

DTZ Holdings plc
Annual Report and Accounts 2008

Local passion
Global team

Registered number 2088415



Group at a glance

Group's key facts

Over
12,500
People

Operating in
150
Cities

Across
45
Countries

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

find out more at www.dtz.com

Our services

Capital Markets

Services

DTZ's capital markets team is an integrated global real estate investment and finance platform. We provide strategic advice to investors on new markets and products, capital raising and the investment or realisation of real estate capital. The team designs innovative solutions to help clients successfully maximise returns from their real estate investments.

Core Capabilities

- Direct Investment
- Corporate Finance
- Investment & Asset Management

Client highlights

DTZ Investment Management widened its range of services by investing in a derivatives product for the first time

Acting for Shin Kong Bank
DTZ sold the Shin Kong Bank Min Sheng Financial Building for NT\$7.3 billion (£110 million) – the largest ever office investment deal in Taipei

Revenue

£110.7m

2007: £94.5m

Cross reference within this report
p12 See page 12 for more details

Valuation

Services

Our global valuation team is renowned for its consistent approach, service delivery and market knowledge. Acting for investors, lenders, corporates and private individuals, DTZ is chosen by clients because of its dynamic, and where necessary, innovative approach to valuation services to help our clients understand what the value drivers are in different markets.

Core Capabilities

- Valuation & Appraisal
- Due Diligence
- Corporate Recovery & Restructuring

Client highlights

Valued The Crown Estate's £2.5 billion property holdings in London's Regent St and St James's, acting as independent valuers to just over a third of its total £6.6 billion portfolio

Valuation of a large development company's assets in Egypt, with a total value of US\$15 billion (£7.5 billion)

Revenue

£81.0m

2007: £58.2m

Cross reference within this report
p15 See page 15 for more details

Occupational & Development Markets

Services

Acting for occupiers, developers and investors across the globe, DTZ's agency, development and professional teams deliver daily solutions for some of the world's biggest names. Whether providing authoritative expertise on development, delivering significant occupier cost savings, managing the implementation of business change, or offering tailored leasing, landlord and tenant, or disposal advice, DTZ's market leading teams excel.

Core Capabilities

- Office, Industrial & Retail Agency
- Global Corporate Services
- Development & Planning
- Professional Advisory Services

Client highlights

Appointment as joint office adviser to the 4.9 million sq ft office element of King's Cross Central in London, a development by King's Cross Central Limited Partnership.

DTZ Barnicke acting for Maple Leaf Foods Inc. assisted in establishing a campus-style setting for its new corporate offices in Mississauga, Canada delivering 330,000 sq ft of office space.

Revenue

£136.8m

2007: £87.4m

Cross reference within this report
p16 See page 16 for more details

Professional Services

Services

Working in partnership with investors, corporate owners and occupiers across all property sectors, DTZ's professional services teams deliver a full service offering. Whether protecting and enhancing investor clients' asset performance or supporting the business needs of occupier clients, an innovative, flexible and insightful approach is always adopted.

Core Capabilities

- Property Management
- Facilities Management
- Project & Building Consultancy

Client highlights

DTZ in India has been instructed to project manage a 1.2 million sq ft new build research tech park in Bangalore for Bearys Group.

In Poland DTZ has been instructed to manage Warsaw's largest office park, the Marynarska Business Park, spanning 43,799 sq m.

Revenue

£87.4m

2007: £47.7m

Cross reference within this report
p19 See page 19 for more details

Consulting & Research

Services

DTZ's established reputation in consulting & research delivers a competitive edge for clients and helps them to unlock value, improve efficiency and enhance portfolio performance. Advice spans how to better align real estate strategy with business objectives, integrated development consultancy, assessing the impact of economic and social change on real estate, and award winning research.

Core Capabilities

- Research
- Economics
- Corporate Consulting
- Development Consulting

Client highlights

Providing consultancy services for the world's largest airport development, Dubai World Central, centred around the new Al-Maktoum International Airport.

Instructed by ORCO Property Group to carry out an Economic Impact Assessment of a 27 hectare redevelopment site in the Prague 7 district of the Czech Republic.

Revenue

£30.5m

2007: £22.4m

Cross reference within this report
p20 See page 20 for more details

About us

Local passion, global team

With a global team of over 12,500 committed individuals across 45 countries, wherever our clients' local markets are, we are there with the drive and passion to deliver the right result.

As a team of leading real estate experts our role is to advise, steer and even challenge our clients' brief to find them the best solution on the best terms.

Knowledge from a global, as well as local, perspective provides the competitive insight behind every decision we make and underpins our reputation as renowned, respected and trusted advisers.

Whether our clients require high-quality real estate capital market solutions or cutting-edge occupier-led property services and advice, we deliver a comprehensive full service offering.

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Financial highlights

Revenue (£m)	Profit before tax & exceptional items (£m)	Earnings per share ² (p)
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¹ UK GAAP

² before exceptional items

Corporate highlights

1 Acquisition of Donaldsons LLP, an independent property consultancy which created a market-leading retail offering to clients across Europe *(Pictured left to right Martyn Chase, former Chairman of Donaldsons and Robert Peto, Chairman of DTZ UK & Ireland)*

2 Acquisition of Harlow Property Consultants Pty Ltd and Harlow Property Management Ltd, specialist industrial and logistics businesses, located in North Sydney, Australia

3 Acquisition of Fastighetsplanering AB, a privately owned commercial real estate adviser and the market leader in commercial leasing based in Stockholm, Sweden

4 During the year DTZ strengthened its number one market position in China by opening its twelfth and thirteenth offices in mainland China, in **Qingdao and Shenyang**

5 Acquisition of JJ Barnicke Limited, Canada's largest independently-owned, full service commercial real estate services company, adding a DTZ presence in 18 more cities *(Pictured left to right Mark Struckett, Group Chief Executive and Joseph J Barnicke, Chairman, DTZ Barnicke)*

6 DTZ signed an agreement for a new UK and global headquarters at **125 Old Broad Street in the City of London**

Our presence

As clients' needs continue to internationalise, our presence in 150 of the world's major Central Business Districts enables us to deliver trusted local solutions that are integrated and consistent across a global platform.

The Americas

"With the successful acquisition of JJ Barnicke last year, a major real estate firm that offers occupational and capital markets services throughout Canada, DTZ's North American business now encompasses all three nations in North America. In Mexico, we continued to invest capital across property types and cities on behalf of a global investment management client, while the US business adapted to changing market conditions by refocusing its efforts on emerging opportunities in the debt markets, such as note sales and structured re-financings."

John Magee
CEO DTZ Rockwood

EMEA

"Significant revenue growth in EMEA was driven by acquisition and organic development throughout the region with strong growth in Germany, Central Europe, Middle East and Russia. Valuation and professional services performed particularly well and occupational markets remained largely robust. The credit crunch has had a negative impact on capital markets and on demand for direct investment services. The market deterioration has inevitably reduced profitability and consequently we are aligning our cost base to reflect market conditions and improve operational efficiencies."

Killian O'Higgins
CEO EMEA

DTZ people

600

25 Cities **3** Countries

DTZ people

5,500

90 Cities **33** Countries

Client snapshot

Global case studies

Asia Pacific

"During the year our business in Asia Pacific saw increases in both turnover and profitability. We continued integration of our acquisitions in North Asia, Australia and New Zealand and to build our business in India. In China we maintained market leadership and increased coverage, adding to our 11 mainland offices, opening in Qingdao and Shenyang."

David Steventon
CEO Asia Pacific

For the past five years DTZ has been managing a mixed portfolio of UK properties for ING Real Estate's UK investment management business. This is one of many services DTZ provides across the world.

p13 Cross reference within this report. See page 13 for more details.

With instructions ranging from as far as Italy to China, DTZ delivers a truly global full service to BT and has recently completed a multi disciplinary instruction in New Delhi, India.

p17 Cross reference within this report. See page 17 for more details.

DTZ people

6,500

35 Cities **9** Countries

Working across Europe and more recently expanding services into Asia Pacific, DTZ delivers various projects for Standard Life Investments including a recent acquisition in Brisbane, Australia for its Select Property Fund.

p21 Cross reference within this report. See page 21 for more details.

Chairman's statement

Tim McVie-Ross, Group Chairman

"We will use all our people, our skills, our assets and our connections to continue to build our market presence in what are undeniably challenging times. We believe that the broad spread of our activities over many geographic markets and sectors will stand us in good stead."

Since my previous report to shareholders, economic conditions have continued to deteriorate, especially as a result of the credit crisis prompted by the sub-prime mortgage difficulties in the United States. These have had a substantial impact on property markets generally and, inevitably, our business. Despite this, I am pleased to report that underlying profitability is at a creditable level and in line with revised market expectations.

These changed market conditions have led us to make some significant exceptional charges for the full year. We regard these, together with significant cost savings throughout the business and a slower pace in the continuing implementation of our global strategy, as essential ingredients in the prudent management of the business which will ensure that we are well placed in the future to benefit from the return of more normal market conditions and thereby deliver long-term value to our shareholders.

Results

Revenue increased substantially by 44% to £446.3 million (2007: £310.3 million) boosted by the impact of the Donaldsons and Barnicke acquisitions, the full year effect of our North Asia acquisition, and initial returns from the substantial investment we have made in additional staff resources in previous years.

Despite this increase in revenue, profit before tax and exceptional items reduced by 46% to £20.6 million (2007: £38.0 million). This was largely the result of the change in mix of our income streams with our capital markets business particularly affected by difficult economic conditions, the delay between recruitment of additional staff and their capacity to generate revenue, and adverse trading conditions.

In the light of the degree of exposure of DTZ Rockwood and our other investments in North America to these conditions, we have decided to make an impairment charge of £11.7 million against these investments. We are also making exceptional charges to reflect the reorganisation costs associated with the Donaldsons acquisition and redundancy charges associated with the staff reductions needed in the light of prevailing market conditions. The net result of these is that profit before tax and after exceptional items is £5.6 million. Further details of this and the Group's cash position are given in the financial review on page 23.

As a prudent measure in difficult and uncertain conditions, the Board has decided to recommend a reduction in the final dividend to 3.0 pence per share (2007: 8.0 pence) bringing the total dividend for the year to 6.5 pence (2007: 11.5 pence). The reduction in the total dividend is broadly in line with the movement in the Group's underlying pre-tax profit.

Strategy

The Board firmly believes that, especially in difficult market conditions, it is vital to remain focused on the development of the Group's strategy. This is to work with clients to create leading-edge property, investment and business solutions.

worldwide. It is precisely because we have been pursuing this strategy for some years that the Group is able to generate profits in these difficult market conditions, albeit at reduced levels. Both our geographic and skill diversifications have broadened the range of income sources to give us some protection from adverse developments in certain areas and thereby improve the overall quality of our earnings.

A good example of this is the successful merger with and integration of Donaldsons. This was an important milestone for us, strengthening our position still further in the UK and the rest of the EMEA region across many of our skill lines, and especially in the retail sector.

The need for us to diversify across skill lines as well as geographically is reinforced by our recent experience in the United States. Because our strategy and presence is less well established there to date, with a disproportionate exposure to capital markets activities, we have been more affected by the current adverse market conditions. We therefore fully intend to continue with the development of a full range of real estate advisory services in all key North American markets to augment our existing significant presence in a number of locations, not least because of the ending of our alliance with the Staubach Company. However, in recognition of current conditions expansion in the immediate future will clearly be done at a slower pace.

By contrast, the already diversified and well established businesses in Asia Pacific saw increases in both revenue and profitability. We continued during the year with the successful integration of our acquisitions in North Asia, Australia and New Zealand, and to build our business in India. In China we maintained market leadership and increased coverage with further office openings.

Through our focus on cross-border services and skills, we now have a wide range of very valuable capabilities within the Group. It is therefore important that we continue to invest in these and manage them effectively to ensure that we continue to grow our market share and thereby deliver the best possible returns to shareholders.

