (Age 61)
Tim Melville-Ross has been Chairman of the Group since September 2000, having previously been appointed a non-executive director of the Company on 17 January 2000 He is a member of the Group's Nomination Committee He was formerly Director General of The Institute of Directors and, before that, the Chief Executive of Nationwide Building Society He is Chairman of Manganese Bronze Holdings plc, The Council of the University of Essex, The Royal London Mutual Insurance Society Limited, Bovis Homes Group plc and a director of Katalyst Ventures Ltd He retired as Chairman of the Supervisory Board of Bank Insinger De Beaufort NV and as a director of Equity Trust SARL on 31 December 2005, and as Chairman of Investors in People UK on 31 May 2006

2 M D Struckett MA MBA FRICS
Group Chief Executive (Age 48)
Mark Struckett has been Group Chief Executive since 1995 He joined Debenham Tewson & Chinnocks in 1979 He is a member of the Group's Nomination Committee He is a director of the Surveyors Mutual Insurance Association Limited and was a non-executive director of Tenon Group plc until the end of 2005

3 T S Maynard ACA
Group Finance Director (Age 45)
Tim Maynard is a chartered accountant, having joined the Group on 1 May 2002 as Group Finance Director designate He was appointed to the Board as Group Finance Director on 9 August 2002 Before joining the Company, he was Group Finance Director of Old English Inns plc Prior to this, he held senior finance positions with Hays PLC, Granada Group plc and Forte plc

4 T J Hodgson FRICS
Executive (Age 57)
Tim Hodgson has been Group Chief Operating Officer since 1 May 2005 His previous roles in the business include UK Chief Operating Officer, Managing Director of the Group's Consultancy business and Managing Director of DTZ Debenham Tie Leung He joined the Company in 1977

5 R H H Peto MA FRICS
Executive (Age 55)
Robert Peto joined the Group in 1971 and has been Chairman of DTZ Debenham Tie Leung (UK) since September 1999, having earlier been Chairman of the Investment Division He was Chairman of the RICS Appraisal and Valuation Standards Board from 1999 to 2003 and is a member of the Governing Council of the RICS and the General Advisory Council of the British Property Federation

6 K B O'Higgins ASCS MRICS MIAVI
Executive (Age 45)
Killian O'Higgins joined the Group on 15 October 2001 He was appointed to the Board on 9 July 2003 He has been Managing Director for Europe, Middle East and Africa including UK since 1 May 2005 and, prior to that, European Managing Director of DTZ International where he was responsible for DTZ's European operational activity Prior to joining the Group, Killian was Managing Director of DTZ Sherry FitzGerald, our associate business in Ireland

7 D M Gray CA
Executive (Age 54)
David Gray is a chartered accountant He joined the Group on 1 May 2000 and has been Chairman of DTZ's Consulting & Research business since then He is also a non-executive director of F&C Asset Management PLC and Romag Holdings plc and a board member of Scottish Water

8 P J Stone Solicitor
Independent non-executive (Age 60)
Peter Stone was appointed a non-executive director of the Company on 26 April 2001 He was previously Deputy Chairman of merchant bank Close Brothers, where he worked for 23 years until 1998 He is currently a non-executive director of Intermediate Capital Group plc and Opus Trust Group Limited and Chairman of Careforce Group plc He is Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees

9 L Cullen BSc (HONS) FCCA FCT MBA
Independent non-executive (Age 54)
Les Cullen was appointed a non-executive director on 11 September 2003 He was previously Group Finance Director of STC plc, De La Rue plc, Inchcape plc and Prudential plc, which he left in 2000 Since then he has been chairman of a number of private equity backed companies He is a non-executive director of Avis Europe plc, Interserve plc and Sustrans Ltd and a Trustee of the BT Pension Scheme He chairs the Audit Committees of Avis Europe and the BT Pension Scheme He is Chairman of the Group's Audit Committee and a member of its Remuneration and Nomination Committees

10 D Detter
Independent non-executive (Age 46)
Dag Detter was appointed as a non-executive director on 8 March 2004 He has worked for a number of companies including Barclays, Credit Suisse, Paribas and SEB He has also worked for the Swedish Government as the Chief Executive Officer of Stattum, the State Holding Company, and as the Head of the State Enterprise Division at the Ministry of Industry He is currently Managing Director of Detter & Co and an Industrial Adviser to Capman Plc, a private equity fund He is a member of the Group's Audit, Remuneration and Nomination Committees

11 A Lesniak BSc (HONS) ARCS FCA
Independent non-executive (Age 54)
Alicja Lesniak was appointed as a non-executive director on 8 March 2004 She was previously a main board director of BBDO Worldwide Inc and Chief Financial Officer of BBDO EMEA, a leading marketing services organisation, previously holding similar positions at Ogilvy & Mather Worldwide Inc In May 2006 she was appointed a non-executive director of SThree plc She is a member of the Group's Audit, Remuneration and Nomination Committees

1 2 3 4 5 6 7 8 9 10 11

Pictures removed

Advisers

Group Company Secretary
P M Cook

Independent auditors
Deloitte & Touche LLP
Chartered Accountants

Registrars
Computershare Investor Services plc
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Bridgwater Road
Bristol BS99 7NH

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www dtz com

Financial advisers
Dresdner Kleinwort

Stockbrokers
JP Morgan Cazenove

Principal bankers
The Royal Bank of Scotland Group plc

Solicitors
Clifford Chance LLP

Directors' Report

The directors present their nineteenth Annual Report and the audited financial statements for the year ended 30 April 2006

Principal activities
DTZ Holdings plc continues to be the holding company of a group of companies acting as national and international property advisers and consultants worldwide, offering comprehensive integrated property advice and economic consultancy services to clients

Review of business and future prospects

Turnover
Turnover, derived from the above activities, increased from £194 4 million to £232 1 million, during the year ended 30 April 2006

Group results
The directors report a profit before taxation of £29 7 million compared with £20 6 million for the previous year

Equity shareholders' funds at 30 April 2006 amounted to £62 5 million (2005 £43 9 million)

Events occurring after the end of the year
Details can be found in note 29 to the accounts

Enhanced business review
A review of the business, future prospects and the principle risks and uncertainties it faces are contained within the Chairman's overview on pages 8 and 9 and the Review of our Performance and Financial Position on pages 10 to 21

Dividends
A final dividend, for the year ended 30 April 2005, of 5 00 pence net per ordinary share was paid in September 2005 This, together with an interim dividend for the year ended 30 April 2006 of 2 75 pence net per ordinary share paid in February 2006, gives a total dividend charged to the results for the year ended 30 April 2006 of 7 75 pence net (2005 6 75 pence) A final dividend for the year ended 30 April 2006 of 7 00 pence net per ordinary share is to be proposed at the Annual General Meeting on 7 September 2006 If approved, this will be payable to shareholders on the register at the close of business on 18 August 2006 This proposal will provide a total dividend for the year ended 30 April 2006 of 9 75 pence net per ordinary share (2005 7 25 pence)

Directors
The present membership of the Board is set out on pages 26 and 27 All directors served throughout the year In accordance with the Company's Articles of Association, Mr M D Struckett, Mr P J Stone, Mr D Detter and Mrs A Lesniak retire as directors at the forthcoming AGM and, being eligible, offer themselves for re-election

None of the directors had any interest in any material contract during the year relating to the business of the Company

The directors' interests, as defined by the Companies Act 1985, in the shares of the Company were

Number of ordinary shares of 5 pence each	Beneficial 1 May 2005	**Beneficial 30 April 2006**	Non-beneficial 1 May 2005	**Non-beneficial 30 April 2006**
T D Melville-Ross	16,450	**16,450**	–	–
M D Struckett	630,943	**630,943**	54,500	**54,500**
T S Maynard	20,000	**20,000**	–	–
T J Hodgson	286,697	**271,697**	–	–
R H H Peto	471,580	**471,580**	–	–
K B O'Higgins	105,253	**105,253**	–	–
D M Gray	8,609	**8,609**	–	–
L Cullen	5,000	**5,000**	–	–
D Detter	–	–	–	–
P J Stone	50,000	**50,000**	–	–
A Lesniak	5,000	**5,000**	–	–

The above non-beneficial interests relate to the interests of the directors (or their spouses) as trustees of trusts established for the benefit of their respective children or those of other directors or former directors of companies in the Group

As at 30 April 2006, all the above directors are interested in 3,267,591 ordinary shares (2005 3,675,996) held by DT&C Limited, a subsidiary of the Company, as trustee of the Company's Discretionary Employee Benefit Trust, which holds the shares in trust for Group employees

Between 30 April 2006 and 23 June 2006, this figure has decreased to 3,250,591

In addition, Mr M D Struckett, Mr T J Hodgson, Mr R H H Peto, Mr T S Maynard and Mr K B O'Higgins have been granted options under the DTZ Holdings plc Deferred Share Scheme Full details are included in the Directors' Remuneration Report set out on pages 30 to 35

As at 23 June 2006, the Company had been notified of the following interests of 3% or more in the Company's ordinary shares

	At 30 April 2006		At 23 June 2006	
Substantial interests:	**Shares**	**%**	**Shares**	**%**
Groupe CM	**9,305,500**	**17.33**	**9,910,500**	**18 24**
JPMorgan Asset Management[1]	**3,368,755**	**6.28**	**3,180,845**	**5.85**
D T & C Limited[2]	**3,267,591**	**6.09**	**3,250,591**	**5.98**
Barclays PLC	**2,386,270**	**4.44**	**2,436,442**	**4.48**
Schroder Investment Management Limited[1]	**2,295,174**	**4.27**	**2,224,567**	**4.09**
Legal & General Investment Management Limited	**2,098,460**	**3 91**	**2,130,417**	**3.92**

(1) Non-disclosable shareholding
(2) Trustee of the Company s Discretionary Employee Benefit Trust

The Board is not aware of any other person who is interested in 3% or more of the issued share capital of the Company

Employee involvement
The directors recognise that the key to delivering consistent high-quality client services lies in the skill, loyalty and motivation of all its employees It is the policy of the Group that all employees are provided with support, advice, training and development opportunities to allow them to achieve their own potential within the framework of the business

The Group has made and continues to make substantial investment in network information technology All staff have access to the intranet and internet, which, as well as delivering improved services to clients, has already proved a great success in facilitating internal communications on important business developments and for sharing information

Employment of disabled persons
The Group has continued its existing policy regarding the employment of disabled persons Full and fair consideration is given to applications for employment made by disabled persons, taking into account their particular aptitudes and abilities and the nature of the work involved Appropriate training is available for disabled employees, including retraining for alternative work if necessary for those employees who become disabled, to promote their career development within the Group

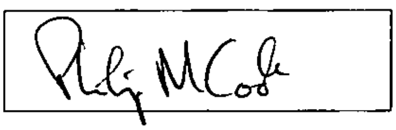
AGM special business
This year, the directors are putting forward six items of special business at the AGM These are resolutions 5 to 10 (inclusive) as set out in the notice of meeting and described in the letter to shareholders accompanying that notice

Donations
During the year, the Group made donations for charitable purposes of £18,303 (2005 £26,785) No donations were made for political purposes (2005 nil)

Creditor payment policy
It is the Group's normal policy to pay suppliers within the payment terms of the contract, where these have been agreed in advance, or within 30 days of the end of the calendar month of supply Sub-contractors, in accordance with their contract terms, are paid when the Group is paid As at 30 April 2006, creditor days were calculated at 23 days (2005 20 days)

Going concern
The directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future For this reason they continue to adopt the going concern basis in preparing the accounts

Auditors
Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming annual general meeting



P M Cook
Secretary
4 July 2006

Remuneration Report

The directors submit their report on remuneration for the year ended 30 April 2006

This report has been approved and adopted by the Board and has been prepared in accordance with the Directors' Remuneration Report Regulations 2002 ('the Regulations') and the Listing Rules of the Financial Services Authority In accordance with the Regulations, the following sections have been subject to audit 3 and 4 The remaining sections are not subject to audit

1 The Remuneration Committee ('the Committee')
The Board has appointed a Remuneration Committee which considers, for recommendation to the Board, Company policy on remuneration and conditions of service, and, within the terms of the agreed policy, approves the composition and level of remuneration of executive directors, the Chairman of the Company and such other members of the executive management as it is designated to consider The Board has accepted, without amendment, the Committee's recommendations

The Committee members during the year comprised, Mr P J Stone, Mr T D Melville-Ross, Mr L Cullen, Mr Dag Detter and Mrs Alicja Lesniak Mr P J Stone served as Chairman Since the year end, Mr T D Melville-Ross has resigned from the Committee in line with Corporate Governance practice Mr M D Struckett, Group Chief Executive, is invited to join its meetings, as appropriate
The Group Company Secretary is the Secretary to the Committee No director takes part in discussion on their own remuneration

2 Remuneration policy
In determining an appropriate remuneration policy for recommendation to the Board, the Committee's objective is to ensure that the Group is able to attract and retain high quality professional staff while incentivising exceptional performance Basic salary and benefits are set at a level having regard to other comparable listed companies and those within the professional services sector and are monitored on a regular basis Remuneration for executive directors and senior executives takes account of the Company's overall performance, achievement of corporate objectives and personal contribution, through an annual performance related bonus scheme and, for long-term performance, by the award of shares under the Deferred Share Scheme and Company Share Option Plan ('COSOP')

To assist the Committee in determining remuneration policy, although they are not members of the Committee, information and advice has been provided and recommendations have been made by Mr M D Struckett, (other than in respect of his own position) and by the Managing Director Group Services, Mr T J Gerrard This includes information from internal and independent sources on the remuneration for comparable positions in listed companies and in the professional services sector External advice during the year was received from Hewitt, Bacon & Woodrow Limited who have no other connection to the Group, as appointed by the Committee

In addition advice was received from PricewaterhouseCoopers LLP in relation to the changes to the Group's Long Term Incentive Plan's referred to in paragraph 3(iv) below

3 Remuneration of executive directors and senior executives
The remuneration packages for executive directors consist of the following elements

- Salary and benefits,
- Performance related bonus,
- Pension,
- Long-term incentive plans,

and are structured to relate reward to both corporate and individual performance Details of all payments to executive directors, which are disclosed in section 4 on page 33, show the relative value of the basic and performance related elements of their remuneration The Group's remuneration structure is such that in 2005 and 2006 the highest paid employees within the Group were not directors of the parent company

