DTZ Holdings plc
Annual report and accounts 2007

Registered number 2088415

Financial highlights

Turnover (2006 £232 4m)

£310.3m
+34%

Profit before tax (2006 £29 7m)

£41.8m
+41%

Earnings per share (2006 37 9p)

49.4p
+30%

About us

Diverse, global, dynamic are just some of the words currently used to describe the sector in which we operate – and we'd agree.

As the real estate market continues to evolve and diversify it develops new challenges, and with these arise the opportunities for us to deliver new and innovative solutions for our clients.

We're here to lead, guide and advise on all aspects of real estate, from pioneering financial product development for the investor to remaining the safe and knowledgeable pair of hands for the occupier.

Operating in 45 countries from 140 cities, we offer a truly global solution wherever and in whichever real estate sector we are required. Our system and partners provide clients with a team of 11,000 people, who are always ready to tailor and implement individual solutions.

With over 220 years' history, expertise and track record and 20 years' experience of delivering for our shareholders, DTZ knows its markets.

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

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

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

Our strategy

Our strategy is driven by our vision to be a leading global real estate adviser renowned for exceptional client service

Delivering service excellence and innovation across the markets where our clients need us is key to achieving this, as is continuing our global growth

We believe the best way to grow the business is through a strategy which balances organic development and considered acquisition
This approach allows us to ensure that as we broaden and integrate our geographic and skill offering, the team we build shares the same values, and continues the excellent client relationships on which our business is built

1→ Services

Capital Markets
Investment and asset management managing portfolios on behalf of clients, investment agency buying and selling properties on behalf of clients, and corporate finance advising on capital raising and real estate finance and indirect vehicles

Valuation
Valuation for company accounts, due diligence, loan security, mergers & acquisitions and statutory valuation for compulsory purchase and local taxation

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

Professional Services
Property and facilities management on behalf of landlords and large occupiers, general building consultancy advice and project management

Consulting & Research
Economic and property market analysis, integrated development, investor and corporate consultancy and comprehensive research services

2→ Regions

EMEA

Asia Pacific

The Americas

THE CHURCH COMMISSIONERS FOR ENGLAND	
Services provided	
Capital Markets	•
Valuation	•
Occupational & Development Markets	•
Professional Services	○
Consulting & Research	•
Countries	9
Relationship length (years)	17

SEGRO	
Services provided	
Capital Markets	•
Valuation	•
Occupational & Development Markets	•
Professional Services	•
Consulting & Research	•
Countries	12
Relationship length (years)	12

RUBICON	
Services provided	
Capital Markets	•
Valuation	•
Occupational & Development Markets	○
Professional Services	•
Consulting & Research	•
Countries	8
Relationship length (years)	2

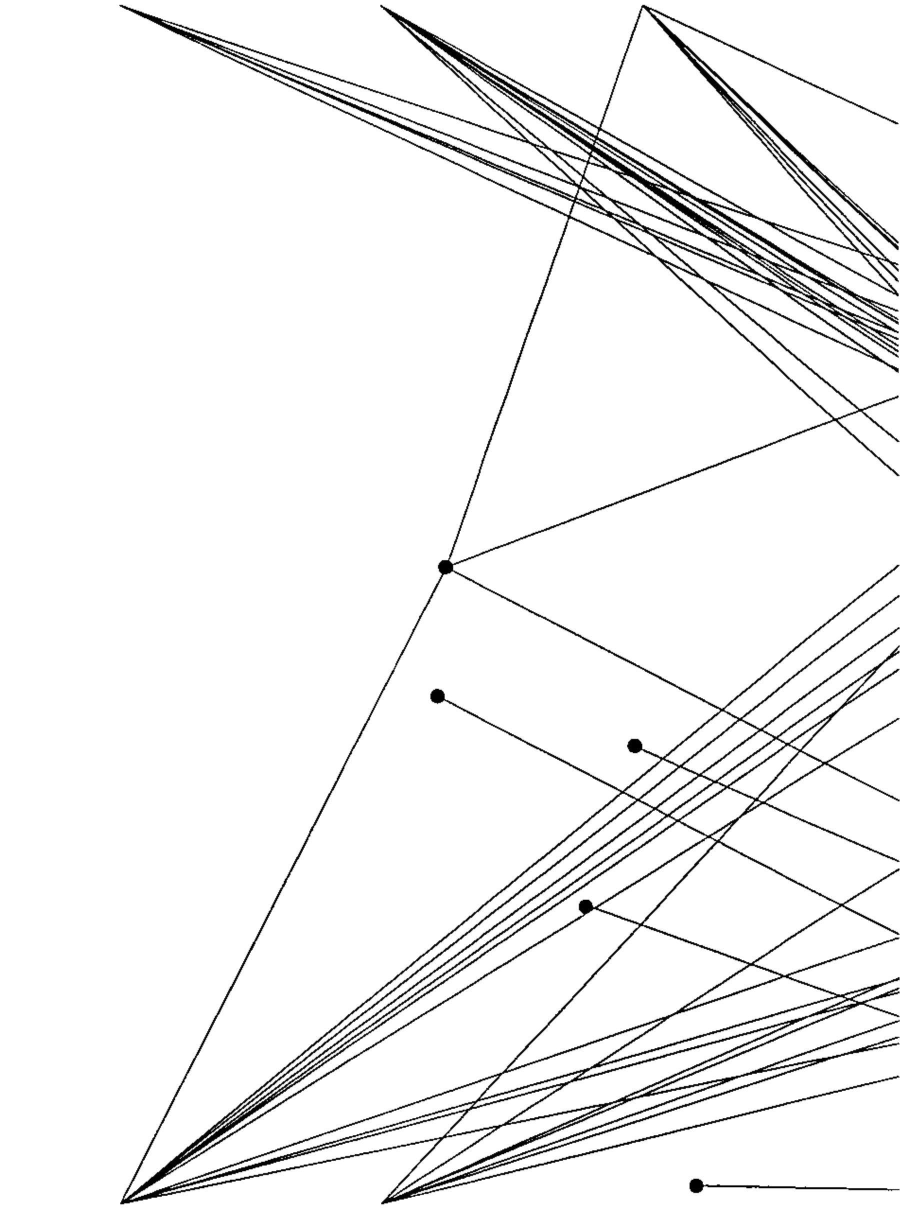
3→ Global relationships

At DTZ we realise that the strength of our client relationships is our competitive advantage and key to both our success and future growth

A system of over 11,000 people, operating from 140 cities in 45 countries, provides a global team that is constantly on hand to service client needs

With the rapid globalisation of our client base we are now instructed on increasing numbers of global mandates and consistency and integration of service delivery across our regions is essential to making this work

Everything we do is underpinned by service excellence, teamwork and integrity, three of our corporate values, which are delivered via our first class client relationship management programme



PFIZER INC	
Services provided	
Capital Markets	•
Valuation	•
Occupational & Development Markets	•
Professional Services	•
Consulting & Research	•
Countries	18
Relationship length (years)	15

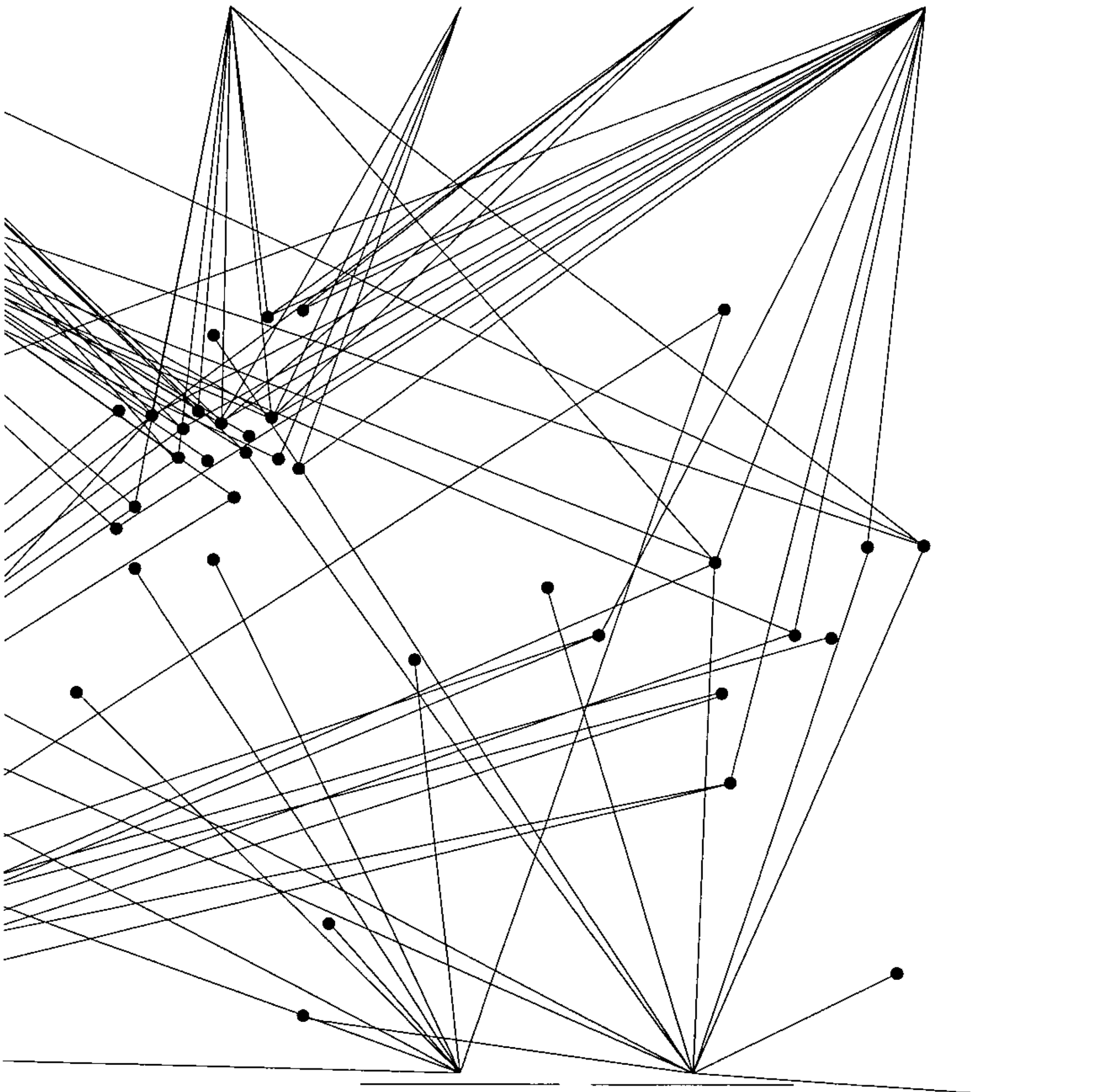
HSBC	
Services provided	
Capital Markets	•
Valuation	•
Occupational & Development Markets	•
Professional Services	•
Consulting & Research	•
Countries	11
Relationship length (years)	10

PROLOGIS	
Services provided	
Capital Markets	○
Valuation	●
Occupational & Development Markets	●
Professional Services	●
Consulting & Research	●
Countries	9
Relationship length (years)	10

DAWNAY DAY PROPERTY INVESTMENT LIMITED	
Services provided	
Capital Markets	●
Valuation	●
Occupational & Development Markets	●
Professional Services	●
Consulting & Research	●
Countries	7
Relationship length (years)	10

LONDON & REGIONAL PROPERTIES	
Services provided	
Capital Markets	●
Valuation	●
Occupational & Development Markets	●
Professional Services	●
Consulting & Research	●
Countries	7
Relationship length (years)	10

ELECTRONIC ARTS	
Services provided	
Capital Markets	○
Valuation	○
Occupational & Development Markets	●
Professional Services	●
Consulting & Research	○
Countries	21
Relationship length (years)	3



U S DEPARTMENT OF STATE	
Services provided	
Capital Markets	○
Valuation	●
Occupational & Development Markets	●
Professional Services	○
Consulting & Research	●
Countries	47
Relationship length (years)	8

RENTOKIL INITIAL	
Services provided	
Capital Markets	●
Valuation	○
Occupational & Development Markets	●
Professional Services	●
Consulting & Research	●
Countries	44
Relationship length (months)	11

Note
Not all services are provided in all locations and DTZ is not always the exclusive adviser

4→ People

"Undertaking the Building4Success programme contributed a great deal in preparing me for the challenges and diversity of my current role"

Colin Thomasson New York, USA

"To fulfil our client promise that we are flexible, global, focused on their needs and easy to work with, we must first meet these requirements with our people"

Agneta Jacobsson Stockholm, Sweden

Developing leadership

Colin took part in the first senior management training programme, Building4Success, and has now transferred from the Investment team in Manchester, to become head of DTZ Real Estate Investors in New York

Developing leadership capability at DTZ is a key objective and we have recently commenced our third Building4Success programme It is designed to support the professional development of DTZ people with high-potential The participants value the investment in their development and the opportunity to gain insight into a number of business related topics including strategic planning and financial management Mentored by members of DTZ's group executive team, participants are each assigned a business project to undertake

Flexible working

DTZ believes the key to delivering service excellence is ensuring our people have a healthy balance between home and work, and feel that they are suitably valued and rewarded

DTZ is developing and rolling out various ways of working more flexibly to ensure wherever possible employees are supported to work in a way which meets both the needs of DTZ as a business and individuals' different lifestyle needs and circumstances, be it through part-time working, job-sharing or home-working

It is these differences that make DTZ a dynamic and forward thinking organisation encouraging meritocracy, diversity and inclusion at all levels Agneta is a key member of DTZ's Positive Action Group, a communication forum with representatives from EMEA to make sure DTZ continuously evolves and develops its people policies for the benefit of all its stakeholders

"DTZ recognises its people as its most valuable global asset and challenges you to develop a career wherever you choose to go."

Corrine Toh London, England

"The Foundation4Success programme really gave me an understanding of how to develop my career at DTZ and how the company would guide and support me in reaching my full potential."

Andrew Philips Cardiff, Wales

Global mobility

The value to both the individual and company of global secondments has long been recognised at DTZ and over the past 12 months the number of people working abroad has increased to 70, seconded in 24 countries across the world

Corrine has travelled from Singapore to work in the Global Corporate Services team in London With expert guidance from the HR team, employees can be moved around the world more effectively to better match the strategic needs of the business with individuals' career development plans and personal goals

Retaining talent

During 2006, DTZ launched Foundation4Success, a talent development workshop that focuses on the career planning and development of all those completing the DTZ Graduate Training Scheme Andrew is one of the first graduates to take part

The graduates are given the chance to consider their career expectations and goals, evaluate internal job opportunities and create personal development plans This encourages motivation and dedication, leading to higher retention levels The programme also allows DTZ to share and embed the strategy with graduates, and demonstrate the value and commitment placed on them by laying the career foundations for those who will shape the future of DTZ

Chairman's overview
Year to 30 April 2007

Introduction
DTZ again achieved record results in the year to 30 April 2007, with a 40 9% rise in pre tax profits and a 17 9% increase in the proposed total dividend

A year ago, I highlighted three key themes which are central to our success and which should continue to position the group well for the future They feature very strongly in our recent performance, our current plans, and our strategy going forward, recurring regularly throughout this report They are

- The development of our global platform,
- The growing scale and complexity of the services we offer, and
- The vital importance of employing the best people

Results
Turnover rose 33 5% during the year to £310 3 million (2006 £232 4 million) Profit before tax was £41 8 million (2006 £29 7 million), an increase of 40 9% The figures for the year include the receipt of incentive fees of £3 1 million and a capital gain of £0 7 million totalling £3 8 million from the continuing substantial realisation of our interest in Curzon Capital Partners and associated fees

Our overall tax rate reduced further from 31 9% to 31 3% as a result of further efficiencies and our mix of profits

Basic earnings per share increased by 30 4% to 49 4 pence from 37 9 pence

The net cash position at 30 April 2007 was £24 0 million (2006 £30 3 million) The net decrease in the year of only £6 3 million is after cash acquisition costs of £26 9 million, and therefore clearly demonstrates the cash generative nature of the business, our strong balance sheet and financial capacity to achieve our strategic goals

On the strength of these results and ongoing excellent progress across the group, the board is recommending a 14 3% increase in the final dividend to 8 00 pence (2006 7 00 pence), representing a rise of 17 9% in the total dividend for the year to 11 50 pence (2006 9 75 pence) This also represents an improvement in the balance between our interim and final dividends, which was anticipated in my review last year

These results reflect strong performances across the group A number of our European businesses are growing very strongly (in both turnover and profitability), notably France, Germany and Poland, and our market-leading associate business in The Netherlands had another excellent year

In Asia Pacific, our South East Asia business performed exceptionally well and good progress was made in Australia, India and Japan Our North Asian business, which is now a wholly owned subsidiary, achieved a significant increase in turnover This, and the growth of our Indian business, underlines the importance of our investments in new markets

In the United States, DTZ Rockwood made a loss in the year, reflecting both the time and commitment dedicated to integration with the group and its significant expansion In addition, these figures do not take into account some substantial business opportunities generated by DTZ Rockwood for the group in other parts of the world

Strategy
We work with clients to create leading edge property, investment and business solutions worldwide As predicted some years ago, many of our corporate clients are either moving the current management of their real estate from a regional basis towards a fully global approach or seeking the ability to access global services as needed Most notably, investor clients are increasingly favouring cross-border and inter-regional transactions to enhance returns and spread risk

From left Tim Melville-Ross group chairman and Mark Struckett group chief executive in front of 30 St Mary Axe, London, sold by Swiss Re for £600m advised by DTZ

This trend is mirrored by the two key strands to our strategic development, namely geographic expansion and the breadth and depth of our service offering

We made great strides in our geographic development during the year, principally through the acquisition of a 50% interest in DTZ Rockwood in the United States, and the purchase of the remaining 70% of the equity not already owned by the group in DTZ in North Asia Alongside our ongoing acquisition strategy in The Americas to broaden our capabilities, we continue to enjoy a fruitful occupational markets partnership with The Staubach company in the United States

We have taken a number of other steps in key locations throughout our network, both during the year and since the year end, to enhance the availability of services to our clients

Our service offering has been significantly enhanced through the development of our hospitality sector capability in EMEA and the United States In addition, our retail sector offering will be powerfully reinforced in the United Kingdom & Ireland, and continental Europe, if we are able to conclude our negotiations for the acquisition of Donaldsons, which we have separately announced We are also developing a more integrated approach to the way we provide the range of capital market services we offer, and extending the availability of those services geographically A good example is the successful growth of our asset management business, headquartered in France, and the opening of a corporate finance branch in Germany

Our experience shows that building scale and broadening our service offering in each location and in each skill line enables us to improve profitability and margins, as well as providing the benefits of diversification This has dramatically improved our performance in EMEA and, following our acquisition in North Asia, which has greatly strengthened our presence in Asia Pacific, we believe that we will be able to follow the EMEA model across the Asia Pacific region and enhance profitability going forward This is underlined by our experience of our more mature markets, such as the UK, The Netherlands, France and Singapore, where our margins are much higher than elsewhere

"The increasing scale and complexity of our business means that we must recruit the very best talent to serve our clients. As one of a small number of global real estate service providers, we are able to offer exciting international development opportunities to our staff."