People

As already announced, our Chief Executive, Mark Struckett, has indicated his desire to step down after 14 years in the post. Under his leadership, the Group has grown its geographic and service coverage very significantly. When Mark was appointed Chief Executive, the Group was principally a UK based business employing just over a thousand people, and turnover in his first year in office was £58 million. Turnover has increased more than seven-fold during Mark's term of office, and the Group now offers a wide range of real estate services in 150 cities in 45 countries, employing some 12,500 people. His commitment and far-sighted leadership have been invaluable to the Group and its shareholders, and I would like to take this opportunity to express the Board's grateful thanks for his long and distinguished service. We are also grateful for Mark's willingness to assist with an orderly transition to his successor when appointed.

The commitment and resilience of our staff are even more important when business conditions are difficult, and I would like to thank them on behalf of the Board and shareholders for the great efforts that they are putting into maximising the Group's business opportunities in these conditions.

Outlook

It is difficult to predict how financial and property markets throughout the world will develop over the next two or three years. I will only say that we will use all of our people, our skills, our assets and our connections to continue to build our market presence in what are undeniably challenging times. In addition, we believe that the broad spread of our activities over many geographic markets and sectors will stand us in good stead even in a prolonged downturn and should ensure that we are best positioned to deliver growth and value for our shareholders on the recovery of financial and real estate markets worldwide.



Tim Melville-Ross
Chairman
9 July 2008

Total Dividend per share

6.5p

2007: 11.5p

Revenue

£446.3m

2007: £310.3m

CEO's strategic review

Mark Struckett, Group Chief Executive

“The commercial property services market has been rapidly consolidating, reflecting the globalisation of our clients’ requirements. We firmly believe this trend will continue and have positioned the business as one of the major operators in the marketplace in both EMEA and Asia Pacific, and we will seek to improve our market position in North America.”

Overview

Following many years of strength, the past financial year has seen substantial changes in the economy and real estate markets

The shock to the financial systems from the credit crisis that started in late summer 2007 had a quick and traumatic impact on several of the world's main property investment markets. Initially, the most substantial effects were seen in the UK and the USA with large falls in pricing and activity levels. This spread to property investment markets in other geographic areas and, by our year end, was affecting most of the world's main markets. However, occupational markets remained generally robust against a background of reasonable occupier demand, attractive current availability ratios and a development supply that, while rising, is at lower levels than in past cycles. Financially, our business thus saw one significant area of its activity (capital markets) change from being very strong to very weak relative to historic norms while the remainder of the business saw a much steadier environment.

In addition to the markets, the structure of our business has also changed significantly. In early July 2007, the Group completed the largest ever merger of commercial real estate advisory businesses in Europe – the merger of DTZ and Donaldsons. This acquisition assisted the Group in key strategic objectives. It substantially strengthened the Group's capacity in retail property markets, particularly in the consultancy, leasing and management of major shopping centres, and it also cemented our position as one of the clear top three commercial real estate advisers across Europe – important in a consolidating market. In addition to Donaldsons, the Group also made acquisitions in Canada, Sweden and Australia. However, with the change in market conditions, the Group concentrated on its existing business to prepare the Company for continuing difficult market conditions.

Results

Overall Group revenue increased to £446.3 million (2007 £310.3 million), an increase of 44%. This increase can be apportioned approximately 29% to the impact of our corporate development activities and 15% to organic growth. A significant part of the organic growth is a result of the investment made in additional people during previous years who have started to contribute meaningful fee revenue to the Group during the course of the financial year, after the normal period of limited contribution following recruitment.

Underlying profit before tax and before exceptional items for the Group was £20.6 million (2007 £38.0 million), a decrease of 46%. Our profitability was significantly affected by the collapse in the capital markets after summer 2007 and the movement of parts of our transactional activities in this area from substantial profit into loss.

Our profit before tax was further affected by the impact of a number of exceptional items totalling £15.1 million which were one-off events during the course of this year. These are described in more detail in the financial review on page 23. As a result, the Group's profit before tax fell to £5.6 million for the year (2007 £41.8 million).

The financial review also provides details on EBITDA, earnings per share, dividend and the balance sheet

Strategy

The commercial property services market has been rapidly consolidating, reflecting the globalisation of our clients' requirements. We firmly believe this trend will continue and have positioned the business as one of the major operators in the market place in both EMEA and Asia Pacific and will focus on the integration and development of this leading position. We will also seek to improve our market position in North America through organic and other means but without investing significant equity in the short term until market conditions strengthen.

The Group's expanded operations in Continental Europe and Asia Pacific have mitigated the impact of the very difficult conditions in the UK and US capital markets. We have continued to diversify our sources of income and both the Donaldsons acquisition and organic growth assisted this process last year. We intend to continue this policy, focused in the short term on defensive income sources but with the long term aim of a full spread of activities by geography, skill and sector.

Property markets are cyclical and while the downturns can be uncomfortable, we have historically gained market share during such periods. We are also aware that the current fall in capital values will in time recover and so we will use this next period to position the business to benefit from this upturn when it arrives.

Corporate development

The major event of the year was our purchase of Donaldsons in July 2007. This is believed to be the largest ever merger amongst European property advisers.

Donaldsons brought around 900 people to the DTZ business, primarily in the UK but with significant operations in Continental Europe. At the time of the merger, it was the region's leading adviser in the development consultancy, leasing and management of shopping centres and fitted well with our operations. Our rationale was to increase our expertise in the retail and public sectors, to exploit synergies with our own leading position in UK retail investment and to strengthen our operations in other activities across Europe.

We are pleased with the merger process to date and the physical integration has been largely completed. Client reaction has been overwhelmingly positive, overall staff turnover has been in line with our projections and while the integration costs were slightly higher than budgeted, the acquired business has performed in line with our expectations.

Our other acquisitions have also had a good start. In July, we purchased a further 50% of our associate in Sweden, taking us to 80%, and the business then acquired the Stockholm leasing company of Fastighetsplanering AB. At the same time, our Australian business acquired Harlow Associates in Sydney, providing the Group with industrial property expertise in that market.

1.

Our strategy

Our priorities for 2007/08

- Continue to grow our geographic presence
- Diversify our service offering to clients

Our progress in 2007/08

- Entered the Canadian market via acquisition of JJ Barnicke Ltd
- Grew our operations in Sweden and Australia via acquisition
- Significant organic growth in Asia Pacific, Central & Eastern Europe ('CEE') and Middle East
- Developed a leading European capability in development consultancy and management of shopping centres through the acquisition of Donaldsons LLP

Our primary focus in 2008/09

- Strengthen our position in the EMEA and Asia Pacific markets
- Expand and diversify our market presence in The Americas, in response to opportunities while being sensitive to market conditions
- Redeploy and focus the business to perform more effectively in the current climate and gain market share

2.

Our sectors

Office

Our global teams specialise in the leasing and acquisition of city centre offices, business parks and mixed use developments in the major CBDs – testament to our success was being named 'European Office Agency Team of the Year'

Industrial & logistics

Our award winning teams deliver transactional advice, underpinned by local insight on the changing markets. Knowledge-sharing between regional teams in EMEA and Asia Pacific helps us deliver truly joined up and informed global solutions

Retail

DTZ has a leading European capability in development consultancy and management of shopping centres. We understand a shopping centre is a business as well as a property asset and provide the full range of retail services, delivering to clients nationally and internationally

Source: DTZ Research

Hospitality

Acting across EMEA, The Americas and Asia Pacific, the team has witnessed major growth during the year, opening in Russia and Austria, and now delivers advisory, transactional and valuation assignments in locations from Montenegro to Costa Rica and Malaysia

Residential

New homes consultancy and sales has been a major feature of the residential business over the last year, especially in London, China and South East Asia, leading to some major new wins. The other core disciplines of land advisory, valuation and investment also continue to grow

In August, we acquired an option to purchase the leading Boston firm, FHO Partners. This option was exercisable at our year end, in April 2008. However, at that time we considered market conditions had deteriorated so as to make further capital investment in the United States inappropriate for the time being. We therefore did not exercise the option but instead have entered into a licensing arrangement.

In November 2007, we acquired JJ Barnicke Ltd in Canada, the country's largest independent commercial property adviser and third largest overall. In addition to giving us new coverage in this resource rich country, it has given us better access to the Canadian institutions who are active internationally.

Since the year end, The Staubach Company in the USA, with whom the Group has had an alliance agreement to service occupational clients, has announced that it is being acquired by a competitor. We have therefore formally terminated the alliance agreement. We had anticipated this possibility which was part of the rationale for our separate expansion in North America, and have also built up our own staff numbers there to deal with our American based clients. We therefore do not anticipate any impact on 2008/09 earnings. Looking forward, as market conditions allow, we will continue our development in North America, where directly and indirectly we now have around 600 staff.

Corporate and practice matters

Our organisational structure has focused on the further development of our key business lines across geographies, particularly in Asia Pacific where we had obtained majority control across all our operations during 2006/07. We are pleased with progress, which positions us well for winning additional business across the region as Asia continues its rapid development.

This integration has been run in parallel to our rebranding exercise where the substantial majority of our operations have now rebranded as 'DTZ', losing many of the legacy suffixes. This change was finalised during the first four months of the financial year and greatly assists the integration referred to above.

The business has had substantial success in winning various industry awards across the world, including industry recognition as European Office Agency Team of the Year as well as a number of national awards.

As set out in more detail in the Corporate responsibility report on page 30, there has also been a substantial focus on improving our performance, both as a company and as advisers in the area of sustainability and other aspects of corporate responsibility. These efforts have brought a further improvement but are part of an on-going programme.

People

Our business relies on attracting and retaining the best people in our industry and this is inevitably a key focus each year. This is especially the case during the major integration process that follows the acquisitions we have undertaken during 2007/08, particularly Donaldsons. This has seen a period of planned reductions allied with a pause in general recruitment reflecting market conditions. Overall staff retention has been satisfactory while we continue to make some key recruitments to meet specific needs.

A particular feature of the year has been increased mobility, both geographically and by business line. Tougher market conditions facilitate voluntary relocation and we have been able to fill posts internally more easily, aiding long term efficiency.

There have been some significant senior management changes during the course of the year. In addition to welcoming Colin Child as Group Finance Director, we have appointed new Managing Directors for the UK & Ireland, Czech Republic, Spain, India and New Zealand and a new Group Marketing & Communications Director. Our practitioners have also been active winning individual awards, including five nominations as top agents in the UK, with John Forrester being named as the UK's leading agent, and similar wins as far apart as Stockholm and Sydney.

Market outlook

There is now no doubt that much of the world is experiencing a substantial economic downturn, albeit the extent of this varies widely by geography. While the initial focus was on the financial crisis, there is now more evidence of general recessionary pressure across many sectors. This inevitably has an impact on occupational demand and we expect this to dampen rental growth and performance around the world although some areas, particularly in developing markets, continue to perform well. Current availability ratios are generally low while new office development supply is more modest than in past cycles, except in a few of the most challenged locations. New construction is now being deferred in many parts of the world and for most sectors of commercial property. This lack of new supply should limit the length of the downturn in the occupational cycle.

The major repricing that occurred on investment property in the UK first is generally spreading. In addition to reflecting the prospective weakening in some occupational markets, on which all investment value is ultimately based, the markets will also take note of the recent rise in long-term rates driven by fears of inflation. This, combined with absence of debt availability, means that there could be further falls in capital value before the significant sources of equity that are available are encouraged to recommence purchasing.

3.

Our insight

Global investment transactions (US\$ billion)

Transactions peaked in 2007 at US\$750 billion, but have since fallen sharply and are likely to be down substantially in 2008.

Prime office yields (%)

Global yield compression may be unwinding, with the UK leading the market correction.

Our research

Some recent examples of our global research

find out more at www.dtz.com

Operating review

Group performance

Revenue analysis by region

Revenue growth

The Group's underlying performance was dominated by two factors in the year. Firstly, the collapse in the capital markets spreading to many parts of the world following the financial crisis of summer 2007 and, secondly, the impact of various acquisitions.

All areas of the business, except aspects of our capital markets related activity, showed significant growth in revenue, both before and after taking account of acquisitions. However, the substantial reduction in the performance of the capital markets after the first quarter rippled through to the overall performance of the Group during the course of the year.