The executive directors are incentivised in a similar method to the rest of the Group's UK based staff, including grants of options over shares in the Company

i) Salary and benefits
Basic salaries for executive directors and other senior executives are reviewed by the Remuneration Committee annually, having regard to competitive market practices and remuneration levels in companies which it considers to be comparable by taking into account their market capitalisation and annual turnover, the Committee's own judgement of the performance of the Group's businesses and the contribution made by individual directors

The main benefits provided to the executive directors and senior executives are the use of a company car or the provision of a cash allowance, medical insurance and life assurance cover Details of directors' emoluments are given in section 4 on page 33

ii) Annual performance related bonus scheme
Full-time UK based staff, including executive directors, participate in a performance related bonus scheme Payments under the scheme are based on the achievement of profit and operational targets, which are set so that they are relevant both to the specific circumstances of the Company and the performance of the individual against their annually agreed objectives In the case of the executive directors, any performance related bonus is based on the achievement of their objectives and Group performance and any payment to them is made partly from the UK bonus scheme and partly from a discretionary bonus pool related to the pre-tax profits of the Group, which provides individual performance bonuses against pre-set Group-related objectives

The UK bonus scheme consists of two components

a) Profit share – an annual bonus scheme in which all UK based employees are entitled to participate, where the bonus is directly related to the performance of the individual against objectives set for the year, and

b) Individual performance bonus – the main purpose of this component is to create flexibility in the allocation of bonus amounts based on an individuals' contribution and the overall success of the Company Bonus awards to individuals are determined by scoring individual performance during the year against pre-set objectives, covering five areas business development, client relationship management, personal financial performance, people management and risk management

The calculation of the discretionary bonus pool from which these two components are paid and the calculation of the discretionary bonus pool in relation to Group related objectives are directly related to, respectively, the audited pre-bonus, pre-tax profits of the UK operating companies or the Group so as to provide both for a return to shareholders and for the creation of a bonus pool for distribution to employees

The Remuneration Committee agrees bonus payments, which are not pensionable

iii) Pensions
The executive directors, apart from Mr D M Gray, are members of the Company's non-contributory money purchase pension scheme

iv) Long-term incentive plans
Executive directors and qualifying employees may, on the recommendation of the Remuneration Committee, be granted options over Company shares bought into an Employee Trust and fully expensed through the profit and loss account under the DTZ Holdings plc Deferred Share Scheme ('the Scheme') and also options under the COSOP

The Scheme was established to reward exceptional performance over the medium-term and enable individuals to obtain a greater equity interest in DTZ Holdings plc, aligning the executives' interests with those of shareholders, while at the same time giving them an incentive to remain with the Group Options granted under the Scheme normally permit shares in the Company to be acquired at a nominal price, and can be exercised between three and seven years from the date of grant Exercise is conditional upon the grantee being in the employ of the Company at the date of exercise The grant of options is determined by the Remuneration Committee on the same basis as the Annual Performance Related Bonus Scheme An additional cash payment equal to the notional accrued dividend on shares held in the Employee Trust between grant and exercise is paid on exercise to the eligible employee, which can be used by the employee to offset tax liabilities, thus facilitating the retention of shares

Shareholders will, at the Annual General Meeting on 7 September 2006, be asked to approve changes and additions to the Group's Long-Term Incentive Plans on the terms set out in the Notice of Annual General Meeting, circulated to shareholders as of the date of this report

To date, long-term incentives have not formed a major part of the total package Following a review of the structure and effectiveness of the long-term incentive arrangement, the Remuneration Committee is proposing certain changes for the future The Company has confirmed its strategy of being a leading global provider of integrated property solutions to clients This strategy acquires a focus on long-term projects and will require significant cross-service line activity within the Company to provide the integrated solutions that our clients are seeking

In order to support this business strategy, the Remuneration Committee has concluded that new long-term incentives should be introduced to form a significant proportion of the total package in future years

The Remuneration Committee has consulted major shareholders on the proposals and the new Long-Term Reward Plan ("LTRP") will be put before shareholders for approval at the 2006 Annual General Meeting Details of the proposal are contained in the circular to shareholders containing the Notice of Annual General Meeting

Directors' share options under the DTZ Holdings plc Deferred Share Scheme

Name	At 1 May 2005	Granted	Exercised	At 30 April 2006	Value at grant £	Notional dividend accrued at 30 April 2006	Exercise price	Date from which exercisable	Expiry date
M D Struckett	50,000	–	–	50,000	78,500	22,000	nil	11 July 2003	11 July 2007
	50,000	–	–	50,000	81,250	18,000	nil	13 July 2004	13 July 2008
	50,000	–	–	50,000	55,000	15,000	nil	18 July 2005	18 July 2009
	50,000	–	–	50,000	40,000	11,000	nil	11 July 2006	11 July 2010
	30,000	–	–	30,000	42,000	5,000	nil	16 July 2007	16 July 2011
		30,000	–	30,000	66,000	2,000	nil	7 July 2008	7 July 2012
T S Maynard	32,086	–	–	32,086	30,000	9,000	nil	1 May 2005	1 May 2009
	20,000	–	–	20,000	16,000	4,000	nil	11 July 2006	11 July 2010
	20,000	–	–	20,000	28,000	3,000	nil	16 July 2007	16 July 2011
		20,000	–	20,000	44,000	2,000	nil	7 July 2008	7 July 2012
T J Hodgson	15,000	–	15,000	–	16,500	–	nil	18 July 2005	18 July 2009
	20,000	–	–	20,000	16,000	4,000	nil	11 July 2006	11 July 2010
		20,000	–	20,000	44,000	2,000	nil	7 July 2008	7 July 2012
R H H Peto	15,000	–	–	15,000	16,500	4,000	nil	18 July 2005	18 July 2009
	20,000	–	–	20,000	16,000	4,000	nil	11 July 2006	11 July 2010
	20,000	–	–	20,000	28,000	3,000	nil	16 July 2007	16 July 2011
		30,000	–	30,000	66,000	2,000	nil	7 July 2008	7 July 2012
K B O'Higgins	30,000	–	–	30,000	24,000	7,000	nil	11 July 2006	11 July 2010
	20,000	–	–	20,000	28,000	3,000	nil	16 July 2007	16 July 2011
		20,000	–	20,000	44,000	2,000	nil	7 July 2008	7 July 2012
Totals	**442,086**	**120,000**	**15,000**	**547,086**					

No options held by the above named directors lapsed during the year The mid-market price of the shares at the date of exercise by Mr T J Hodgson was 244 25 pence The aggregate gain made on the exercise of the share options by Mr T J Hodgson, was £36,600 (2005 £33,100)

Under the Deferred Share Scheme, upon exercise of an option, a payment equal to the notional dividend the shares would have received from the date of grant to the date of exercise is made, plus an amount for notional interest In respect of the options exercised in the year by Mr T J Hodgson the payment made was £3,000 (2005 £4,000)

Since the year end, the Remuneration Committee has recommended that deferred share options over ordinary shares be granted to Mr M D Struckett, Mr T J Hodgson, Mr T S Maynard, Mr R H H Peto and Mr K B O'Higgins These have a nominal exercise price and are exercisable at any time between three and seven years after the grant date At the date of grant, the estimated values of these were £67,000, £54,000, £27,000, £57,000 and £30,000 respectively In addition, the Remuneration Committee has recommended that, subject to approval of the new LTRP at the Annual General Meeting, awards under the LTIP section be granted Mr M D Struckett, Mr T J Hodgson, Mr T S Maynard, Mr R H H Peto and Mr K B O'Higgins in respect of shares with a value at the time of the award of up to 100% of their base salary for the year ended 30 April 2006 If the LTIP is not approved, the Remuneration Committee has recommended that further deferred share options in respect of shares of a value of one third of the value which would have been awarded under the LTIP (to reflect the absence of performance conditions in relation to deferred share options) be granted to these individuals in place of such LTIP awards

These amounts are not included in the above table

Directors' share options under the COSOP

Name	At 1 May 2005	Granted during the year	Exercised during the year	At 30 April 2006	Option price pence	Date from which exercisable	Expiry date
M D Struckett	18,126	–	–	18,126	165 5	16 July 2007	15 July 2014
	1,874	–	–	1,874	165 5	16 July 2007	15 July 2011
T S Maynard	20,000	–	–	20,000	89 5	11 July 2006	10 July 2013
	7,312	–	–	7,312	165 5	16 July 2007	15 July 2014
	2,688	–	–	2,688	165 5	16 July 2007	15 July 2011
T J Hodgson	18,126	–	–	18,126	165 5	16 July 2007	15 July 2014
	1,874	–	–	1,874	165 5	16 July 2007	15 July 2011
R H H Peto	18,126	–	–	18,126	165 5	16 July 2007	15 July 2014
	1,874	–	–	1,874	165 5	16 July 2007	15 July 2011
K B O'Higgins	20,000	–	–	20,000	89 5	11 July 2006	10 July 2013
	7,312	–	–	7,312	165 5	16 July 2007	15 July 2014
	2,688	–	–	2,688	165 5	16 July 2007	15 July 2011
D M Gray	20,000	–	–	20,000	89 5	11 July 2006	10 July 2013
Totals	**140,000**	**–**	**–**	**140,000**			

The mid-market price of the shares at 1 May 2005 and 30 April 2006 was 199 5 pence and 643 0 pence respectively

The share price during the year ranged from 189 0 pence to 680 0 pence

The COSOP is used chiefly to incentivise high performing employees within the Group and to provide newly appointed senior members of staff with an interest in the equity of the Company The COSOP has a performance criterion based on EPS growth being greater than annual increases in RPI plus 5% over a three year period before an option can be exercised

Details of the other Company share option schemes are set out on pages 63 and 65 of the Notes to the Accounts

4 Remuneration of directors

The Chairman of the Board, Mr T D Melville-Ross, is a non-executive director and his fee, and those of the other non-executive directors, is determined by the Board, having regard to the contribution required from and the responsibility taken by non-executive directors and current market practice, including the level of fees paid to non-executive directors of comparable companies Non-executive directors are not eligible for performance related bonuses or grants of options and their fees are not pensionable Mr P J Stone's fees are payable to a company of which he is a director

The following table shows a breakdown of the remuneration of the directors for the year ended 30 April 2006

Name	Salary and fees £'000	Performance related payments £'000	Benefits (Note 1) £'000	Sub-total £'000	Pension contributions (Note 2) £'000	Total 2006 £'000	Total 2005 £ 000
M D Struckett	137	122	19	278	413	691	520
T S Maynard	139	99	15	253	205	458	338
T J Hodgson	130	349	16	495	90	585	482
K B O'Higgins	157	250	15	422	24	446	328
R H H Peto	157	253	9	419	136	555	444
D M Gray	88	75	12	175	30	205	167
T D Melville-Ross	80	–	–	80	–	80	66
L Cullen	35	–	–	35	–	35	32
D Detter	30	–	–	30	–	30	27
P J Stone	33	–	–	33	–	33	27
A Lesniak	30	–	–	30	–	30	27
	1,016	1,148	86	2,250	898	3,148	2,458

Note (1) The main benefits provided consist of the provision of a fully expensed car or provision of a cash allowance and medical insurance
Note (2) Pension contributions to the Group's money purchase pension scheme include where appropriate salary sacrifices made by individual directors The Company's contribution to the pension scheme is 15% of basic salary

Pensions
Five (2005 five) of the executive directors participate in the DTZ Group Directors Pension Scheme, which is a defined contribution scheme open to senior employees and which is more particularly described in note 24 to the Financial Statements on pages 66 to 68 The Scheme provides pension and other benefits Pension entitlements, which are based on basic salary, are subject to restrictions proposed by the Income and Corporation Taxes Act 1988 The Company also makes contributions to the personal pension plan of Mr D M Gray

Executive directors' contracts
It is the Company's policy and practice to provide for a rolling notice period of no greater than six months in the service contracts of executive directors Their service contracts do not include provision for a specific payment in the event of early termination

Details of the service contracts of the executive directors are set out in the table below

Name	Date of current contract	Notice period
M D Struckett	1 May 1987	6 months
T S Maynard	1 May 2002	6 months
T J Hodgson	17 February 1993	6 months
D M Gray	1 May 2000	6 months
R H H Peto	1 May 1987	6 months
K B O'Higgins	1 October 2001	6 months

Non-executive directors
All non-executive directors are elected for a term of three years unless required under the rotation provisions of the Articles of the Company to submit for re-election The appointment of non-executive directors can be terminated by either side without notice or compensation

The dates of appointment of non-executive directors are shown in the table below

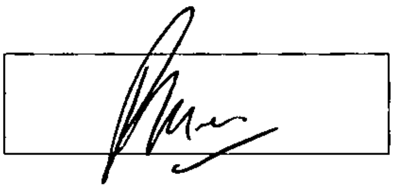
Name	Date of appointment	Date of current contract	Unexpired period at 30 April 2006
T D Melville-Ross	17 January 2000	17 January 2005	20 months
P J Stone	26 April 2001	1 April 2004	11 months
L Cullen	11 September 2003	10 September 2003	4 months
D Detter	8 March 2004	8 March 2004	10 months
A Lesniak	8 March 2004	8 March 2004	10 months

External appointments
The Company recognises that executive directors may be invited to become non-executive directors of other companies and that such appointments can broaden their knowledge and experience, to the benefit of the Company The Board must approve any such appointment An individual director will normally be required to account to the Company for fees received in respect of such directorships unless otherwise approved Mr M D Struckett acted as a non-executive director of Tenon plc until 31 December 2005 and the Remuneration Committee approved the retention by him of the fees of £20,000 paid in this regard

5 Shareholders' return

The graph below shows the total shareholder return in respect of the Company's ordinary shares of 5 pence each for the five years ended 30 April 2006 relative to the total return for the FTSE Small Cap Index The directors believe that the FTSE Small Cap Index, as an index of companies of similar size to the Company, is the most appropriate against which to compare total shareholder return