One consequence of our active acquisition strategy over several years has been the emergence of a variety of different brand names associated with the group We are now completing a programme of brand simplification and strengthening which will shortly lead to a simple DTZ brand being used in most locations throughout the world

Achievements this year

In addition to the transactions already mentioned, our continuing global expansion during the year and since the year end included the

- Acquisition of 100% of the equity in our Portuguese company,
- Exercise of an option to acquire a further 50% equity stake in Sweden, which will bring our holding to 80%,
- Significant expansion of our business in Austria, France, Germany, The Netherlands and Russia, including new offices in Bordeaux and Leipzig,
- Opening of an office in Abu Dhabi,
- Acquisition of a majority interest in New Zealand,
- Establishment of an office in Brisbane, acquisition of a 25% interest in our business on the Gold Coast, strengthening of our presence in Melbourne through the acquisition of McGees Property and, since the year end, the acquisition of Harlow Property Consultants in Sydney,
- Growth in headcount of over 100% in India, where we experienced a 158% increase in turnover during the year,
- Turnover increase in Russia of 466% and in Singapore by 153%
- Opening of DTZ Rockwood offices in Atlanta, Dallas, Los Angeles and Miami,
- Commitment to an information technology investment programme to integrate and further enhance the quality of the services we provide to clients

People

The board was delighted to announce during the year the appointment to the board of CY Leung, now chairman of our Asia Pacific region, who has many years experience of real estate markets in Asia and around the world Since the year end, Tim Hodgson has stepped down from the board and from his full-time role as chief operating officer However, the board is very pleased that he will be returning to work for the group in a part-time capacity in September, after a well deserved break Tim Maynard, our group finance director, has decided to pursue other business interests outside the group, and will be leaving the board later this year We are very grateful for the significant contribution he has made to the group during his five years with us, and wish him well for the future

The significant strategic developments we are making require effective management structures and appointments to ensure that we deliver efficient and value-adding services to our clients During the year, we have implemented a complete new structure for our Asia Pacific region, and made a number of important senior appointments, including CY Leung as chairman, Edmund Tie as vice chairman and David Steventon as CEO Our EMEA regional structure has been similarly strengthened, with key appointments including those of Chris Balch as managing director in the United Kingdom & Ireland and the appointment of new managing directors in Austria, Germany and Hungary In The Americas, our corporate development will require a new structure and associated appointments and these will be put in place in the near future

The increasing scale and complexity of our business means that we must recruit the very best talent to serve our clients As one of a small number of global real estate service providers, we are able to offer exciting international development opportunities to our staff As an illustration of this, we currently have some 70 secondments in 24 different countries, resulting in a fruitful cross-fertilisation of skills and experiences

The year has been exceptional, not only in the excellent results achieved, but also in the pace of our global and service development This has only been possible because of the excellence and commitment of our staff worldwide, and the board is very grateful for the support they give to our clients

Economic and property market conditions
To a large extent, the pattern of world economic growth over the past 12 months has been as we anticipated Whilst a housing-led slowdown has been underway in the US, this has been to some extent offset by a strengthening recovery in the Eurozone and the continuation of robust export-led growth in the Asia Pacific region, notably China We expect continued, albeit softer, global growth in the year ahead, with central banks maintaining their tightening bias until underlying inflationary pressures are clearly under control

In terms of real estate markets worldwide, the recovery in occupier markets currently underway in many locations is expected to be sustained Along with other commentators, we consider that scope for further yield compression, already limited in some markets, may be further restricted by higher interest rates and that this will impact to some extent on investment markets, which have been exceptionally strong in recent years We therefore anticipate that returns will generally become more dependent on occupier market fundamentals and effective asset management Nevertheless, whilst recent months have already seen some slowing in some locations such as the UK, the impact on us is offset by opportunities for business generation resulting from the growing sophistication of the market and the increasing diversity and geographical spread of our existing and potential client base, as well as continuing good activity levels

Conclusion
Our view is that the requirements of major clients will continue to consolidate in line with increasing globalisation and that this, in turn, will mean that a relatively small number of real estate advisers will be able to offer the full range of services that clients require throughout the world The breadth of skills within DTZ, coupled with its geographic spread, ensures that the group is increasingly well protected and, more importantly, well positioned in this respect, and the board intends to continue to pursue this successful strategy for the benefit of clients, staff and shareholders

Tim Melville-Ross group chairman
4 July 2007

Performance

Overview

Last year was again one of substantial progress for the group, both in consolidating our global footprint and in producing excellent financial results These results have been driven by strong performances across our business with growth in all geographies and across all five business groups

We are delighted to report once again a significant rise to record levels in both our turnover and profitability, with turnover up by 33 5% to £310 3 million (2006 £232 4 million) and profit before tax rising by 40 9% to £41 8 million (2006 £29 7 million) Earnings before interest, tax, depreciation and amortisation (EBITDA) were £45 6 million (2006 £31 9 million) while earnings per share (EPS) increased by 30 4% to 49 4 pence (2006 37 9 pence) These results were achieved alongside some substantial investment in new people and operations

These comparative figures include the impact of some disposals in the preceding year and the fees and capital receipts of £3 8 million deriving from the substantial realisation of our interest in the Curzon Capital Partners Property Fund in 2007 If we strip out this income (which is classified in the profit and loss account as income from other fixed asset investments) together with our net financing costs, then our underlying profit, or total profit from operations including joint ventures and associated undertakings increased by 38 7% to £38 7 million

The UK & Ireland business increased turnover to £176 million (up by 8 1%) and profits before tax rose by 26 2% to £31 2 million (2006 £24 7 million) This was driven by significantly stronger performance in the regional markets outside London and in our valuations and professional services divisions

Continental Europe continued its very strong growth with a 48 6% increase in turnover to £87 4 million and a 92 5% increase in profits to £13 6 million (2006 £7 1 million) There were particularly strong performances from Germany, Central Europe, France and The Netherlands The results both in the UK & Ireland and on the Continent are almost entirely the result of organic growth

This year saw the substantial completion of the integration of the ownership of our practices across Asia Pacific and the results therefore take into account the continuing broadening of our equity investment in this region The figures only reflect the contribution for part of the year of the various acquisitions that we have made, and are also affected by the cost of substantial organic investment Nonetheless, there have been various strong underlying performances, including a particularly impressive result from South East Asia, which meant that the overall region produced an increase in turnover to £39 4 million (2006 £10 7 million) and a profit of £1 1 million (2006 £217,000)

2006

May	June	July	August	September	October
Acquisition of a 50% interest in DTZ Rockwood in the United States Acquisition of McGees Property in Melbourne, Australia	Opened office in Mumbai India	Opened DTZ Rockwood office in Atlanta USA	Acquisition of a majority interest in New Zealand business Established an office in Brisbane Australia	DTZ Asset Management Deutschland GmbH formed in Munich Germany	Acquisition of 100% of the equity in Portuguese business

Indirect Market

DTZ is at the forefront of the rapidly growing indirect real estate investment market Our involvement in the sector spans expertise from across the Capital Markets group including its Corporate Finance, Investment and Asset Management and Investor Consulting businesses An array of services are offered to the industry including capital raising, secondary trading, white label fund structuring, fund advisory and investment management services The latest product launched into the indirect market is Aurora, a European fund of funds, the first in a series of planned DTZ indirect vehicles created and managed by DTZ Investment Management With headline figures of over £2 billion of capital raised for the indirect market in the past 18 months and the growth of our indirect assets under management from £19 million to £280 million in two years, DTZ continues to drive forward its indirect initiatives to complement its traditional direct investor services

At the beginning of the year, we purchased a 50% interest in Rockwood Realty Associates LLC (now re-branded DTZ Rockwood), a specialist in North American capital markets As this is a 50/50 interest, we have elected to partially consolidate their results, so that their figures here reflect 50% of the business During the year, they have made both a substantial investment of time and effort in integration and cross-selling with the rest of our global business, as well as undertaking a significant expansion of the business These factors meant that the business produced an operating loss for our interest of £2 2 million However, there is a good pipeline of future work, both in North America and with referred work to the rest of the world

At the end of the year, our balance sheet continued to be strong, with net cash of £24 0 million, notwithstanding cash investments in acquisitions of £26 9 million during the course of the year This leaves us well positioned to continue our corporate development

Corporate development

As the chairman reported at the half year, we are continuing to identify and pursue opportunities to enhance our network and reinforce the global presence that our clients now require Accordingly, we have undertaken significant development of the business which the chairman has itemised in his report

In EMEA, we have developed on a broad front, with significant investment in new people, three new offices and the acquisition of 100% of the equity in our business in Portugal Overall, our staff numbers in the region have risen by 18% at the year end

We have also announced that we are in discussions to acquire Donaldsons, a substantial practice operating out of the UK and across continental Europe which is particularly renowned for its expertise in the retail and property management sectors Should this be completed, it will significantly accelerate the group's development in the region, adding 900 staff and substantially strengthening our retail practice and other operations

In Asia Pacific, the acquisition of the remaining 70% of the equity in our North Asia operations not already owned by the group, has meant that all our operations in the region are now subsidiaries of the group, where so allowed by local law The acquisition has thus both facilitated greater operational integration across the region as well as increasing the group's exposure to the rapidly growing markets in China, where we have a market leading business We will continue to invest in the country and, since the year end, have announced that we are opening our twelfth full service office on the mainland in Qingdao

		2007			
November	**December**	**January**	**February**	**March**	**April**
Opened an office in Bordeaux France	Acquisition of 100% of the equity in North Asia business	Launch of hospitality team in EMEA	Established an office in Abu Dhabi UAE Opened an office in Leipzig Germany	Opened DTZ Rockwood office in Miami USA	Opened German Corporate Finance office in Frankfurt Germany

"Last year was again one of substantial progress for the group, both in consolidating our global footprint and in producing excellent financial results."

Elsewhere in the region, we have invested significantly in Australasia Early in the year, we moved to majority ownership in New Zealand, where we have a very sound professional business We have also continued the rapid and impressive development of our Australian business, with a new office in Brisbane and the three acquisitions set out in the chairman's report The Australian business has seen substantial change over the last three years but our various moves have been successfully integrated, developing both substantial momentum and a high sense of teamwork This has been demonstrated by the country becoming the group's best referrer of work to other countries during the year (as a percentage of turnover)

In North America, the acquisition of a 50% interest in DTZ Rockwood, the subsequent expansion of this capital markets business (with four new offices and a 50% increase in staff) and the investment of time and effort on integration, has established a solid base for our further development At the same time, we have increased our staff in the region who look after our own corporate clients and manage the joint client relationships with our affiliate, The Staubach company

Product development
Our service lines have continued to evolve with several notable developments

- We have recruited a new hospitality team in EMEA to complement a similar initiative in DTZ Rockwood and built on existing expertise in Asia Pacific, thus giving us a global capacity to advise on the hotel and leisure market,
- We have established new corporate finance and asset management capabilities in Germany, and
- Through DTZ Rockwood, we have set up a new buyside investment advisory team in New York, which conducts business as DTZ Real Estate Investors The new business focuses primarily on advising purchasers from our client base elsewhere in the world This service is part of our standard offering elsewhere, but is unusual in the USA We have been very encouraged by its initial progress and since the year end (but within six months of its establishment) it has closed on a US$105 million investment in New York for an Italian client for whom DTZ Rockwood will now provide ongoing asset management services

Property markets
Over the past 12 months, the occupational markets for business space worldwide have generally continued to strengthen The recovery that was evident in many leading global centres, particularly in Asia, in previous years has spread further so that most significant office markets globally are now demonstrating rental growth The retail markets are less consistent, reflecting both differing patterns of consumer demand and the varied state of development of the retail stock

Global investment demand for commercial real estate has continued to be very strong, with new sources of capital being added to the international flows benefiting from some excellent investment returns However, as we indicated last year, in some locations pricing has overshot economic fundamentals and there has now been some selective easing of yields and lengthening of transaction times

Financing fixed for Manhattan residence
DTZ Rockwood has advised a consortium led by Mann Realty Associates on its $520 million financing of The Apthorp, a landmark residential property in Manhattan, New York The property occupies an entire city block between Broadway and West End Avenue from 78th to 79th Street and comprises 163 units, 2,370 sq m of street level retail and a 117 space parking garage

Capital Markets

Turnover (2006 £64 3m)

£94.6m +47%

Services

- Investment/Asset Management
- Investment Agency
- Corporate Finance

Our Capital Markets team has again had a very strong year, with a 46 9% increase in year-on-year revenues to £94 6 million These results are affected by our investment into DTZ Rockwood, which is a Capital Markets specialist Ignoring this acquisition, underlying revenues still increased by 35 4% to £87 million We have brought together our various Capital Markets businesses in Europe under a single management structure to capitalise on the growth of cross border business in both indirect vehicles and direct property investment

The continued flow of capital into the sector and the emergence of a global marketplace has resulted in a further level of investor diversification Consequently, the real estate investment market has become increasingly complex, requiring ever more innovative solutions to drive performance from capital in what has perhaps been the fastest growing major asset class in the past decade

The combined investment and asset management business saw growth of 18% over the year, in terms of funds managed, building on an excellent track record, as evidenced by an industry award for the seventh consecutive year The team has also been expanding its services, both geographically and in products For example, it has developed its first Fund of Funds, Aurora, with target capital of €200 million (£135 million) In France, we have increased the size of our assets under management by €600 million (£400 million) A particular notable success was our appointment as exclusive manager for a prominent Middle Eastern client for its €250 million (£167 million) Pan European Fund as 'white label' manager

Direct investment continued to grow strongly, particularly in cross border transactions, generating total fees of £70 6 million, a 35% growth over last year's figures

Highlights in EMEA included the sale of 30 St Mary Axe, London for around £600 million, advising the Church Commissioners for England on the disposal of circa £135 million residential loan portfolio and the sale in Germany of a portfolio of seven office buildings totalling 143,600 sq m for €333 million (£225 million) to an Australian investor

In Asia, we were engaged to sell the Waterfront View project in Singapore to FCL Peak Pte Ltd for £126 million, won a mandate from Standard Life Investments to acquire AUS$500 million (£213 million) of investments throughout Asia Pacific and advised Rubicon on €284 million (£191 million) of office and retail acquisitions in Japan for its recently listed Japan Trust

In the USA, our new partner, DTZ Rockwood, completed the sale of Corporate Woods, a 217,000 sq m office property in Overland Park, Kansas, for $281 million (£140 million) and the sale of The Chelsea, a 204 unit multifamily property in New York, for $117 4 million (£59 million)

Capital Advisory, including our Corporate Finance and Investor Consulting teams have continued to develop their capital raising initiatives One major highlight was being selected as European placement agents for US-based JER Partners European Fund III, which raised €800 million (£540 million) of equity with blue chip investors Our UK pipeline has also grown considerably, we have been retained to raise £50 million for Legal & General Property Limited for its Leisure Fund, £150 million for Hermes and Legal & General Property Limited for its Logistics Fund, and £50 million for APIA for its regional Office Fund In Europe, we have also begun to establish our capabilities and have been retained by one of Europe's largest listed property companies to raise €250 million – €500 million (£170 million – £340 million) for an unlisted fund in the office sector

In the real estate secondary trading market we represented Invista who manage Equitable's property portfolio in the largest ever real estate secondary trading sale of Jersey Property Unit Trusts (J-Puts) for £435 million We expect to see significant growth in secondary trading in the future

Bespoke valuation for retail fund
DTZ provided valuation advice on The Irus European Retail Property Fund, an investment fund set up by Spanish property developer Neinver Valued at €350 million the fund comprised their six retail factory outlet centres spanning more than 94,000 sq m across continental Europe in Madrid, Warsaw, Seville, Porto and Milan Over seven institutions have since invested in the fund which expects annual returns of 10%–12% and hopes to triple in size within four years

Valuation

Turnover (2006 £43 2m)

£58.2m +35%

Services

- ► Valuations
- ► Due Diligence
- ► Corporate Recovery

Valuation work was again in strong demand, as evidenced by a 34 8% increase in year-on-year revenues to £58 2 million It is particularly notable that the share of revenues generated outside the UK is continuing to grow rapidly This reflects the growing internationalisation of the marketplace which is driving increased requirements for independent advice from both global and local investors In response to this growth, we doubled our German capacity while our London team grew to over 120 people, as part of a consolidated team of around 500 people across EMEA

We continued to win a large share of the cross border private equity work in European markets as these groups have been particularly active in the past 12 months Cross border team efforts in Chinese, Japanese, Middle Eastern and Indian markets also gave us strong footing for competing on a global scale

Successes included

- Due diligence advice for Deutsche Bank in connection with the circa £1 billion corporate acquisition of McCarthy & Stone plc,
- Valuation in connection with the acquisition of GHG, (36 private hospitals) with a total value of circa £2 billion,
- Valuation of Four Seasons Healthcare group property portfolio as part of vendor due diligence prior to purchase by Three Delta (416 properties comprising care homes and hospitals either owned or operated), totalling circa £1 4 billion,
- Valuation for Cerberus' housing estate in Germany,
- Advising Citigroup on due diligence work for Citi's investment in Guangdong Development Bank,
- We have provided valuation due diligence to Sahara group, which employs more than 950,000 people in India, in connection with a New City project known as Aamby Valley, located midway between Mumbai and Pune and comprising over 4 5 million sq m,
- In Japan, we provided valuation services and advice to the Rubicon group, on a portfolio totalling some £330 million, and
- We act as exclusive valuer on HSBC's Personal Finance Services division in Hong Kong and, additionally for this client, we have provided valuation advice on the majority of its commercial loans in Hong Kong

It is important to note that our annual portfolio valuation work for clients such as UBS Global Asset Management (UK) Ltd continue to provide a positive foundation for consistent year-on-year revenues

Corporate recovery and restructuring continued its strong growth, working with a wide range of banking clients, particularly in the Central London residential investment market where a number of large portfolios have been sold in the last year In other sectors, acting for PwC, the team advised on Adams Clothing and Card group, in respect of over 800 retail units throughout the UK and acted for Ernst & Young on the administration of the Swallow Hotel group, with in excess of 800 hotels, trading and tenanted pubs in England and Scotland, including the Carnoustie Hotel

Lease innovations in Singapore
In Singapore, banking giant Sociéte Generale group appointed DTZ to provide a range of acquisition, rent review as well as lease renewal and restructuring advice on all of its portfolio across the central business district At 80 Robinson Road, DTZ first restructured the group's leases resulting in a substantial rent rebate, then later conducted a forward renewal of the leases and acquired additional expansion space, totalling more than 85,000 sq ft The rents are secured at 20% below market rate to reduce the bank's exposure to spiralling rents

Occupational & Development Markets

Turnover (2006 £70 8m)