We review below the Group's operations by geographic and by practice area.

UK & Ireland

Overall revenue increased to £212.1 million (2007: £176.0 million), growth of 20.5%. These figures include the contribution of Donaldsons since July 2007 – if this is ignored, then overall organic revenue was broadly flat. Most business streams did well, with growth from professional services (64.9% growth), occupational and development markets (26.6% growth), consulting and research (23.7% growth) and valuations (10.2% growth). However, from autumn 2007, investment agency income suffered so that overall capital markets revenue reduced

by 13.7%, despite a good start to the year and its solid income from investment management.

Operating profit before exceptional items fell to £14.7 million (2007: £31.2 million). This resulted in a fall in operating profit margin to 7.0% (2007: 17.7%).

The acquisition of Donaldsons saw staff numbers in the UK peak at 2,409. Following the financial crisis, we controlled recruitment in most areas, reducing staff numbers to 2,274 by the year end.

During the year, we committed to a substantial relocation of our London estate, taking new space in 125 Old Broad Street in the City and disposing of four existing premises, primarily expensive accommodation in the West End. The rationale is to increase operating efficiency and manage overall occupational costs.

EMEA (ex UK & Ireland)

Overall revenue grew strongly by 42.5% to £124.5 million (2007: £87.4 million) with growth in all skill areas.

Around £12.5 million of this increase came from our acquisitions, so that organic revenue increased by 28.2%. There was particularly strong growth in valuation and professional services which both had record years, showing revenue increases of 61.5% and 146.9% respectively. Professional services got a particular benefit from Donaldsons, but also performed strongly organically. Occupational and development markets and consulting and research also performed well. Transactional activities in capital markets were less affected than in the UK while asset management again performed well, so that overall capital markets revenue increased by around 17.1%.

Operating profit before exceptional items increased slightly to £14.2 million (2007: £13.6 million). This steady performance disguised many factors – the positive contribution of our significant recruitment campaign in 2007 and some good performances through the region, offset by some slowing investment markets and the costs of developing certain offices.

Individually, there were strong performances again from France and Germany. The German performance is particularly pleasing, where staff numbers have trebled in two years to 370 people in six main offices while two thirds of the revenue comes from non-transactional services. We have continued to invest in Central & Eastern Europe (particularly Russia, where revenue increased by 75%) and in the Middle East.

We extended our geographic reach to meet existing client requirements by opening in Leipzig, our sixth office in Germany, and Kuwait, our sixth office in the Middle East, as well as entering into new licence arrangements with affiliates in Croatia and Kazakhstan.

Asia Pacific

Results for Asia Pacific are complicated by the effect of the full year figures for North Asia, where we purchased the remaining equity in December 2006. Overall, revenue has grown to £93.5 million (2007: £39.4 million) with significant growth in all areas. If we adjust for the impact of North Asia, we have still seen an underlying organic growth of 70.8%.

Operating profit before exceptional items has increased to £3.0 million (2007: £1.1 million), again reflecting the impact of the North Asian acquisition, as well as organic performance.

The region shows some extremes of financial performance. For example, Singapore had an outstanding year and produced the highest profit margin of any significant business in the Group. However, the overall regional figures are offset by the substantial ongoing investment that we have been making to develop our services further in other countries, particularly Japan and India, so that the overall profit margin before exceptional items was just 3.2% (2007: 2.7%).

We continued to invest in China, where we are the market leaders, opening offices in our twelfth and thirteenth mainland cities in Qingdao and Shenyang while, since the year end, we have opened our fourth office in India, in Chennai. We took the decision to exit agency on small homes in mainland China in order to focus on large projects. Accordingly, we have disposed of our business in this area in Shanghai and, since the year end, in Shenzhen.

Since the year end, our office in Chengdu was affected by the Chinese earthquake but we are relieved to report that none of our staff or their immediate families were seriously hurt, although several are facing the dreadful trauma of having lost their family homes.

The Americas

Our business in North America is less substantive than elsewhere in the world. Our underlying financial results reflect two equity holdings. Firstly, our 50% holding in DTZ Rockwood which is a capital markets specialist. As mentioned earlier, this business suffered with the downturn in the markets and lack of diversification to offset this impact. Consequently, our 50% share of revenue showed a decline to £6.2 million (2007: £7.5 million) despite higher staff numbers.

Our other ownership in North America is DTZ Barnicke in Canada, which became a subsidiary in November 2007. This is a diversified business across both capital and occupational markets and contributed £10.0 million revenue in the year.

Together, these operations produced revenue for the Group of £16.2 million (2007: £7.5 million). However, our operating loss before exceptional items in the Americas increased to £5.2 million (2007: £3.7 million loss), reflecting increased losses in DTZ Rockwood and central management costs.

Our American operations also include a team in corporate services based in several locations across the continent, responsible for relationships with American-based clients that we service throughout the world. We also established DTZ FHO Partners as our licensee in Boston during the year.

Operating review

Capital Markets

"The global credit squeeze continued to cast an economic shadow over the US and Europe in Q1 2008, but most of Eastern Europe and Asia Pacific remained relatively well shielded from the worst of its effects due to strong economic fundamentals "

Revenue growth

+17.1%

Strong capital flows continued into the real estate sector in the first quarter of the Group's financial year until expectations of a substantial correction in the market started materialising around August 2007. The US sub-prime housing crisis then acted as a catalyst for the long awaited move from a focus on capitalisation rates and financial arbitrage towards market fundamentals, while the rising cost and diminishing availability of finance placed upwards pressure on real estate yields, particularly in the UK and USA.

The global credit squeeze continued to cast an economic shadow over the US and Europe in Q1 2008, but most of Eastern Europe and Asia Pacific remained relatively well shielded from the worst of its effects due to strong economic fundamentals. In Asia, historically limited exposure to public debt finance or syndicated loans paid off in a more stable environment.

Revenue increased by 17.1% to £110.7 million (2007 £94.5 million), reflecting a sharp rise in Asia Pacific but offset by the fall in agency revenue in the UK. Of the increase, 5.5% came from organic growth and 11.6% from acquisition activity. These growth figures have been boosted by £1.4 million from internal transfers during the year from consulting and research.

Investment / asset management

Our investment management team, with £2.0 billion under management, produced a steady financial performance and excellent figures for our clients, winning a British award for the eighth year in a row for the best performing pension fund managed on a discretionary basis.

Our asset management teams have more than €3.5 billion (£2.8 billion) in assets under management in continental Europe. They performed well and have added many pan-European mandates from global institutional clients. Notable success was evidenced by our appointment by Realkapital, a Norwegian investor, €100 million (£80 million) for whom we acquired assets for their first fund of €50 million (£40 million) in France and Germany. Additionally we won a mandate from GE Asset Management for a new European fund and also launched the Hexagone French Regional Property Fund, a joint Morley and DTZ Asset Management initiative.

Investment agency

Our financial performance in agency directly reflected the state of the markets, but nonetheless saw some notable instructions. In EMEA, mandates included advising Hammerson and Kajima on the prominent disposal of One London Wall for £136 million, advising Legal & General on the sale of a mixed sector portfolio consisting of 11 UK properties for circa €185 million (£147 million) and the exclusive marketing of a portfolio of eight properties across Germany with a net lettable area of approximately 60,400 sq m for €75.5 million (£60 million) for a Middle Eastern investor.

Following the acquisition of Donaldsons, our retail investment team doubled its UK shopping centre market share by value from 11% to 21%, albeit in a reduced market. We advised on the acquisition of The Telford Shopping Centre, the largest single retail UK asset deal in 2007 while on the continent, we purchased a €700 million portfolio for the AIM Europe joint venture.

In Asia, we advised on the acquisition of Shama Luxe in Shanghai for US\$138 million (£69 million), the Shin Kong Bank Min Sheng Building in Taipei was sold for US\$225 million (£113 million) while in Singapore we sold Leedon Heights for SGD835 million (£307 million) to Guoco Land Limited. Activity increased in India where we arranged several equity participations for development funds in Delhi and Mumbai.

In the US, highlights for DTZ Rockwood included the US\$515 million (£257 million) sale of North Bridge, a 68,100 sq m mall in Chicago, and the US\$360 million (£180 million) re-financing of a 2,152 unit multifamily apartment portfolio in California and Colorado.

Corporate finance

We have substantially restructured our corporate finance team during the year under new leadership, integrating two teams and resulting in over 50 people with expertise in mergers and acquisitions, property structured finance, corporate advisory and indirect investment. During the year, the team successfully raised money for a number of indirect vehicles and development funds.

Local passion

Global team >>

DTZ has been managing a mixed portfolio of UK properties for ING Real Estate's UK investment management business for over five years

The value of property under management currently exceeds £1 billion and comprises two institutional pooled funds, (including the ING Lionbrook Property Fund), a Retail Pooled Fund, and six segregated funds. Properties span all sectors and range from the Sterling Mills Designer Outlet Village in Clackmannanshire, Scotland, to Eagle House (pictured), a 3,500 sq m prime office building in the heart of London's St James's

Operating review

Local passion

Global team

DTZ works with ING Real Estate throughout Europe and has a strong relationship in many other parts of the world

Alongside management advice in the UK, DTZ also provides asset management and development services to ING Real Estate for retail schemes in Poland, Germany, Belgium, Hungary and the Czech Republic. In the USA, DTZ Rockwood Asociados is also advising ING Real Estate on a fund which invests in the Mexican real estate sector

Services provided by DTZ include investment, leasing, rent reviews, project & building consultancy, valuation, research and advice on local taxation

Services provided*

- | |
|--|
| <input checked="" type="checkbox"/> Capital Markets |
| <input checked="" type="checkbox"/> Valuation |
| <input checked="" type="checkbox"/> Professional Services |
| <input checked="" type="checkbox"/> Occupational & Development |
| <input checked="" type="checkbox"/> Consulting & Research |

*Not all services are provided in all locations

Delivering for ING Real Estate
around the world

Operating review

Valuation

"We continued to win a large share of the cross border private equity work in European markets and our cross border team efforts in Chinese, Japanese, Indian, North American and Middle Eastern markets also gave us a strong footing for competing on a global scale."

Revenue growth

+39.0%

Valuation work proved to be resilient in the current market with revenue increasing by 39.0% to £81.0 million (2007 £58.2 million), with 18.4% of the increase coming from organic growth and 20.6% from acquisition. Revenue generated outside the UK continued to grow strongly, whilst our UK business also managed a small increase in revenue. The continued internationalisation of the marketplace is driving increased requirements for independent advice from global and local investors offering further growth opportunities. The EMEA team now comprises around 550 people, with continued growth especially in Germany, Russia, Middle East and Ukraine.

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, Indian, North American and Middle Eastern markets also gave us a strong footing for competing on a global scale.

Successes included

- Valuation due diligence for International Tobacco Company in connection with a bid for a Turkish group, comprising 2.7 million sq ft of assets across Turkey with a value in excess of \$230 million (£115 million)
- Eastern European, Ukrainian and Russian valuation advice on behalf of a major Russian based property company of €1.8 billion (£1.4 billion) in 160 assets
- On behalf of a consortium of international investors, valuation of 90 retail assets in Germany comprising 1.4 million sq m and a value in excess of €4.5 billion (£3.5 billion)
- Appointment to value the assets of a major private Irish owner of a retail portfolio across Central and Eastern Europe and the UK of approximately €1 billion (£800 million) in value
- Acting as independent valuers, we have been appointed to value The Crown Estate's £2.5 billion core property holdings in London's Regent Street and St James's
- Valuation of a large development company's assets in Egypt, with a total value of the assets of US\$15 billion (£7.5 billion)
- Advice on behalf of GIC on the Merrill Lynch Financial Centre, London valued at circa £480 million
- Valuation of 206 assets in 29 countries including Asia, Central Europe and North America for a global firm
- In Japan we have been awarded a major mandate for a portfolio of over 80 properties with an indicative value of US\$400 million (£200 million). The portfolio includes properties in Asia, Europe and the US.