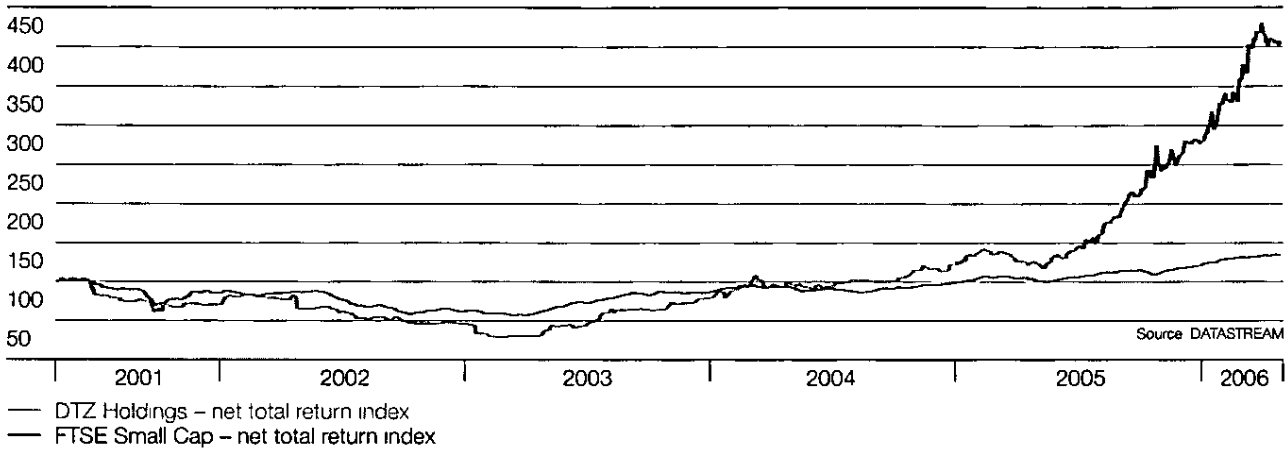
Graph removed



P J Stone
4 July 2006

5 Shareholders' return

The graph below shows the total shareholder return in respect of the Company's ordinary shares of 5 pence each for the five years ended 30 April 2006 relative to the total return for the FTSE Small Cap Index The directors believe that the FTSE Small Cap Index, as an index of companies of similar size to the Company, is the most appropriate against which to compare total shareholder return



P J Stone
4 July 2006

Corporate Governance Statement

Compliance with the Combined Code on Corporate Governance
Throughout the year ended 30 April 2006 the Company has been in compliance with the provisions set out in Section 1 of the July 2003 FRC Combined Code on Corporate Governance (the 'Combined Code') except

- as specified below, as regards the nomination of a senior independent director, and
- as regards the Chairman being a member of the Audit and Remuneration Committees

The Board continues to endorse and apply the principles of good corporate governance reflected in the Combined Code and in accordance with the Combined Code, a narrative Statement of how the Company has applied the provisions of the Combined Code is set out below

The Board of Directors
The Board comprises Mr T D Melville-Ross, Group Chairman, Mr M D Struckett, Group Chief Executive, five other executive directors and four non-executive directors There is a separation of the roles and responsibilities of the Chairman and the Chief Executive The Board has considered carefully the need to appoint a senior independent director and concluded that, in view of the calibre and number of the non-executive directors, it is not necessary to nominate a senior independent director at present

The directors submit themselves for election at the first AGM after their appointment and for re-election at least every three years thereafter Details of the directors submitting themselves for re-election at the AGM on 7 September 2006 are shown on page 10 on the Notice of Meeting

As Group Chairman, Mr Melville-Ross is not considered independent, but the other non-executive directors are considered by the Board to be independent of management and free from any business or other relationships that could materially interfere with the exercise of their independent judgement Non-executive directors are appointed for periods of up to three years

Biographies of the non-executive directors appear on pages 26 and 27 and demonstrate the calibre and breadth of experience they provide to the Company, which complements the industry experience of the executive directors Through the Company Secretary, all directors can, if they so wish, take independent advice at the expense of the Company

The Board has a formal schedule of matters reserved to it for decision that includes

- Approval of annual budgets and strategic plans,
- The establishment of new businesses or businesses in new geographical areas,
- Acquisitions and disposals, major capital projects and material contracts,
- Changes to the Group's capital, corporate or management structure,

and otherwise delegates specific responsibilities to the Board Committees, as described below All directors receive written reports prior to each Board meeting that enable them to take informed decisions on the corporate and business issues which they are considering
The Company Secretary is responsible to the Board for ensuring that its procedures are followed and is available to individual directors for advice on those procedures

The Company Secretary supports the Group Chairman and Group Chief Executive in ensuring new directors receive appropriate training and induction to the Company and that ongoing training for directors is provided when a need for such training is identified as part of the Board's annual evaluation process

Board evaluation
Formal evaluation of the performance and effectiveness of the Board and of the principal Board Committees was conducted during the year under the leadership of the Group Chairman and the respective Committee Chairmen This was done through structured meetings, including separate meetings dealing with the Chairman's performance The Board and each Committee has concluded that its performance and that of its individual members is generally satisfactory and is aligned with the Company's strategic objectives and the interests of shareholders

Board Committees
The Board has established the following Committees, details of which are set out below, each with defined terms of reference, procedures, responsibilities and powers Each Committee reviews its terms of reference and effectiveness at least annually The minutes of committee meetings are normally sent to all directors and oral reports of Committee activities are given at Board meetings The terms of reference of the Board Committees are available, on request, from the Company Secretary

Audit Committee
The Audit Committee is chaired by Mr L Cullen and comprises the non-executive directors There were no changes to the composition of the Committee during the year but since the year end the Group Chairman has resigned from the Committee in line with Corporate Governance practice

The external and internal auditors, the Group Chief Executive and the Group Finance Director normally attend meetings of the Committee and the Committee also meets separately with the external and internal auditors without management present The Audit Committee discharges its responsibilities by meeting at least three times a year to

- Review the interim and annual financial statements prior to submission to the Board,
- Keep under review the operation and effectiveness of the Company's internal financial control and accounting policies,
- Monitor and review the effectiveness of the Company's operational and compliance controls and risk management,
- Review the nature and extent of non-audit services provided by the external auditors, and
- Review the plans and work of the internal auditors

The Audit Committee also reviews the scope and cost of both the internal and external audit and makes a recommendation to the Board regarding re-appointment of the external auditors

As part of its role in relation to the provision of non-audit services by the external auditors, the Audit Committee agrees with the external auditors which types of work the external auditors are permitted to undertake and monitors the nature and extent of non-audit work undertaken by the external auditors

In forming their opinion of the independence and objectivity of the external auditors, the Audit Committee takes into account the safeguards operating within Deloitte & Touche LLP Regard is given to the nature of remuneration received for other services provided by Deloitte & Touche LLP to the Company and, inter alia, confirmation is sought from them that the fee payable for the annual audit is adequate to enable them to fulfil their obligation in relation to the scope of the audit

The Board considers that the members of the Audit Committee as a whole have sufficient recent and relevant experience to carry out the functions of the Committee and has not identified a particular member of the Committee as having such experience

Nomination Committee
The Nomination Committee is chaired by the Group Chairman and comprises the non-executive directors and the Group Chief Executive There were no changes to the composition of the Committee in the year

The Committee meets as and when required to

- Review the structure, size and composition of the Board and make recommendations as to any changes,
- Keep under review the leadership needs of the Company and consider succession planning for directors and other senior executives,
- Assist in identifying and become involved in the selection process for candidates to fill Board vacancies, and
- Evaluate the time required to be spent by the non-executive directors and ensure that what is required of them is clearly specified

Remuneration Committee
The Remuneration Committee is chaired by Mr P J Stone and comprises the non-executive directors The Committee meets at least once a year and considers, for recommendation to the Board, Company policy on remuneration and conditions of service, and, within the terms of the agreed policy, approves the composition and level of remuneration of executive directors, the Group Chairman and such other members of the executive management as it is designated to consider

When the Committee considers matters relating to an individual, that person is not present nor does that person act in relation to any matters relating to him

The Remuneration Report is on pages 30 to 35

Meetings
During the year there were 12 Board meetings, four Audit Committee meetings, one Remuneration Committee meeting and one Nomination Committee meeting Attendance at these meetings by individual directors is given in the table below

	Number of meetings attended			
	Board	Audit	Remuneration	Nomination
T D Melville-Ross	12	4	1	1
M D Struckett	12	–	–	1
T S Maynard	12	–	–	–
T J Hodgson	11	–	–	–
R H H Peto	11	–	–	–
K B O'Higgins	12	–	–	–
D M Gray	12	–	–	–
L Cullen	12	4	1	1
D Detter	11	3	1	1
P J Stone	12	4	1	1
A Lesniak	11	3	1	1

Relations with shareholders
The Company reports formally to shareholders twice each year, when its half-year and full-year results are announced The AGM takes place in London and all the directors who are able to attend are available, formally at the meeting and informally afterwards, for questions

The Group Chief Executive and Group Finance Director hold regular meetings throughout the year with institutional investors and analysts

Statement of directors' responsibilities in respect of the financial statements
The directors are responsible for preparing the Annual Report and the financial statements The directors are required to prepare financial statements for the Group in accordance with International Financial Reporting Standards (IFRSs) and have also elected to prepare financial statements for the Company in accordance with IFRS Company law requires the directors to prepare such financial statements in accordance with International Financial Reporting Standards, the Companies Act 1985 and Article 4 of the IAS Regulation

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements' In virtually all circumstances, a fair presentation will be achieved by compliance with all International Financial Reporting Standards Directors are also required to

- Select applicable accounting policies and apply them properly,
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- Prepare the accounts on a going concern basis unless, having assessed the ability of the Company to continue as a going concern, management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and Group, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' Report and the Directors' Remuneration Report which comply with the requirements of the Companies Act 1985

The directors are responsible for the maintenance and integrity of the Company website Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985

The directors are responsible for ensuring the maintenance of proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 1985 The directors are also responsible for ensuring the operation of systems of internal control and for taking reasonable steps to safeguard the assets of the Company and the Group, including taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement on internal control and risk management
The Board takes ultimate responsibility for the Group's system of internal controls and reviews their effectiveness Such a system can provide reasonable but not absolute assurance against misstatement or loss The system of control is designed to enable the Board to govern and manage the business to achieve the Group's risk management objectives but the system cannot be an end in itself or eliminate the risk of failure to achieve the Group's objectives

The Board confirms that it has conducted a review of the effectiveness of the system of internal control and risk management This review was based on reports to the Board and the Audit Committee, prepared by the internal auditors and management These reports covered the nature and extent of the significant risks facing the Group, their potential impact, likelihood of materialising, key controls, and mitigating actions, together with early warning systems and additional action that requires implementation, including the work of internal audit

The principal elements of the Group's system of internal control and risk management are

- The Board's various Committees, which have defined financial authorities and operational responsibilities designed to enable effective decision making A matrix management structure operates within the business focusing on commercial matters, the technical excellence of the Group and client relationship management
- The Group Practices Committee, which is chaired by the Group Chief Operating Officer, meets regularly to review the management of risk arising out of the Group's professional, fee earning activities
- The Group Risk Management Committee, which is chaired by the Group Chief Operating Officer, meets regularly to review the management of risk arising out of the Group's activities including those arising from its professional, fee earning activities
- In the Group's main subsidiaries, joint ventures and associated undertakings, certain of the Group executive directors and other senior employees are members of the various statutory and, where appropriate, management boards These boards and their committees meet regularly to consider significant commercial matters, including risk management and internal control, and have formal reporting structures to the Board
- An ongoing process for identifying, evaluating and managing the significant risks faced by the Group in accordance with the Turnbull Guidance on internal controls, has been in place for the year under review and up to the date of approval of the annual report A Group wide Risk Register maps the matrix management structure of the business to identify the risks the business faces, their potential impact, likelihood of occurrence and the key controls, financial, operational and compliance and action plans to mitigate these
- The Audit Committee assists the Board in discharging its responsibility to review the system of internal control
- The group executives conduct a top down identification and review of the main risks facing the Group and the control function to mitigate these
- There is an Internal Audit function, which has been outsourced to KPMG, that is subject to the controlling direction of the Audit Committee Internal Audit provide to the Audit Committee an independent assessment of the Group's system of internal control, through reviewing how effectively key risks are being managed, and assist management in the effective discharge of their responsibilities by carrying out independent appraisals and making recommendations for improvement
- Business policies and international quality standards that are maintained across the UK are being progressively embedded in the pan-European and subsidiary businesses of the Group
- Members of the Group are also subject to regulatory control by external bodies such as the FSA and the RICS and is audited in respect of the quality standard ISO9001

Health and safety
The Company recognises that the maintenance of high standards of health and safety management is imperative to ensure the welfare of its employees Clients too are placing a greater emphasis on health and safety when deciding which service providers they will work with Our commitment to improving health and safety performance will demonstrate our ability to meet their expectations, and help the Group to win more business The Company's policy is to strive towards an integrated approach to health and safety throughout the supply chain

Managing the environment
The Company regards the promotion of an environmental strategy an important element in operating a successful business, not only to minimise its impact on global resources but also to maintain good investor and client relations

We believe that we have already taken significant steps in reducing the potential for the Group's activities impacting on the environment, by the development of environmental standards for properties, training for employees and the adoption of a recycling programme These initiatives have been acknowledged through a number of client award schemes

Approved by the Board of Directors and signed on behalf of the Board

P M Cook
Secretary
4 July 2006

Independent Auditors' Report

Independent Auditors' Report to the members of DTZ Holdings plc

We have audited the Group and individual Company financial statements (the "financial statements") of DTZ Holdings PLC for the year ended 30 April 2006 which comprise the consolidated income statement, the consolidated and individual Company balance sheets, the consolidated and individual Company cash flow statements, the consolidated and individual Company statements of recognised income and expenses and the related notes 1 to 28 These financial statements have been prepared under the accounting policies set out therein We have also audited the information in the directors' remuneration report that is described as having been audited

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985 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 auditors' 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 auditors

The directors' responsibilities for preparing the annual report, the directors' remuneration report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union are set out in the statement of directors' responsibilities

Our responsibility is to audit the financial statements and the part of the directors' remuneration report described as having been audited in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and whether the financial statements and the part of the directors' remuneration report described as having been audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation We report to you whether in our opinion, the information given in the directors' report is consistent with the financial statements We also report to you if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We also report to you if, in our opinion, the Company has not complied with any of the four directors' remuneration disclosure requirements specified for our review by the Listing Rules of the Financial Services Authority These comprise the amount of each element in the remuneration package and information on share options, details of long term incentive schemes, and money purchase and defined benefit schemes We give a statement, to the extent possible, of details of any non-compliance

We review whether the corporate governance statement reflects the Company's compliance with the nine provisions of the 2003 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures

We read the directors' report and the other information contained in the annual report including the unaudited part of the directors' remuneration report and we consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the directors' remuneration report described as having been audited It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the directors' remuneration report described as having been audited are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the directors' remuneration report described as having been audited