£87.4m +24%

Services

- Landlord Leasing
- Development Agency
- Tenant Representation

The Occupational & Development Markets team has seen a 23 5% increase in year-on-year revenues to £87 4 million Our past commitment to this skill area during weaker market conditions is being repaid as many key city centres and emerging markets are experiencing recovery

Increasing office activity has yielded prominent instructions from both tenants and landlords For example, we have assisted JPMorgan in its search for a new 100,000 sq m European investment banking headquarters in London, and advised Hewlett Packard on the acquisition of 26,000 sq m in Romania and Bulgaria, while our leasing instructions include 23,000 sq m on one of the most prominent office locations in Barcelona, Tower Diagonal 197, and in Budapest, Futureal group's new €500 million (£336 million) mixed use promenade development

Similar instructions have been secured in Asia Pacific, including leasing 40,000 sq m of office space for General Property Trust in Melbourne and Sydney

Turning to logistics, we have again had a good year, reflecting an overall market where supply and demand remain reasonably balanced Building requirements have notably become larger, we have been involved in two large transactions in the UK greater than 75,000 sq m, and there is growing evidence of similar sized transactions globally There is also continual rationalisation of industrial plants and relocation to Central and Eastern Europe and Asia

We have been investing in our retail offering, with the recruitment of senior personnel, noticeably in the UK The agency team is now responsible for over 150 shopping centres and retail parks throughout the UK & Ireland The possible acquisition of Donaldsons would substantially grow our EMEA retail expertise, a sector that accounts for between 30% and 50% of institutional commercial property value depending on location

The gradual increase in the number of corporate occupiers seeking to source real estate services on a global basis has continued We have benefited from this trend, with our appointment by Vodafone as their interim global real estate adviser

Our corporate clients are also reviewing their real estate portfolios to look at how real estate can be used more strategically to maximise shareholder value Our client list includes many global Fortune 250 companies with whom we are working to create bespoke solutions by integrating our investment, financial consulting, development and corporate services skills

Management team assembles for DIY giant
DIY expert B&Q has turned to DTZ to manage its portfolio of 60 stores, totalling approximately one million sq m, across mainland China The contract is for three years by which time B&Q expect to have expanded into 100 stores A dedicated team of 10 DTZ people will work within B&Q's Chinese headquarters in Shanghai supported by colleagues in our 12 mainland offices DTZ is also instructed in China to value B&Q's current owner-occupied portfolio of 15 stores

Professional Services

Turnover (2006 £37 4m)

£47.7m +28%

Services

- Property Management
- Facilities Management
- Building Consultancy/Project Management

This business group has had an excellent year, seeing both a 27 5% increase on year-on-year revenues to £47 7 million and winning a significant pipeline of new business for the future

Some notable successes include over £4 billion in terms of capital value taken under management from companies including Glanmore UK Land Estates and Aviva plc, an appointment by ING Real Estate Investment Management to manage a £500 million portfolio of 55 properties and 630 tenancies located across the UK, and an appointment by Eurocastle (a company managed by Fortress) to manage a portfolio comprising 302 properties with a value of €2 1 billion (£1 4 billion) across Germany We were also appointed by Gemdale Corporation to manage its 150,000 sq m Gemdale Plaza which includes office and retail accommodation in Beijing

Shopping centres have been a particularly successful area Thus, in Guangzhou, China, we were instructed by Sky Metro to manage a 150,000 sq m site, while we won the instruction to advise Plaza Centres on the future management of Hungary's largest shopping centre at Arena Plaza Mall, Budapest In the UK, we have been instructed to manage four centres for O Twelve Estates Limited managed by Rugby Estates In addition, we are increasing our involvement in major mixed use schemes, for example, in winning the instruction to manage The Bahrain World Trade Centre with its two iconic 50-storey towers above a 150 unit retail mall

The trend from corporates to outsource their international portfolio management continues and we were successful in winning a competitive mandate for the outsourcing of worldwide real estate services for Rentokil Initial, including more than 900 properties in 30 countries

We continue to evolve our business and service offering We now provide a stand-alone facilities management service and do so for the entire Prudential Property Investment Managers (UK) (PRUPIM) non-shopping centre portfolio, covering over 250 properties across the UK

Integral to our facilities management service in the UK is Buying Force, our procurement aggregation business that we created as a joint venture with Prudential Buying Force has made a significant step forward this year with the appointment of a new managing director and sales manager The RICS publication of the new Service Charge Code of Practice endorses the use of third party procurement specialists such as Buying Force and has resulted in a number of new enquiries Buying Force continues to develop its rigorous supplier checking process, which now includes an in-depth review of each supplier's environmental and sustainability capabilities, assisting DTZ and its clients to meet their environmental and corporate social responsibilities, as well as obtaining best value aggregated procurement

Our Project Management and Building Consultancy teams have continued to expand globally, specifically in respect of the project management capability and, for example, have recently undertaken the project management fit out of new offices for a prominent internet client in Madrid and Milan In India, we won the assignment for the fit-out of two ABN AMRO office expansions in Bangalore and Delhi, while in Sydney, our team completed the fit-out of an 84,000 sq m office campus for Optus, Australia's largest ever corporate relocation

Old meets new at world heritage site
The Consulting & Research team in the Czech Republic completed a development consultancy project in Cesky Krumlov, a designated UNESCO world heritage centre and the Czech Republic's second most popular tourist attraction on behalf of Golden Krumlov Developments a s The team drew up a development plan and appraisal for a mixed use development, at a 4 5 hectare brownfield site adjacent to the town's historical centre, to include a four star hotel, luxury apartments and office space

Consulting & Research

Turnover (2006 £16 7m)

£22.4m +35%

Services

- Economics and Research
- Investor/Corporate Consultancy
- Development Consulting

Following a realignment of the business our Consulting & Research team increased year-on-year revenues to £22 4 million, 34 7% up on the previous year Over the past 12 months, the team has provided a wide range of consultancy services to both private and public sector clients

Our location specialists have provided assistance in establishing the optimum locations for a range of activities including shared service centres, manufacturing plant and research & development centres throughout EMEA for clients such as Firestone and a number of financial institutions We have also advised on a number of major portfolio transactions in the corporate sector

Additionally, we have carried out strategic advisory work for many of the UK's Development Agencies and local authorities as well as the Welsh Assembly and Scottish Executive We have also been the lead adviser on facilities management outsourcing to help London's Metropolitan Police achieve efficiencies in its annual £100 million expenditure on premises related services

Our Development Consulting team prospered, as we continued to enhance our UK market position as a 'top three adviser' by focusing on strategic development projects where our range of skills provide clear differentiation We continued to operate for a diverse client base of leading developers, landowners and the public sector and are seeking to spread our capacity outside the UK

For example, we have advised on significant projects in all of the UK Government's Growth Areas Thames Gateway, Ashford, Milton Keynes, the Stansted-Cambridge corridor and the Northern Way In addition, we have been appointed advisers to Basildon Renaissance Partnership on the redevelopment of the town centre, and English Partnerships on the planning strategy for Northstowe – a proposed new 10,000 house 'eco town' north of Cambridge In Asia, we advised a private consortium of Korean developers on the commercial aspects of a potential development of a new town near Seoul and have completed a review of the land use planning system for the Government of Bahrain

The investor consulting team has doubled revenues, with its client base broadening through new mandates from a range of European and US fund managers We advised two global fund managers on the investment strategy of their logistic funds in Europe and were also appointed by a leading wealth manager to structure a new global fund targeting €1 billion (£670 million) of investments

Our research team was voted No 1 by Euromoney as the leading European and global real estate research house Last year saw a record number of Europe-wide research mandates, including winning long-term research contracts from some of the world's largest banks and real estate investors

During the year we also undertook a wide range of bespoke research for investors, occupiers, developers and property companies as well as providing in-depth reviews for more general distribution Key topics included both sustainability and the impact of the latest five year plan on Chinese real estate Our most popular research tool, Money into Property, was expanded beyond EMEA analysis to include coverage for both Asia Pacific and the USA

We have carried out economic reviews and appraisal studies in support of development projects with a value of greater than £1 billion in the last year The economics team has also undertaken strategic housing market assessments for over 50 local authorities – as required in PPS3 Housing A particular feature of our economics advice has been the penetration of the investor market, specifically for international residential investors and the UK student residential market, where we completed due diligence work on circa 18,000 student rooms

"We expect the current improvement in business space occupational markets to continue for several years."

Corporate issues

The consolidation of equity interests in Asia Pacific has enabled us to reorganise the management structure of that region This is now largely complete and broadly mirrors the structure of our EMEA business

We are also making significant progress on developing our infrastructure to meet our changing global needs There is significant ongoing investment in areas such as IT and HR but in addition, our practice and risk management systems are evolving to a global market, as described in more detail in the directors' report There has been a particular focus on sustainability issues, both in respect of our own operations and in advising clients

People

We make no apology for repeating annually that we are committed to being regarded as the best employer in our industry – our ability to attract and retain the best is the bedrock of our success

There are many different aspects of being a good employer and the relative importance of these to our staff changes over time The chairman has commented on the increasing importance of global mobility, both to our business and in attracting staff Another key area to highlight is training We make significant investment in training our staff at all levels, with the areas covered ranging from the traditional graduate programmes, through technical and professional matters to general management training It is particularly pleasing to note that our senior management training programme for the next generation of business leaders has been increasingly widened on an international basis, reflecting the change in our business, so that there is now a good balance of nationalities involved in the process

Market outlook

We expect the current improvement in business space occupational markets to continue for several years in the absence of a major economic shock, although the growth is polarised and uneven In the established economies and financial centres, this overall growth looks generally sustainable, although development supply is now evolving to meet future demand Different cities are at different stages in the cycle but underlying demand suggests good activity levels which should provide us with helpful market conditions It is more difficult to predict the position in some of the developing markets, where rapid growth in demand is sometimes leading to a substantial development pipeline, suggesting the potential for some volatile conditions over the next few years

In the retail markets, there are broadly three trends that can be identified Firstly, in the traditional, well developed markets such as the UK, the overall pattern is broadly following consumer expenditure although in some instances, this might be affected by a significant new development pipeline Secondly, in those developed economies where the retail stock has not been modernised (such as Germany), there is a significant structural shift underway creating substantial market activity Finally, in the developing economies such as Central and Eastern Europe, China and India, a lack of quality stock and booming demand continues to underpin the prospect of substantial rental growth

Turning to the investment markets, strong international demand for real estate (which has been growing at around 25%–30% per annum) should continue, albeit growth in demand may now flatten The shift to a global market is likely to be permanent, creating sustainable, higher levels of activity, but as the market matures so it is becoming more selective We are in a period of transition as the main driver of capital value growth shifts from yield compression to rental growth The re-pricing of property as a global asset class has substantially

"We are increasingly establishing our position as a major global real estate advisory practice. We have a well developed and growing base in both EMEA and Asia Pacific and have also opened up a new capacity in The Americas which we intend to evolve further."

occurred but there remain pockets of good value which offset those locations where prices are now easing There is considerable pent-up demand – we estimate that half of the funds raised for investment globally over the last two years remain uninvested – which should help offset the impact of rising interest rates

Overall, we are now in more balanced market conditions The initial period of general recovery in 2004 to 2006 has ended and the last 12 months have seen some selective downward price movements, such as in parts of the UK investment market Looking forward, we expect this pattern to continue, with areas of strong growth offsetting such weaker areas but with ample funding available at correct pricing levels Nonetheless, activity levels are likely to remain good and, given the breadth and depth of our services and our geographic spread, we therefore anticipate generally helpful conditions for our business continuing

Strategy

Our business has continued to develop over the last year, so that through our operations and partnerships across the world we now serve clients with more than 11,000 staff operating in 140 cities and 45 countries

We are increasingly establishing our position as a major global real estate advisory practice We have a well developed and growing base in both EMEA and Asia Pacific and have also opened up a new capacity in The Americas which we intend to evolve further At the same time, we have been widening our skill offerings across these geographies to ensure that our clients have access to the range of services that they require

Finally, we would like to add our thanks to our staff to those of the chairman It is their hard work and commitment that continues to enable the group to develop so rapidly

Financial review

Accounting policies
During the year, the group changed its accounting policy for the recognition of its interest in jointly controlled entities We now combine our share of assets, liabilities, revenues and expenses in our joint ventures on a line-by-line basis whereas previously we only included our share of their results as a single line in the profit and loss account and our share of their net assets as an investment Although there is no overall effect on the net assets or profits of the group, we believe that this new treatment is more transparent There has been no other change in the accounting policies adopted by the group during the year

Overview
The group again achieved record results for the year with turnover up 33 5% to £310 3 million and profits before taxation ('PBT') up by 40 9% to £41 8 million including income of £3 8 million arising from the substantial realisation of our interest in Curzon Capital Partners (see below) These results were again achieved against a backdrop of continued investment in the business

Turnover
There was strong turnover in each of our business areas, both by geography and by skill as set out below

	2007				2006				
	EMEA £'m	**Asia Pacific £'m**	**The Americas £'m**	**Total £'m**	EMEA £m	Asia Pacific £m	The Americas £m	Total £m	Increase %
Capital Markets	**78 6**	**8.5**	**7 5**	**94 6**	61 7	2 6	–	64 3	46 9
Valuation	**50 9**	**7.3**	**–**	**58 2**	41 9	1 3	–	43 2	34 8
Occupational & Development Markets	**73 0**	**14 4**	**–**	**87 4**	66 3	4 5	–	70 8	23 5
Professional Services	**41.1**	**6 6**	**–**	**47.7**	35 2	2 2	–	37 4	27 5
Consulting & Research	**19 8**	**2 6**	**–**	**22.4**	16 6	0 1	–	16 7	34 7
	263 4	**39 4**	**7 5**	**310.3**	221 7	10 7	–	232 4	33 5

We were extremely pleased with the growth in each of the areas, although Capital Markets did benefit from the acquisitions in the US and North Asia (see below) The underlying growth in this area, excluding the effect of these acquisitions was 31 3%

The analysis continues to demonstrate the breadth of our business across different geographies and skills, and provides us with confidence that we can be successful through varying market cycles in the future

Costs
Overall costs increased by £68 9 million to £278 1 million, which represented 89 6% of turnover (2006 90 0%) The largest cost to the group is staff, which amounted to £195 2 million or 62 9% of turnover (2006 62 1%) This represented a £51 0 million increase on the prior year, of which £23 5 million (2006 £14 7million) was as a result of new staff joining the group through acquisitions and recruitment, 30% of total staff costs is represented by bonuses and commissions Other operating costs increased by £17 4 million to £79 8 million, which represented 25 7% of turnover (2006 26 8%) Of the increase, approximately £8 6 million were costs attributable to acquisitions The underlying cost increase, excluding integration costs, was only £7 8 million or 12 6%

Operating profit
As a result of the above, our operating profit was £32 2 million (2006 £23 2 million) with margins improving to 10 4% (2006 10 0%)

Associates
The overall results from our associates increased from £4 7 million to £6 5 million as a result of strong performances from our businesses in The Netherlands and Sweden

Income from other fixed asset investments amounted to £3 9 million (2006 £1 5 million) principally relating to the realisation of our interest in Curzon Capital Partners (CCP) of which £3 1 million was incentive fees and £0 7 million a capital gain After net financing costs of £0 8 million (2006 income – £0 3 million), the group's profit before taxation increased by 40 9% to a record £41 8 million (2006 £29 7 million)

A segmental analysis of profit before net financing income, income from other fixed asset investments and taxation by region is as follows

	UK & Ireland	EMEA (ex UK & Ireland)	EMEA	Asia Pacific	The Americas	Holding company	Total
2006/07 (£'m)	30 4	13 3	43 7	1 4	(2 2)	(4 2)	38 7
2005/06 (£'m)	24 2	7 0	31 2	0 2	–	(3 5)	27 9
Increase (%)	25 4	89 3	39 8	718 8	–	(19 3)	38 7

Strong profit growth was achieved in EMEA, notwithstanding the increased organic investment made in that business With regard to The Americas, their performance has already been covered in the chairman's overview and our performance In respect of Asia Pacific, we have seen strong growth, aided by the full year effect of acquisitions, offset by integration costs in North Asia of approximately £0 5 million and a substantial organic investment within the region

Taxation
Our effective tax rate reduced again this year from 32% to 31% as a result of the mix in profits across the different geographies, and through further efficiencies that we have put in place

Dividends and earnings per share
Basic earnings per share increased by 30 4% to 49 4 pence (2006 37 9 pence), or 44 3 pence excluding the gain from CCP As a result, the board is recommending an increase in the final dividend per ordinary share to 8 00 pence (2006 7 00 pence) which, together with the interim dividend of 3 50 pence per share (2006 2 75 pence), provides shareholders with a total dividend for the year of 11 50 pence per share (2006 9 75 pence per share), representing an overall increase for the year of 17 9% and a dividend cover of 3 9 times

Corporate activity
To achieve our strategic goals, we continue to invest, both organically as set out earlier, and through acquisitions A summary of the significant acquisitions made during the year, of which further details can be found in note 17, is set out below

Acquisitions
- Rockwood Realty Associates, LLC (Rockwood) On 10 May 2006, we acquired a 50% interest in Rockwood for an initial consideration of US$45 0 million (£24 2 million) of which 81% was in cash and 19% in shares In addition, a 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 0 million (£40 3 million),
- DTZ Pacific Holdings (DTZ North Asia) On 14 December 2006, the group acquired the remaining 70% of DTZ North Asia that it did not already own DTZ North Asia owns and operates businesses across mainland China, Hong Kong and Taiwan The initial consideration of HK$356 9 million (£23 3 million) was satisfied by a cash payment of HK$63 3 million (£4 1 million) and the issuance of 2,676,191 shares (£19 2 million),
- New Zealand On 1 August 2006, the group acquired a further 26% in DTZ New Zealand ('DTZ NZ') bringing the total shareholding in the company to 51% The consideration comprised a cash payment of £0 4 million

Total acquisition costs in the year were £56 1 million, of which £23 8 million was in shares, £27 1 million in cash and £5 2 million was deferred consideration

Pensions
At 30 April 2007 there was a deficit (net of tax) held on the balance sheet of £1 2 million (2006 £4 1 million) The overall deficit has reduced due to an increase in asset values, a reduction in future obligations due to changes in bond yields and deficit contributions paid to the plan The next triennial valuation is due on 30 April 2008

Cash flow and borrowings

Net cash at 30 April 2007 was £24 0 million (2006 £30 3 million) as analysed below

	2007 £m	2006 £m
Bank and cash balances	**49 8**	31 8
Loans	**(25 8)**	(1 5)
Net funds	**24 0**	30 3

The reduction in net funds of £6 2 million is due to cash acquisition costs of £29 4 million, of which £2 3 million is the payment of deferred consideration, offset by net cash inflows of £23 1 million, reflecting the strong cash generative nature of the business

The bank and cash balances are held in a basket of currencies to match working capital requirements The loans have an average term of approximately 3½ years, are principally denominated in US and Hong Kong dollars and were taken out in order to provide a specific hedge against investments in the same currency Approximately 66% of the group's borrowings were at floating rates, (but less than 50% after adjusting for working capital balances) and the remaining 34% at fixed rates after taking into account interest rate swap agreements

The group also has undrawn committed facilities of £28 3 million which, combined with our existing net cash balance and expected cash flows 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 previously reported, 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 and the pension deficit previously written off to reserves) and Loans WACC is the weighted average cost of capital 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 shown below

	2007	2006	2005
ROIC (%)	**16 7**	19 9	16 1
WACC (%)	**9 8**	10 0	8 8
EVA (%)	**6 9**	9 9	7 3
EVA (£'m)	**10 9**	9 3	5 7

The table shows that the returns achieved exceeded our cost of capital in each of the years to the extent that the value provided to shareholders this year, in absolute terms, or EVA, was £10 9 million This represents some 40% of our after tax returns, which clearly demonstrates that our strategy and related investments continue to generate value, even taking into account the new investments made in the year where the full value of the returns has still to crystallise In terms of making new investments, they are appraised taking into account both their risks, including costs of integration, and the appropriate hurdle rates

In addition, over the same period of time, dividends have increased from 6 50 pence to 11 50 pence per ordinary share and since 1 May 2004 the share price has increased from 161 5 pence to 596 0 pence at 30 April 2007

A graph showing Total Shareholder Returns for the five years ended 30 April 2007 as compared to the FTSE Small Cap Index is set out on page 39 of the remuneration report

Treasury 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. At 30 April 2007, the group had loans denominated in foreign currencies amounting to £25.0 million in order to hedge against specific investments,
- 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 2007, of the total loans outstanding of £25.8 million, 66% was at floating rates (but less than 50% after adjusting for working capital balances) and 34% at fixed rates through interest swap agreements,
- Liquidity risk. The group maintains a debt to capital ratio that has flexibility to allow it to meet its strategic objectives. In addition, policies are 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. At 30 April 2007 the group, in addition to the net funds of £24.0 million referred to above, had undrawn committed facilities of £28.3 million.