It is important to note that our annual portfolio valuation work for a wide range of institutional, public and private funds grew over the year and continues to provide a positive foundation for consistent year-on-year revenue, both in the UK and increasingly in our Continental European business.

Corporate recovery

Our corporate recovery and restructuring team continued their strong growth, working with a wide range of banking clients and insolvency practitioners. Focus remains on the residential investment and development market, we sold a number of large portfolios and have devised solutions for several developments on behalf of secured lenders. Activity is now increasing in the commercial sectors of the market and across a multitude of geographies including the USA, Spain, Turkey, Portugal, Germany, France, the Caribbean and Hong Kong.

Operating review

Occupational & Development markets

"Our increasing market share ensures DTZ will continue to be involved in a significant level of transactions and whilst negative sentiment prevails in many markets, a number continue to exhibit positive levels of rental growth, tenant demand and asset value improvement "

Revenue growth

+56.5%

Over the last 12 months a number of the major influencing trends on the performance of Europe's occupational and development markets have moved from positive to neutral or negative. Whilst economic volatility has impacted on certain sectors of tenant demand, such as financial services, on the whole the take-up of accommodation across Europe remains robust, albeit with rental growth slowing. Construction costs continue to rise and combined with the softening of investment yields generally, this has caused residual land values to fall and reduced the viability of development, which will help to restrict future supply. Asia Pacific has, however, remained more robust.

Our teams in occupational and development markets performed well in the year. Revenue rose by 56.5% to £136.8 million (2007: £87.4 million). This increase was split 18.4% from organic growth and 38.1% from acquisitions.

DTZ continues to advise upon major transactions across all geographies. Successful appointments include:

- Joint adviser to the 490,000 sq m office element of King's Cross Central in London, a development by Argent (King's Cross) Limited, London & Continental Railways and DHL-Exel Supply Chain.
- In London, Hutchinson Whampoa has acquired a 30 acre site in Deptford from News International and DTZ is appointed residential and commercial joint agent and adviser.

- Exclusive letting agent for a unique new 40,000 sq m office development built by Sydporten and designed by Henning Larsen architects in Sydhavnen, Copenhagen.
- Joint leasing agents for Westfield on its proposed 60,000 sq m mixed use Sydney City development.
- Engaged to acquire land to build a new 30,000 sq m facility for Broadcom in Singapore.
- DTZ Barnicke leased over 30,000 sq m in Technoparc, Montreal, its largest ever transaction in the city, and acquired a 46,000 sq m media facility for Corus Entertainment Inc in Toronto which will be the anchor for redevelopment of the city's eastern waterfront.
- In the US, DTZ FHO Partners were named the exclusive leasing agent for the award-winning Bay Colony Corporate Center in Massachusetts by Broadway Partners.

Our increasing market share ensures DTZ will continue to be involved in a significant level of transactions and whilst negative sentiment prevails in many markets, a number continue to exhibit positive levels of rental growth, tenant demand and asset value improvement, for example in Central Europe, Russia and the Middle East.

Our UK retail agency team benefited enormously from the acquisition of Donaldsons and concluded over 500 deals. In addition to our work in Victoria Square, Belfast, the year also saw the opening of Land Securities' 48,000 sq m Princesshay scheme in Exeter where we were appointed as agents. We are retained on some of Europe's most successful shopping centre developments including Krasnodar City (under construction) in Russia, Diagonal Mar in Barcelona and Bluewater in Kent, and are finalising the leasing of major city centre projects in Bristol, Leicester and London for key clients including Hammerson, Land Securities and Westfield.

We are also now established as advisers on 50 retail warehousing parks throughout the UK totalling 800,000 sq m and have transacted over £500 million of stock in nine deals. In addition, DTZ is advising on schemes across Europe, including two of Europe's largest out of town developments located in Romania and Latvia.

The European logistics markets, strongly linked to retail activity, has slowed during the last 12 months, as economic uncertainty hits the western markets. Conversely, there has been increased activity in Central and Eastern Europe and in Southern Europe. One of the highlights of the year was representing Helios in the acquisition of 66 hectares of prime logistics development land in Germany for a speculative development programme totalling 300,000 sq m of floor space. Our pan EMEA team had a record year, increasing floor space transacted by 32% this year to 3.95 million sq m.

DTZ's global and local corporate services client base expanded by circa 25% this year through instructions on over 4 million sq m in response to cost saving initiatives in multinational outsourcing. In addition, we have advised on many global corporate M & A due diligence projects, including most recently, SAP. We also expanded our work with Vodafone as its preferred global adviser.

Local passion

Global team >>

In India DTZ advised BT on the roll out of its E-Serve facility in Gurgaon, New Delhi

Providing advisory and brokerage services, the team delivered due diligence, financial analysis and tax advice on 15 different options and subsequently acquired 50,000 sq ft of offices and technical space (pictured)

After negotiating signage rights and requisite tax concessions, the instruction was completed by the project management team overseeing the design, construction and fit-out process

DTZ continues to advise BT on several projects across India in Mumbai, Bangalore and New Delhi

Local passion

Global team

DTZ currently advises and provides a variety of services to BT in 17 countries across EMEA, Asia Pacific and The Americas, with recent projects in addition to India, completed in China, Hungary, Netherlands, Singapore and Australia

DTZ is also providing a range of advisory and brokerage services on BT's global technical and data centre portfolio

Services provided*	
<input checked="" type="checkbox"/>	Capital Markets
<input checked="" type="checkbox"/>	Valuation
<input checked="" type="checkbox"/>	Professional Services
<input checked="" type="checkbox"/>	Occupational & Development
<input checked="" type="checkbox"/>	Consulting & Research

*Not all services are provided in all locations

Delivering for BT around the world

Operating review

Professional Services

"The Middle East has seen exceptional growth and our North Asian business has also enjoyed tremendous success, doubling the property on which it is providing management services."

Revenue growth

+83.2%

The professional services team has had an impressive year not only in terms of revenue growth and new business but also in the progress made in developing our global footprint and creating strong foundations for future growth. In financial terms we have seen an 83.2% year-on-year increase in revenue to £87.4 million (2007: £47.7 million) with 29.3% coming from organic growth and 53.9% from acquisitions.

Property management for investors

Our European business has been strengthened by the acquisition of Donaldsons, enhancing our teams in the UK, Germany, Czech Republic and Poland, making us market leaders in the provision of management services to over 270 shopping centres across 20 countries in the region with over 4.5 million sq m of retail space. We are involved with over 15 schemes in the UK alone that are over 50,000 sq m each. Major new instructions have included the 93,000 sq m Telford Shopping Centre for Apollo/Hark.

In other sectors, the growth of our investor teams continued, winning instructions to manage Warsaw's largest office park, the Marynarska Business Park on behalf of Ghelamco, a portfolio from Credit Suisse across Poland, and Valad's 122,000 sq m City Point Distribution Park, and an appointment to manage the APIA Regional Office Fund of some £500 million across the UK for a joint venture between Warner Estates and Morley.

The Middle East has also seen exceptional growth with new instructions, including the management of Discovery Gardens, initially 59 towers with over 6,500 residential units in Dubai and the landmark QIPCO Tower of 58,000 sq m of offices in Qatar.

Our North Asian business has also enjoyed tremendous success, doubling the property on which it is providing management services to over 100 million sq m. Their successes have included consultancy for Evergrande Real Estate Group on some 34 projects across China, the management of i-square retail mall in Hong Kong, the Tianjin team's instruction for the Handan Xinyu International's mixed use scheme of 264,000 sq m and the tallest building in central China, the Mingsheng Banking Tower in Wuhan.

Property management for occupiers

The corporate outsourcing trend provided further instructions from DuPont for their 300 property portfolio across 37 countries in EMEA.

Our services to public sector clients has grown through the acquisition of Donaldsons, where instructions have included estate management services to Manchester Airport and an appointment by the Home Office to manage 2,000 properties across the UK.

In New Zealand we have secured instructions from the Ministry of Education to manage their leased property portfolio including offices, health centres and schools.

Building consultancy / project management

Our project and building consulting teams have seen growth particularly in India, Central & Eastern Europe, China, Australia and the UK. Notable instructions included project advice in Melbourne for the Australia and New Zealand Bank on their 83,500 sq m headquarters relocation and for KBR for their Australian offices headquarters. In North Asia project services have included the Tianjin Zovy office tower, shopping centre and hotel for Tianjin Tangy Helifeng Investment Company Limited and 251,000 sq m of offices and specialist engineering test labs for Continental Automotive System.

In Singapore we have been awarded a 6,500 sq m project for the relocation and renovation of offices for the Singapore Land Authority.

Our approach to the provision of a consistent global service by our 7,000 strong team working in partnership with our clients is ensuring that we continue to build our very strong global business group.

Operating review

Consulting & Research

"For the second consecutive year, our research team was voted No 1 by EuroMoney as the leading European and global real estate research house "

Revenue growth

+35.8%

Our team of 400 consultants, researchers and economists in EMEA have been able to secure long-term advisory positions in some of the largest and most complex property projects in the region, ranging from the world's largest new airport development, Dubai World Central, to Europe's third largest urban regeneration project in Prague, spreading across 27 hectares with a total investment over €2.5 billion. This saw revenue increase by 35.8% to £30.5 million (2007 £22.4 million), with 0.7% from organic growth and 35.1% from acquisitions (primarily Donaldsons), although the growth figures are understated by around £1.4 million because of the internal transfer of various teams during the year to capital markets.

Corporate consultancy

Our corporate real estate consulting group has worked with major clients in the corporate and public sectors to help align the estate, its management and financing, with business strategy. The team has been particularly active in Central & Eastern Europe where it has helped organisations secure cost competitive sites and access major talent pools.

Development and planning

Our development and planning capability, reinforced by the acquisition of Donaldsons, now forms a 150-strong team in the UK. In the last 12 months, the team has advised on 15.2 million sq m of proposed development across 446 schemes with a combined gross development value of £43 billion.

We have also been reinforcing our existing capabilities in strong development markets such as Central Europe, Russia and the Middle East. New regional teams have been established in Bahrain and Budapest.

Besides the aforementioned Dubai project, our international airport consulting team has secured key advisory roles in seven airport projects across EMEA, from new greenfield developments to airport city related property developments. These are in Budapest, Dublin, Doncaster, Edinburgh, Liege and Tbilisi, with a combined real estate development of £1 billion.

We were involved in the retail consultancy for HortPark – a horticulture park to be created by the Singapore National Parks Board (NParks), whose aim is to promote gardening and other related industries. DTZ assisted NParks in identifying the locations and potential positioning of the retail sites in these parks.

We assisted a Saudi client with a site selection exercise in China and advised on the feasibility of a growing number of high profile tourism projects.

DTZ was appointed by AR Capital Pte Ltd to conduct a review of the industrial property market in South East Asia in Singapore, Malaysia, Thailand and Vietnam while Lend Lease Investment Management appointed DTZ to provide a report assessing the residential markets in Singapore and Malaysia, as well as the retail markets in Malaysia and Taipei.

Economics and research

For the second consecutive year, our research team was voted No 1 by EuroMoney as the leading European and global real estate research house and provides services to some of the world's leading banks and real estate developers and investors.

Major research projects included an examination of alternative asset classes across Europe, supporting the real estate strategy of a major bank in Saudi Arabia, a report on Islamic Finance and an examination of commercial property markets in South Africa and Central & Eastern Europe. Sustainability continued as a key topic, with our specialists presenting at conferences, publishing articles and advising international clients. Emerging asset classes were on the agenda in the US, where the team produced a strategy for the US student housing market.

In China and India, demand for consultancy and research projects continues to increase. Indeed, consulting and research is at the forefront of assisting clients in new areas of property investment including property linked securities and property derivatives.

The forecasting team in Asia Pacific are continuing to offer a high quality service to clients who are looking to take advantage of the growth in the region at this time. For example, K-Reit Asia appointed DTZ to provide an independent property market review of the Asian and Singapore economies and the Singapore office property market.