Opinion

In our opinion

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted for use in the European Union, of the state of the Group's affairs as at 30 April 2006 and of its profit for the year then ended,
- the individual Company financial statements give a true and fair view, in accordance with IFRSs as adopted for use in the European Union as applied in accordance with the requirements of the Companies Act 1985, of the state of the individual company's affairs as at 30 April 2006,
- the financial statements and the part of the directors' remuneration report described as having been audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation, and
- the information given in the directors' report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
4 July 2006

Consolidated Income Statement

Year ended 30 April 2006

Continuing operations	Note	2006 £'000	2005 £'000
Revenue	2	**232,050**	194,441
Staff costs	3	**(144,155)**	(118,832)
Other operating costs		**(62,146)**	(56,291)
Depreciation		**(2,566)**	(2,592)
		(208,867)	(177,715)
Operating profit	4	**23,183**	16,726
Share of losses in joint ventures		**(28)**	(445)
Share of profits in associated undertakings		**4,684**	3,996
Total profit from operations including joint ventures and associated undertakings		**27,839**	20,277
Income from other fixed asset investments	5	**1,504**	593
Finance income	6	**1,040**	408
Finance expense	6	**(722)**	(675)
Net finance income/(expense)		**318**	(267)
Profit on ordinary activities before taxation		**29,661**	20,603
Taxation on profit on ordinary activities	7	**(9,460)**	(7,782)
Profit for the year from continuing operations		**20,201**	12,821
Attributable to:			
Equity shareholders of the parent		**18,965**	12,245
Minority interest		**1,236**	576
		20,201	12,821
Basic earnings per ordinary share	10	**37 87p**	24 75p
Diluted earnings per ordinary share	10	**37 24p**	24 51p

Consolidated Balance Sheet

At 30 April 2006

	Note	2006 £'000	2005 £'000
Non-current assets			
Intangible assets	11	**38,382**	30,746
Property, plant and equipment	12	**7,513**	6,678
Investments in associates	13	**9,726**	8,669
Other investments – financial assets	14	**2,445**	3,452
Deferred tax assets	7	**5,761**	7,491
Trade and other receivables	15	**92**	139
		63,919	57,175
Current assets			
Work in progress		**4,465**	5,113
Trade and other receivables	15	**77,650**	58,493
Tax recoverable		**485**	1,498
Cash and cash equivalents		**31,791**	17,030
		114,391	82,134
Current liabilities			
Bank loans	16	**(750)**	(1,537)
Trade and other payables	17	**(84,625)**	(65,034)
Tax liabilities		**(2,268)**	(2,739)
Provisions	18	**(923)**	(354)
		(88,566)	(69,664)
Non-current liabilities			
Bank loans	16	**(750)**	(1,500)
Retirement benefit obligations		**(8,989)**	(11,081)
Trade and other payables	17	**(4,740)**	(5,298)
Deferred tax liabilities	7	**(334)**	(93)
Provisions	18	**(9,389)**	(6,287)
		(24,202)	(24,259)
Net assets		**65,542**	45,386
Capital and reserves			
Called-up share capital	20	**2,685**	2,656
Share premium account	21	**16,310**	15,581
Retained earnings	21	**42,022**	25,395
Other reserves	21	**1,530**	278
Equity attributable to equity shareholders of the parent		**62,547**	43,910
Minority interest	21	**2,995**	1,476
Total equity		**65,542**	45,386

These financial statements were approved for issue by the Board of Directors on 4 July 2006

Signed on behalf of the Board of Directors

M D Struckett

M D Struckett
Group Chief Executive

T S Maynard
Group Finance Director

Company Balance Sheet

At 30 April 2006

	Note	2006 £'000	2005 £'000
Non-current assets			
Investments in associates and subsidiary companies	13	**15,530**	15,514
Other investments – financial assets	14	**1**	4
		15,531	15,518
Current assets			
Trade and other receivables	15	**21,786**	22,144
Cash and cash equivalents		**75**	557
		21,861	22,701
Current liabilities			
Bank loans	16	**(750)**	(937)
Trade and other payables	17	**(281)**	(1,947)
		(1,031)	(2,884)
Non-current liabilities			
Bank loans	16	**(750)**	(1,500)
Provisions	18	**(4,250)**	(4,250)
		(5,000)	(5,750)
Net assets		**31,361**	29,585
Capital and reserves			
Called-up share capital	21	**2,685**	2,656
Share premium account	21	**16,310**	15,581
Retained earnings	21	**12,366**	11,348
Total equity		**31,361**	29,585

These financial statements were approved and authorised for issue by the Board of Directors on 4 July 2006

Signed on behalf of the Board of Directors

M D Struckett
Group Chief Executive

T S Maynard
Group Finance Director

Consolidated and Company Cash Flow Statement

Year ended 30 April 2006

	Note	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
Cash flows from operating activities					
Cash generated from operations	A	**27,118**	25,607	**3,695**	6,538
Dividends received		**3,153**	3,039	–	–
Interest received		**1,040**	408	–	–
Interest paid		**(722)**	(675)	**(115)**	(83)
Income tax paid		**(7,852)**	(8,203)	–	–
Net cash generated from operating activities		**22,737**	20,176	**3,580**	6,455
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**140**	386	–	–
Proceeds from sale of investment		**1,600**	–	**11**	–
Income from other fixed asset investments		**1,504**	593	–	–
Purchases of property, plant and equipment		**(3,409)**	(3,015)	–	–
Purchase of investments in associates, joint ventures and other investments (net of cash and cash equivalents acquired)		**(2,803)**	(7,345)	**(16)**	(4,505)
Net cash used in investing activities		**(2,968)**	(9,381)	**(5)**	(4,505)
Cash flows from financing activities					
Proceeds from issue of share capital		**758**	206	**758**	206
Proceeds from borrowings		–	1,627	–	1,627
Repayment of loans		**(1,537)**	(800)	**(937)**	–
Repayment of finance leases		**(12)**	–	–	–
Dividends paid to equity shareholders		**(3,878)**	(3,338)	**(3,878)**	(3,338)
Dividends paid to minorities		**(307)**	(307)	–	–
Net cash used in financing activities		**(4,976)**	(2,612)	**(4,057)**	(1,505)
Net increase/(decrease) in cash and cash equivalents	B	**14,793**	8,183	**(482)**	445
Cash and cash equivalents at the beginning of the year		**17,030**	8,849	**557**	112
Effect of foreign exchange rate changes		**(32)**	(2)	–	–
Cash and cash equivalents at the end of the year		**31,791**	17,030	**75**	557

Notes to the Consolidated and Company Cash Flow Statement
Year ended 30 April 2006

A Cash generated from operations

	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
Profit for the year	**20,201**	12,821	**4,896**	9,917
Adjustments for				
Taxation	**9,460**	7,782	–	–
Depreciation and impairment	**2,566**	3,145	–	–
Share of profit in associated undertakings and joint venture	**(4,656)**	(3,551)	–	–
Income from other fixed asset investments	**(1,504)**	(593)	–	–
Net finance (income)/expense	**(318)**	267	**115**	83
Profit on sale of investments	–	–	**(8)**	–
Loss/(profit) on sale of property, plant and equipment	**42**	(112)	–	–
Operating cash flow before movements in working capital	**25,791**	19,759	**5,003**	10,000
Decrease in work in progress	**648**	89	–	–
(Increase)/decrease in receivables	**(15,280)**	(5,280)	**358**	(3,419)
Increase/(decrease) in payables	**15,959**	11,039	**(1,666)**	(43)
Cash generated from operations	**27,118**	25,607	**3,695**	6,538

B Analysis of movement in net funds

	At 1 May 2005 £'000	Cash flows £'000	Other non-cash changes £'000	At 30 April 2006 £'000
Analysis of movement in net funds				
Cash and cash equivalents	17,030	14,761	–	**31,791**
Bank loans after one year	(1,500)	937	(187)	**(750)**
Bank loans within one year	(1,537)	600	187	**(750)**
Finance leases	(12)	12	–	–
	13,981	16,310	–	**30,291**

Consolidated Statement of Recognised Income and Expense

Year ended 30 April 2006

	2006 £'000	2005 £'000
Net actuarial profit/(loss) on retirement benefit obligation	**1,540**	(2,015)
Net revaluation of other investments	**(300)**	–
Foreign exchange translation differences	**592**	223
Net income/(expense) recognised directly in equity	**1,832**	(1,792)
Transfers from reserves to income statement	**(563)**	–
Profit for the year from continuing operations	**20,201**	12,821
Total recognised income and expense for the year	**21,470**	11,029
Adoption of IAS 32 and 39	**1,426**	–
	22,896	11,029
Attributable to		
Equity shareholders of the parent	**21,660**	10,453
Minority interest	**1,236**	576
	22,896	11,029

Notes to the Accounts

Basis of preparation
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and therefore comply with Article 4 of the EU IAS Regulation and those parts of the Companies Act 1985 applicable to companies reporting under IFRS The 2006 financial statements are the Group's first set of financial statements prepared under IFRS, with a transition date of 1 May 2004 The disclosures required by IFRS 1 "First-time Adoption of International Financial Reporting Standards" concerning the transition from UK GAAP to IFRS are given in note 25

During the year, the IASB and IFRIC have issued the following standards and interpretations with an effective date after the date of these financial statements

		Effective date
International Accounting Standards (IAS/IFRSs)		
IFRS 7	Financial instrument Disclosures	1 January 2007
International Financial Reporting Interpretations Committee (IFRIC)		
IFRIC 4	Determining whether an arrangement contains a lease	1 January 2006
IFRIC 8	Scope of IFRS 2	1 May 2006
IFRIC 9	Reassessment of embedded derivatives	1 June 2006

The Group will adopt the new standards and interpretations, if applicable, when they become effective However, the Directors do not anticipate the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the period of initial application

1 Accounting policies
The financial statements have been prepared in accordance with IFRS The principal accounting policies adopted are set out below

Accounting convention
The financial statements are prepared under the historical cost convention except for the revaluation of unlisted investment which are held at their fair value under IAS32 and IAS39

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings, together with the Group's share of results of its associates and joint ventures

A subsidiary is an entity controlled by the Company Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group All intra-group transactions, balances, income and expenses are eliminated on consolidation

Investments in associates
An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control

The results, assets and liabilities of associates are incorporated in the financial statements using the equity method of accounting Under this method investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments Losses of an associate in excess of the Group's interest in that associate are not recognised The Group's share of profit, net of tax, is recognised in the income statement

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate

Interests in joint ventures
A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control The Group's share of the post-acquisition results of joint ventures is shown in the consolidated income statement Investments in joint ventures are included in the consolidated balance sheet at cost plus the appropriate share of post-acquisition results and reserves

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable Revenue comprises commissions and fees receivable from agency and professional activities, exclusive of sales-related taxes and amounts due to third parties

Agency commissions are recognised either on the unconditional completion of a contract or when a fee is contractually due Professional fees are recognised on completion of the assignment

1 Accounting policies continued

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the subsidiary, associate or jointly controlled entity at the date of acquisition Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses

Goodwill is reviewed for impairment at least annually Any impairment loss is recognised immediately in the income statement and is not reversed in a subsequent period

Goodwill in respect of subsidiaries is included in intangible fixed assets Goodwill relating to associates is included within the carrying value of the associate

For acquisitions that completed prior to 30 April 1998, goodwill was written off directly to reserves in the year in which it arose Goodwill acquired from 1 May 1998 to 30 April 2004 was capitalised and amortised over its useful economic life Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP carrying value subject to being tested for impairment at that date Goodwill previously written off directly to reserves has not been reinstated and will not be included in determining any profit or loss on disposal of the entity to which it relates

Intangible fixed assets

Licences are classed as intangible fixed assets as per IAS38 As such they are measured initially on the balance sheet at the carrying value at the date of transition to IFRS and thereafter amortised over a period reflecting their value At each balance sheet date the Group reviews the carrying amounts of its intangible fixed assets to determine whether there is any indication of an impairment loss

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any related impairment losses

Depreciation is provided so as to write off the cost of tangible fixed assets over their estimated useful lives, on a straight-line basis, using the following rates

Long and short leaseholds	over term of lease
Furniture and equipment	10% to 33% per annum
Motor vehicles	20% to 25% per annum

Provision is made for asset impairment if the asset's recoverable amount (the higher of net realisable value and value in use) falls below its carrying value

Work in progress

Work in progress is recognised in relation to professional activities over the duration of the assignment and is stated at the lower of cost, including attributable overheads, and net realisable value No account is taken of work in progress relating to agency activities if the recovery of such costs is contingent upon the successful completion of the transaction

Taxation

The tax charge comprises current tax payable and deferred tax The current tax charge represents an estimate of the amounts payable to tax authorities in respect of the Group's taxable profits

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised Such assets and liabilities are not recognised if the temporary difference arises from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date Gains and losses arising on retranslation are included in the income statement

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in sterling using exchange rates prevailing on the balance sheet date Income and expense items are translated at the average exchange rates for the period Exchange differences arising are classified as equity and transferred to the translation reserve Such translation differences are released to the income statement in the period in which the foreign operation is disposed of

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are, after the date of transaction, treated as assets and liabilities of the foreign operation and translated at the closing rate

1 Accounting policies continued

Borrowing costs
Borrowing costs are recognised in profit or loss in the period in which they are incurred

Financial instruments
The Group has applied the financial instruments standards IAS32 and IAS39 prospectively from 1 May 2005 as permitted by IFRS1 The main impact of the application of these standards involves the change in the measurement and classification of investments These were measured at cost less provision for impairment under UK GAAP and from 1 May 2005 are reclassified as available-for-sale financial assets measured at fair value, if this can be reliably determined, or cost

The Group utilises financial derivatives when required to crystallise exposures on certain transactions denominated in foreign currencies It is not the Group's policy to speculate nor to derive profits as a principal objective from these transactions Authorisation is given at Board level before the transaction can be effected

Trade receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value

Bank borrowings
Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see above)

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method

Retirement benefit obligations
Retirement benefit obligations to employees are provided by three principal schemes, which are funded by contributions from certain Group companies and employees Payments are made in accordance with periodic calculations by a professionally qualified actuary Contributions to the defined contribution schemes are charged as an expense on a payments basis

For the defined benefit scheme, the cost of providing benefits is calculated by a professionally qualified actuary using the projected unit credit method Actuarial gains and losses are recognised in full in the period in which they occur and are presented in the statement of recognised income and expense

The retirement benefit obligations recognised in the balance sheet represent the present value of the defined benefit obligations determined by discounting the estimated future cash flows using the rate of interest or a high quality corporate bond less the fair value of scheme assets