Risk management

The group's risk management process is embedded within its business plan and is a key focus. This process is supported by KPMG LLP, our internal auditors, who review all areas of risk, including our financial systems and controls. Through this risk management process, we are able to ensure that we have appropriate systems and controls in place to allow us to continue to develop and grow the business at the same time as managing the associated risks.

M.D. Struckett

Mark Struckett group chief executive
4 July 2007

Tim Maynard group finance director
4 July 2007

Corporate responsibility report

Our approach
DTZ recognises that the way we manage corporate responsibility in our own business, and our ability to provide advice on these issues to clients, is material to our long-term financial performance Our corporate responsibility policy is therefore focused both on our operations and our expertise

Our continued inclusion in the FTSE4Good index indicates our success in managing corporate responsibility within our own operations Externally, we have committed our support, as its only property sector partner, to Forum for the Future, a leading sustainable development organisation This demonstrates our desire to further expand our expertise and knowledge in this field

Responsibilities and accountabilities
The board as a whole is responsible for ensuring compliance with DTZ's corporate values and group policies, including corporate responsibility, environment, Health & safety, equal opportunities and a range of human resources policies Corporate responsibility is also integrated into the business development processes

This year, board responsibility has been taken over by Robert Peto, chairman of DTZ UK & Ireland A corporate responsibility steering group meets quarterly and reports to the board This steering group is made up of senior executives from both client-facing and operational roles Its mandate is to monitor, advise and assist with the implementation of relevant policies, and to provide coordination across the group

The implementation of corporate responsibility varies in focus and significance across the countries in which we operate Each country office takes responsibility for setting priorities and developing appropriate implementation plans consistent with group policies In the past year, we have begun to establish a network of focal points in each country to facilitate group-wide learning and data collection

Our clients
The greatest influence we can have in terms of corporate responsibility is through our service offering, by helping investors and occupiers integrate corporate responsibility into their core activities On behalf of clients, DTZ manages more than 6,000 properties across EMEA Our advice also influences how billions of pounds is invested by our clients

Clients look to us to provide guidance on how to minimise environmental, Health & safety and other risks relating to the buildings they occupy On the investor side, they seek guidance on how to integrate corporate responsibility issues into their portfolio valuations and purchasing strategies

In order to better serve our clients, we have established a dedicated sustainability group in the past 12 months Based in the UK, this group has assessed internal expertise in relation to anticipated market demand Its work has included the compilation of a register of related expertise and services, leadership training with Oxford Brookes University, discussions with many clients, and the marketing of relevant services

A portfolio of corporate responsibility and bespoke sustainability services has been compiled which includes sustainability audits, carbon footprints, renewable energy procurement, environmental investment funds, economic impact assessments and sustainability masterplans Additionally we are working on producing 'green' leases which are designed to respond to environmental climate change legislation We have provided services to a number of clients including B&Q (China), Co-operative Insurance Society and Prudential Property Investment Managers (UK)

Our work with PRUPIM also underscores how our own internal capacity on corporate responsibility – in this case with ISO 14001 – can be used to provide client services As part of its sustainability strategy PRUPIM wanted to improve environmental performance at 30 properties in its portfolio Working together we have achieved ISO 14001 certification at 10 sites, and are on target to certify the rest At one site – Holborn Bars, London – this has led to cost savings associated with a 9% reduction in energy costs and 10% less waste to landfill

Holborn Bars in London where DTZ helped PRUPIM achieve ISO 14001 certification

As corporate responsibility issues become more significant across each of the 45 countries in which we operate, our sustainability group will expand to ensure our expertise and services meet client demand wherever we operate

Our people
DTZ's system has over 11,000 people operating from 140 cities in 45 countries We aspire to be recognised globally as the best employer in our industry, because we empower our people to excel both for themselves and clients As outlined on pages 6 and 7, this people vision is an important part of our overall strategy Our UK voluntary attrition has decreased over the past year from 19 1% to 16 9%

DTZ has progressive people policies designed to provide the support, flexibility and reward necessary to enable employees to excel at work The diversity of people within DTZ is changing, due to a greater variety of attractive employment terms together with an increase in our global mobility which enhances our ability to share business knowledge across the world This year we have gathered valuable information from a sample of employees across Europe to understand how DTZ is perceived as an employer – particularly in relation to diversity and inclusion, this has enabled us to create business focused employment initiatives for the coming year

Health & safety
As a knowledge-based organisation, our workforce is our greatest asset We are therefore committed to continuously improving the safety and wellbeing of our employees

Over the past year, we have set minimum competency requirements for staff on health & safety and raised our minimum standards of training beyond legal compliance We have also introduced semi-professional qualifications for key front line staff, including the NEBOSH National General Certificate in Occupational Safety and Health Specific issues addressed in the past year have included site safety, lone working/personal safety, a construction skills certification scheme, managing fire risks, and repetitive strain disorders resulting from use of office equipment

In the next year we will establish a common framework for our overseas activities, developed in line with the OHSAS 18001 standard, broaden the data collection across EMEA, focus on the dangers of working at heights, and develop a benchmarking and measurement framework for suppliers

Community
DTZ provides support to a number of non-profit organisations that research and help raise awareness of the built environment and society This includes Forum for the Future, i-Think, the only online industry discussion forum on sustainability, and the Academy of Urbanism

Our offices and staff also donate time and money to help charities and local community groups around the world This year, in recognition of our decade-long support to student work experience, DTZ in Hong Kong was presented with the Polytechnic University 'Preferred Graduate' Development Award DTZ in India was also the 2006 National Sponsor for the 7th Cry Cadence Corporate Cricket Challenge, in support of India's leading child rights organisation

On an individual level, teams of DTZ staff have participated in a number of fundraising events including the 25th anniversary Oxfam Trailwalker Challenge, the MTR Hong Kong Race Walking 2007, and the 2007 Standard Chartered Hong Kong Marathon 2007

Protecting the environment
In the UK, along with helping our clients manage their environmental impacts, we are also committed to making all reasonable efforts to reduce the environmental impact of our own activities, we also source 100% of our energy from renewable sources

DTZ has became the first global property adviser to achieve ISO 14001 certification, covering not only our occupied offices in the UK, but also the services we deliver to our clients We will expand ISO 14001 to other countries in the coming year This will provide us with, among other things, a common framework for identifying, measuring and managing our main environmental impacts

Business travel is a major cost of our operations, and a significant impact on the environment In order to help us reduce spending and CO_2 emissions, DTZ is in the process of establishing a global video conferencing capability We have also commissioned research to identify how we can offset our own carbon footprint to match industry best practice

DTZ has an influence in the supply chain and we will be introducing initiatives to help suppliers improve their own environmental performance, such as through benchmarking, seminars and target setting

Directors

T D Melville-Ross CBE FCIS FCIB
group chairman, non-executive (Age 62)
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 Limited He has been appointed chair to the board of Higher Education Funding Council for England effective from 1 January 2008

M D Struckett MA MBA FRICS
group chief executive (Age 49)
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 formerly a non-executive director of Tenon Group plc

T S Maynard ACA
group finance director (Age 46)
Tim Maynard is a chartered accountant, and 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

Leung Chun Ying (CY Leung) FHKIS
chairman Asia Pacific (Age 52)
Leung Chun Ying (CY Leung) has been involved with the group since 1993, having strengthened this in 1999 when the group bought a minority interest in his business He was appointed to the board on 14 December 2006 He has been chairman of DTZ Asia Pacific since February 2007 and prior to that was chairman of DTZ Debenham Tie Leung in North Asia CY is past chairman of the Royal Institution of Chartered Surveyors in Hong Kong and past President for the Institute of Surveyors in Hong Kong He is also a trustee, executive committee member and chairman of Asia for the Urban Land Institute of the United States Since 1997, CY has been a member of the Executive Council of Hong Kong and is currently the Convenor In 2003 he was elected a member of the National Standing committee of the Chinese People's Political Consultative Conference

R H H Peto MA FRICS
chairman UK & Ireland (Age 56)
Robert Peto joined the group in 1971 and has been chairman of DTZ (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

K B O'Higgins ASCS MRICS MIAVI
managing director EMEA (Age 46)
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 & 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

T J Hodgson FRICS
executive (Age 58)
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 (UK) He joined the company in 1977

Tim stood down from the board and from his position as group chief operating officer with effect from 24 May 2007 and will return to the group on a part-time basis from September 2007

D M Gray CA
chairman EMEA Capital Markets (Age 55)
David Gray is a chartered accountant He joined the group on 1 May 2000 as chairman of DTZ Consulting & Research He is currently chairing DTZ's EMEA Capital Markets business He is also a board Member of Scottish Water and a non-executive director of Romag Holdings plc

P J Stone Solicitor
independent non-executive (Age 61)
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 He is chairman of the remuneration committee and a member of the audit and nomination committees

A Lesniak BSC (HONS) ARCS FCA
independent non-executive (Age 55)
Alicja Lesniak has served as a non-executive director for DTZ Holdings plc since March 2004 She has over 30 years' experience of the financial and operational management of fast growing service business in disciplines such as management consultancy, engineering and, most recently, marketing services She is currently CFO of Aegis plc Previously she served as a board member for BBDO Worldwide Inc and prior to that she was chief financial officer worldwide of Ogilvy & Mather and managing director of J Walter Thompson UK She currently holds another non-executive director post with the specialist staffing business SThree, appointed in 2006 She is a member of DTZ's audit, remuneration and nomination committees Alicja is a fellow of the Institute of Chartered Accountants in England & Wales

L Cullen BSC (HONS) FCCA FCT MBA
independent non-executive (Age 55)
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 and he is currently a non-executive director and chairman of the audit committees of Avis Europe plc and BT Pension Scheme Trustees Ltd and a non-executive director of F & C Global Smaller Companies PLC, Interserve plc and Sustrans Ltd He is chairman of the group's audit committee and a member of its remuneration and nomination committees

D Detter
independent non-executive (Age 47)
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, as well as chief executive officer of Stattum, the State Holding company in Sweden and as the Head of State Enterprise Division at the Swedish Ministry of Industry He has also served as a non-executive director on a number of boards including Telia, Celsius and Swedish Post Dag Detter is currently a senior adviser to Terra Firma He is a member of the group's audit, remuneration and nomination committees

Directors' report

The directors present their twentieth Annual Report and the audited financial statements for the year ended 30 April 2007

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 £232 4 million to £310 3 million, during the year ended 30 April 2007

Group results
The directors report a profit before taxation of £41 8 million compared with £29 7 million for the previous year

Equity shareholders' funds at 30 April 2007 amounted to £106 4 million (2006 £62 5 million)

Events occurring after the end of the year
Details can be found in note 31 to the accounts

Enhanced business review
A review of the business, future prospects and the principal risks and uncertainties it faces are contained within the Chairman's overview on pages 8 and 11 and the review of our Performance and Financial review on pages 12 to 25

The principal financial risks are discussed in note 22 to the financial statements

Dividends
A final dividend, for the year ended 30 April 2006, of 7 00 pence net per ordinary share was paid in September 2006 This, together with an interim dividend for the year ended 30 April 2007 of 3 50 pence net per ordinary share paid in February 2007, gives a total dividend charged to the results for the year ended 30 April 2007 of 10 50 pence net (2006 7 75 pence) A final dividend for the year ended 30 April 2007 of 8 00 pence net per ordinary share is to be proposed at the annual general meeting on 6 September 2007 If approved, this will be payable to shareholders on the register at the close of business on 17 August 2007 This proposal will provide a total dividend for the year ended 30 April 2007 of 11 50 pence net per ordinary share (2006 9 75 pence)

Directors
The present membership of the board is set out on pages 28 and 29 All directors served throughout the year with the exception of The Hon Leung Chung Ying (C Y Leung), who was appointed as an executive director on 14 December 2006 and who offers himself for election In accordance with the company's Articles of Association, Mr T D Melville-Ross, MR R H H Peto, Mr D M Gray and Mr L Cullen 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 interests of directors and their families in the shares of the company were

Number of ordinary shares of 5 pence each	Beneficial 1 May 2006	**Beneficial 30 April 2007**	Non beneficial 1 May 2006	**Non-beneficial 30 April 2007**
T D Melville-Ross	16,450	**16,450**	–	–
M D Struckett	630,943	**479,347**	54,500	**54,500**
T S Maynard	20,000	**59,219**	–	–
T J Hodgson(1)	271,697	**221,697**	–	–
R H H Peto	471,580	**249,485**	–	–
K B O'Higgins	105,253	**105,253**	–	–
D M Gray	8,609	**8,609**	–	–
C Y Leung(2)	–	**2,628,305**	–	–
L Cullen	5,000	**5,000**	–	–
D Detter	–	–	–	–
P J Stone	50,000	**50,000**	–	–
A Lesniak	5,000	**5,000**	–	–

(1) T J Hodgson resigned on 24 May 2007
(2) C Y Leung was appointed on 14 December 2006

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 2007, all the above directors are interested in 3,354,540 ordinary shares (2006 3,267,591) 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 2007 and 22 June 2007, this figure has decreased to 3,344,540

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 32 to 39

As at 22 June 2007, the company had been notified of the following interests of 3% or more in the company's ordinary shares

Substantial interests	At 30 April 2007 Shares	%	At 22 June 2007 Shares	%
Groupe CM	**11,510,500**	**20 09**	**11,695,500**	**20 41**
AEGON Asset Management	**3,392,611**	**5.92**	**3,388,758**	**5 91**
DT&C Limited[2]	**3,354,540**	**5 85**	**3,344,540**	**5 84**
C Y Leung	**2,628,305**	**4 58**	**2,628,305**	**4 58**
Barclays PLC	**2,525,687**	**4 40**	**1,719,431**	**3 00**
JPMorgan Asset Management	**2,519,702**	**4 40**	**2,181,105**	**3 81**
Legal & General Investment Management Limited	**2,083,208**	**3 63**	**2,094,744**	**3 66**
Wasatch Advisors[1]	**2,081,792**	**3 63**	**2,543,762**	**4 44**

(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 four items of special business at the AGM These are resolutions 5 to 8 (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 £42,224 (2006 £18,303) No donations were made for political purposes (2006 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 2007, creditor days were calculated at 26 days (2006 23 days)

Directors' indemnities
The Articles of Association grant indemnities to each of the directors and the group secretary to the extent permitted by law These indemnities are uncapped in amount in relation to certain losses and liabilities, which may incur to third parties in the course of acting as directors (or company secretary as the case may be) or employees of the company or one or more of its subsidiaries and associates

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
In accordance with the provisions of Section 234ZA of the Companies Act 1985, each of the directors 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 of the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

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 AGM

P M Cook secretary
4 July 2007

Remuneration report

The directors submit their report on remuneration for the year ended 30 April 2007

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 tables of Directors' Share Options under the Deferred Share Scheme, COSOP and tables of Long-Term Incentive Plan awards in section 3, and the whole of section 4 have been subject to audit The remaining parts of section 3 and sections 1, 2 and 5 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 Ms Alicja Lesniak Mr P J Stone served as chairman 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 or options under the Long-Term Reward Plan (LTRP), approved at the AGM in September 2006

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

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 38, show the relative value of the basic and performance related elements of their remuneration The group's remuneration structure is such that in 2006/07 the highest paid employees within the group were not directors of the parent 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 the nature of their business, 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 38

ii) Annual performance related bonus scheme
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 individual's 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 and C Y Leung are members of the company's non-contributory money purchase pension scheme of which Mr M D Struckett and Mr T J Hodgson are deferred members

iv) Long-Term Incentive Plans
At the Annual General Meeting in September 2006 approval was given to implement a new Long-Term Incentive arrangement, known as the DTZ 2006 Long-Term Reward Plan (LTRP) The company has confirmed the strategy of aiming to become, a leading global provider of integrated property solutions to clients Achievement of this strategy will require a greater focus on long-term results, and will require significant cross-working between the different service lines within the company in order to provide the integrated solutions that clients are seeking

The remuneration committee had therefore concluded that, in order better to support this business strategy, redesigned long-term incentive arrangements should be introduced, to form a significant proportion of the total package in future years, so as to

- Ensure market competitiveness of the package for senior management roles,
- Shift the focus of the incentive arrangements to the longer term,
- Reward growth in group profitability, thereby encouraging cross-business line and cross-territory integration, and
- Enhance alignment between the company's senior executives and long-term shareholder value creation, providing an opportunity for the key senior people to share in the long-term success of the company

Initially, the new Long-Term Reward Plan (the 'Plan') has been open principally to UK Participants but it is intended to roll it out globally, to the territories in which DTZ has a major presence, in the short to medium term

The plan has four components

Deferred Bonus Plan
Under the Plan, a percentage of any annual bonus payable, that exceeds a value prescribed each year by the remuneration committee, will be delivered as an award of Shares ('Deferred Shares'), the receipt of which will be dependent on continuing employment within the group This element of the Plan incorporates the previous deferred bonus arrangements