Mark Struckett
Group Chief Executive
9 July 2008

Local passion

Global team >>

In Brisbane, Australia, DTZ advised Standard Life Investments (SLI) on the off market acquisition of 82 Eagle Street (pictured) for its Select Property Fund

Alongside investments services, DTZ also provided due diligence advice and has been appointed leasing adviser for the property too

This is the third Australian acquisition in the past year that the team has delivered for the fund and they continue to work with SLI to increase its exposure to direct property assets in Asia Pacific

Operating review

Local passion

Global team

DTZ has worked with Standard Life Investments (SLI) across the UK and Europe for several years and has recently expanded its work with them into Asia Pacific

Following the acquisition of Donaldsons, DTZ has increased the provision of its retail services to SLI, most notably retail asset management advice, and it now manages five shopping centres across the UK on their behalf

Alongside its ongoing valuation work in the UK, DTZ also provides valuation services across Europe currently valuing two funds – the Standard Life Main Fund and the Standard Life Select Property Fund, focused on office and industrial properties across Europe

Services provided*	
<input checked="" type="checkbox"/>	Capital Markets
<input checked="" type="checkbox"/>	Valuation
<input checked="" type="checkbox"/>	Professional Services
<input checked="" type="checkbox"/>	Occupational & Development
<input type="checkbox"/>	Consulting & Research

*Not all services are provided in all locations

Delivering for Standard Life Investments around the world

Financial review

The 2007/08 financial year has been both exceptionally busy, with the acquisition and integration of Donaldsons, and challenging with the 'credit crisis' having a material impact on our industry and therefore our business. In addition, it has also been necessary to provide for a number of exceptional charges, described below, which have reduced the Group's profit for the year.

Results

It should be noted that acquisitions during the year and in the previous year make comparisons between the periods difficult. The 2008 results include a full year contribution (2007: four months) of our North Asia business which was acquired in December 2006. The 2008 financial year includes a ten month contribution from Donaldsons which was acquired in July 2007 and a five month contribution from DTZ Barnicke.

Colin Child, Group Finance Director

"Revenue has increased significantly in the year, approximately £90.0m of this is attributable to the effect of acquisitions during the year and the full year effect of acquisitions that were completed in the previous year."

Group Results

	2008 £m	2007 £m
Revenue	446.3	310.3
Profit before taxation and exceptional items	20.6	38.0
Exceptional items		
Donaldsons integration costs	(2.5)	-
Restructuring costs	(0.8)	-
Impairment of North American investments	(11.7)	-
Gain on fixed asset investments	-	3.8
Profit before tax	5.6	41.8
Basic (loss)/earnings per share	(7.65)p	49.38p
Earnings per share adjusted to exclude exceptional items	17.56p	44.35p

Directors' Report Business Review

Group Revenue by geography and skill

	2008				2007			
	EMEA £m	Asia Pacific £m	The Americas £m	Total £m	EMEA £m	Asia Pacific £m	The Americas £m	Total £m
Capital Markets	78.9	25.6	6.2	110.7	78.6	8.5	7.5	94.6
Valuation	63.0	18.0	–	81.0	50.9	7.3	–	58.2
Occupier & Development markets	96.3	30.5	10.0	136.8	73.0	14.4	–	87.4
Professional Services	73.6	13.8	–	87.4	41.1	6.6	–	47.7
Consulting & Research	24.8	5.6	–	30.4	19.8	2.6	–	22.4
	336.6	93.5	16.2	446.3	263.4	39.4	7.5	310.3

Revenue

Revenue has increased significantly in the year, approximately £90.0 million of this is attributable to the effect of acquisitions during the year and the full year effect of acquisitions that were completed in the previous year. An analysis of revenue by geography and by skill is set out above.

Revenue generated within our capital markets business is materially below our original expectations for the year, having been impacted by the credit crisis. However, the geographical spread of our business together with greater depth in our non-transactional operations has given us greater stability and enabled us to report good revenue growth in such areas.

Group costs

	2008		2007	
	Costs before acquisitions and exceptional items £m	Acquisitions £m	Total costs before exceptional items £m	£m
Staff costs	244.8	55.4	300.2	195.2
Other costs	98.8	23.8	122.6	79.8
Depreciation	5.0	2.1	7.1	3.1
	348.6	81.3	429.9	278.1

Costs before exceptional items have increased by £151.8 million to £429.9 million of which £81.3 million is attributable to the effect of acquisitions as summarised above.

The Group's largest cost remains staff which, allowing for the effect of acquisitions on both cost and revenue, was 68.7% of revenue compared with 62.9% in the previous year. This increase reflects the full year effect of new staff recruited during 2006/07 and also the more difficult market. As the Group's most significant cost, we monitor the relationship between staff costs and revenue very closely. Approximately 30% of total staff costs is represented by bonuses and commissions.

Other costs before exceptional items and the effect of acquisitions increased by 24% to £98.8 million. As a proportion of revenue, other costs were 27.5% in the year compared with 25.7% in the previous year.

Exceptional items

During the year, a number of exceptional items have been recognised and charged to the profit and loss account. To enable a clearer understanding of the Group's underlying performance and to assist comparability between periods, the exceptional items have been separately shown in the profit and loss account. The reasons for these exceptional items are summarised below.

- 1 As a consequence of the acquisition of Donaldsons in July 2007, the Group has incurred integration costs of £2.5 million largely relating to staff costs, rebranding, marketing, relocation and the co-ordination of systems.
- 2 Restructuring costs of £0.8 million have been incurred during the year in respect of adjusting staff numbers in those parts of the business most affected by the credit crisis.
- 3 The Group has carried out an impairment review of its North American investments as a result of the deterioration of the trading conditions in this market. This review requires a comparison of the discounted future cash flows of the business with its carrying value. The conclusion of this review has resulted in an impairment of £9.5 million against the carrying value of DTZ Rockwood. In addition, as a result of not exercising an option to acquire FHO Partners, we have written off the £2.2 million cost of this option.

The 2006/07 exceptional item arose on the realisation of the Group's interest in Curzon Capital Partners.

It should be noted that the exceptional item relating to the impairment review and £0.5 million of the integration costs do not have a cash flow impact.

The exceptional items also have an impact on the Group's tax charge for the year which is referred to below.

Associates

The Group's share of the profits of our associates marginally increased to £6.7 million (2007: £6.5 million). Our business in The Netherlands performed particularly well.

Profit before tax and exceptional items

	UK & Ireland £m	EMEA (ex UK & Ireland) £m	Total EMEA £m	Asia Pacific £m	The Americas £m	Corporate overheads £m	Total £m
2008	14.7	14.2	28.9	3.0	(5.2)	(6.1)	20.6
2007	31.2	13.6	44.8	1.1	(3.7)	(4.2)	38.0
(Decrease) / increase %	(52.9)	4.4	(35.5)	172.7	40.5	45.2	(45.8)

The decrease in financial results and the impact of acquisitions has been commented on in detail in the Group Chief Executive's review and above. The strong performance in Asia Pacific, although affected by the full year impact of acquisitions, has been achieved notwithstanding the costs associated with the organic investment in new offices and staff in this region.

Earnings before interest, tax, depreciation and amortisation ('EBITDA')

EBITDA has fallen by 67% to £15.2 million (2007: £45.6 million). EBITDA adjusted to exclude the effect of exceptional items fell by 28% to £30.2 million (2007: £41.8 million).

Taxation

The Group's effective tax rate on profits before exceptional items has increased to 33% (2007: 31%) reflecting the mix in profits and tax regimes in the countries the Group operates in. Unfortunately, as only a small proportion of the exceptional items qualify for tax relief, the overall tax charge on profits after exceptional items is therefore disproportionately high.

Earnings per share and dividends

Earnings per share before exceptional items has decreased to 17.56p from 44.35p in 2006/07. Basic earnings per share after exceptional items has fallen to a loss per share of (7.65)p (2007: 49.38p) as a consequence of the size of the exceptional items and their associated lack of tax relief.

As a result of the decline in underlying trading results, your Board is recommending a final dividend of 3.0p per share (2007: 8p), a reduction of 62%. With the interim dividend of 3.5p, the total dividend for the year is 6.5p (2007: 11.5p). The Board expects the dividends for 2008/09 to reflect our usual 30/70 split between the interim and final dividend. On this basis, the 2007/08 dividends rebased for the 30/70 split would have been an interim dividend of 2.0p and a final dividend of 4.5p.

Acquisitions

The most material acquisition during the period was the business and assets of Donaldsons LLP which was completed on 10 July 2007. Initial consideration comprised £20.1 million in cash and £19.5 million satisfied by the issue of loan notes, of which £9.2 million has been converted into 1,685,110 DTZ shares. Deferred consideration of £7.3 million in cash is payable.

Pensions

At 30 April 2008, a deficit (net of tax) of £0.8 million was held on the balance sheet (2007: £1.2 million). The deficit has reduced as a result of an increase in investment values and a reduction in future obligations due to changes in bond yields. The next triennial valuation as at 30 April 2008 is underway and results should be available in the final quarter of 2008.

Balance sheet

At 30 April 2008 the Group's net assets were £117.6 million (2007: £112.1 million). In addition to the effect of the financial results for the year, the increase in net assets reflects the issue of shares to fund acquisitions and issued to participants in the Group's share option plans.

Directors' Report: Business Review

2008 Revenue by skill (£m)

2007 Revenue by skill (£m)

Cash flow and borrowings

Net debt at 30 April 2008 was £33.7 million (2007 net cash £24.0 million), comprised as follows

	2008 £m	2007 £m
Bank and cash balances	42.8	49.8
Loans	(76.5)	(25.8)
Net (debt) / cash	(33.7)	24.0

The movement in net funds of £57.7 million reflects *inter alia* the cash and deferred consideration elements of acquisition costs of £42.3 million, other investments of £6.5 million, dividends paid of £9.9 million and cash generated from operating activities of £14.2 million

The Group's bank borrowings are available under a number of bi-lateral acquisition facility agreements denominated in the currency of the country in which the acquisitions have been made. These agreements require the maintenance of minimum ratios of (i) earnings before interest, tax, depreciation and amortisation to debt and (ii) cash flow to financing costs. These ratios are tested every six months.

At 30 April 2008, the Group had an uncommitted overdraft facility of £10 million which was available for general purposes. Since the year end date this overdraft facility has been replaced with a £15 million committed revolving credit facility.

Treasury management

The Group has formal financial risk management policies in place designed to minimise financial risks for the Group. These policies and risks are reviewed annually and appropriate delegated authorities put in place. All material financing transactions are subject to approval by the Board. The treasury function is not a profit centre and the Group does not undertake speculative transactions.

The key financial risks impacting the Group are

- **Foreign currency risk** The Group reports its results in sterling but has a number of overseas businesses operating in foreign currencies. The Group does not, at this stage of its development, consider it necessary to hedge the foreign exchange risks arising from the translation of overseas trading results into sterling. However, the Board does seek to hedge against the translation of foreign currency denominated assets and liabilities by arranging acquisition finance in the same currency. At 30 April 2008, the Group had bank loans denominated in foreign currencies of £32.5 million in order to hedge against specific investments.
- **Interest rate risk** The Group's current policy is that interest rate exposure to floating rates should not exceed 50%. The Group has interest rate swaps to manage its exposure to interest rate fluctuations.
- **Liquidity risk** The Group seeks to maintain sufficient liquidity to meet its long-term strategic objectives. The Group's requirements are reviewed regularly as part of the budget and business plan process.

Risk and uncertainties

The Group's risk management process is an integral part of the business plan and risks are regularly reviewed and assessed. This process is managed by the Group Risk Management Committee, which is chaired by the Group Chief Executive, and supported by KPMG LLP, our internal auditors. The committee's remit includes all appropriate aspects of risk including financial systems and controls. The Group's aim is to ensure we have appropriate systems and controls in place to enable the Group to develop and grow while managing the associated risks.

It is of course not possible to mitigate completely the risks the Group faces, especially in a rapidly changing economic climate, however the principal risks are

Changing market conditions

The international property market is cyclical and will be impacted by changes in economic activity, interest rates and the availability of finance. The Group's geographic spread and range of services provided helps mitigate, but cannot eliminate, this risk.