Capitalised pension liability
Provision is made for the capitalised value of future pensions payable to certain former partners and widows of the Bernard Thorpe partnership This is calculated in accordance with advice provided by Lane Clark & Peacock, professionally qualified actuaries, on bases appropriate as at the year-end date In the event of a permanent diminution in the profits of the Group, the liability would substantially reduce The deferred tax asset relating to this liability is recognised within non current assets Payments in respect of these pensions are charged to the provision

Leasing
Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases The excess of each lease payment over the recorded lease obligations is treated as a finance charge which is amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation
Rental costs under operating leases are charged to the income statement in equal annual amounts over the period of the leases

Benefits received and receivable as an incentive to enter into an operating lease are spread on a straight-line basis over the lease term

1 Accounting policies continued

Share-based payments
In accordance with the transitional provisions of IFRS1, IFRS2 has been applied to all grants of equity instruments after 7 November 2002 that had not vested as of 1 May 2005

The Group issues share option awards to certain employees and senior executives on a periodic basis under the COSOP The awards are measured at fair value at the date of the grant and are expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest

The fair value of the share awards is determined using the Black-Scholes option valuation method

Provisions
Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date

Critical accounting judgements and key sources of estimation uncertainty
The preparation of the financial statements necessitates the use of estimates, assumptions and judgements These estimates, assumptions and judgements affect the reported amounts of assets, liabilities and contingent liabilities at the balance sheet date as well as affecting the reported income and expenses for the year Details of these estimates, assumptions and judgements are discussed below

Impairment of goodwill
Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value Actual outcomes could vary significantly from these estimates Refer to note 11 to the financial statements for estimates used in this analysis

Retirement benefit obligations
The Group operates a number of defined benefit pension schemes as described in note 24 to the financial statements The assets of the schemes are measured at their fair value at the balance sheet date Scheme liabilities are measured using the projected unit credit method, which takes account of projected earnings increases, using actuarial assumptions that give the best estimate of the future cash flows that will arise under the scheme liabilities These cash flows are discounted at the interest rate applicable to high-quality corporate bonds of the same currency and term as the liabilities Any surplus or deficit of scheme assets over liabilities is recognised in the balance sheet as an asset (surplus) or liability (deficit) In determining the value of scheme liabilities different assumptions could significantly alter the amount of the deficit recognised in the balance sheet and the pension cost charged to the income statement The assumptions adopted for the Group's pension schemes are set out in note 24 to the financial statements

Income taxes
As the Group operates across many income tax jurisdictions, judgement is required in determining the worldwide provision for income taxes

Fair value of assets available-for-sale
The fair value of assets available-for-sale that are not traded in an active market is determined by using valuation techniques The Group has used discounted cash flow analysis for those available for sale assets not traded in an active market

2 Segmental analysis

For management purposes, the Group is currently organised into two operating divisions – EMEA and Asia Pacific These divisions are the basis on which the Group reports its primary segment information, however for disclosure purposes, the UK and Ireland has been separately analysed In addition, the Group operates five business lines across each geographic segment

Year ended 30 April 2006

	UK and Ireland £'000	EMEA (ex UK and Ireland) £'000	Total EMEA £'000	Asia Pacific £'000	Corporate overheads £'000	Consolidated £'000
Revenue						
External Sales						
Capital markets	40,259	21,462	61,721	2,624		64,345
Valuation	31,975	9,900	41,875	1,329		43,204
Occupational and development markets	45,492	20,758	66,250	4,533		70,783
Professional services	29,588	5,321	34,909	2,153		37,062
Consulting and research	15,237	1,351	16,588	68		16,656
Total external sales	162,551	58,792	221,343	10,707	-	232,050
Total Revenue	162,551	58,792	221,343	10,707	-	232,050
Result						
Operating profit	24,094	2,631	26,725	(16)	(3,526)	23,183
Share of profits in associated undertakings and joint ventures	96	4,374	4,470	186		4,656
Income from other fixed asset investments	26	-	26	261	1,217	1,504
Net finance income/(expense)	484	48	532	(214)		318
Profit on ordinary activities before taxation	24,700	7,053	31,753	217	(2,309)	29,661
Taxation on profit on ordinary activities						(9,460)
Profit for the year from continuing operations						20,201
Other information						
Segment assets(1)	83,765	66,741	150,506	18,078		168,584
Investment in equity method associates	1,068	5,272	6,340	3,386		9,726
Consolidated total assets						178,310
Segment liabilities	(79,759)	(26,324)	(106,083)	(6,685)		(112,768)
Consolidated total liabilities						(112,768)
Capital additions(1)	2,024	852	2,876	533		3,409
Depreciation	1,820	589	2,409	157		2,566

(1) Directors believe it is not material or appropriate to allocate assets or capital additions on a secondary segmental basis

2 Segmental analysis continued

Year ended 30 April 2005

	UK and Ireland £'000	EMEA (ex UK and Ireland) £'000	Total EMEA £'000	Asia Pacific £'000	Corporate overheads £'000	Consolidated £'000
Revenue						
External Sales						
Capital markets	34,355	16,451	50,806	315		51,121
Valuation	26,446	7,100	33,546	662		34,208
Occupational and development markets	40,378	17,906	58,284	793		59,077
Professional services	27,169	4,670	31,839	995		32,834
Consulting and research	16,521	680	17,201	–		17,201
Total external sales	144,869	46,807	191,676	2,765	–	194,441
Total Revenue	144,869	46,807	191,676	2,765	–	194,441
Result						
Operating profit	21,950	161	22,111	(2,446)	(2,939)	16,726
Share of profits in associated undertakings and joint ventures	(200)	2,600	2,400	1,151		3,551
Income from other fixed asset investments	37	–	37	256	300	593
Net finance expense	(28)	(110)	(138)	(129)		(267)
Profit on ordinary activities before taxation	21,759	2,651	24,410	(1,168)	(2,639)	20,603
Taxation on profit on ordinary activities						(7,782)
Profit for the year from continuing operations						12,821
Other information						
Segment assets[1]	71,652	56,718	128,370	2,270		130,640
Investment in equity method associates	1,141	4,385	5,526	3,143		8,669
Consolidated total assets						139,309
Segment liabilities	(69,840)	(21,913)	(91,753)	(2,170)		(93,923)
Consolidated total liabilities						(93,923)
Capital additions[1]	2,344	574	2,918	97		3,015
Depreciation and impairment	1,995	530	2,525	620		3,145

(1) Directors believe it is not material or appropriate to allocate assets or capital additions on a secondary segmental basis

3 Staff costs

	2006 £'000	2005 £'000
Staff costs during the year		
Wages, salaries and performance-related payments	**118,746**	98,002
Social security costs	**17,465**	14,736
Other pension costs	**7,847**	6,053
Share based payments	**97**	41
	144,155	118,832

During the year the Group employed an average of 2,398 staff (2005 2,118) including directors Of this number, 2,121 (2005 1,874) were involved in the professional side of the Group's activities and 277 (2005 244) were involved in central support functions At 30 April 2006, the Group employed 2,682 staff (2005 2,201)

Details of the directors' emoluments and share options required by the Companies Act 1985 are included in the Directors' Remuneration Report, which forms part of these financial statements

3 Staff costs continued

Key management compensation

	2006 £'000	2005 £'000
Key management		
Remuneration	**2,252**	1,542
Fees to non-executive directors	**208**	179
Post employment benefits	**925**	804
Share-based payments	**11**	14
	3,396	2,539

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the entity and include executive and non-executive directors and a member of senior management

4 Operating profit

	2006 £'000	2005 £'000
Operating profit is stated after charging/(crediting)		
Loss/(profit) on disposal of tangible fixed assets	**42**	(112)
Depreciation on tangible fixed assets		
Owned assets	**2,566**	2,592
Rentals under operating leases		
Land and buildings	**9,146**	8,368
Others	**4,243**	3,687
Auditors' remuneration		
Group audit fees – Deloitte & Touche LLP	**294**	244
– Other firms	**110**	70
Company audit fees – Deloitte & Touche LLP	**11**	11
Tax and other service fees – Deloitte & Touche LLP	**534**	399
– Other firms	**392**	238

Tax and other service fees includes advisory work of £227,000 (2005 £176,000) and tax compliance and advisory services of £307,000 (2005 £223,000)

5 Income from other fixed asset investments

	2006 £'000	2005 £'000
Profit on sale of investment in Investment Property Databank	**809**	–
Profit on sale of other investments	**83**	–
Distributions from other fixed asset investments	**612**	593
	1,504	593

6 Finance income and expense

	2006 £'000	2005 £'000
Bank interest receivable	**726**	250
Other interest receivable	**314**	158
Total finance income	**1,040**	408
Bank loans and overdrafts – interest payable	**(722)**	(675)
Total finance expense	**(722)**	(675)
Net finance income/(expense)	**318**	(267)

7 Taxation on profit from continuing operations

	2006 £'000	2005 £'000
UK corporation tax at 30% (2005 30%) based on the profit for the year	**(5,450)**	(4,890)
Overseas taxation	**(4,329)**	(3,576)
Adjustment to prior years' corporation tax	**–**	(24)
Double taxation relief	**984**	468
	(8,795)	(8,022)
Deferred taxation – origination and reversal of timing differences	**(665)**	240
	(9,460)	(7,782)

Factors affecting tax charge for the year
The tax assessed for the period is higher than that resulting from applying the standard rate of corporation tax in the UK of 30% (2005 30%) The differences are explained below

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation	**29,661**	20,603
Tax at 30% thereon	**(8,898)**	(6,181)
Effects of		
Expenses not deductible for tax purposes	**(747)**	(559)
Effect of losses in overseas companies	–	(1,009)
Double taxation relief	**(185)**	172
UK dividend income	**370**	11
Goodwill impairment	–	(192)
Adjustments to tax charge in respect of previous periods	**–**	(24)
Total tax charge for the year	**(9,460)**	(7,782)

The effective tax rate for the year is 31 89% (2005 37 77%)

Factors that may affect the future tax charge
The Group operates in countries where the tax rate, on average, is significantly higher than the UK corporate rate tax of 30%

A deferred tax asset has not been recognised in respect of timing differences relating to all trading losses in overseas subsidiaries as there is insufficient evidence that the asset will be recovered The amount of the asset not recognised is £3,700,000 (2005 £3,100,000) The asset will be recovered if sufficient suitable profits are made in the future against which the asset could reverse

7 Taxation on profit from continuing operations continued

Deferred tax

	2006 £'000	2005 £'000
Movement on deferred taxation balance in the period		
Deferred tax asset		
At 1 May 2005	**7,491**	6,786
(Charge)/credit to reserves	**(660)**	870
Reduction in corporation tax liability	**(405)**	(405)
(Charge)/credit to profit and loss account	**(665)**	240
At 30 April 2006	**5,761**	7,491
Deferred tax liability		
At 30 April 2005	**(93)**	–
Adoption of IAS32 and 39	**(611)**	–
At 1 May 2005	**(704)**	–
Revaluation of other investments	**124**	–
(Charge) to reserves	**–**	(93)
Sale of other investments	**246**	–
At 30 April 2006	**(334)**	(93)
Analysis of deferred tax balance		
Capital allowances in excess of depreciation	**95**	95
Retirement benefit obligations	**2,760**	3,795
Short-term timing differences	**1,955**	2,130
Overseas losses	**951**	1,471
Deferred tax asset	**5,761**	7,491
Revaluation reserve	**(241)**	–
Undistributed profits within equity accounted non-UK investments	**(93)**	(93)
Deferred tax liability	**(334)**	(93)

Deferred tax assets have been recognised in respect of temporary differences and overseas losses, where it is probable that these assets will be recovered

8 Results of the parent company
As permitted by Section 230 of the Companies Act 1985, the profit and loss of the parent company is not presented as part of these accounts The parent company's profit for the financial year after taxation amounted to £4,896,000 (2005 £9,917,000)

9 Equity dividends

	2006 Per share	2006 £'000	2005 Per share	2005 £'000
Final 2005 (2004)	**5.00p**	**2,475**	4 25p	2,105
Interim 2006 (2005)	**2 75p**	**1,403**	2 50p	1,233
		3,878		3,338

Proposed final dividend for the year ended 30 April 2006 of 7 00 pence
The final dividend in respect of 30 April 2006 is to be proposed at the Annual General Meeting on 7 September 2006 These financial statements do not reflect this dividend payable

10 Earnings per ordinary share

The basic earnings per ordinary share have been calculated using the weighted average number of shares in issue of 50,075,472 for the year to 30 April 2006 (30 April 2005 49,471,680), and the profit for the financial year of £18,965,000 (2005 £12,245,000)

The diluted earnings per ordinary share are based on 50,931,173 shares (2005 49,967,016)

	2006 £'000	2005 £'000
Profit for the financial year attributable to equity shareholders of the parent	**18,965**	12,245

	Number	Number
Average number of shares in issue	**50,075,472**	49,471,680
Share options	**855,701**	495,336
Diluted average number of shares in issue	**50,931,173**	49,967,016
Basic earnings per ordinary share	**37.87p**	24 75p
Diluted earnings per ordinary share	**37.24p**	24 51p

11 Intangible assets

	Goodwill £'000	Licences £'000	Total £'000
Group			
Cost			
At 1 May 2004 – net book value on transition	19,842	1,836	21,678
Foreign exchange translation differences	8	(1)	7
Impairment	(553)	–	(553)
Acquisition of subsidiaries	9,614	–	9,614
At 30 April 2005/1 May 2005	28,911	1,835	30,746
Foreign exchange translation differences	165	58	223
Acquisition of subsidiaries	7,413	–	7,413
At 30 April 2006	**36,489**	**1,893**	**38,382**

Goodwill

Goodwill is not amortised but the Group tests goodwill annually for impairment with the recoverable amount being determined from value in use calculations Value in use is determined through the analysis of discounted cash flow forecasts based on financial forecasts approved by management which takes account of both past performance and expected future market developments Management have used a pre-tax discount rate of 10 04%, equivalent to its weighted average cost of capital This has been determined as reflecting current market assessments of the time value of money and risks specific to the industry and Company

During the previous year, following the impairment review, a charge of £553,000 was recognised through the income statement The goodwill impairment resulted from a reduction in the estimated cash flows from a business in EMEA The Group considered the amount to be immaterial and no other class of asset was impaired