The formula for determining the percentage of the annual bonus that is delivered in Deferred Shares and the threshold for deferral determined by the remuneration committee is disclosed each year in the remuneration report For the operation of the Plan in 2007, the following tiered structure has applied to determine the value of the annual bonus that will be delivered in Deferred Shares

- 10% of any annual bonus that is in excess of £100,000 but less than or equal to £250,000 (i e a maximum of £25,000), plus
- 20% of any annual bonus that is in excess of £250,000

Co-investment Plan
Under the Plan, the remuneration committee may invite selected employees to make a further investment ('Co-investment') in shares which must be held for a three year period Individuals who participate in Co-investment will receive awards of free Matching Shares The Matching Shares will vest at the end of the Retention Period if the individual remains in employment with the group (subject to 'good leaver' provisions) and to the extent that they have retained their Co-invested Shares Vesting of the Matching Shares is also subject to the satisfaction of a performance condition over a three year Performance Period (the 'Performance Period')

The remuneration committee determines each year the individuals to whom Co-investment is to be offered, the Co-investment parameters, the matching multiples and the performance condition

In 2007 it is envisaged that Co-investment is offered only to Participants who receive Deferred Shares in respect of their annual bonus for the immediately preceding financial year and that the maximum number of Co-invested Shares would be limited to the number of the Deferred Shares awarded in respect of that year However, the remuneration committee reserves the right to offer Co-investment more widely

The remuneration committee proposes that the matching multiples for the 2007 operation of Co-investment will range from 20% of the number of Co-invested Shares, for threshold performance to 100% of the number of Co-invested Shares for maximum performance

The remuneration committee has confirmed that the performance condition attaching to the Matching Shares will be based on group Earnings Per Share ('EPS') annual growth targets The range of EPS growth targets is set each year by the remuneration committee, taking into account the prospects for the business at that time and analysts' forecasts of group EPS for the ensuing three years

The proposed EPS growth targets for awards of Matching Shares under the Plan will be aligned with those for the LTIP awards (see below) For the 2007 operation of the Plan, the following vesting schedule has been used

Group EPS Growth	Matching Shares as multiple of Co invested Shares
<RPI + 5% pa	0% of number of Co-invested Shares
RPI + 5% pa	20% of number of Co-invested Shares
RPI + 12% pa	100% of number of Co-invested Shares

The number of Matching Shares awarded will be determined on a pro rata basis, if average annual real group EPS growth is between 5% and 12% per annum

Long-Term Incentive Plan (LTIP) awards
The LTIP awards are designed to provide a long-term focus to senior members of the management team The remuneration committee has agreed to extend participation in LTIP awards in the 2007 year of the Plan to those executives whose roles require them to take a longer term perspective

LTIP awards will be structured to provide the full value of the underlying share to Participants Awards will vest at the end of a three year period, providing the Participant continues to be employed within the group and to the extent that the performance conditions have been met over the Performance Period

Each year, the remuneration committee will determine individual levels of participation Maximum grants will be 150% of annual salary

The remuneration committee has determined that the performance condition for the 2007 LTIP awards will be based on real annual group EPS growth targets as follows

Group EPS growth	Percentage of LTIP award vesting
<RPI + 5% pa	nil
RPI + 5% pa	20%
RPI + 12% pa	100%

The percentage of an LTIP award vesting for average annual real group EPS growth between 5% and 12% will be calculated on a pro rata basis

Company Share Option Plan ('COSOP') options
The Plan will provide for the grant of market value options under a COSOP The COSOP will consist of an HM Revenue & Customs ('HMRC') approved section and an unapproved section Options over shares having a value at the time of grant of up to the limit specified from time to time by HMRC (currently £30,000) will be granted under the HMRC approved section and all other COSOP options will be granted under the unapproved section

COSOP options will be subject to performance conditions selected from time to time by the remuneration committee For the 2007 COSOP options granted under the Plan, the remuneration committee has determined that the performance condition will be based on a real annual group EPS growth target, similar to that attaching to LTIP and matching share awards under the Co-investment Plan

For COSOP options, the following group EPS growth targets will apply

	Percentage of COSOP option vesting	
Group EPS growth	Approved options	Unapproved options
<RPI + 5% pa	nil	nil
RPI + 5% pa	100%	20%
RPI + 12% pa	100%	100%

The percentage of an unapproved COSOP option vesting for average annual real group EPS growth between 5% and 12% will be calculated on a pro rata basis

Eligibility
All executive directors and employees of the group are eligible to participate in the Long-Term Reward Plan The remuneration committee will approve the participation in the Plan of individual employees each year The remuneration committee will determine each year the types of award to be made to each Participant

Exercise period
The period during which a Participant may exercise a vested option granted in respect of Deferred Shares, an LTIP award or an award of Matching Shares will be the period of 12 months after the end of the Restricted Period The period during which a Participant may exercise a vested COSOP option will be the period of seven years after the end of the Restricted Period

Employment condition
If a Participant ceases to be employed within the group before the end of a Restricted Period in respect of any awards, his or her Deferred Share award, any Matching Share awards, any COSOP options and any LTIP awards will lapse forthwith, except in the circumstances described under Good Leavers below, unless the remuneration committee in its absolute discretion determines otherwise

Change of control
In the event of a change of control of the company, if a court sanctions a compromise or arrangement under Section 425 of the Companies Act 1985 or if a resolution is passed for the voluntary winding-up of the company the Deferral/Retention and Performance Periods will come to an end Co-invested Shares and Deferred Shares will vest in the Participants immediately Matching Share awards, COSOP options and LTIP awards will vest in the Participants to the extent that the relevant performance condition has been satisfied, prorated to reflect the part of the Restricted Period that has elapsed at the date of the event Any options will be exercisable for a period of up to six months from the date of vesting

In the event of a change of control of the company, the Plan will allow for awards to be exchanged for awards over shares of equivalent value in the acquiring company, by agreement with the acquiring company

Timing
COSOP options and Co-invested Share, Deferred Share, Matching Share and LTIP awards are granted within a 42 day period following the announcement of half year or year end results for the financial year

The first grant of awards under the Plan were made within the 42 day period following the AGM at which the Plan received shareholder approval

Dividends or dividend equivalents
Dividends or dividend equivalent amounts in respect of Deferred Share awards, Co-invested Share awards, Matching Share awards and LTIP awards may be rolled up over the Restricted Period and paid out to Participants to the extent that their respective Plan awards vest at the end of the Restricted Period

Share Incentive Plan ('SIP')
At the Annual General Meeting in September 2006 approval was given to implement a new Share Incentive Plan ('SIP') This was in order to ensure the alignment of all of our employees' interests with those of shareholders' and to provide them with an opportunity to invest in the company The SIP will provide for Free Shares, Partnership Shares and Matching Shares but for the foreseeable future it is being restricted to the purchase by employees of Partnership Shares

The Share Incentive Plan ('SIP') is an HMRC approved all employee scheme under which employees must generally participate on similar terms

Directors' Share Options under the DTZ Holdings plc Deferred Share Scheme

Name	At 1 May 2006	Granted	Exercised	At 30 April 2007	Value at grant £	Notional dividend accrued at 30 April 2007	Exercise price	Date from which exercisable	Expiry date
M D Struckett	50,000	–	50,000	–	78,500	–	nil	11 July 2003	11 July 2007
	50,000	–	–	50,000	81,250	**25,000**	nil	13 July 2004	13 July 2008
	50,000	–	–	50,000	55,000	**21,000**	nil	18 July 2005	18 July 2009
	50,000	–	–	50,000	40,000	**17,000**	nil	11 July 2006	11 July 2010
	30,000	–	–	30,000	42,000	**8,000**	nil	16 July 2007	16 July 2011
	30,000	–	–	30,000	66,000	**6,000**	nil	7 July 2008	7July 2012
		10,000	–	10,000	67,000	**1,000**	nil	5 July 2009	5 July 2013
T S Maynard	32,086	–	32,086	–	30,000	–	nil	1 May 2005	1 May 2009
	20,000	–	20,000	–	16,000	–	nil	11 July 2006	11 July 2010
	20,000	–	–	20,000	28,000	**5,000**	nil	16 July 2007	16 July 2011
	20,000	–	–	20,000	44,000	**4,000**	nil	7 July 2008	7 July 2012
		4,000	–	4,000	27,000	–	nil	5 July 2009	5 July 2013
T J Hodgson	20,000	–	–	20,000	16,000	**7,000**	nil	11 July 2006	11 July 2010
	20,000	–	–	20,000	44,000	**4,000**	nil	7 July 2008	7 July 2012
		8,000	–	8,000	54,000	–	nil	5 July 2009	5 July 2013
R H H Peto	15,000	–	–	15,000	16,500	**6,000**	nil	18 July 2005	18 July 2009
	20,000	–	–	20,000	16,000	**7,000**	nil	11 July 2006	11 July 2010
	20,000	–	–	20,000	28,000	**5,000**	nil	16 July 2007	16 July 2011
	30,000	–	–	30,000	66,000	**6,000**	nil	7 July 2008	7 July 2012
		8,500	–	8,500	57,000	**1,000**	nil	5 July 2009	5 July 2013
K B O'Higgins	30,000	–	–	30,000	24,000	**10,000**	nil	11 July 2006	11 July 2010
	20,000	–	–	20,000	28,000	**5,000**	nil	16 July 2007	16 July 2011
	20,000	–	–	20,000	44,000	**4,000**	nil	7 July 2008	7 July 2012
		4,500	–	4,500	30,000	–	nil	5 July 2009	5 July 2013
C Y Leung	–	–	–	–	–	–	–	–	–
Totals	**547,086**	**35,000**	**102,086**	**480,000**					

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 M D Struckett was 649 pence The aggregate gain made on the exercise of the share options by Mr M D Struckett, was £324,500 (2006 nil) The mid-market prices of the shares at the date of exercise by Mr T S Maynard were 649 pence and 624 5 pence respectively The aggregate gains made on the exercise of the share options by Mr T S Maynard were £129,800 and £200,377 respectively (2006 nil)

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 M D Struckett the payment made was £22,470 (2006 nil) In respect of the options exercised in the year by Mr T S Maynard, the payments made were £4,463 and £11,885 respectively (2006 nil)

Since the year end, the remuneration committee has recommended that Deferred Share options over ordinary shares be granted to Mr M D Struckett, 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 four years after the grant date At the date of grant, the estimated values of these were £78,000, £52,000 and £52,000 respectively

In addition, the remuneration committee has recommended that LTIP awards be granted to Mr M D Struckett, Mr R H H Peto and Mr K B O'Higgins in respect of 50,000, 30,000 and 30,000 shares respectively

These amounts are not included in the above table

Directors' Share Options under the COSOP

Name	At 1 May 2006	Granted during the year	Exercised during the year	At 30 April 2007	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 2007	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
C Y Leung	–	–	–	–	–	–	–
Totals	**140,000**	**–**	**40,000**	**100,000**			

The mid-market price of shares at 1 May 2006 and 30 April 2007 was 643 pence and 596 pence respectively The share price during the year ranged from 566 5 pence to 835 0 pence

Directors' Long-Term Incentive Plan awards
On 6 October 2006 DTZ Holdings plc granted the following Long-Term Incentive Plan awards under Parts One and Two of The DTZ Holdings plc 2006 Long-Term Reward Plan, the Long-Term Incentive Plan (the 'Plan') following approval of the Plan rules at the AGM on 7 September 2006

Name	Plan shares
M D Struckett	33,587
T S Maynard	20,038
T J Hodgson	21,755
R H H Peto	18,320
K B O'Higgins	18,320

The date upon which the Long-Term Incentive Plan awards will normally vest will be 6 October 2009

In each case the award price shall be nil

The LTIP awards as set out above are granted and will vest subject to the terms and conditions set out in the Plan and also subject to the performance target being satisfied

In addition, on the same date, the following directors made further investments in the company's shares under the Co-investment Plan (the 'Plan') under Part Four of The DTZ Holdings plc 2006 Long-Term Reward Plan, following approval of the Plan rules at the AGM on 7 September 2006

Name	Plan shares
R H H Peto	8,694
K B O'Higgins	4,603

Mr R H H Peto and Mr K B O'Higgins were also granted a matching share award under Part Four of The DTZ Holdings plc 2006 Long-Term Reward Plan for 8,694 and 4,603 plan shares, respectively

In addition, under the Share Incentive Plan ('SIP') Mr K B O'Higgins held 40 shares at 30 April 2007, having acquired these on 5 April 2007 (19 shares) and 30 April 2007 (21 shares), respectively

Details of the other company share option schemes are set out on pages 67 to 69 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 2007

Name	Salary and fees £'000	Performance related payments £'000	Benefits (Note 1) £'000	Sub total £'000	Pension contributions (Note 2) £'000	Total 2007 £'000	Total 2006 £'000
M D Struckett	**244**	**468**	**19**	**731**	**37**	**768**	691
T S Maynard	**139**	**266**	**16**	**421**	**194**	**615**	458
T J Hodgson	**206**	**510**	**16**	**732**	**31**	**763**	585
K B O'Higgins	**172**	**300**	**17**	**489**	**82**	**571**	446
R H H Peto	**173**	**275**	**9**	**457**	**139**	**596**	555
D M Gray	**98**	**125**	**12**	**235**	**15**	**250**	205
C Y Leung	**293**	**–**	**9**	**302**	**–**	**302**	–
T D Melville-Ross	**80**	**–**	**–**	**80**	**–**	**80**	80
L Cullen	**35**	**–**	**–**	**35**	**–**	**35**	35
D Detter	**30**	**–**	**–**	**30**	**–**	**30**	30
P J Stone	**33**	**–**	**–**	**33**	**–**	**33**	33
A Lesniak	**30**	**–**	**–**	**30**	**–**	**30**	30
	1,533	**1,944**	**98**	**3,575**	**498**	**4,073**	3,148

Note 1 The main benefits provided consist of the provision of a fully expensed car or provision of 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 and any payments in lieu of the company's contribution to the scheme for those executive directors who no longer participate in the scheme The company's contribution to the pension scheme is 15% of basic salary
Note 3 Mr T J Hodgson resigned on 24 May 2007 C Y Leung was appointed on 14 December 2006

Pensions

Three (2006 five) of the executive directors actively 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 27 to the Financial statements on pages 71 to 73 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 O'Higgins	1 October 2001	6 months
C Y Leung	14 December 2006	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

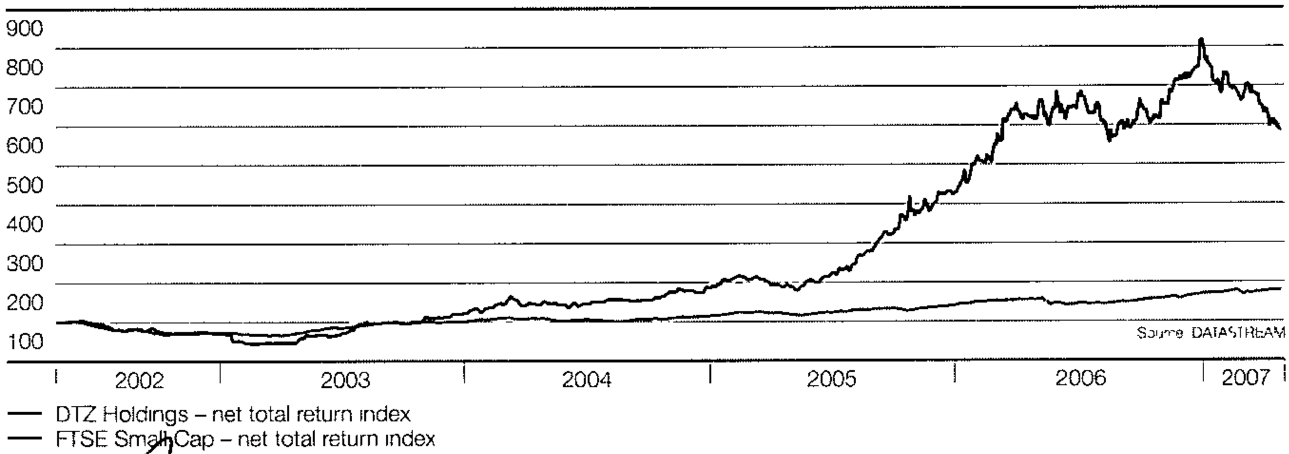
Name	Date of appointment	Date of current contract	Unexpired period at 30 April 2007
T D Melville-Ross	17 January 2000	17 January 2005	8 months
P J Stone	26 April 2001	4 April 2007	35 months
L Cullen	11 September 2003	23 August 2006	28 months
D Detter	8 March 2004	4 April 2007	34 months
A Lesniak	8 March 2004	4 April 2007	34 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

5 Shareholders' return

The graph below shows the Total Shareholder Return in respect of the company's ordinary shares of 5 00 pence each for the five years ended 30 April 2007 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 chairman of remuneration committee
4 July 2007

Corporate governance statement

Compliance with the Combined Code on Corporate Governance
Throughout the year ended 30 April 2007 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

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, four 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 6 September 2007 are shown on page 30

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 28 and 29 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 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 discussions, including separate discussions 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 excluding the group chairman The group chairman ceased to be a member of the committee during the year

The external and internal auditors, the group chairman, 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 excluding the group chairman The group chairman ceased to be a member of the committee during the year 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 32 to 39

Meetings
During the year there were ten board meetings, five 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	10	2*		1
M D Struckett	10			1
T S Maynard	10			
T J Hodgson	9			
R H H Peto	10			
K B O'Higgins	10			
D M Gray	9			
L Cullen	9	5	1	1
D Detter	10	5	1	1
P J Stone	10	4	1	1
A Lesniak	10	5	1	1
C Y Leung**	3			

*T D Melville-Ross ceased to be a member of the audit committee from 27 June 2006
**C Y Leung was appointed to the board on 14 December 2006

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
United Kingdom law requires the directors to prepare financial statements for each financial year that provide a true and fair view of the state of affairs of the company and of the group as at the end of the financial year and of the profit and loss of the group for that financial year In preparing those financial statements the directors are required to

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable accounting standards have been followed, and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in business

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 executive, 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 executive, meets regularly to review the management of risk arising out of the group's activities other than 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 executive conducts a top down identification and review of the main risks facing the group and the control function to mitigate these,
- 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,
- The group is also subject to regulatory control by external bodies such as the FSA and the RICS and is audited in respect of the quality standard ISO 9001

Health & safety

The company recognises that the maintenance of high standards of health & safety management is imperative to ensure the welfare of its employees Clients too are placing a greater emphasis on health & safety when deciding which service providers they will work with Our commitment to improving health & 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 & 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 2007

Independent auditors' report

To the members of DTZ Holdings plc

We have audited the group and parent company financial statements (the 'financial statement') of DTZ Holdings plc for the year ended 30 April 2007 which comprise of the Group Income Statement, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group Statement of Recognised Income and Expense and the related notes 1 to 31 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 by 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 to be audited in accordance with relevant 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 and whether the financial statements and the part of the Directors' Remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the group financial statements, Article 4 of the IAS Regulation We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2003 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 other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited financial statements The other information comprises only the Directors' report, the unaudited part of the Directors' Remuneration report, the Chairman's Statement, the Business and Financial Review and the Corporate Governance Statement We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements Our responsibilities do not extend to any further information outside the Annual Report