Reputational and brand risk

In a professional services business there is always a risk that professional opinions given in good faith can in some circumstances lead to claims against the business and associated adverse publicity. These risks may increase in deteriorating markets.

With increasing recognition of DTZ as a global brand and with an excellent reputation, we understand the importance of maintaining high standards and reputation. Accordingly, procedures are in place which seek to minimise the risk of claims against the business.

Recruitment and retention of staff

The Group's employees are crucial to the success and future development of the Group. It is therefore essential that we reward and manage the development of our employees to ensure their retention and continued contribution to our business.



Colin Child
Group Finance Director
9 July 2008

“The Group’s risk management process is an integral part of the business plan and risks are regularly reviewed and assessed.”

Our people

Sade Cole, DTZ Surveyor, takes advantage of Flex's retail voucher scheme

“DTZ aims to ensure that learning & development opportunities are in place to equip all employees with the skill, knowledge, experience and behaviour necessary to maximise their current performance and career potential.”

Global people policies

DTZ has grown significantly over the last 18 months both organically and through a number of acquisitions alongside taking full ownership of its North Asia business

Following this growth, DTZ is aiming to put in place a number of global people policies which are applicable to all employees regardless of which country they work in. These global policies will connect with the local policies of each DTZ business, taking into account local legislation as well as a global DTZ culture. Examples of policies which will be implemented globally, in the next 12 months, are DTZ's Diversity & Inclusion and Global Mobility programmes

Merger & acquisition ('M&A') integration

Overseeing the integration of the Donaldsons business has been a major focus of the past year, which saw an additional 900 people predominantly in the UK but also from across continental Europe join the Group. Emphasis has been placed on extending the DTZ culture and processes such as performance management and induction programmes, whilst ensuring we gather best practice and innovations from Donaldsons to give us competitive advantage in the market

With other acquisitions such as Barnicke, it is paramount to ensure importance is placed on valuing our different cultures and different ways of approaching issues, whilst still retaining the core DTZ culture globally. This approach is adopted with all acquisitions no matter how large or small, as well as where we increase our shareholding in affiliate and associate organisations, as appropriate

Learning & development

DTZ aims to ensure that learning & development opportunities are in place to equip all employees with the skill, knowledge, experience and behaviour necessary to maximise their current performance and career potential. Learning initiatives for 2007/08 included

Induction workshop The workshop, 'Welcome to DTZ', which aims to enable new joiners to deliver a return on investment as quickly as possible, continued its successful global rollout during the year. The programme has been embedded in EMEA, and launched across Asia Pacific and The Americas

Performance Management A comprehensive review of DTZ's approach to the business critical area of individual performance reviews was undertaken during the year. Outcomes have included a simplified global objective framework with closer alignment to Business Plans, and a series of workshops to equip managers with the skills to support implementation

Graduate development This year a record number of graduates joined DTZ. For example there are currently 37 graduates in The Netherlands and 27 in our Indian business, while 129 graduates were recruited from UK universities with 114 joining domestic offices and 15 employed abroad in China, Germany, France, Hungary and Poland. The key focus in the next 12 months will be fast track development for graduates in order that they contribute to our clients' needs.

Foundation4Success The talent development workshop that focuses on career planning for newly qualified surveyors and consultants, is now in its third year. The programme has supported DTZ's retention figures, increasing the number of graduates one year post-qualification choosing to continue their career at DTZ to 82% of workshop attendees.

Building4Success A third cohort of high-potential Directors successfully completed DTZ's leadership programme. The programme contains two parallel themes to focus participants on individual and organisational learning. This year, almost 50% of participants were non-UK based, emphasising DTZ's commitment to supporting its global growth.

Flexible benefits

DTZ recognises that people's personal circumstances constantly change and with these changes come different requirements and needs from remuneration packages. With this in mind DTZ has a flexible benefits package in the UK which can be tailored and adapted as necessary.

In the last 12 months 73% of people in the UK took the opportunity to review their package (2007 70%). DTZ believes this level of choice, whereby employees can opt to flex benefits as varied as holiday allowance, dental insurance or retail vouchers is pioneering in the industry.

New for 2008 DTZ is also introducing an environmentally friendly benefit allowing employees to carbon offset within their flexible benefits package.

DTZ continues to review its flexible benefits and is now evaluating the benefits of introducing this to other countries in the DTZ network to give it a further competitive advantage in attracting and retaining the best people.

Diversity & inclusion

At DTZ it is recognised that a diverse and cohesive environment is essential for the success of our business through building relationships with our people, clients and suppliers. While the vast majority of our people are recruited locally, we consider increasing staff global mobility essential to promoting cultural awareness and building our global capability. To ensure global consistency and integrity a global diversity policy is being implemented across the DTZ network.

The 'Diversity Action Group' focuses on improving flexible working opportunities, and educating DTZ people on diversity related topics. In the coming year the Diversity

Action Group will be working closely with the global resourcing team to ensure we have a diverse candidate selection process in place, with preferred recruitment suppliers sharing the diversity vision with DTZ.

For DTZ, diversity is about achieving business excellence through valuing individual differences, and embracing the advantages that these bring. Our business in Sweden for example was named No. 1 in the 'Best Camaradene' category by 'Great Places to Work in Sweden', and its Managing Director, Agneta Jacobsson, was awarded the title, Real Estate Woman of the Year.

This year DTZ was selected by 'London First' to participate in a diversity practice review of major firms in London. The resulting report will offer guidance to firms wishing to move their own diversity agenda forward.

Global mobility

DTZ is committed to growing its global presence and recognises the key role our employees play in the Company's success. Globalisation brings an increased requirement for cross-border working, cross-selling of services and the sharing of knowledge, skills and best practice. It also maximises development opportunities for our people by providing exposure to varying work assignments, working environments and cultures. The methods we employ for global resourcing include international assignments, permanent transfers and the Graduate Global Exchange Programme.

During the last year over 100 people at any one time were either working in a host country on a local contract or working on a formal International Assignment in a country which was not their place of residence. Of these, 41 were new cross-border moves, within 17 countries.

Particular areas of growth over the past 12 months have been the Middle East, Asia and Eastern Europe with a corresponding increase in mobility to these regions. A trend we are witnessing is increased demand for permanent transfers rather than the traditional International Assignment.

We are currently in the initial stages of formulating a defined best-practice global mobility policy for all countries. This will standardise the internal process ensuring the smooth relocation of employees, and enable us to meet the global resourcing demands of the next few years.

Succession planning

During 2007/08, DTZ reviewed and enhanced its succession management process and created succession plans for key leadership roles within Group functions and across its three geographic regions.

DTZ is currently reviewing the development needs of its key talent in order to fast track their careers. This process will be rolled out during 2008/09 and greater focus will be placed on developing our young leaders of the future.

Corporate responsibility

In our approach to business we aim to

- Deliver the highest standards of business conduct
- Be renowned for client service excellence
- Excel in the way we treat our people/suppliers/clients
- Build good relationships with our communities
- Be exemplary in our environmental performance

Highlights for 2007/08

- 'CR at DTZ' handbook issued to all staff
- Appointment of new Head of Sustainability
- Video conference facilities set up in 33 offices across 16 countries, reducing air travel
- People Communications Forum established for the UK Business
- H&S management systems for Donaldsons and DTZ combined
- ISO 14001 certification extended to all new UK offices

It matters how we do business...

At DTZ, Corporate Responsibility ('CR') is embedded in our core approach to how we work and interact with all our stakeholders – it really does matter to us how we do business

As a major real estate adviser, our influence on how CR is handled and the importance attributed to it extends far beyond our own operations to the global network of clients, giving us the opportunity to make a significant difference

DTZ is listed in the FTSE4Good index series, the responsible investment index that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Specific Board responsibility for CR at DTZ is led by Robert Peto, Executive Director and Chairman of DTZ UK & Ireland, whilst the Board as a whole ensures Company compliance with the Group's policies including CR, environment, health & safety and a range of people policies. A CR steering group, comprising senior executives from client-facing and operational roles, meets quarterly and reports to the Board. Its mandate is to monitor, advise and assist with the execution of relevant policies and to provide co-ordination across the Group.

Each DTZ country operation takes responsibility for setting its own priorities and developing appropriate implementation plans in accordance with its local environment and the overarching Group policy. Over the past 12 months we have formalised a network of CR representatives in each of our operations to aid the roll out of Group-wide CR programmes and facilitate best practice.

Our marketplace

We recognise as an organisation that the area where we can have the biggest impact in terms of CR is in the advice we provide to clients and the influence we have with our suppliers.

We are committed to developing and leading these relationships wherever possible, using our expertise to create a more intelligent and efficient way of working together. To aid our capability we have formed a partnership with 'forum for the future', the sustainable development charity, which works in partnership with leading organisations to promote working towards a more sustainable future. The partnership helps to embed more sustainable practices within the Company, reinforce our sustainability credentials and underpin the services we offer to clients.

In the area of sustainability DTZ has built up a strong reputation over recent years as a dedicated provider of high level sustainable services and we see sustainability as a key business growth area. We have recently made the senior appointment of Peter Langley as Head of Sustainability. He will drive this area of the business forward and continue to grow and innovate our service offering to help clients meet and exceed their own sustainability objective.

Our suite of sustainability services, delivered by in-house specialists from across our business, spans both occupier and investor clients and includes the development of sustainability standards and procedures, sustainability audits, benchmarking and portfolio risk analysis, socio-economic impact assessments, research, and advice on ethical funds and investment

Recent projects by our leading research team include an analysis of the progress of the implementation of the Energy Performance of Buildings Directive across Europe, as well as research into sustainable investment strategies DTZ has also presented on the subject at several major conferences, including Sustainable Building 2007 (London), ICSC Annual Conference (Warsaw) and the Nordic Property Congress (Stockholm)

DTZ also uses its influential position in the supply chain to promote sustainability. In 2007, property management contractors appointed via Buying Force (our appointed procurement management firm and joint venture partner) were asked to complete a sustainability questionnaire with regard to assessing their own sustainability performance

Our marketplace targets for 2008/09

- Introduce sustainable facilities management services for occupiers
- Supplier performance and progress will be monitored throughout the year and DTZ will aim to extend its environmental requirements to suppliers not appointed via Buying Force

Our workplace

DTZ has over 12,500 people operating from 150 cities in 45 countries. We aspire to be recognised as the best employer in our industry, and over the last 12 months we have implemented a series of new initiatives and continued to develop our people policies to drive this vision. Details of some of our leading edge people policies and progress to date are described further on pages 28 and 29 and below

People's Communication Forum

Following the establishment of the 'comité d'entreprise' in France in 06/07, DTZ has introduced a People Communications Forum (PCF) for its UK based staff this year. Employees from across the UK volunteered for election by colleagues to become employee representatives. There are currently 43 representatives, covering the four UK regions and each representative is required to attend a minimum of three forums per year

The forums are used to communicate on a wide range of business and people related matters, or where there is a statutory duty to inform and/or consult

Alongside establishing the PCF, DTZ also this year undertook a UK staff survey to find out how our people felt the integration of the Donaldsons business was progressing, what was working and what still needed improvement. The information was fed back to staff along with a plan of how any material outstanding issues would be resolved over the coming months

125 Old Broad Street

In March 2008 we announced that we had signed an agreement for a new UK and global headquarters at 125 Old Broad Street in the City of London. As well as offering world class facilities for clients and staff, the fit out of the building is being carefully considered to make sure it is aligned with the green credentials of the Company

The space has also been designed to provide a flexible and open plan working environment, coinciding with the completion of our UK all staff laptop roll out, which delivers the flexibility for our people to work in the way which best suits their individual needs

The overall reorganisation of our London estate will increase the total workspace for staff as well as offer enhanced facilities and increased opportunities for inter-team communications

DTZ Net

DTZ Net is an internal conference which takes place twice a year within EMEA, annually in Asia Pacific and we recently introduced a smaller sub regional Net for CEE. The programme has been running for 12 years and over 500 staff from more than 40 countries have taken part and benefited. The purpose of DTZ Net is to create an employee network, generally at Associate Director level and above, to encourage cross-border business between delegates and provide market updates. It also allows senior people to give feedback to business leaders and enhances cultural understanding, whilst giving a better knowledge of DTZ's global capabilities and the plans for the business

Internal communications

We realise the importance of keeping our people informed and involved in the business and its activities. To this end we have introduced a series of initiatives during the year to improve the manner and frequency of communication to staff, taking a more proactive personnel approach to communicating the Company's news

Directors' Report: Business Review

Our workplace targets for 2008/09

- Continue to focus on developing our internal communications taking a more global approach wherever possible
- Review the effectiveness of setting up a Directors' briefing on a quarterly basis from regional management teams
- Hold more 'listening' groups to gain feedback, particularly from those who are on international assignments across the DTZ network

Health & Safety ('H&S')

As a people business DTZ fully understands that its workforce is its greatest asset. We are therefore committed to improving the safety and well-being of all those who work with us and to reducing accidents.