12 Property, plant and equipment

	Long leaseholds £'000	Short leaseholds £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
Group					
Cost					
At 1 May 2004	404	9,195	28,236	230	38,065
Acquired with subsidiary	–	157	125	–	282
Additions	–	1,255	1,746	14	3,015
Disposals	(183)	(3,082)	(17,894)	(108)	(21,267)
Foreign exchange translation differences	–	(2)	7	(1)	4
At 30 April 2005/1 May 2005	221	7,523	12,220	135	20,099
Acquired with subsidiary	–	–	1,243	–	1,243
Transfer	–	–	–	69	69
Additions	–	996	2,403	10	3,409
Disposals	–	(287)	(1,797)	(106)	(2,190)
Foreign exchange translation differences	–	13	117	2	132
At 30 April 2006	**221**	**8,245**	**14,186**	**110**	**22,762**
Accumulated depreciation					
At 1 May 2004	(43)	(6,874)	(24,505)	(172)	(31,594)
Acquired with subsidiary	–	(116)	(120)	–	(236)
Charge for year	(3)	(809)	(1,748)	(32)	(2,592)
Disposals	25	3,068	17,802	98	20,993
Foreign exchange translation differences	–	1	6	1	8
At 30 April 2005/1 May 2005	(21)	(4,730)	(8,565)	(105)	(13,421)
Acquired with subsidiary	–	–	(1,108)	–	(1,108)
Transfer	–	–	–	(69)	(69)
Charge for year	(1)	(908)	(1,647)	(10)	(2,566)
Disposals	–	219	1,690	99	2,008
Foreign exchange translation differences	–	–	(87)	(6)	(93)
At 30 April 2006	**(22)**	**(5,419)**	**(9,717)**	**(91)**	**(15,249)**
Net book value					
At 30 April 2006	**199**	**2,826**	**4,469**	**19**	**7,513**
At 30 April 2005	200	2,793	3,655	30	6,678

Included in the net book values above are the following amounts relating to assets held under finance leases

	Long leaseholds £'000	Short leaseholds £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
At 30 April 2006	–	–	–	–	–
At 30 April 2005	–	–	5	8	13

13 Investments in associates

	Group			Company
	Share of net assets of associated undertakings £'000	Goodwill on acquisition of associated undertakings £'000	Total associated undertakings £'000	Shares in associates and subsidiary companies £'000
Cost				
At 1 May 2004	4,301	2,193	6,494	4,739
Additions	768	1,075	1,843	10,775
Disposals	(32)	–	(32)	–
Exchange movements	(1)	–	(1)	–
At 30 April 2005/1 May 2005	5,036	3,268	8,304	15,514
Additions	74	146	220	16
Transfer from investments	11	–	11	–
Transfer to subsidiaries	(4)	–	(4)	–
Exchange movements	84	(12)	72	–
At 30 April 2006	**5,201**	**3,402**	**8,603**	**15,530**
Share of retained profits/(losses) in associates				
At 1 May 2004	(353)	–	(353)	–
Movement in the year	3,812	–	3,812	–
Disposals	(16)	–	(16)	–
Dividend received	(3,039)	–	(3,039)	–
Exchange movements	(39)	–	(39)	–
At 30 April 2005/1 May 2005	365	–	365	–
Movement in the year	3,811	–	3,811	–
Transfer to subsidiaries	20	–	20	–
Dividend received	(3,153)	–	(3,153)	–
Exchange movements	80	–	80	–
At 30 April 2006	**1,123**	**–**	**1,123**	**–**
Net book value				
At 30 April 2006	**6,324**	**3,402**	**9,726**	**15,530**
At 30 April 2005	5,401	3,268	8,669	15,514

Details of principal subsidiaries and associated undertakings are given in note 26

13 Investments in associates continued

Associates
The following information is given in respect of the Group's share of all associates

	2006 £'000	2005 £'000
Assets	**18,838**	13,814
Liabilities	**(12,514)**	(8,413)
Revenue	**32,536**	25,875
Profit	**4,684**	3,996

14 Other investments – financial assets

Other investments

	Group			Company
	Listed investments £'000	Unlisted investments £'000	Total £'000	Other investments £'000
Cost				
At 1 May 2004	44	2,015	2,059	4
Additions	–	1,730	1,730	–
Disposals	(40)	–	(40)	–
Exchange movements	–	15	15	–
At 30 April 2005	4	3,760	3,764	4
Adoption of IAS32 and 39	–	2,037	2,037	–
At 1 May 2005	4	5,797	5,801	4
Revaluation during the year	–	(413)	(413)	–
Additions	–	218	218	–
Repayment of capital	–	(1,600)	(1,600)	–
Disposals	(3)	(836)	(839)	(3)
Transfer to associate	–	(11)	(11)	–
Transfer to subsidiary	–	(655)	(655)	–
Exchange movements	–	1	1	–
At 30 April 2006	**1**	**2,501**	**2,502**	**1**
Provision				
At 1 May 2004	–	(312)	(312)	–
At 30 April 2005/1 May 2005	–	(312)	(312)	–
Transfer to subsidiary	–	255	255	–
At 30 April 2006	**–**	**(57)**	**(57)**	**–**
Net book value				
At 30 April 2006	**1**	**2,444**	**2,445**	**1**
At 30 April 2005	4	3,448	3,452	4

IAS32 and 39 were adopted with effect from 1 May 2005

Investments are non interest bearing The directors consider that the carrying values of all investments approximate their fair value

14 Other investments continued

Additional investments

On 31 August 2005, the Group acquired 100% of the issued share capital of Grosvenor Hickey Tindale Pty Limited ('GHT'), an Australian specialist agency practice The consideration comprised of an initial cash payment of £1,942,000 and a deferred cash consideration which, based on the future profits of GHT, is expected to amount to a maximum of £2,695,000

On 21 November 2005, the Group acquired 51% of the issued share capital of Edmund Tie & Company Holdings Pte Limited ('ETCH'), a property advisory business in Singapore The consideration comprised of an initial cash payment of £1,314,000, and a deferred cash consideration of approximately £1,204,000, payable in 2008

The fair value of net assets acquired in the transactions, and the goodwill arising, are as follows

	GHT £'000	ETCH £'000	Total £'000
Fair-value of net assets acquired			
Property, plant and equipment	3	121	124
Deferred tax assets	35	–	35
Trade and other receivables	107	3,327	3,434
Cash and cash equivalents	91	1,728	1,819
Trade and other payables	(73)	(2,961)	(3,034)
Loans	–	(906)	(906)
Deferred tax liabilities	–	(2)	(2)
Tax liabilities	2	(40)	(38)
	165	1,267	1,432
Minority interest	–	(616)	(616)
Goodwill	4,472	2,267	6,739
Total consideration	4,637	2,918	7,555
Total consideration			
Consideration satisfied by cash	1,942	1,314	3,256
Transfer from investments	–	400	400
Deferred consideration owing at balance sheet date	2,695	1,204	3,899
	4,637	2,918	7,555
Net cash outflow arising from acquisition			
Cash consideration paid	(1,942)	(1,314)	(3,256)
Cash and cash equivalents acquired	91	1,728	1,819
	(1,851)	414	(1,437)
Net cash outflow after accounting for purchase of			
Remaining interest in DTZ Italy			(923)
Other investments			(443)
Total			(2,803)

The additions have been accounted for using the purchase method of accounting

The goodwill arising on the acquisition of the above subsidiaries is attributable to the anticipated future operating synergies from the combination, and the anticipated profitability from the exposure of the Group's operations to new geographical markets

GHT contributed £1,025,000 to the Group's profit before tax for the period between the date of acquisition and the balance sheet date Had the acquisition occurred on 1 May 2005, the estimated full year contribution to the Group would have been revenue of £1,860,000, and operating profit before tax of £980,000

ETCH contributed £1,382,000 to the Group's profit before tax for the period between the date of acquisition and the balance sheet date Had the acquisition occurred on 1 May 2005, the estimated full year contribution to the Group would have been revenue of £8,196,000 and operating profit before tax of £2,462,000

In addition the Group acquired minority interests in other subsidiaries resulting in additional goodwill of £674,000

15 Trade and other receivables

	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
Non-current				
Other	**92**	139	–	–
Current				
Fees receivable	**62,409**	47,579	–	–
Amounts owed by subsidiaries	–	–	**21,786**	22,144
Loans	**1,130**	766	–	–
Other debtors	**2,499**	1,181	–	–
Prepayments and accrued income	**11,612**	8,967	–	–
	77,650	58,493	**21,786**	22,144

Trade and other receivables are non-interest bearing The directors consider that the carrying value approximates their fair value

16 Bank loans

	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
Current				
Bank loans due within one year or on demand				
Unsecured	**750**	1,537	**750**	937
Non-current				
Bank loans				
Unsecured	**750**	1,500	**750**	1,500
The maturity of non-current borrowings are as follows				
Between one and two years	**750**	750	**750**	750
Between two and five years	–	750	–	750
	750	1,500	**750**	1,500

The effective interest rate at the balance sheet dates was as follows

	2006	2005
Bank loans	**5.68%**	5 57%

The directors consider that the carrying value of bank loans approximates their fair value All bank loans are at floating rates

17 Trade and other payables

	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
Current				
Obligations under finance leases	–	12	–	–
Other loans	–	339	–	–
Other creditors	–	128	**281**	1,947
Taxation and social security	**13,456**	10,128	–	–
Accruals and deferred income	**71,169**	54,427	–	–
	84,625	65,034	**281**	1,947
Non-current				
Accruals and deferred income	**4,740**	5,298	–	–

Trade and other payables, with the exception of finance leases, are non-interest bearing The directors consider that the carrying value of all financial liabilities approximates their fair value

18 Provisions

Current	Accommodation provision £'000	Total £'000
Group		
At 1 May 2004	354	354
At 30 April 2005/1 May 2005	354	354
Profit and loss charge	214	214
Transfer from non-current	723	723
Applied	(368)	(368)
At 30 April 2006	**923**	**354**

Non-current	Share of net liabilities of joint venture £'000	Deferred consideration £'000	Accommodation provision £'000	Total £'000
Group				
At 1 May 2004	–	–	1,788	1,788
Investment in joint venture	(73)	–	–	(73)
Deferred consideration on acquisition in year	–	4,250	–	4,250
Profit and loss charge	445	–	352	797
Applied	–	–	(475)	(475)
At 30 April 2005/1 May 2005	372	4,250	1,665	6,287
Deferred consideration on acquisitions in year	–	3,899	–	3,899
Profit and loss charge/(credit)	28	–	(101)	(73)
Transfer to current	–	–	(723)	(723)
Applied	(1)	–	–	(1)
At 30 April 2006	**399**	**8,149**	**841**	**9,389**
Company				
At 1 May 2004	–	–	–	–
Deferred consideration	–	4,250	–	4,250
At 30 April 2005/1 May 2005	–	4,250	–	4,250
At 30 April 2006	**–**	**4,250**	**–**	**4,250**

The opening deferred consideration balance relates to the acquisition of Hodnett Martin Smith Limited in the prior year Current year movements relate to the deferred consideration associated with the acquisition of Grosvenor Hickey Tindale Pty Limited and Edmund Tie & Company Limited (see note 14)

Accommodation provisions represent provisions for onerous leases, in accordance with the requirements of IAS 37 'Provisions, contingent liabilities and contingent assets'

The share of the net liabilities in joint ventures arises from the start-up costs incurred by Buying Force Limited which commenced trading last year

19 Financial instruments
The Group utilises financial derivatives when required to crystallise exposures on certain transactions denominated in foreign currencies The Group has not entered into any financial derivative contracts during the current or preceding year

The net amount of monetary assets and liabilities and the carrying value of financial liabilities at 30 April 2005 and 30 April 2006 denominated in currencies other than the functional currencies of the operations involved were not significant

The Group's cash balances earn interest at rates linked to the base rate available

The total cash and cash equivalents held is as follows

	April 2006	April 2005
Sterling	**21,870,000**	18,958,000
Euro	**5,878,000**	(2,950,000)
S$	**2,281,000**	-
Aust$	**1,102,000**	174,000
US$	**524,000**	733,000
Others	**136,000**	115,000
	31,791,000	17,030,000

The fair values of the Group's financial assets and liabilities, comprising investments, cash, bank loans, finance leases and other current debtors and creditors are not materially different from their book values

Financial risk management
The Group has formal financial risk management policies which cover those financial risks which are considered material to the Group's operations and results These policies and limits are reviewed annually and to ensure compliance, appropriate delegated authorities have been set together with reporting procedures These policies include

- Foreign currency risk The Group publishes its results in sterling but has a number of overseas businesses operating in foreign currencies The Group does not hedge the foreign exchange risks arising from the translation of overseas business results into sterling but will, within limits agreed by the Board, hedge against committed transaction foreign currency exposures and the translation exposure of foreign currency denominated assets and liabilities
- Interest rate risk The Group's guideline is that no more than 50% of net interest rate exposures on debt (net of any working capital balances) should be at floating rates At 30 April 2006 the Group had surplus funds of £30,291,000 net of borrowings of £1,500,000
- Liquidity risk The Group maintains a debt to capital ratio that has flexibility to allow it to meet its strategic objectives In addition, policies have been set on borrowing levels to net cash requirements and covenants of financing sources to be used The Group's requirements are reviewed annually, or more often if the need arises, and at 30 April 2006 the Group, in addition to the surplus funds referred to above, had committed facilities of £20,000,000

20 Called-up share capital

	Number	£'000
Authorised ordinary shares of 5 pence		
At 1 May 2005 and 30 April 2006	**68,000,000**	3,400
Allotted and full paid ordinary shares of 5 pence		
At 1 May 2004	**52,806,095**	2,640
Shares issued for cash in exchange for options exercised	**205,450**	10
Shares issued in connection with acquisition of a subsidiary	**114,102**	6
At 30 April 2005/1 May 2005	**53,125,647**	2,656
Shares issued for cash in exchange for options exercised	**570,252**	29
At 30 April 2006	**53,695,899**	2,685

Total consideration for the shares issued in exchange for options exercised was £758,000 (2005 £206,000) Total consideration for shares issued in connection with the acquisition of a subsidiary £nil (2005 £250,000)

20 Called-up share capital continued

The DTZ Holdings plc Profit Sharing Scheme
The DTZ Holdings plc 1997 Profit Sharing Scheme ('the Scheme') was adopted on 15 December 1997 following approval by the shareholders at the AGM on 10 September 1997 and by the Inland Revenue The Scheme is operated at the discretion of the directors who in any year decide, subject to Inland Revenue limits, the total amount of profit to be contributed by the Company and qualifying subsidiaries to the Trustee of the Scheme for the acquisition of shares in the Company The shares are then appropriated to participating employees on the basis that the employees may be given at least one share for each share they purchase or provide from their own resources No such contribution was made in the year to 30 April 2006 (2005 nil)