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 to be audited It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 to be 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 to be audited

Opinion

In our opinion

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 30 April 2007 and of its profit for the year then ended,
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 30 April 2007,
- the financial statements and the part of the Directors' Remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the group financial statements, Article 4 of the IAS Regulation, and
- the information given in the Directors' report is consistent with the financial statements

Separate opinion in relation to IFRSs

As explained in Note 2 to the group financial statements, the group in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards board

In our opinion the group financial statements give a true and fair view, in accordance with IFRSs, of the state of the group's affairs as at 30 April 2007 and of its profit for the year then ended

Deloitte & Touche LLP

Deloitte & Touche LLP Chartered Accountants and Registered Auditors
London
4 July 2007

Consolidated income statement

Year ended 30 April 2007

Continuing operations	Note	2007 £'000	2006 £'000 Restated Note 4
Revenue	5	**310,262**	232,369
Staff costs	6	**(195,225)**	(144,217)
Other operating costs		**(79,835)**	(62,389)
Depreciation		**(3,051)**	(2,579)
		(278,111)	(209,185)
Operating profit	7	**32,151**	23,184
Share of profits in associated undertakings		**6,514**	4,684
Total profit from operations including joint ventures and associated undertakings		**38,665**	27,868
Income from other fixed asset investments	8	**3,893**	1,504
Finance income	9	**1,376**	1,040
Finance expense	9	**(2,139)**	(751)
Net finance (expense)/income		**(763)**	289
Profit on ordinary activities before taxation		**41,795**	29,661
Taxation on profit on ordinary activities	10	**(13,060)**	(9,460)
Profit for the year from continuing operations		**28,735**	20,201
Attributable to:			
Equity shareholders of the parent		**25,880**	18,965
Minority interest		**2,855**	1,236
		28,735	20,201
Basic earnings per ordinary share	13	**49 38p**	37 87p
Diluted earnings per ordinary share	13	**48 80p**	37 24p

Consolidated balance sheet

At 30 April 2007

	Note	2007 £'000	2006 £'000 Restated Note 4
Non-current assets			
Intangible assets	14	**94,110**	38,382
Property, plant and equipment	15	**11,422**	7,553
Investments in associates	16	**7,484**	9,726
Other investments – financial assets	17	**1,133**	2,445
Deferred tax assets	10	**5,631**	5,761
Trade and other receivables	18	**80**	92
		119,860	63,959
Current assets			
Work in progress		**6,715**	4,465
Trade and other receivables	18	**111,153**	77,869
Tax recoverable		**149**	485
Cash and cash equivalents	22	**49,798**	31,857
		167,815	114,676
Total assets		**287,675**	178,635
Current liabilities			
Bank loans	19	**(1,940)**	(750)
Trade and other payables	20	**(122,134)**	(84,660)
Tax liabilities		**(7,116)**	(2,268)
Provisions	21	**(2,698)**	(923)
		(133,888)	(88,601)
Non-current liabilities			
Bank loans	19	**(23,861)**	(750)
Retirement benefit obligations		**(4,470)**	(8,989)
Trade and other payables	20	**(4,556)**	(5,429)
Deferred tax liabilities	10	**(73)**	(334)
Provisions	21	**(8,718)**	(8,990)
		(41,678)	(24,492)
Total liabilities		**(175,566)**	(113,093)
Net assets		**112,109**	65,542
Equity			
Called-up share capital	23	**2,865**	2,685
Share premium account	24	**39,008**	16,310
Retained earnings	24	**62,384**	42,022
Other reserves	24	**2,159**	1,530
Equity attributable to equity shareholders of the parent		**106,416**	62,547
Minority interest	24	**5,693**	2,995
Total equity		**112,109**	65,542

These financial statements were approved for issue by the board of directors on 4 July 2007

Signed on behalf of the board of directors

M D Struckett group chief executive

T S Maynard group finance director

Company balance sheet
At 30 April 2007

	Note	2007 £'000	2006 £'000
Non-current assets			
Investments in associates and subsidiary companies	16	**15,755**	15,530
Other investments – financial assets	17	**1**	1
		15,756	15,531
Current assets			
Trade and other receivables	18	**66,551**	21,786
Cash and cash equivalents		**371**	75
		66,922	21,861
Total assets		**82,678**	37,392
Current liabilities			
Bank loans	19	**(750)**	(750)
Trade and other payables	20	**(487)**	(281)
		(1,237)	(1,031)
Non-current liabilities			
Bank loans	19	**(23,861)**	(750)
Provisions	21	**(2,833)**	(4,250)
Trade and other payables	20	**(1,757)**	–
		(28,451)	(5,000)
Total liabilities		**(29,688)**	(6,031)
Net assets		**52,990**	31,361
Equity			
Called-up share capital	23	**2,865**	2 685
Share premium account	24	**39,008**	16,310
Retained earnings	24	**11,783**	12,366
Other reserves	24	**(666)**	–
Total equity		**52,990**	31,361

These financial statements were approved and authorised for issue by the board of directors on 4 July 2007

Signed on behalf of the board of directors

M.D. Struckett

T.S. Maynard

M D Struckett group chief executive

T S Maynard group finance director

Consolidated and company cash flow statement
Year ended 30 April 2007

	Note	Group 2007 £'000	Group 2006 £'000 Restated Note 4	Company 2007 £'000	Company 2006 £'000
Cash flows from operating activities					
Cash generated from operations	A	**26,159**	27,266	**(15,958)**	3,695
Dividends received		**5,694**	3,153	**-**	-
Interest received		**1,376**	1,040	**-**	-
Interest paid		**(2,139)**	(751)	**(126)**	(115)
Income tax paid		**(9,285)**	(7,852)	**-**	-
Net cash generated from/(used in) operating activities		**21,805**	22,856	**(16,084)**	3,580
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**612**	140	**-**	-
Proceeds from sale of investment		**1,614**	1,600	**-**	11
Income from other fixed asset investments		**2,925**	1,504	**-**	-
Purchases of property, plant and equipment		**(5,381)**	(3,462)	**-**	-
Payment of deferred consideration		**(2,315)**	-	**(1,417)**	-
Purchase of investments in associates, joint ventures and other investments (net of cash and cash equivalents acquired)		**(18,817)**	(2,803)	**(225)**	(16)
Net cash used in investing activities		**(21,362)**	(3,021)	**(1,642)**	(5)
Cash flows from financing activities					
Proceeds from issue of share capital		**429**	758	**429**	758
Proceeds from borrowings		**25,051**	-	**23,861**	-
Repayment of loans		**(750)**	(1,537)	**(750)**	(937)
Repayment of finance leases		**-**	(12)	**-**	-
Dividends paid to equity shareholders		**(5,518)**	(3,878)	**(5,518)**	(3,878)
Dividends paid to minorities		**(410)**	(307)	**-**	-
Net cash generated from/(used in) financing activities		**18,802**	(4,976)	**18,022**	(4,057)
Net increase/(decrease) in cash and cash equivalents		**19,245**	14,859	**296**	(482)
Cash and cash equivalents at the beginning of the year		**31,857**	17,030	**75**	557
Effect of foreign exchange rate changes		**(1,304)**	(32)	**-**	-
Cash and cash equivalents at the end of the year	B	**49,798**	31,857	**371**	75

Notes to the consolidated and company cash flow statement
Year ended 30 April 2007

A Cash generated from/(used in) operations

	Group		Company	
	2007 £'000	2006 £'000 Restated Note 4	2007 £'000	2006 £'000
Profit for the year from continuing operations	**28,735**	20,201	**4,935**	4,896
Adjustments for				
Taxation	**13,060**	9,460	**–**	–
Depreciation	**3,051**	2,579	**–**	–
Share of profit in associated undertakings	**(6,514)**	(4,684)	**–**	–
Income from other fixed asset investments	**(3,893)**	(1,504)	**–**	–
Net finance expense/(income)	**763**	(289)	**126**	115
Profit on sale of investments	**–**	–	**–**	(8)
(Profit)/loss on sale of property, plant and equipment	**(90)**	42	**–**	–
Decrease in provisions	**(1,381)**	(465)	**–**	–
Operating cash flow before movements in working capital	**33,731**	25,340	**5,061**	5,003
(Increase)/decrease in work in progress	**(2,250)**	648		–
(Increase)/decrease in receivables	**(24,287)**	(15,433)	**(22,787)**	358
Increase/(decrease) in payables	**18,965**	16,711	**1,768**	(1,666)
Cash generated from/(used in) operations	**26,159**	27,266	**(15,958)**	3,695

B Analysis of movement in net funds

	At 1 May 2006 £'000 Restated Note 4	Cash flows £'000	Other non-cash changes £'000	At 30 April 2007 £'000
Analysis of movement in net funds				
Cash and cash equivalents	31,857	19,245	(1,304)	**49,798**
Bank loans after one year	(750)	(23,861)	750	**(23,861)**
Bank loans within one year	(750)	(440)	(750)	**(1,940)**
	30,357	(5,056)	(1,304)	**23,997**

Consolidated statement of recognised income and expense

Year ended 30 April 2007

	2007 £'000	2006 £'000
Net actuarial profit on retirement benefit obligation	**2,139**	1,540
Net revaluation of other investments	**–**	(300)
Net revaluation of interest rate swap	**(197)**	–
Foreign exchange translation differences	**(1,065)**	592
Net income recognised directly in equity	**877**	1,832
Tax on items directly taken to reserves	**175**	–
Transfers from reserves to income statement	**(563)**	(563)
Profit for the year from continuing operations (before dividends)	**28,735**	20,201
Total recognised income and expense for the year	**29,224**	21,470
Adoption of IAS32 and IAS39	**–**	1,426
	29,224	22,896
Attributable to		
Equity shareholders of the parent	**26,369**	21,660
Minority interest	**2,855**	1,236
	29,224	22,896

Notes to the accounts

1 General information
DTZ Holdings plc is a company incorporated in the United Kingdom under the Companies Act 1985 The address of the registered office is One Curzon Street, London W1A 5PZ DTZ Holdings plc ('the company') and its subsidiaries (together 'the group') are one of the world's leading real estate advisers, providing innovative real estate and business solutions Further information regarding the nature and of the group's operations and its principal activities are set out in note 5 and in our performance and financial review on pages 12 to 25

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates Foreign operations are included in accordance with the policies set out in note 2

2 Significant accounting policies
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 group's financial statements are also consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board

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)		
IFRS7	Financial Instrument Disclosure	1 January 2007
IFRS8	Operating Segments	1 January 2009
IAS23 (revised March 2007)	Borrowing Costs	1 January 2009
International Financial Reporting Interpretations Committee (IFRIC)		
IFRIC9	Reassessment of Embedded Derivatives	1 June 2006
IFRIC10	Interim Financial Reporting and Impairment	1 November 2006
IFRIC11	IFRIC 2 Group and Treasury Share Transactions	1 March 2007
IFRIC12	Service Concession Arrangements	1 January 2008

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

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 its subsidiary and joint venture undertakings, together with the group's share of results of its associates

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

2 Significant accounting policies continued

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 Joint ventures are accounted for using the proportional consolidation method The group's share of assets, liabilities, revenues and expenses of the joint venture are combined line by line with similar items in the group's financial statements

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

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 to a maximum of 10 years 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

2 Significant accounting policies continued

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

Borrowing costs

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

Financial instruments

Financial assets and liabilities are recognised on the group's balance sheet at fair value when the group becomes a party to the contractual provisions of the instrument

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 in 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

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially at cost including transaction costs

Investments are classified as either held-for-trading or available-for-sale, and are measured at subsequent reporting dates at fair value Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss

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

2 Significant accounting policies continued

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

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 2006

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

Derivative financial instrument and hedge accounting

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates The group uses interest rate swap contract to hedge these exposures The group does not use derivative instruments for speculative purposes

The use of financial derivatives is governed by the group's policies approved by the board of directors, which provides written principles on the use of financial derivatives

Changes in the fair value of derivative financial instruments that are designed and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the income statement If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then at the time the asset or liability is recognised, the associated gain or loss on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity in the foreign currency translation reserve The gain or loss relating to the ineffective portion is recognised in profit or loss Gains and losses deferred in the foreign currency translation reserve are recognised in profit or loss on disposal of the foreign operation

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs If a hedged transaction is no longer expected to occur, the net cumulative gain or loss is transferred to net profit or loss for the period

3 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 14 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 27 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 27 to the financial statements

3 Critical accounting judgements and key sources of estimation uncertainty continued

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

4 Changes in accounting policy
During the period ending 30 April 2007, DTZ changed its accounting policy for the recognition of its interest in jointly controlled entities Under IAS31 'Interests in Joint Ventures' there are two methods available for the recognition of an interest in a joint venture, the equity method or proportional consolidation

In previous periods, DTZ has accounted for joint ventures using the equity method, thereby showing the interest as an investment, which is adjusted by DTZ's share of post acquisition changes in net assets of the joint venture DTZ's share of the profit or loss in the joint venture is included in the profit of the DTZ group

DTZ has now changed this treatment to proportional consolidation, where DTZ's share of the assets, liabilities, revenues and expenses of the joint venture are combined line by line with similar items in DTZ's consolidated financial statements The board judges that the new policy is preferable because it results in a more transparent treatment of joint venture interests The comparative balance sheets and income statements have been restated, however there is no overall effect on the net assets or profits of the group

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

Year ended 30 April 2007

	UK & Ireland £'000	EMEA (ex UK & Ireland) £'000	Total EMEA £'000	Asia Pacific £'000	The Americas £'000	Corporate overheads £'000	Consolidated £'000
Revenue							
External sales							
Capital Markets	**42,554**	**36,031**	**78,585**	**8,463**	**7,475**	**–**	**94,523**
Valuation	**37,645**	**13,280**	**50,925**	**7,293**	**–**	**–**	**58,218**
Occupational & Development Markets	**45,117**	**27,856**	**72,973**	**14,447**	**–**	**–**	**87,420**
Professional Services	**34,051**	**7,067**	**41,118**	**6,546**	**–**	**–**	**47,664**
Consulting & Research	**16,669**	**3,120**	**19,789**	**2,648**	**–**	**–**	**22,437**
Total external sales	**176,036**	**87,354**	**263,390**	**39,397**	**7,475**	**–**	**310,262**
Total revenue	**176,036**	**87,354**	**263,390**	**39,397**	**7,475**	**–**	**310,262**
Result							
Operating profit/(loss)	**30,075**	**7,090**	**37,165**	**1,351**	**(2,160)**	**(4,205)**	**32,151**
Share of profits in associated undertakings	**301**	**6,172**	**6,473**	**41**	**–**	**–**	**6,514**
Total profit from operations including joint ventures and associated undertakings	**30,376**	**13,262**	**43,638**	**1,392**	**(2,160)**	**(4,205)**	**38,665**
Income from other fixed asset investments	**24**	**(8)**	**16**	**43**	**–**	**3,834**	**3,893**
Net finance income/(expense)	**781**	**322**	**1,103**	**(366)**	**(1,500)**	**–**	**(763)**
Profit on ordinary activities before taxation	**31,181**	**13,576**	**44,757**	**1,069**	**(3,660)**	**(371)**	**41,795**
Taxation on profit on ordinary activities							**(13,060)**
Profit for the year from continuing operations							**28,735**
Other information							
Segment assets[1]	**107,574**	**73,345**	**180,919**	**68,919**	**30,353**	**–**	**280,191**
Investment in equity method associates	**1,258**	**6,139**	**7,397**	**87**	**–**	**–**	**7,484**
Consolidated total assets							**287,675**
Segment liabilities	**(99,785)**	**(37,713)**	**(137,498)**	**(28,064)**	**(10,004)**	**–**	**(175,566)**
Consolidated total liabilities							**(175,566)**
Capital additions[1]	**1,148**	**1,892**	**3,040**	**1,048**	**1,293**	**–**	**5,381**
Depreciation	**1,671**	**702**	**2,373**	**533**	**145**	**–**	**3,051**

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

5 Segmental analysis continued

Year ended 30 April 2006

	UK & Ireland £'000 Restated Note 4	EMEA (ex UK & Ireland) £'000	Total EMEA £'000 Restated Note 4	Asia Pacific £'000	The Americas £'000	Corporate overheads £'000	Consolidated £'000 Restated Note 4
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 & Development Markets	45,492	20,758	66,250	4,533	–	–	70,783
Professional Services	29,907	5,321	35,228	2,153	–	–	37,381
Consulting & Research	15,237	1,351	16,588	68	–	–	16,656
Total external sales	162,870	58,792	221,662	10,707	–	–	232,369
Total revenue	162,870	58,792	221,662	10,707	–	–	232,369
Result							
Operating profit/(loss)	24,095	2,631	26,726	(16)	–	(3,526)	23,184
Share of profits in associated undertakings	124	4,374	4,498	186	–	–	4,684
Total profit from operations including joint ventures and associated undertakings	24,219	7,005	31,224	170	–	(3,526)	27,868
Income from other fixed asset investments	26	–	26	261	–	1,217	1,504
Net finance income/(expense)	455	48	503	(214)	–	–	289
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)	84,090	66,741	150,831	18,078	–	–	168,909
Investment in equity method associates	1,068	5,272	6,340	3,386	–	–	9,726
Consolidated total assets							178,635
Segment liabilities	(80,084)	(26,324)	(106,408)	(6,685)	–	–	(113,093)
Consolidated total liabilities							(113,093)
Capital additions(1)	2,077	852	2,929	533	–	–	3,462
Depreciation	1,833	589	2,422	157	–	–	2,579

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

6 Staff costs

	2007 £'000	2006 £'000 Restated
Staff costs during the year		
Wages, salaries and performance-related payments	**164,609**	118,801
Social security costs	**20,707**	17,472
Other pension costs	**9,769**	7,847
Share-based payments	**140**	97
	195,225	144,217

During the year the group employed an average of 3,993 staff (2006 2,398) including directors Of this number, 3,485 (2006 2,121) were involved in the professional side of the group's activities and 508 (2006 277) were involved in central support functions At 30 April 2007, the group employed 5,565 staff (2006 2,682)

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

6 Staff costs continued

Key management compensation

	2007 £'000	2006 £'000
Key management		
Remuneration	**3,603**	2,252
Fees to non-executive directors	**208**	208
Post employment benefits	**530**	925
Share-based payments	**-**	11
	4,341	3,396