For the reporting period 2007/08, we have again maintained our accident rates well below the Health and Safety Executive (HSE) averages for our industry sector for UK based employees.

DTZ was not subjected to any prosecutions, prohibition or improvement notices, served by the HSE, Fire Authorities or local Environmental Health Departments, during 2007/08.

Following the acquisition of the Donaldsons business in July 2007 we set about combining the two H&S management systems in order to maintain the high standards that existed in both companies. Over the course of the year this has been successfully achieved and a common system, including enhanced policies and procedures now exists.

During the year we made encouraging progress on the majority of the targets we set ourselves last year. These include:

- *Global H&S* – an annual H&S declaration was issued to all our global operations. Each country will adopt and endorse the DTZ global H&S policy.
- *Working at Heights* – recognising that working at height is a significant risk for the property sector, we revised and re-issued our related procedures. This included the appointment of a specialist consultant to undertake audits of our managed properties and the introduction of a specific training programme for employees involved, in or managing, work at height.
- *OHSAS 18001* – Our acquisition of the Donaldsons business during the year delayed our move towards OHSAS 18001 (an assessment specification for Occupational Health and Safety Management Systems), but a programme to achieve this will commence in 2008/09.

Our Health & Safety targets for 2008/09

- Gain certification to OHSAS 18001 standard for the UK business and commence global roll out
- Develop a common H&S framework for all of our global operations, enabling us to reduce the number of accidents at work and be able to deliver consistent H&S advice and support for our clients. Initiatives to achieve this include:
 - A global H&S intranet, to enable policies and procedures to be shared, alongside individual country sites to ensure compliance with local legal requirements,
 - Online basic training modules, to ensure that all employees are competently trained to a consistent level,
 - An independent auditing programme of our own offices and managed sites against our H&S standards to monitor compliance.

Our community

As a people business we have the potential to make an enormous impact on our surrounding environment and communities, and it is our responsibility to ensure that those impacts are positive. It is important to us to make a difference and we are fortunate that through our operations there are clear opportunities for us to make our mark.

We are working in partnership with a number of community organisations and charities to invest employee time, expertise and financial donations. These include, Forum for the Future and Business in the Community.

All DTZ's global offices are committed to embracing their local communities, with each country responsible for managing its own charitable and community activities. In the UK, DTZ's past support of Wellchild and the Meningitis Trust raised funds of over £350,000 through a combination of corporate donations and employee fundraising.

One area which has been a major focus of our community support has been homelessness. A number of our people work as job coaches, helping the homeless find and sustain employment and DTZ has been involved with Business in the Community's 'Business Action on Homelessness' (BAOH) programme since 2006.

Our support for homelessness includes The Americas and in New York, DTZ Rockwood makes an annual donation to The Bowery Mission, one of New York's most effective programmes for breaking cycles of homelessness and addiction.

Our community targets for 2008/09

- Appointment of a new corporate charity partner
- Propose to implement an employee volunteering policy
- Review community involvement in key countries across the DTZ network

Our environment

Delivering environmental best practice for ourselves and our clients is central to the way we operate as a socially responsible business. As we advise clients on environmental improvement programmes, understanding our own environmental impacts is essential and we are committed to making all reasonable efforts to reduce these wherever possible.

Following the acquisition of the Donaldsons business our ISO 14001 certified Environmental Management System has been extended to cover all UK offices. We also continue to work towards our broad environmental policy goals of continual improvement and pollution prevention. An update on our efforts to-date is provided below.

Waste

In 2007, waste recycling schemes were implemented at nine of our major UK offices. We provided the resources, information and feedback to encourage staff to recycle wherever possible. We disposed of an estimated 454 tonnes from our larger offices (occupied by over 50 people) and 29% of this waste (160 tonnes of paper, card and glass) was recycled. In 2008, we will continue with efforts to reduce the amount of waste sent to landfill, building on earlier initiatives in continental Europe.

Energy consumption

In 2007 we continued to improve data collection and reduce energy consumption in our offices. To help improve the availability of accurate data we are investigating the installation of 'smart meters', during 2008 which provide live and accurate up-to-the-minute energy data. This will allow us to analyse energy consumption automatically.

We have also replaced all old laptops and desktop computers in the UK. The new laptop models are energy efficient, have reduced power consumption and allow for flexible working, saving travel costs and associated carbon emissions. We believe that the introduction of new laptops will save 146,850 kWh of electricity per year, equivalent to 631 tonnes of carbon. To ensure long-term carbon neutrality the supplier agreed to plant over 2,000 trees, one for every new laptop supplied.

In 2007 we also reduced our UK gas consumption per sq m by 27% from the previous year, to 193kWh/m².

Reducing our environmental impact from travel

DTZ has substantially strengthened its global video conferencing capability, which reduces the need for staff to travel. As well as saving on costs and expenses, this also helps reduce DTZ's carbon footprint. In 2007 video conference facilities were made available to 33 offices across 16 countries.

The difficulties in quantifying travel impact in a company the size of DTZ are significant, but we aim to capture all car, rail and plane travel for UK based staff starting from 2009. In the interim, we have initiated a three month sample survey which requires 10% of our UK workforce to record business travel. Survey results will help us to form a baseline assessment and establish improvement objectives.

Delivering for clients

DTZ continues to advise clients in the development of Environmental Management Systems in the property sector. Our services extend to over 50 sites, incorporating fund portfolios and corporate head offices. The value of our service is recognised by clients through reducing operational risk and identifying improvement programmes to enhance efficiency and reduce overheads.

There has been an increasing interest in our 'sustainability audits' as part of a traditional property transaction due diligence process. The audit is practice focused – outlining on-the-ground risks which remote environmental due diligence assessments might not identify – and can be inherited through a property purchase.

Lastly, Energy Performance Certificates ('EPC') are an increasingly topical issue for which clients are turning to DTZ for advice. DTZ provides guidance on the applicability of the legislation and has project managed in excess of 200 EPC surveys to meet client needs.

Our environment targets for 2008/09

- Swedish offices to obtain ISO 14001 certification by the end of 2008
- Continue to roll out further video conferencing globally and work to reduce significantly our carbon footprint in this way
- Our move to a new London global headquarters in 2008 has provided us with an excellent opportunity to maximise environmental performance. The office will be designed to minimise waste and maximise energy efficiency during occupation. Fit out is now underway and we have established plans to ensure a carbon neutral fit out and minimise waste to landfill.

Board of Directors

1	5	9
2	6	10
3	7	11
4	8	

1 T D Melville-Ross CBE FCIS FCIB
Group Chairman

Non-Executive (Age 63)

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 the Chairman 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 Chair to the Board of The Higher Education Funding Council for England, Chairman of Manganese Bronze Holdings plc, The Royal London Mutual Insurance Society Limited and until 2 July 2008 was Chairman of Bovis Homes Group plc.

2 M D Struckett MA MBA FRICS

Group Chief Executive (Age 50)

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 was formerly a Director of the Surveyors Mutual Insurance Association Limited and a Non-Executive Director of Tenon Group plc.

3 C C Child FCA

Group Finance Director (Age 50)

Colin Child is a chartered accountant and was appointed to the Board as Group Finance Director on 4 October 2007. Prior to joining DTZ, he was Group Finance Director of Stanley Leisure plc and before that he was Group Finance Director at Fitness First plc and National Express Group plc.

4 R H H Peto MA FRICS

Chairman UK & Ireland (Age 57)

Robert Peto joined the Group in 1971 and has been Chairman of DTZ (UK) since September 1999. He is also Chairman of DTZ Investment Management Ltd. From 1999 to 2003 he was Chairman of the RICS Valuation Standards Board, and is currently Chairman of the RICS International Valuation Board. He is a member of the Governing Council of the RICS and has recently been elected as a Vice President of the RICS. He is also a member of the General Advisory Council of the British Property Federation.

5 D M Gray CA

Chairman EMEA Capital Markets (Age 56)

David Gray is a chartered accountant. He joined the Group on 1 May 2000 as Chairman of DTZ Consulting & Research. He is currently co-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.

6 K B O'Higgins ASCS MRICS MIAVI

Managing Director EMEA (Age 47)

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.

7 Leung Chun Ying (CY Leung) FHKIS

Chairman Asia Pacific (Age 53)

Leung Chun Ying (CY Leung) has been involved with the Group since 1993, in 1999 the Group bought a minority interest in his business and affirmed the relationship in 2006 acquiring the remaining 70% of the equity. 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 of 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. Since 2003 he has been a member of the National Standing Committee of the Chinese People's Political Consultative Conference.

8 P J Stone Solicitor

Independent Non-Executive (Age 62)

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 Non-Executive Chairman of WRAP (Waste & Resources Action Programme), a Government delivery body set up and funded by DEFRA, and a Non-Executive Director of Opus Trust Group Limited. He is Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees.

9 L Cullen BSc (Hons) FCCA FCT MBA

Independent Non-Executive (Age 56)

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, BT Pension Scheme Trustees Ltd, F & C Global Smaller Companies PLC, and Interserve plc. He is a Trustee of the charity Sustrans. He is Chairman of the Group's Audit Committee and a member of its Remuneration and Nomination Committees.

10 D Detter

Independent Non-Executive (Age 48)

Dag Detter was appointed as a Non-Executive Director on 8 March 2004. A former banker in both China and Europe, Dag has served on a number of Boards of both public and unlisted companies in various sectors including telecommunications, defence and transport. He was previously President of Statum, Sweden's state-owned enterprises (SOEs) holding company and a Director at the Swedish Ministry of Industry where he led the deep-rooted transformation of the Government's €60bn corporate portfolio. A recognised expert in the field, he was one of the key initiators and architects of the OECD's Guidelines on Corporate Governance of SOEs. Dag is currently a Senior Advisor at Terra Firma and a member of DTZ's Audit, Remuneration and Nomination Committees.

11 A Lesniak BSc (Hons) ARCS FCA

Independent Non-Executive (Age 56)

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 businesses in disciplines such as management consultancy, engineering and, most recently, marketing services. She is currently CFO of Aegis Group 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 and Wales.