The DTZ Holdings plc 1987 Executive Share Option Scheme
Under the DTZ Holdings plc Executive Share Option Scheme ('the Scheme'), certain executives of the Group companies held options at 30 April 2006 over 5,000 ordinary shares as follows

Grant date	Option period	Exercise price	**Number of shares 30 April 2006**	Number of shares 30 April 2005
24 July 1995	24 July 1998 to 23 July 2005	59p	**–**	1,500
1 August 1996	1 August 1999 to 31 July 2006	50p	**–**	3,500
7 February 1997	7 February 2000 to 6 February 2007	76 5p	**5,000**	25,000
			5,000	30,000

Reconciliation of option movements over the year to 30 April 2006 is shown below

	2006		2005	
	Number of shares	**Weighted average exercise price**	Number of shares	Weighted average exercise price
Outstanding at 1 May	**30,000**	**72.5**	95,450	71 6
Forfeited/expired	**–**		–	
Exercised	**(25,000)**	**71.7**	(65,450)	71 1
Outstanding at 30 April	**5,000**	**76.5**	30,000	72 5
Exercisable at 30 April	**5,000**		30,000	

Following the AGM on 10 September 1997, the above Scheme was replaced by the DTZ Holdings plc 1997 Company Share Option Plan and no further options will be granted under the Scheme

20 Called-up share capital continued

The DTZ Holdings plc 1997 Company Share Option Plan ('the COSOP')
The purpose of the COSOP is to give certain executives and senior employees of the Group the opportunity to acquire shares in the Company on favourable terms Under the COSOP, 1,372,021 options over ordinary shares are outstanding as at 30 April 2006

Grant date	Option period	Exercise price	**Number of shares 30 April 2006**	Number of shares 30 April 2005
1 July 1998	1 July 2001 to 30 June 2008	105p	**10,000**	42,500
30 June 1999	30 June 2002 to 29 June 2009	126 5p	**20,000**	90,000
6 July 2000	6 July 2003 to 5 July 2010	161 5p	**50,000**	150,000
31 July 2000	31 July 2003 to 30 July 2010	158p	**10,000**	10,000
17 January 2001	17 January 2004 to 16 January 2011	169p	**–**	17,752
13 July 2001	13 July 2004 to 12 July 2011	162 5p	**60,000**	220,000
18 July 2002	18 July 2005 to 17 July 2012	108 5p	**45,000**	215,000
6 February 2003	6 February 2006 to 5 February 2013	52p	**–**	10,000
11 July 2003	11 July 2006 to 10 July 2013	89 5p	**418,000**	460,500
23 January 2004	23 January 2007 to 22 January 2014	135p	**6,125**	28,347
16 July 2004	16 July 2007 to 15 July 2014	165 5p	**254,002**	289,002
16 July 2004	16 July 2007 to 15 July 2011	165 5p	**10,998**	10,998
26 January 2005	26 January 2008 to 25 January 2015	214 5p	**13,986**	13,986
7 July 2005	7 July 2008 to 6 July 2015	229 5p	**354,371**	–
7 July 2005	7 July 2008 to 6 July 2012	229 5p	**63,129**	–
19 January 2006	19 January 2009 to 18 January 2016	468p	**6,410**	–
19 January 2006	19 January 2009 to 18 January 2013	468p	**50,000**	–
			1,372,021	1,558,085

Reconciliation of option movements over the year to 30 April 2006 is shown below

	2006		2005	
	Number of shares	**Weighted average exercise price**	Number of shares	Weighted average exercise price
Outstanding at 1 May	**1,558,085**	**129.6**	1,464,099	119 4
Forfeited/expired	**(129,722)**	**141.7**	(90,000)	123 9
Exercised	**(545,252)**	**135 8**	(140,000)	114 2
Granted	**488,910**	**257 0**	323,986	167 6
Outstanding at 30 April	**1,372,021**	**171.4**	1,558,085	129 6
Exercisable at 30 April	**195,000**		530,252	

The exercise of share options under the COSOP is subject to performance targets against earnings per share

Fair value of options
Options for the DTZ Holdings plc 1997 Company Share Option Plan were valued at fair value using the Black-Scholes model

The key assumptions used in the calculations were as follows

Risk free rate	3 8% – 5 0%pa depending on grant date and expected life
Volatility	28 7% – 32 3%pa depending on grant date
Performance criteria	All vest after 3 years

The expected volatility is based on historical volatility

20 Called-up share capital continued

Fair value of options at grant dates are

Grant date	Fair value (p)
6 February 2003	4 3
11 July 2003	14 7
23 January 2004	29 6
16 July 2004	39 1
26 January 2005	52 5
7 July 2005	52 1
19 January 2006	134 0

21 Reconciliation of movement in equity

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Other reserves £'000	Minority interest £'000	Total £'000
Group						
1 May 2004	2,640	15,141	19,001	14	1,403	38,199
Shares issued for cash in exchange for options exercised	10	196	–	–	–	206
Shares issued in connection with acquisition of a subsidiary	6	244	–	–	–	250
Owned equity shares	–	–	(498)	–	–	(498)
Employee share options	–	–	–	41	–	41
Recognised income and expense	–	–	10,230	223	576	11,029
Equity dividends paid	–	–	(3,338)	–	–	(3,338)
Dividend paid to minority interest	–	–	–	–	(307)	(307)
Movement in minority interest	–	–	–	–	(196)	(196)
30 April 2005	2,656	15,581	25,395	278	1,476	45,386
Revaluation of investments under IAS32 and 39	–	–	–	1,426	–	1,426
1 May 2005	2,656	15,581	25,395	1,704	1,476	46,812
Shares issued for cash in exchange for options exercised	29	729	–	–	–	758
Employee share options	–	–	–	97	–	97
Recognised income and expense	–	–	20,505	(271)	1,236	21,470
Equity dividends paid	–	–	(3,878)	–	–	(3,878)
Dividend paid to minority interest	–	–	–	–	(307)	(307)
Movement in minority interest	–	–	–	–	590	590
30 April 2006	**2,685**	**16,310**	**42,022**	**1,530**	**2,995**	**65,542**
Company						
1 May 2004	2,640	15,141	4,769	–	–	22,550
Shares issued for cash in exchange for options exercised	10	196	–	–	–	206
Shares issued in connection with acquisition of a subsidiary	6	244	–	–	–	250
Profit for the year	–	–	9,917	–	–	9,917
Equity dividends paid	–	–	(3,338)	–	–	(3,338)
30 April 2005	2,656	15,581	11,348	–	–	29,585
Shares issued for cash in exchange for options exercised	29	729	–	–	–	758
Profit for the year	–	–	4,896	–	–	4,896
Equity dividends paid	–	–	(3,878)	–	–	(3,878)
30 April 2006	**2,685**	**16,310**	**12,366**	**–**	**–**	**31,361**

21 Reconciliation of movement in equity continued
Included in consolidated reserves is an amount of £21,407,000 (2005 £21,407,000) relating to goodwill written off in respect of continuing businesses There are no restrictions on distributions of reserves within subsidiary or associated undertakings

Other reserves include, revaluation reserves, foreign currency translation reserves and share based payment reserves

22 Financial commitments

	Group		Company	
	2006 £'000	2005 £'000	**2006 £'000**	2005 £'000
Capital commitments contracted for but not provided in the financial statements	**–**	17	**–**	–

The Company, together with other companies within the Group, has given guarantees to the Group's bankers in respect of amounts advanced to the Group under its banking facilities No losses are expected to arise with respect to these guarantees

23 Operating lease commitments

	2006		2005	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Non-cancellable operating leases are payable as follows				
Within one year	**9,015**	**3,630**	8,255	2,774
Within two to five years	**32,494**	**4,296**	30,502	3,630
After five years	**45,438**	**–**	48,876	–

Operating lease commitments for land and buildings represent the Group's total lease liability to the end of each of the leases Whilst a number of the leases contain several break clauses, it is not the Group's current intention to exercise these breaks, and therefore the full cost, before minority interests, has been disclosed

24 Retirement benefit obligations
Within the UK the Group operates two occupational pension schemes, one of which (the DTZ 2002 Retirement Plan) provides benefits based on final pensionable salary and is closed to new entrants, and the second being a defined contribution scheme In addition the Group operates a personal pension plan open to employees not covered by the other two schemes The assets of all the pension schemes are held separately from those of the Group Provision is also made for the capitalised value of future pensions payable to certain former partners and widows of the Bernard Thorpe partnership

Actuarial gains and losses are recognised in full in the period in which they occur The Group has adopted the revised version of IAS19 (Employee Benefits) published in December 2004 As permitted by the revised standard, actuarial gains and losses are recognised outside profit or loss and presented in the statement of recognised income and expense The liability recognised in the balance sheet represents the present value of the defined benefit obligation, as reduced by the fair value of assets The cost of providing benefits is determined using the projected unit credit method

DTZ 2002 Retirement Plan
The results of the formal actuarial valuation as at 30 April 2005 were updated to the accounting date by an independent qualified actuary in accordance with the IAS19 As required by IAS19, the value of the defined benefit obligation and current service cost has been measured using the projected unit credit method

The expected rate of return on assets for the financial year ending 30 April 2006 was 6 4% pa (2004/05 6 7% pa) This rate is derived by taking the weighted average of the long-term expected rate of return on each of the asset classes that the 2002 Plan was invested in at 30 April 2005

The amount of contributions paid to the 2002 Plan during 2005/06 was £0 8 million (2004/05 £6 3 million including a special contribution of £5 4 million) and these are not expected to materially change in 2006/07

The 2002 Plan's benefits were amended from 1 April 2006 and these changes have been reflected in our calculations accordingly The changes only affect pension earned after 1 April 2006

The following table sets out the key IAS19 assumptions used

Assumptions	**30 April 2006**	30 April 2005	30 April 2004
Retail Price inflation	**3 0% pa**	2 8% pa	3 0% pa
Discount rate	**5 2% pa**	5 3% pa	5 7% pa
Pension increases in payment			
5% or inflation	**3.0% pa**	2 6% pa	2 8% pa
2½% or inflation	**2 2% pa**	2 2% pa	n/a
General salary increases	**3 0% pa**	2 8% pa	3 0% pa
Life expectancy of male aged 60 at balance sheet date	**26.6 years**	26 5 years	24 3 years

24 Retirement benefit obligations continued

The amount included in the balance sheet arising from the Group obligations in respect of the 2002 Plan is as follows

	2002 Plan		
	30 April 2006 £m	30 April 2005 £m	30 April 2004 £m
Present value of defined benefit obligation	**49 4**	43 9	37 9
Fair value of assets	**(43.5)**	(35 9)	(27 7)
Liability recognised in the balance sheet	**5.9**	8 0	10 2

In addition the amount included in the balance sheet arising from the Group's obligations in respect of the capitalised value of future pensions payable to certain former partners and widows of the Bernard Thorpe partnership ("Bernard Thorpe Annuitants") is as follows

	Bernard Thorpe Annuitants		
	30 April 2006 £m	30 April 2005 £m	30 April 2004 £m
Present value of defined benefit obligation	**3.1**	3 0	3 0
Fair value of assets	**–**	–	–
Liability recognised in the balance sheet	**3.1**	3 0	3 0

The amounts recognised in profit or loss are as follows

	2002 Plan		Bernard Thorpe Annuitants	
	2005/06 £m	2004/05 £m	**2005/06 £m**	2004/05 £m
Employer's part of current service cost	**0.8**	0 8	**–**	–
Interest cost	**2.3**	2 2	**0.2**	0 2
Expected return on assets	**(2.3)**	(1 9)	–	–
Total expense included in profit or loss	**0.8**	1 1	**0.2**	0 2

A reconciliation of the present value of the defined benefit obligation is as follows

	2002 Plan		Bernard Thorpe Annuitants	
	2005/06 £m	2004/05 £m	**2005/06 £m**	2004/05 £m
Opening defined benefit obligation	**43.9**	37 9	**3.0**	3 0
Employer's part of current service cost	**0.8**	0 8	**–**	–
Interest cost	**2.3**	2 2	**0 2**	0 2
Contributions from members	**0.1**	0 1	**–**	–
Actuarial losses	**3.5**	3 7	**0 1**	0 1
Benefits paid	**(1.2)**	(0 8)	**(0 2)**	(0 3)
Closing defined benefit obligation	**49.4**	43 9	**3.1**	3 0

A reconciliation of the fair value of the assets is as follows

	2002 Plan		Bernard Thorpe Annuitants	
	2005/06 £m	2004/05 £m	**2005/06 £m**	2004/05 £m
Opening fair value of the assets	**35.9**	27 7	**–**	–
Expected return on assets	**2.3**	1 9	**–**	–
Actuarial gains	**5.7**	0 8	**–**	–
Contributions by the employer	**0.7**	6 2	**–**	–
Contributions by members	**0.1**	0 1	–	–
Benefits paid	**(1.2)**	(0 8)	–	–
Closing fair value of assets	**43 5**	35 9	–	–

The amount recognised outside profit or loss in the statement of recognised income and expense for 2005/06 for the 2002 Plan is a gain of £2 2 million (2004/05 loss of £2 9 million) This is the sum of actuarial gains and losses on the defined benefit obligation and the assets The figure for the Bernard Thorpe annuitants is a loss of £0 1 million (2004/05 loss of £0 1 million)

The actual return on the 2002 Plan's assets over the year was £8 0 million (2004/05 £2 7 million)

24 Retirement benefit obligations continued

The current allocation of the 2002 Plan's assets is as follows

	30 April 2006	30 April 2005	30 April 2004
Equity instruments	**59%**	61%	62%
Debt instruments	**41%**	39%	38%
	100%	100%	100%

	2002 Plan		
	30 April 2006 £m	30 April 2005 £m	30 April 2004 £m
Present value of defined benefit obligation	**49.4**	43 9	37 9
Fair value of assets	**(43.5)**	(35 9)	(27 7)
Deficit	**5.9**	8 0	10 2

	Bernard Thorpe Annuitants		
	30 April 2006 £m	30 April 2005 £m	30 April 2004 £m
Present value of defined benefit obligation	**3.1**	3 0	3 0
Fair value of assets	–	–	–
Deficit	**3.1**	3 0	3 0

	2002 Plan		Bernard Thorpe Annuitants	
	2005/06 £m	2004/05 £m	2005/06 £m	2004/05 £m
Experience adjustments on assets				
Amount of gain	**(5.7)**	(0 8)	–	–
Percentage of assets	**(13%)**	(2%)	–	–
Experience adjustments on liabilities				
Amount of gain	–	(0 3)	–	(0 1)
Percentage of the present value of the liabilities	–	(1%)	–	(3%)