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

7 Operating profit

	2007 £'000	2006 £'000 Restated Note 4
Operating profit is stated after charging/(crediting)		
(Profit)/loss on disposal of tangible fixed assets	**(90)**	42
Depreciation on tangible fixed assets		
Owned assets	**3,051**	2,579
Rentals under operating leases		
Land and buildings	**11,302**	9,146
Others	**4,970**	4,243
The analysis of the auditors' remuneration is as follows		
Fees payable to the company's auditors for the audit of the company's annual accounts	**126**	80
The audit of the company's subsidiaries pursuant to legislation	**469**	204
Total audit fees	**595**	284
Other services pursuant to legislation	**19**	51
Tax services	**385**	237
Information technology services	**394**	151
Corporate Finance services	**28**	70
Other services	**24**	46
Total non-audit fees	**850**	555
Total fees	**1,445**	839

8 Income from other fixed asset investments

	2007 £'000	2006 £ 000
Profit on sale of investment in Curzon Capital Partners ('CCP')	**735**	–
Incentive fee distributions received from CCP	**3,099**	–
Profit from substantial realisation of interest in CCP	**3,834**	–
Profit on sale of investment in Investment Property Databank	**–**	809
Profit on sale of other investments	**–**	83
Distributions from other fixed asset investments	**59**	612
	3,893	1,504

9 Net finance (expense)/income

	2007 £'000	2006 £ 000 Restated Note 4
Bank interest receivable	**954**	726
Other interest receivable	**422**	314
Total finance income	**1,376**	1,040
Bank loans and overdrafts – interest payable	**(2,139)**	(751)
Total finance expense	**(2,139)**	(751)
Net finance (expense)/income	**(763)**	289

10 Taxation on profit on ordinary activities

	2007 £'000	2006 £ 000
UK corporation tax at 30% (2006 30%) based on the profit for the year	**(8,423)**	(5,450)
Overseas taxation	**(7,209)**	(4,329)
Double taxation relief	**1,410**	984
	(14,222)	(8,795)
Deferred taxation – origination and reversal of timing differences	**1,162**	(665)
	(13,060)	(9,460)

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% (2006 30%) The differences are explained below

	2007 £'000	2006 £ 000
Profit on ordinary activities before taxation	**41,795**	29,661
Tax at 30% thereon	**(12,538)**	(8,898)
Effects of		
Expenses not deductible for tax purposes	**(771)**	(773)
Overseas tax rates	**249**	(159)
UK dividend income	**–**	370
Total tax charge for the year	**(13,060)**	(9,460)

The effective tax rate for the year is 31 25% (2006 31 89%)

Factors that may affect the future tax charge
The group operates in countries where the tax rate may be different to 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 £1,400,000 (2006 £3,700,000) The asset will be recovered if sufficient suitable profits are made in the future against which the asset could reverse

10 Taxation on profit on ordinary activities continued

Deferred tax

	2007 £'000	2006 £'000
Movement on deferred tax balance in the period		
Deferred tax asset		
At 1 May	**5,761**	7,491
Charge to reserves	**(1,346)**	(660)
Reduction in corporation tax liability	**(405)**	(405)
Acquired with subsidiaries	**459**	–
Credit/(charge) to profit and loss account	**1,162**	(665)
At 30 April	**5,631**	5,761
Deferred tax liability		
At 1 May	**(334)**	(93)
Credit to reserves	**261**	(241)
At 30 April	**(73)**	(334)
Analysis of deferred tax balance		
Capital allowances in excess of depreciation	**95**	95
Retirement benefit obligations	**1,095**	2,760
Short-term timing differences	**2,341**	1,955
Overseas losses	**2,100**	951
Deferred tax asset	**5,631**	5,761
Revaluation reserve	**(73)**	(241)
Undistributed profits within equity accounted non-UK investments	**–**	(93)
Deferred tax liability	**(73)**	(334)

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

11 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 £4,935,000 (2006 £4,896,000)

12 Equity dividends

	2007 Per share	2007 £'000	2006 Per share	2006 £'000
Final 2006 (2005)	**7 00p**	**3,613**	5 00p	2,475
Interim 2007 (2006)	**3 50p**	**1,905**	2 75p	1,403
	10 50p	**5,518**	7 75p	3,878

Proposed final dividend for the year ended 30 April 2007 of 8 00 pence

The final dividend in respect of April 2007 is to be proposed at the Annual General Meeting on 6 September 2007 These financial statements do not reflect this dividend payable

13 Earnings per ordinary share

The basic earnings per ordinary share have been calculated using the weighted average number of shares in issue of 52,407,300 for the year to 30 April 2007 (30 April 2006 50,075,472), and the profit for the financial year of £25,880,000 (2006 £18,965,000)

The diluted earnings per ordinary share are based on 53,030,579 shares (2006 50,931,173)

	2007 £'000	2006 £'000
Profit for the financial year attributable to equity shareholders of the parent	**25,880**	18,965

	Number	Number
Average number of shares in issue	**52,407,300**	50,075,472
Share options	**623,279**	855,701
Diluted average number of shares in issue	**53,030,579**	50,931,173
Basic earnings per ordinary share	**49 38p**	37 87p
Diluted earnings per ordinary share	**48 80p**	37 24p

14 Intangible assets

	Goodwill £'000	Licences £'000	Total £'000
Group			
Cost			
At 1 May 2005 – net book value on transition	28,911	1,835	30,746
Foreign exchange translation differences	165	58	223
Acquisition of subsidiaries	7,413	–	7,413
At 30 April 2006/1 May 2006	36,489	1,893	38,382
Foreign exchange translation differences	(1,785)	(30)	(1,815)
Acquisition of subsidiaries and joint venture interests	55,838	–	55,838
Transfer from associates	1,705	–	1,705
At 30 April 2007	**92,247**	**1,863**	**94,110**

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 9 8%, 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

15 Property, plant and equipment

	Long leaseholds £'000	Short leaseholds £'000	Furniture and equipment £'000 Restated Note 4	Motor vehicles £'000	Total £'000 Restated Note 4
Group					
Cost					
At 1 May 2005	221	7,523	12,230	135	20,109
Acquired with subsidiary	–	–	1,243	–	1,243
Transfer	–	–	–	69	69
Additions	–	996	2,456	10	3,462
Disposals	–	(287)	(1,797)	(106)	(2,190)
Foreign exchange translation differences	–	13	117	2	132
At 30 April 2006/1 May 2006	221	8,245	14,249	110	22,825
Acquired with subsidiary	–	1,327	3,872	325	5,524
Additions	–	924	4,415	42	5,381
Disposals	(221)	(266)	(710)	(68)	(1,265)
Foreign exchange translation differences	–	(8)	(120)	(1)	(129)
At 30 April 2007	**–**	**10,222**	**21,706**	**408**	**32,336**
Accumulated depreciation					
At 1 May 2005	(21)	(4,730)	(8,575)	(105)	(13,431)
Acquired with subsidiary	–	–	(1,108)	–	(1,108)
Transfer	–	–	–	(69)	(69)
Charge for year	(1)	(908)	(1,660)	(10)	(2,579)
Disposals	–	219	1,690	99	2,008
Foreign exchange translation differences	–	–	(87)	(6)	(93)
At 30 April 2006/1 May 2006	(22)	(5,419)	(9,740)	(91)	(15,272)
Acquired with subsidiary	–	(787)	(2,380)	(254)	(3,421)
Charge for year	–	(723)	(2,299)	(29)	(3,051)
Disposals	22	169	493	59	743
Foreign exchange translation differences	–	2	85	–	87
At 30 April 2007	**–**	**(6,758)**	**(13,841)**	**(315)**	**(20,914)**
Net book value					
At 30 April 2007	**–**	**3,464**	**7,865**	**93**	**11,422**
At 30 April 2006	199	2,826	4,509	19	7,553

16 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 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 2006/1 May 2006	5,201	3,402	8,603	15,530
Additions	338	254	592	225
Disposals	(207)	(20)	(227)	–
Transfer to subsidiaries	(1,190)	(1,705)	(2,895)	–
Exchange movements	(46)	2	(44)	–
At 30 April 2007	**4,096**	**1,933**	**6,029**	**15,755**
Share of retained profits/(losses) in associates				
At 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 May 2006	1,123	–	1,123	–
Movement in the year	5,499	–	5,499	–
Transfer to subsidiaries	585	–	585	–
Disposals	63	–	63	–
Dividend received	(5,694)	–	(5,694)	–
Exchange movements	(121)	–	(121)	–
At 30 April 2007	**1,455**	**–**	**1,455**	**–**
Net book value				
At 30 April 2007	**5,551**	**1,933**	**7,484**	**15,755**
At 30 April 2006	6,324	3,402	9,726	15,530

Details of principal subsidiaries and associated undertakings are given in note 28

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

	2007 £'000	2006 £'000
Assets	**15,530**	18,838
Liabilities	**(9,979)**	(12,514)
Revenue	**27,880**	32,536
Profit	**6,514**	4,684

17 Other investments – financial assets

Other investments

	Group			Company
	Listed investments £'000	Unlisted investments £'000	Total £'000	Other investments £'000
Cost				
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 May 2006	1	2,501	2,502	1
Additions	–	872	872	–
Disposals	–	(2,176)	(2,176)	–
At 30 April 2007	**1**	**1,197**	**1,198**	**1**
Provision				
At 1 May 2005	–	(312)	(312)	–
Transfer to subsidiary	–	255	255	–
At 30 April 2006/1 May 2006	–	(57)	(57)	–
Additions	–	(8)	(8)	–
At 30 April 2007	**–**	**(65)**	**(65)**	**–**
Net book value				
At 30 April 2007	**1**	**1,132**	**1,133**	**1**
At 30 April 2006	1	2,444	2,445	1

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

Additional investments

On 10 May 2006 the group acquired a 50% interest in Rockwood Realty Associates LLC ('Rockwood'), a privately owned North American real estate capital consultancy The initial consideration of US$45 million (£24 3 million) was satisfied by a cash payment of US$36 million (£19 5 million) and the issuance of 637,647 shares and loan notes convertible into 105,965 shares (£4 6 million) In addition DTZ will make deferred payments, based on future EBITDA in 2007, 2008 and 2009, of which the present value of the total payment is expected to be £5 2 million

On 1 August 2006, the group acquired a further 26% in DTZ New Zealand ('DTZ NZ') bringing the total shareholding in this company to 51% The consideration comprised of a cash payment of £377,000

On 14 December 2006, the group acquired the remaining 70% of DTZ Pacific Holdings ('DTZ PH') that it did not already own DTZ PH owns and operates DTZ across mainland China, Hong Kong and Taiwan The initial consideration of HK$356 9 million (£23 3 million) was satisfied by a cash payment of HK$63 3 million (£4 1 million) and the issuance of 2,676,191 shares (£19 2 million) of which 136,735 were Deferred Shares

17 Other investments – financial assets continued

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

	Rockwood £ 000	DTZ NZ £ 000	DTZ PH £ 000	Total £ 000
Fair value of net assets acquired				
Property, plant and equipment	514	260	1,260	2,034
Other non-current assets	410	155	647	1,212
Cash and cash equivalents	894	283	6,862	8,039
Other current assets	314	1,087	4,549	5,950
Current liabilities	(1,429)	(887)	(13,137)	(15,453)
Tax liabilities	(4)	(47)	(1,435)	(1,486)
Non-current liabilities	(136)	(70)	(33)	(239)
Net assets	563	781	(1,287)	57
Minority interest	–	(383)	–	(383)
Goodwill	30,316	174	25,273	55,763
Total consideration	30,879	572	23,986	55,437
Total consideration				
Consideration satisfied by cash	19,542	377	4,135	24,054
Transfer from investments	–	195	410	605
Consideration satisfied by issuing shares and loan notes convertible to shares	4,634	–	19,185	23,819
Deferred consideration	5,226	–	–	5,226
Acquisition costs	1,477	–	256	1,733
	30,879	572	23,986	55,437
Net cash outflow arising from acquisition				
Cash consideration paid	(21,019)	(377)	(4,391)	(25,787)
Cash and cash equivalents acquired	894	283	6,862	8,039
	(20,125)	(94)	2,471	(17,748)
Net cash outflow after accounting for purchase of				
Other investments				(1,069)
Total				(18,817)

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

The goodwill arising on the acquisition of the above subsidiaries and joint venture are attributable to the anticipated future operating synergies from the combination, the anticipated profitability from the exposure of the group's operations to new geographical markets, and the consolidation of the group's offering to a global market

Rockwood contributed a loss of £3,660,000 to the group's profit before tax for the period between the date of acquisition and the balance sheet date The contributed loss prior to finance charges was £2,160,000 Had the acquisition occurred on 1 May 2006, the estimated full year contribution to the group would not have been materially different from the revenue of £7,475,000 and operating loss before tax of £3,660,000 which was contributed to the group from the date of acquisition

DTZ NZ contributed £108,000 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 2006, the estimated full year contribution to the group would have been revenue of £7,820,000 and operating profit before tax of £339,000

DTZ PH contributed a loss of £680,000 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 2006, the estimated full year contribution to the group would have been revenue of £37,332,000 and operating loss before tax of £635,000

In addition the group acquired interests in other subsidiaries resulting in goodwill of £75,000

18 Trade and other receivables

	Group 2007 £'000	Group 2006 £'000 Restated	Company 2007 £'000	Company 2006 £'000
Non-current				
Other	**80**	92	**–**	–
Current				
Fees receivable	**86,095**	62,562	**–**	–
Amounts owed by subsidiaries	**–**	–	**66,551**	21,786
Loans	**26**	1,130	**–**	–
Other debtors	**6,266**	2,565	**–**	–
Prepayments and accrued income	**18,766**	11,612	**–**	–
	111,153	77,869	**66,551**	21,786

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

19 Bank loans

	Group 2007 £'000	Group 2006 £'000	Company 2007 £'000	Company 2006 £'000
Current				
Bank loans due within one year or on demand				
Unsecured	**1,940**	750	**750**	750
Non-current				
Bank loans				
Secured	**23,861**	750	**23,861**	750
The maturity of non-current borrowings are as follows				
Between one and two years	**–**	750	**–**	750
Between two and five years	**23,861**	–	**23,861**	–
	23,861	750	**23,861**	750

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

	2007	2006
Bank loans	**5 93%**	5 68%

Bank loans of £8,757,000 were arranged at fixed interest rates All other borrowings are arranged at floating rates

The non-current loans are secured by a charge over the shares in certain group companies

The directors consider that the carrying value of bank loans approximates their fair value

20 Trade and other payables

	Group 2007 £'000	Group 2006 £'000 Restated	Company 2007 £'000	Company 2006 £'000
Current				
Other loans	**6,657**	–	**–**	–
Amounts payable to subsidiaries	**–**	–	**487**	281
Taxation and social security	**14,359**	13,456	**–**	–
Accruals and deferred income	**101,118**	71,204	**–**	–
	122,134	84,660	**487**	281
Non-current				
Accruals and deferred income	**4,556**	5,429	**857**	–
Amount payable to subsidiaries	**–**	–	**900**	–
	4,556	5,429	**1,757**	–

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

21 Provisions

Current	Deferred consideration £'000	Accommodation provision £'000	Total £'000
Group			
At 1 May 2005	–	354	354
Profit and loss charge	–	214	214
Transfer from non-current	–	723	723
Applied	–	(368)	(368)
At 30 April 2006/1 May 2006	–	923	923
Profit and loss (credit)	–	(56)	(56)
Transfer from non-current	2,314	–	2,314
Applied	–	(483)	(483)
At 30 April 2007	**2,314**	**384**	**2,698**

Non-current	Deferred consideration £'000	Accommodation provision £'000	Total £'000
Group			
At 1 May 2005	4,250	1,665	5,915
Deferred consideration on acquisition in year	3,899	–	3,899
Profit and loss charge	–	(101)	(101)
Transfer to current	–	(723)	(723)
At 30 April 2006/1 May 2006	8,149	841	8,990
Deferred consideration on acquisitions in year	5,199	–	5,199
Profit and loss (credit)	–	(831)	(831)
Transfer to current	(2,314)	–	(2,314)
Applied	(2,316)	(10)	(2,326)
At 30 April 2007	**8,718**	**–**	**8,718**
Company			
At 1 May 2005	4,250	–	4,250
At 30 April 2006/1 May 2006	4,250	–	4,250
Applied	(1,417)	–	(1,417)
At 30 April 2007	**2,833**	**–**	**2,833**

The opening deferred consideration balance relates to the prior year acquisitions of Hodnett Martin Smith Limited, Grosvenor Hickey Tindale Pty Limited and Edmund Tie & Company Limited Current year additions relate to the deferred consideration associated with the acquisition of DTZ Rockwood

Accommodation provisions represent provisions for onerous leases, in accordance with the requirements of IAS37 'Provisions, contingent liabilities and contingent assets'

22 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, other than the interest rate swap noted below

The net amount of monetary assets and liabilities and the carrying value of financial liabilities at 30 April 2006 and 30 April 2007 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 2007			April 2006
	Cash and cash equivalents £'000	**Bank loans £'000**	**Net cash and cash equivalents £'000**	Cash and cash equivalents £ 000	Bank loans £ 000	Net cash and cash equivalents £ 000
Euro	**20,808**	**-**	**20,808**	5,878	–	5,878
Sterling	**14,024**	**(750)**	**13,274**	21,936	(1,500)	20,436
HK$	**6,366**	**(6,346)**	**20**	–	–	–
S$	**5,141**	**-**	**5,141**	2,281	–	2,281
US$	**1,449**	**(18,705)**	**(17,256)**	524	–	524
Aus$	**1,197**	**-**	**1,197**	1,102	–	1,102
Others	**813**	**-**	**813**	136	-	136
	49,798	**(25,801)**	**23,997**	31,857	(1,500)	30,357

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

Interest rate swaps

The group uses an interest rate swap to manage its exposure to interest rate movement on its bank borrowings Contracts with nominal values of US$17 5 million (£8 8 million) have fixed interest payments at an average rate of 5 4875% up until 2011 and have floating interest receipts at US LIBOR plus 0 6%

The fair value of the swap entered into at 30 April 2007 is estimated at US$393,000 (£197,000) These amounts are based on market values of equivalent instruments at the balance sheet date The interest rate swap is designated and effective as cash flow hedges and the fair value thereof has been deferred in equity

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 2007 the group had surplus funds of £23,997,000 net of borrowings of £25,801,000,
- 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 2007 the group, in addition to the surplus funds referred to above, had committed facilities of £28,326,000,
- Credit risk The group's principal financial assets are bank balances and cash, trade and other receivables and investments The group's credit risk is primarily attributable to its trade receivables The amounts presented in the balance sheet are net of allowances for doubtful receivables An allowance for impairment is made where there is an identified loss event, which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

  The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies

  The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers

23 Called-up share capital

	Number	£'000
Authorised ordinary shares of 5 pence		
At 1 May 2006 and 30 April 2007	**68,000,000**	3,400
Allotted and fully paid ordinary shares of 5 pence		
At 1 May 2005	**53,125,647**	2,656
Shares issued for cash in exchange for options exercised	**570,252**	29
At 30 April 2006/1 May 2006	**53,695,899**	2,685
Shares issued for cash in exchange for options exercised	**423,000**	21
Shares issued in connection with acquisition of a subsidiary	**2,539,456**	127
Shares issued in connection with acquisition of a joint venture	**637,647**	32
At 30 April 2007	**57,296,002**	**2,865**