In addition to the UK defined benefit scheme, the Group makes defined contributions to both UK and overseas company and statutory pension schemes Total pension contributions to defined contribution schemes were £7,047,000 (2005 £5,153,000)

25 Explanation of the transition to IFRS

30 April 2006 is the first year that the Group has presented its financial statements under IFRS The last financial statements presented under UK GAAP were for the year ended 30 April 2005 The date of transition for the Group is 1 May 2004

IFRS 1 'First Time Adoption of International Financial Reporting Standards' permits a number of optional exemptions to the principle that the Group's opening IFRS balance sheet shall comply with each IFRS The Group has taken the following key exemptions at transition

a) Business combinations IFRS3
Acquisitions prior to the transition date have not been restated

b) Employee benefits IAS19
All cumulative actuarial gains and losses have been fully recognised in equity at the date of transition Pension liabilities are recognised on the balance sheet

c) Cumulative translation differences IAS21
Translation differences relating to foreign currency investments in overseas operations in existence at the date of transition are deemed to be zero

d) Goodwill
The requirement to retranslate goodwill balances arising on the acquisition of a foreign operation at the closing exchange rate in accordance with IAS21 'The Effects of Changes in Foreign Exchange Rates' has been applied prospectively to goodwill balances arising on acquisitions after 1 May 2004

25 Explanation of the transition to IFRS continued

e) Financial Instruments (IAS32 and IAS39)
IAS32 'Financial Instruments disclosure and presentation' and IAS 39 'Financial Instruments recognition and measurement' has been applied prospectively from 1 May 2005 Consequently the restated balances for the year to April 2005 within these accounts do not reflect the impact of these standards, as permitted by IFRS1, UK GAAP has been applied to the financial statements in that year

Reconciliation of equity at 1 May 2004 and 30 April 2005 and profit for the year ended 30 April 2005 reported under UK GAAP and IFRS are shown below Further details of the reconciliations of equity at 30 April 2005 and the profit for the year then ended have been previously published on our website, www dtz com

IFRS1 requires an explanation of major adjustments to the consolidated and company cash flows under IFRS Whilst the format of the consolidated and company cash flow statement is different from UK GAAP, there are no material changes to the consolidated and company cash flows from operations, investment or financing

i) Reconciliation of Equity Shareholders' Funds under UK GAAP and IFRS

		30 April 2005 £'000	1 May 2004 £'000
UK GAAP – equity shareholders funds		54,773	48,355
Exclusion of dividend	a	2,475	2,105
Employee benefits	b	(1,222)	(1,069)
Tenant inducements	c	(4,739)	(4,968)
Goodwill amortisation	d	2,440	–
Deferred tax	e	(17)	(67)
Employee benefits – retirement benefit obligations	f	(9,800)	(7,560)
IFRS – equity attributable to shareholders of the parent		43,910	36,796

The reasons for the adjustments shown in the reconciliation between UK GAAP and IFRS are set out below

a) Under IFRS unapproved dividends are not provided for Accordingly, the UK GAAP figure has increased to reflect the exclusion of the proposed final dividends

b) This is the estimated value of the unused entitlement to holiday pay which was outstanding at the balance sheet date These figures are net of the appropriate provision for deferred tax

c) This is the net effect of spreading lease incentives, both given and received, over the life of the lease These had been previously spread to the first rent review

d) The financial statements for the year to 30 April 2005 contained a goodwill charge of £3,027,000 Of this amount, amortisation in the sum of £2,475,000 (less a tax deduction of £35,000), which had previously been charged to the profit and loss account, has been reversed through the income statement in line with IAS 36 The balance of £552,000 has been treated as an impairment

e) A deferred tax asset is calculated on the market value of share options at the balance sheet date (May 2004 £20,000, April 2005 £76,000) A deferred tax liability is calculated on undistributed profits within equity accounted non-UK investments (May 2004 £87,000, April 2005 £93,000)

f) The initial deficit (net of deferred tax) which totalled £7,560,000 is introduced on to the balance sheet as at 1 May 2004
As at 30 April 2006 this has increased by £2,030,000 (net of deferred tax) which represents the actuarial gains and losses on the defined benefit scheme obligations and assets This is charged direct to the statement of recognised income and expenditure Pension costs of £210,000 (net of deferred tax) have been charged to the income statement This represents interest costs within the plan less the expected return on plan assets

25 Explanation of the transition to IFRS continued

ii) Reconciliation of profit for the year under UK GAAP and IFRS

		30 April 2005 £ 000
UK GAAP – profit after tax		10,521
Share-based payments	g	(41)
Employee benefits	h	(153)
Tenants inducements	i	229
Goodwill amortisation	j	2,440
Deferred tax	k	35
Employee benefits	l	(210)
IFRS		12,821

The reasons for the adjustments shown in the reconciliation between UK GAAP and IFRS are set out below

g) This is the charge to the income statement, with a corresponding credit to equity, of the fair value of those share options, granted after 22 November 2002, that will vest in the future

h) This is the adjustment to the unused holiday pay provision for the year The charge to the income statement amounted to £218,000, less a deferred tax credit of £65,000

i) A credit of £229,000 arose from the net effect of spreading lease inducements, given and received, over the life of the leases concerned

j) The financial statements for the year to 30 April 2005 contained a goodwill charge of £3,027,000 Of this amount, amortisation in the sum of £2,475,000 (less a tax deduction of £35,000), which had previously been charged to the profit and loss account, has been reversed through the income statement in line with IAS36 The balance of £552,000 has been treated as an impairment

k) A deferred tax asset is calculated on the market value of share options at the balance sheet date This gave rise to a deferred tax credit for the year of £41,000 Deferred tax on undistributed profits within equity accounted non-UK investments gave rise to a liability of £6,000

l) Pension costs of £300,000, less a deferred tax deduction of £90,000, have been charged to the income statement This represents interest costs within the plan less the expected return on the plan assets

iii) Explanation of the Company transition to IFRS

Reconciliation of Equity Shareholders funds under UK GAAP and IFRS

		30 April 2005 £ 000	1 May 2004 £ 000
UK GAAP		27,111	20,446
Exclusion of dividend	m	2,474	2,104
IFRS		29,585	22,550

m) Under IFRS unapproved dividends are not provided for Accordingly the UK GAAP figure has increased to reflect the exclusion of the proposed final dividend In respect of profit, there are no differences, as the amounts disclosed in note 8 are stated before dividend payments

26 Additional information on principal subsidiaries, joint ventures and associated undertakings

	Nature of business	Equity held % (ordinary shares)	Principal countries of operation
Principal subsidiaries			
Incorporated in Great Britain			
DTZ Debenham Tie Leung Limited	Property advisers	100*	UK
DTZ Pieda Consulting Limited	Consultancy	100*	Europe
DTZ International Limited	Holding company	100*	Europe
Incorporated in France			
Financiere DTZ Jean Thouard SA	Property advisers	100	France
Incorporated in Germany			
DTZ Zadelhoff Holding GmbH	Property advisers	100	Germany
Incorporated in the Netherlands			
DTZ Central and Eastern Europe BV	Property advisers	100	Eastern Europe
Fronton BV	Property advisers	100	The Netherlands
Zadelhoff Participaties BV	Property advisers	70	The Netherlands
Incorporated in Italy			
DTZ Italia Spa	Property advisers	100	Italy
Incorporated in Belgium			
DTZ Belux Group SA	Property advisers	100	Belgium and Luxembourg
Incorporated in Spain			
DTZ Iberica Asesores Immobiliarios Internacionales SA	Property advisers	100	Spain
Incorporated in Austria			
DTZ Austria GmbH	Property advisers	86	Austria
Incorporated in Australia			
DTZ Australia (Vic) Pty Limited	Property advisers	100	Australia
DTZ Australia (NSW) Pty Limited	Property advisers	100	Australia
Incorporated in the British Virgin Islands			
EuroAsia Properties Limited	Property advisers	70	Japan
Incorporated in Singapore			
Edmund Tie & Company Holdings Pte Ltd	Property advisers	51**	Singapore
Incorporated in India			
DTZ International Property Advisers Private Limited	Property advisers	100	India
Incorporated in USA			
DTZ Debenham Tie Leung Inc	Property advisers	100	USA
Incorporated in Bahrain			
DTZ Bahrain WLL	Property advisers	100	Bahrain

26 Additional information on principal subsidiaries, joint ventures and associated undertakings continued

	Nature of business	Equity held % (ordinary shares)	Principal countries of operation
Joint ventures			
Incorporated in Great Britain			
Buying Force Limited	Service procurement	50**	UK
Associated undertakings			
Incorporated in the Republic of Ireland			
DTZ Sherry FitzGerald Limited	Property advisers	20**	Republic of Ireland
Incorporated in Australia			
DTZ Australia (WA) Pty Limited	Property advisers	20***	Australia
Incorporated in the British Virgin Islands			
DTZ Pacific Holdings Limited	Holding companies	30**	Hong Kong and China
Incorporated in Hong Kong			
DTZ Debenham Tie Leung Limited	Property advisers	30**	Hong Kong
Incorporated in New Zealand			
DTZ New Zealand Limited	Property advisers	25**	New Zealand
Incorporated in Sweden			
DTZ Sweden AB	Property advisers	30**	Sweden
Incorporated in Qatar			
DTZ Qatar WLL	Property advisers	40	Qatar

*Owned by parent **Year end 31 December ***Year end 30 June

The above information includes the principal subsidiaries of the Group All the UK Group subsidiaries will submit annual returns to the Registrar of Companies as required by the Companies Act 1985

27 Related party transactions

The Group provided advisory services on an arms length basis for total fees of £775,000 to companies on which two Board Members sit as non-executive directors A subsidiary company leases, on an arms length basis, an office at the annual rent of €193,000, from a company controlled by one of the subsidiaries Executive Directors

The Group had outstanding loans to certain joint venture and associated companies in the sum of £1,700,000 as at 30 April 2006 All of these loans are on commercial terms

28 Share price

The mid-market price of the shares at 1 May 2005 and 30 April 2006 was 199 5 pence and 643 0 pence respectively The share price during the year ranged from 189 0 pence to 680 0 pence

29 Events occurring after the end of the year

On 10 May 2006, DTZ Holdings plc ("DTZ") acquired a 50% interest in Rockwood Realty Associates LLC ("Rockwood") Rockwood is a privately owned North American real estate capital consultancy, headquartered in New York DTZ have paid an initial consideration of US$ 45,000,000 (£24,200,000), satisfied by the payment of US$ 36,375,000 (£19,600,000) in cash, and through an issuance of 743,000 shares (£4,600,000)

DTZ will also make a deferred payment to Rockwood's members of up to US$ 3,500,000 (£1,900,000) worth of shares dependent on EBITDA in the year ending February 2007 With a final deferred payment three years from the closing of the transaction calculated as two times average EBITDA for the period ending February 2009 The deferred consideration is subject to an overall cap of US$ 75,000,000 (£40,300,000)

The directors believe it is not practical to disclose the fair value of acquired assets as they had not been finalised at the date of preparation of these accounts

Five Year Record

Years ended 30 April

The additional information consisting of the five year record, the shareholder analysis and financial calendar has been prepared from the accounting records of the Company Whilst it does not form part of the statutory financial statements, it should be read in conjunction with them and the responsibilities section of the Auditors' Report thereon

	UK GAAP				IFRS
	2002 £000	2003 £'000	2004 £000	2005 £000	**2006 £'000**
Turnover	152,587	153,717	166,255	194,441	**232,050**
Operating profit*	11,028	8,565	8,910	16,726	**23,183**
Profit on ordinary activities before taxation*	12,711	9,067	11,024	20,603	**28,852**
Profit on ordinary activities after taxation*	7,630	4,579	5,676	12,821	**19,392**
Basic earnings per ordinary share*	14 0p	8 6p	10 8p	24 75p	**36.26p**
Dividends per ordinary share (net)					
Interim	2 25p	2 25p	2 25p	2 50p	**2 75p**
Final	4 00p	4 00p	4 25p	5 00p	**7.00p****
Year end share price	124 5p	67 5p	161 5p	199 5p	**643.0p**
Total assets	100,214	101,595	108,680	139,309	**178,310**
Net assets	45,372	46,476	48,355	45,386	**65,542**
Earnings before interest, taxation, depreciation and amortisation ('EBITDA')*	17,227	14,344	16,999	24,015	**31,100**

Analysis of earnings before interest, tax, depreciation and amortisation (EBITDA)

	2002 £000	2003 £'000	2004 £000	2005 £000	**2006 £'000**
Profit on ordinary activities before taxation	12,711	9,067	11,024	20,603	**28,852**
Net finance (income)/expense	49	238	198	267	**(318)**
Depreciation and impairment	4,467	5,039	5,777	3,145	**2,566**
EBITDA	17,227	14,344	16,999	24,015	**31,100**

The figures above have been extracted from the audited financial statements of those years

*All are stated before exceptional items

**To be paid on 15 September 2006, if approved at the AGM on 7 September 2006, to the shareholders on the register at the close of business on 18 August 2006 The ex-dividend date is 16 August 2006

Shareholder Analysis
As at 30 April 2006

Shareholders by size	Number of holdings	%	Balance as at 30 April 2006	%
1–500	1,183	50 38	260,432	0 48
501–1,000	252	10 73	204,605	0 38
1,001–5,000	483	20 57	1,237,893	2 31
5,001–10,000	132	5 62	963,365	1 79
10,001–50,000	157	6 69	3,816,219	7 11
50,001–100,000	57	2 43	4,164,611	7 76
100,001–500,000	65	2 77	13,953,561	25 99
500,001–1,000,000	10	0 43	7,407,095	13 79
1,000,001 and over	9	0 38	21,688,118	40 39
Total	**2,348**	**100.00**	**53,695,899**	**100.00**

Financial Calendar

Annual General Meeting

Thursday 7 September 2006 – 11 00 am at One Curzon Street, London W1A 5PZ

Results

To 31 October 2005 – Announced 18 January 2006

To 30 April 2006 – Announced 4 July 2006

Dividends

Interim 2 75 pence per share

Paid 17 February 2006

Final 7 00 pence per share

Proposed 4 July 2006

Payable 15 September 2006

Design and production
Radley Yeldar

Photography
Directors by Chris Moyce
Board by Paul Harmer

Print
CTD

Paper
ERA Silk, produced from 50% genuine waste pulp, the balance being ECF pulp managed/certified sustainable forests Supported by ISO 14001 environmental management systems

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