Total market value for the shares issued in exchange for options exercised was £429,000 (2006 £758,000) Total market value for shares issued in connection with the acquisition of a subsidiary was £18,475,000 (2006 £nil) Total market value for shares issued in connection with the acquisition of a joint venture was £3,974,000 (2006 £nil)

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 2007 (2006 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 2007 over nil ordinary shares as follows

Grant date	Option period	Exercise price	**Number of shares 30 April 2007**	Number of shares 30 April 2006
7 February 1997	7 February 2000 to 6 February 2007	76 5p	–	5,000
			–	5,000

Reconciliation of option movements over the year to 30 April 2007 is shown below

	2007		2006	
	Number of shares	**Weighted average exercise price**	Number of shares	Weighted average exercise price
Outstanding at 1 May	**5,000**	**76 5**	30,000	72 5
Forfeited/expired	–	–	–	–
Exercised	**(5,000)**	**76 5**	(25,000)	71 7
Outstanding at 30 April	–	–	5,000	76 5
Exercisable at 30 April	–	–	5,000	

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

23 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, 963,498 options over ordinary shares are outstanding as at 30 April 2007

Grant date	Option period	Exercise price	**Number of shares 30 April 2007**	Number of shares 30 April 2006
1 July 1998	1 July 2001 to 30 June 2008	105p	**10,000**	10,000
30 June 1999	30 June 2002 to 29 June 2009	126 5p	**15,000**	20,000
6 July 2000	6 July 2003 to 5 July 2010	161 5p	**30,000**	50,000
31 July 2000	31 July 2003 to 30 July 2010	158p	**10,000**	10,000
13 July 2001	13 July 2004 to 12 July 2011	162 5p	**20,000**	60,000
18 July 2002	18 July 2006 to 17 July 2012	108 5p	**15,000**	45,000
11 July 2003	11 July 2007 to 10 July 2013	89 5p	**80,000**	418,000
23 January 2004	23 January 2007 to 22 January 2014	135p	**6,125**	6,125
16 July 2004	16 July 2007 to 15 July 2014	165 5p	**239,002**	254,002
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	**319,371**	354,371
7 July 2005	7 July 2008 to 6 July 2012	229 5p	**63,129**	63,129
19 January 2006	19 January 2009 to 18 January 2016	468p	**6,410**	6,410
19 January 2006	19 January 2009 to 18 January 2013	468p	**50,000**	50,000
18 July 2006	18 July 2009 to 17 July 2016	650p	**72,855**	–
18 July 2006	18 July 2009 to 17 July 2013	650p	**1,622**	–
			963,498	1,372,021

Reconciliation of option movements over the year to 30 April 2007 is shown below

	2007		2006	
	Number of shares	**Weighted average exercise price**	Number of shares	Weighted average exercise price
Outstanding at 1 May	**1,372,021**	**171 4**	1,558,085	129 6
Forfeited/expired	**(65,000)**	**182 4**	(129,722)	141 7
Exercised	**(418,000)**	**101 7**	(545,252)	135 8
Granted	**74,477**	**650 0**	488,910	257 0
Outstanding at 30 April	**963,498**	**237 9**	1,372,021	171 4
Exercisable at 30 April	**186,125**		195,000	

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

Following the AGM on 7 September 2006, the above scheme was replaced by the DTZ Holdings plc 2006 Company Share Option Plan and no further options will be granted under the Scheme

23 Called-up share capital continued

Fair value of options at grant dates are

Grant date	Fair value (p)
11 July 2003	14 7
23 January 2004	29 6
16 July 2004	39 1
26 January 2005	52 2
7 July 2005	52 1
19 January 2006	134 0
18 July 2006	197 6

The DTZ Holdings plc 2006 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, 52,633 options over ordinary shares are outstanding as at 30 April 2007

Grant date	Option period	Exercise price	**Number of shares 30 April 2007**	Number of shares 30 April 2006
22 January 2007	22 July 2010 – 21 July 2017	725p	**2,758**	–
30 January 2007	30 July 2010 – 29 July 2017	690 5p	**49,875**	–
			52,633	–

Reconciliation of option movements over the year to 30 April 2007 is shown below

	2007		2006	
	Number of shares	**Weighted average exercise price**	Number of shares	Weighted average exercise price
Outstanding at 1 May	–	–	–	–
Forfeited/expired	**(2,625)**	**690.5**	–	–
Exercised	–	–	–	–
Granted	**55,258**	**692 0**	–	–
Outstanding at 30 April	**52,633**	**692 0**	–	–
Exercisable at 30 April	–	–	–	–

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

Fair value of options at grant dates are

Grant date	Fair value (p)
22 January 2007	226 5
30 January 2007	215 1

Fair value of options

Options for the DTZ Holdings plc 1997 and 2006 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	4 7% – 5 2% pa depending on grant date and expected life
Volatility	29 6% – 30 8% pa depending on grant date
Performance criteria	All vest after three years

The expected volatility is based on historical volatility

The DTZ Holdings plc 2006 Co-investment and Long-Term Incentive Plans

Full details of the Co-investment Plan and Long-Term Incentive Plan are included in the directors' remuneration report on pages 32 to 39

The Co-investment Plan is available to a group of approximately 21 senior executives including the executive directors The maximum number of shares awarded in 2007 is 109,939 (2006 nil) and no shares have vested The fair value of the shares under the Plan is based on the market price of the company's ordinary shares at the date of the award Awards made under this Scheme are classified as equity settled The expense recognised in respect of these awards was £246,000 (2006 £nil)

Five senior executives (including the executive directors) were granted a conditional award of shares under the Long-Term Incentive Plan The number of shares awarded in respect of 2007 is 103,412 (2006 nil) The fair value of the shares under the Plan is based on the market price of the company's ordinary shares at the date of the award All performance criteria are expected to be met Awards made under this Scheme are classified as equity settled The expense recognised in respect of these awards was £231,000 (2006 £nil)

24 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 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 2006/1 May 2006	2,685	16,310	42,022	1,530	2,995	65,542
Shares issued for cash in exchange for options exercised	21	408	–	–	–	429
Shares issued in connection with acquisition of a subsidiary	127	18,348	–	–	–	18,475
Shares issued in connection with acquisition of a joint venture	32	3,942	–	–	–	3,974
Employee share options	–	–	–	140	–	140
Recognised income and expense	–	–	25,880	489	2,855	29,224
Equity dividends paid	–	–	(5,518)	–	–	(5,518)
Dividend paid to minority interest	–	–	–	–	(410)	(410)
Movement in minority interest	–	–	–	–	253	253
30 April 2007	**2,865**	**39,008**	**62,384**	**2,159**	**5,693**	**112,109**
Company						
1 May 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 2006/1 May 2006	2,685	16,310	12,366	–	–	31,361
Shares issued for cash in exchange for options exercised	21	408	–	–	–	429
Shares issued in connection with acquisition of a subsidiary	127	18,348	–	–	–	18,475
Shares issued in connection with acquisition of a joint venture	32	3,942	–	–	–	3,974
Profit for the year	–	–	4,935	–	–	4,935
Equity dividends paid	–	–	(5,518)	–	–	(5,518)
Foreign exchange translation	–	–	–	(666)	–	(666)
30 April 2007	**2,865**	**39,008**	**11,783**	**(666)**	**–**	**52,990**

Included in consolidated reserves is an amount of £21,407,000 (2006 £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

Gains and losses on hedging instruments that are designated as hedges on net investments in foreign operations are included in the foreign currency translation reserve

25 Financial commitments

	Group 2007 £'000	Group 2006 £'000	Company 2007 £'000	Company 2006 £'000
Capital commitments contracted for but not provided in the financial statements	**821**	–	–	–

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

26 Operating lease commitments

	2007 Land and buildings £'000	2007 Other £'000	2006 Land and buildings £'000	2006 Other £'000
Non-cancellable operating leases are payable as follows				
Within one year	**15,164**	**3,621**	9,015	3,630
Within two to five years	**40,259**	**4,117**	32,494	4,296
After five years	**46,333**	**25**	45,438	–

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

27 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 ended 30 April 2007 was 6 4% pa (2005/06 6 4% 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 2006

The amount of contributions paid to the 2002 Plan during 2006/07 was £0 9 million (2005/06 £0 8 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 2007	30 April 2006	30 April 2005
Retail price inflation	**3 0% pa**	3 0% pa	2 8% pa
Discount rate	**5 5% pa**	5 2% pa	5 3% pa
Pension increases in payment			
5% or inflation	**3 0% pa**	3 0% pa	2 6% pa
2½% or inflation	**2 2% pa**	2 2% pa	2 2% pa
General salary increases	**3 0% pa**	3 0% pa	2 8% pa
Life expectancy of male aged 60 at balance sheet date	**26.7 years**	26 6 years	26 5 years

27 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 2007 £m	30 April 2006 £m	30 April 2005 £m
Present value of defined benefit obligation	**47 8**	49 4	43 9
Fair value of assets	**(46 1)**	(43 5)	(35 9)
Liability recognised in the balance sheet	**1 7**	5 9	8 0

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 2007 £m	30 April 2006 £m	30 April 2005 £m
Present value of defined benefit obligation	**2.8**	3 1	3 0
Fair value of assets	**–**	–	–
Liability recognised in the balance sheet	**2 8**	3 1	3 0

The amounts recognised in profit or loss are as follows

	2002 Plan		Bernard Thorpe Annuitants	
	2006/07 £m	2005/06 £m	**2006/07 £m**	2005/06 £m
Employer's part of current service cost	**0 3**	0 8	**–**	–
Interest cost	**2 5**	2 3	**0 1**	0 2
Expected return on assets	**(2 8)**	(2 3)	**–**	–
Total expense included in profit or loss	**0 0**	0 8	**0 1**	0 2

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

	2002 Plan		Bernard Thorpe Annuitants	
	2006/07 £m	2005/06 £m	**2006/07 £m**	2005/06 £m
Opening defined benefit obligation	**49 4**	43 9	**3 1**	3 0
Employer's part of current service cost	**0 3**	0 8	**–**	–
Interest cost	**2.5**	2 3	**0 1**	0 2
Contributions from members	**0.1**	0 1	**–**	–
Actuarial (gains)/losses	**(2.8)**	3 5	**(0.2)**	0 1
Benefits paid	**(1.7)**	(1 2)	**(0 2)**	(0 2)
Closing defined benefit obligation	**47.8**	49 4	**2 8**	3 1

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

	2002 Plan		Bernard Thorpe Annuitants	
	2006/06 £m	2005/06 £m	**2006/07 £m**	2005/06 £m
Opening fair value of the assets	**43.5**	35 9	**–**	–
Expected return on assets	**2 8**	2 3	**–**	–
Actuarial gains	**0 6**	5 7	**–**	–
Contributions by the employer	**0 8**	0 7	**–**	–
Contributions by members	**0 1**	0 1	**–**	–
Benefits paid	**(1 7)**	(1 2)	**–**	–
Closing fair value of assets	**46 1**	43 5	**–**	–

The amount recognised outside profit or loss in the statement of recognised income and expense for 2006/07 for the 2002 Plan is a gain of £3 4 million (2005/06 £2 2 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 gain of £0 2 million (2005/06 loss of £0 1 million)

The actual return on the 2002 Plan's assets over the year was £3 4 million (2005/06 £8 0 million)

27 Retirement benefit obligations continued

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

	30 April 2007	30 April 2006	30 April 2005
Equity instruments	**53%**	59%	61%
Debt instruments	**47%**	41%	39%
	100%	100%	100%

			2002 Plan
	30 April 2007 £m	30 April 2006 £m	30 April 2005 £m
Present value of defined benefit obligation	**47 8**	49 4	43 9
Fair value of assets	**(46 1)**	(43 5)	(35 9)
Deficit	**1 7**	5 9	8 0

			Bernard Thorpe Annuitants
	30 April 2007 £m	30 April 2006 £m	30 April 2005 £m
Present value of defined benefit obligation	**2 8**	3 1	3 0
Fair value of assets	**–**	–	–
Deficit	**2 8**	3 1	3 0

The history of the Schemes is as follows

			2002 Plan			Bernard Thorpe Annuitants
	2006/07 £m	2005/06 £m	2004/05 £m	2006/07 £m	2005/06 £m	2004/05 £m
Experience adjustments on assets						
Amount of gain	**(0 6)**	(5 7)	(0 8)	**–**	–	–
Percentage of assets	**(1%)**	(13%)	(2%)	**–**	–	–
Experience adjustments on liabilities						
Amount of gain	**–**	–	(0 3)	**(0 2)**	–	(0 1)
Percentage of the present value of the liabilities	**–**	–	(1%)	**7%**	–	(3%)

In accordance with the transitional provisions for the amendments to IAS19 in December 2004, the disclosures above are determined prospectively from the 2004/05 reporting period

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 £9,734,000 (2006 £7,047,000)

28 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
DTZ Corporate Finance Limited	Professional Services	100*	UK
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
Incorporated in the British Virgin Islands			
DTZ Pacific Holdings Limited	Holding companies	100	Hong Kong and China
Incorporated in Hong Kong			
DTZ Debenham Tie Leung Limited	Property advisers	100	Hong Kong
Incorporated in New Zealand			
DTZ New Zealand Limited	Property advisers	51**	New Zealand

28 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
Incorporated in USA			
DTZ Rockwood Holdings LLC	Property advisers	50	USA
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 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.

29 Related party transactions

The group provided advisory services on an arm's-length basis for total fees of £688,000 to companies on which two board members sit as non-executive directors. A subsidiary company leases, on an arm's-length basis, an office at the annual rent of €199,000, 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 £779,000 as at 30 April 2007. All of these loans are on commercial terms.

Our joint venture partners have loaned DTZ Rockwood £2 million – our 50% share of this is reflected in creditors.

Prior to the acquisition of DTZ Pacific Holdings a director, C Y Leung, lent that company £2,980,000. At 30 April 2007 this remained outstanding. A timetable for repayment of this loan has been put in place.

30 Share price

The mid-market price of the shares at 1 May 2006 and 30 April 2007 was 643.0 pence and 596.0 pence respectively. The share price during the year ranged from 566.5 pence to 835.0 pence.

31 Events occurring after the end of the year

On 1 May 2007, DTZ International Limited, a 100% subsidiary of DTZ Holdings plc, acquired an additional 16% interest in DTZ New Zealand (Holdings) Limited bringing its total ownership level to 67%. DTZ paid cash consideration of NZ$800,000 (£297,000).

On 29 June 2007, DTZ International Limited, a 100% subsidiary of DTZ Holdings plc, exercised an option to acquire an additional 50% interest in DTZ Sweden AB bringing its total ownership level to 80%. DTZ will pay a maximum consideration of SEK40,690,000 (£3,042,000), which will be a mixture of cash and shares, consideration in the form of shares will be capped at 25%. The deal will complete on or before 29 July 2007.

On 2 July 2007, DTZ Australia Pty Limited, acquired 100% of the share capital of Harlow Property Consultants, a property advisory business based in Sydney. Consideration of Aus $1,000,000 (£400,000) was paid in cash, with a maximum future deferred consideration payable of Aus $1,500,000 (£600,000) dependent upon performance.

The directors believe it is not practical to disclose the fair value of acquired assets in the above acquisitions, 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
	2003 £000	2004 £000	2005 £000	2006 £000	**2007 £'000**
Turnover	153,717	166,255	194,441	232,369	**310,262**
Operating profit	2,840	8,910	16,726	23,184	**32,151**
Profit on ordinary activities before taxation	8,359	11,024	20,603	29,661	**41,795**
Profit on ordinary activities after taxation	3,559	5,676	12,821	20,201	**28,735**
Basic earnings per ordinary share	6 56p	10 81p	24 75p	37 87p	**49 38p**
Dividends per ordinary share (net)					
Interim	2 25p	2 25p	2 50p	2 75p	**3 50p**
Final	4 00p	4 25p	5 00p	7 00p	**8 00p**
Year end share price	67 5p	161 5p	199 5p	643 0p	**596 0p**
Total assets	101,595	108,682	139,309	178,635	**287,675**
Net assets	46,476	48,355	45,386	65,542	**112,109**
Earnings before interest, taxation, depreciation and amortisation ('EBITDA')	13,636	16,999	24,015	31,951	**45,609**
Net cash	4,334	6,628	13,981	30,357	**23,997**

Analysis of earnings before interest, tax, depreciation and amortisation (EBITDA)	2003 £000	2004 £000	2005 £000	2006 £000	**2007 £'000**
Profit on ordinary activities before taxation	8,359	11,024	20,603	29,661	**41,795**
Net finance expense/(income)	238	198	267	(289)	**763**
Depreciation and impairment	5,039	5,777	3,145	2,579	**3,051**
EBITDA	13,636	16,999	24,015	31,951	**45,609**

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

*To be paid on 14 September 2007 if approved at the AGM on 6 September 2007, to the shareholders on the register at the close of business on 17 August 2007
The ex-dividend date is 15 August 2007

Shareholder analysis
As at 30 April 2007

Shareholders by size	Number of holdings	%	Balance as at 30 April 2007	%
1–500	**1,130**	50 97	**244,766**	0 43
501–1,000	**228**	10 28	**183,355**	0 32
1,001–5,000	**434**	19 57	**1,091,665**	1 91
5,001–10,000	**125**	5 64	**884,720**	1 54
10,001–50,000	**160**	7 22	**3,940,148**	6 88
50,001–100,000	**54**	2 44	**3,822,703**	6 67
100,001–500,000	**65**	2 93	**13,878,922**	24 22
500,001–1,000,000	**11**	0 50	**7,679,756**	13 40
1,000,001 and over	**10**	0 45	**25,569,967**	44 63
Total	**2,217**	100 00	**57,296,002**	100 00

Financial calendar

AGM	
Thursday 6 September 2007 – 11 00 am at One Curzon Street, London W1A 5PZ	
Results	
To 31 October 2006 – Announced 17 January 2007	
To 30 April 2007 – Announced 4 July 2007	
Dividends	
Interim 3 5 pence per share	
Paid 16 February 2007	
Final 8 0 pence per share	
Proposed 4 July 2007	
Payable 14 September 2007	

Advisers

Group company secretary
P M Cook

Independent auditors
Deloitte & Touche LLP
Chartered Accountants

Registrars
Computershare Investor Services PLC
PO Box 82
The Pavilions
Bridgewater Road
Bristol BS99 7NH

Registered number
2088415

Registered office
One Curzon Street
London W1A 5PZ
www dtz com

Financial advisers
Dresdner Kleinwort

Stockbrokers
JPMorgan Cazenove

Principal bankers
The Royal Bank of Scotland Group plc

Solicitors
Clifford Chance LLP

Design and production
Radley Yeldar

Photography
Directors and board by Liam Bailey

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

DTZ Holdings plc
One Curzon Street
London W1A 5PZ

Telephone +44 (0)20 7408 1161
www dtz com