Directors' Report: Corporate Governance: Other statutory information

Other statutory information

The Directors present their twenty first Annual Report and the audited financial statements for the year ended 30 April 2008

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

Revenue

Revenue, derived from the above activities, increased from £310.3 million to £446.3 million during the year ended 30 April 2008

Group results

The Directors report a profit before taxation and exceptional items of £20.6 million compared with £38.0 million for the previous year, along with a loss after taxation and exceptional items of £0.3 million (2007 profit £28.7 million)

Equity shareholders' funds at 30 April 2008 amounted to £110.1 million (2007 £106.4 million)

Enhanced business review

A review of the business, future prospects and the principal risks and uncertainties it faces are contained within the Business Review on pages 1 to 33

The principal financial risks are discussed in note 21 to the financial statements

Dividends

A final dividend, for the year ended 30 April 2007, of 8.00 pence net per ordinary share was paid in September 2007. This, together with an interim dividend for the year ended 30 April 2008 of 3.50 pence net per ordinary share paid in February 2008, gives a total dividend charged to the results for the year ended 30 April 2008 of 11.50 pence net (2007 10.50 pence). A final dividend for the year ended 30 April 2008 of 3.00 pence net per ordinary share is to be proposed at the Annual General Meeting on 4 September 2008. If approved, this will be payable to shareholders on the register at the close of business on 15 August 2008. This proposal will provide a total dividend for the year ended 30 April 2008 of 6.50 pence net per ordinary share (2007 11.50 pence)

Directors

The present membership of the Board is set out on pages 34 and 35. All Directors served throughout the year with the exception of Mr Colin Child, who was appointed as an Executive Director on 4 October 2007 and who offers himself for election. In accordance with the Company's Articles of Association, Mr K B O'Higgins, Mr D Detter, Ms A Lesniak and Mr P Stone 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 2007	Beneficial 30 April 2008	Non-beneficial 1 May 2007	Non-beneficial 30 April 2008
T D Melville-Ross	16,450	26,450	–	–
M D Struckett	479,347	654,771	54,500	54,500
C C Child ⁽¹⁾	–	10,000	–	–
R H H Peto	249,485	295,381	–	–
K B O'Higgins	105,253	185,253	–	–
D M Gray	8,609	18,609	–	–
C Y Leung	2,628,305	2,628,305	–	–
L Cullen	5,000	5,000	–	–
D Detter	–	–	–	–
P J Stone	50,000	50,000	–	–
A Lesniak	5,000	5,000	–	–

Mr T S Maynard resigned on 4 October 2007

Mr T J Hodgson resigned on 24 May 2007

(1) Mr C C Child was appointed on 4 October 2007

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 2008, all the above Directors are interested in 3,178,245 ordinary shares (2007 3,354,540) 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 2008 and 27 June 2008, this figure has decreased to 3,176,719

In addition, Mr M D Struckett, Mr R H H Peto 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 39 to 46

As at 20 June 2008, the Company had been notified of the following interests in the Company's ordinary share capital in accordance with Chapter 5 of the UK Listing Authority's Disclosure and Transparency rules

Substantial interests	At 30 April 2008		At 20 June 2008	
	Shares	%	Shares	%
Groupe CM, Saint George, Pièdelièvre & Associés, Stéphane Mathy, Michael Jacquet & Derrey's	16,282,837	27.40	17,064,300	28.72
DT&C Limited ⁽²⁾	3,178,245	5.34	3,178,245	5.34
C Y Leung	2,628,305	4.42	2,628,305	4.42
Wasatch Advisors ⁽¹⁾	2,461,041	4.14	2,443,361	4.11
Legal & General Investment Management Limited	2,438,698	4.10	2,438,698	4.10
Third Avenue Management LLC	2,421,276	4.08	2,497,276	4.20
Montanaro Group ⁽³⁾	2,413,673	4.06	2,343,373	3.94
Barclays PLC ⁽¹⁾	2,243,468	3.77	1,721,950	2.90

(1) Non-disclosable shareholding

(2) Trustee of the Company's Discretionary Employee Benefit Trust

(3) Non-disclosable shareholding at 30 April 2008 (Disclosable shareholding with effect from 10 June 2008)

Other than as shown, the Company is not aware of any shareholder with an interest of 3% or more in 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, to improve service to clients, and facilitate good internal communications and information sharing.

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 one item of special business at the AGM. This is resolution 9 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 £214,401 (2007 £42,224). No donations were made for political purposes (2007 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 2008, creditor days were calculated at 47 days (2007 51 days).

Directors' Report: Corporate Governance. Other statutory information continued

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

Philip Cook
Company Secretary
9 July 2008

Directors' remuneration report

The Directors submit their report on remuneration for the year ended 30 April 2008

This report has been approved and adopted by the Board and has been prepared in accordance with the Directors' Remuneration Report Regulations 2002 ('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, Company Share Option Plan ('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 ('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 L Cullen, Mr D Detter and Ms A Lesniak. Mr P J Stone served as Chairman of the Committee, Mr T D Melville-Ross, Chairman and Mr M D Struckett, Group Chief Executive, are 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, approved at the AGM in September 2006.

To assist the Committee in determining remuneration policy, although he is not a member 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). This includes information from internal and independent sources on the remuneration for comparable positions in listed companies and in the professional services sector.

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 45, show the relative value of the basic and performance related elements of their remuneration. The Group's remuneration structure is such that in 2007/08 the highest paid employees within the Group were not Directors of the Company.

i) Salary and Benefits

Basic salaries for Executive Directors and other Senior Executives are reviewed by the Remuneration Committee annually, having regard to competitive market practices and remuneration levels in companies which it considers to be comparable by taking into account their market capitalisation and annual turnover, the Committee's own judgement of the performance of the Group's businesses and the contribution made by individual Directors.

The main benefits provided to the Executive Directors and Senior Executives are the use of a Company car or the provision of a cash allowance, medical insurance and life assurance cover. Details of Directors' emoluments are given in section 4 on page 45.

Directors' Report. Corporate Governance Directors' remuneration report continued

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 Mr C Y Leung, are members of the Company's non-contributory money purchase pension scheme of which Mr M D Struckett is a deferred member.

iv) Long Term Incentive Plans

At the AGM in September 2006 approval was given to implement a new Long Term Incentive arrangement, known as the DTZ 2006 Long Term Reward Plan (the 'Plan'). 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 Plan has four components:

Deferred Bonus

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 over the three year period of deferral (the 'Deferral Period'). 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 2008, 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.

In addition, for certain individuals, 100% of their annual bonus above an agreed level will be delivered in Deferred Shares.

Co-investment

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 ('Matching Shares'). The Matching Shares will vest at the end of the three year retention period ('Retention Period') if the individual remains in employment with the Group (subject to 'good leaver' provisions) and to the extent that he has retained his Co-invested shares. Vesting of the Matching Shares is also subject to the satisfaction of a performance condition over a three year performance period ('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 2008 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 2008 operation of Co-investment will range from 20% of the number of co-invested shares 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 2008 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 annual Group EPS growth is between RPI + 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 2008 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 2008 LTIP awards will be based on 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 annual Group EPS growth between RPI + 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. 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 2008 COSOP options, the Remuneration Committee has determined that the performance condition will be based on annual Group EPS growth targets, similar to that attaching to LTIP and Matching Share awards

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

Group EPS Growth	Percentage of COSOP option vesting	
	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 annual Group EPS growth between RPI + 5% and 12% will be calculated on a pro rata basis

Directors' Report. Corporate Governance: Directors' remuneration report continued

Eligibility

All Executive Directors and employees of the Group are eligible to participate in the 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 (subject to 'good leaver' provisions), 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 pro-rated 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 will be granted within a 42 day period following the announcement of half year or year end results for the financial year.

Dividends or dividend equivalents

Dividends or dividend equivalent amounts in respect of Deferred Share, co-invested share, Matching Share 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 AGM in September 2006 approval was given to implement a new SIP. This was in order to ensure the alignment of all of our UK 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 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 2007	Granted	Exercised	At 30 April 2008	Value at grant £	Notional dividend accrued at 30 April 2008 £	Exercise price	Date from which exercisable	Expiry date
M D Struckett	50,000	–	50,000	–	81,250	–	Nil	13 Jul 04	13 Jul 08
	50,000	–	50,000	–	55,000	–	Nil	18 Jul 05	18 Jul 09
	50,000	–	50,000	–	40,000	–	Nil	11 Jul 06	11 Jul 10
	30,000	–	–	30,000	42,000	12,000	Nil	16 Jul 07	16 Jul 11
	30,000	–	–	30,000	66,000	9,500	Nil	7 Jul 08	7 Jul 12
	10,000	–	–	10,000	67,000	2,300	Nil	5 Jul 09	5 Jul 13
	–	15,000	–	15,000	78,000	1,800	Nil	11 Jul 10	11 Jul 11
R H H Peto	15,000	–	15,000	–	16,500	–	Nil	18 Jul 05	18 Jul 09
	20,000	–	20,000	–	16,000	–	Nil	11 Jul 06	11 Jul 10
	20,000	–	20,000	–	28,000	–	Nil	16 Jul 07	16 Jul 11
	30,000	–	–	30,000	66,000	9,600	Nil	7 Jul 08	7 Jul 12
	8,500	–	–	8,500	57,000	2,000	Nil	5 Jul 09	5 Jul 13
	–	10,000	–	10,000	52,000	1,200	Nil	11 Jul 10	11 Jul 11
K B O'Higgins	30,000	–	30,000	–	24,000	–	Nil	11 Jul 06	11 Jul 10
	20,000	–	20,000	–	28,000	–	Nil	16 Jul 07	16 Jul 11
	20,000	–	–	20,000	44,000	6,400	Nil	7 Jul 08	7 Jul 12
	4,500	–	–	4,500	30,000	1,000	Nil	5 Jul 09	5 Jul 13
	–	10,000	–	10,000	52,000	1,200	Nil	11 Jul 10	11 Jul 11
Totals	388,000	35,000	255,000	168,000					

The mid-market price of our shares at 1 May 2007 and 30 April 2008 was 595 5 pence and 215 pence respectively. The share price during the year ranged from 204 25 pence to 624 5 pence.

The mid-market price of the shares at the date of exercise by Mr M D Struckett were 439 25 pence and 243 5 pence respectively. The aggregate gains made on the exercise of the share options by Mr M D Struckett were £219,625 and £243,500 respectively (2007 £324,500). The mid-market price of the shares at the date of exercise by Mr R H H Peto was 533 pence. The aggregate gain made on the exercise of the share options by Mr R H H Peto was £293,150 (2007 nil). The mid-market price of the shares at the date of exercise by Mr K B O'Higgins was 515 pence. The aggregate gain made on the exercise of the share options by Mr K B O'Higgins was £257,500 (2007 nil).

Mr T S Maynard resigned as a director on 4 October 2007. Prior to his resignation, he exercised 20,000 share options. The mid-market price of the shares at the date of exercise was 499 pence. The aggregate gain made on the exercise of options by Mr T S Maynard was £99,800 (2007 £330,177).

During the year 24,000 options lapsed which were held by Mr T S Maynard.

Mr T J Hodgson resigned as a Director on 24 May 2007.

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 payments made were £29,406 and £47,487 respectively (2007 £22,470). In respect of the options exercised in the year by Mr R H H Peto the payment made was £18,602 (2007 nil). In respect of the options exercised in the year by Mr K B O'Higgins the payment made was £15,815 (2007 nil). In respect of the options exercised in the year by Mr T S Maynard the payment made was £5,413 40 (2007 £4,463 and £11,885).

Since the year end, the Remuneration Committee has recommended that Deferred Share awards be granted to Mr M D Struckett, Mr R H H Peto, Mr K B O'Higgins, Mr C Y Leung and Mr C C Child in respect of 60,000, 10,000, 15,000, 50,000 and 10,000 shares. These are exercisable at any time between three and four years after the grant date.

In addition, the Remuneration Committee has recommended that LTIP awards be granted to Mr R H H Peto, Mr K B O'Higgins, Mr C Y Leung and Mr C C Child in respect of 45,000, 45,000, 75,000 and 30,000 shares respectively.

Directors' Report. Corporate Governance: Directors' remuneration report continued

Directors' share options under the COSOP

Name	At 1 May 2007	Granted during the year	Exercised during the year	At 30 April 2008	Option price pence	Date from which exercisable	Expiry date
M D Struckett	18,126	–	–	18,126	165.5	16 Jul 07	15 Jul 14
	1,874	–	1,874	–	165.5	16 Jul 07	15 Jul 11
R H H Peto	18,126	–	18,126	–	165.5	16 Jul 07	15 Jul 14
	1,874	–	1,874	–	165.5	16 Jul 07	15 Jul 11
K B O'Higgins	20,000	–	20,000	–	89.5	11 Jul 06	10 Jul 13
	7,312	–	7,312	–	165.5	16 Jul 07	15 Jul 14
	2,688	–	2,688	–	165.5	16 Jul 07	15 Jul 11
C C Child	–	6,730	–	6,730	445.75	11 Oct 10	10 Oct 17
Totals	70,000	6,730	51,874	24,856			

The mid-market price of shares at 1 May 2007 and 30 April 2008 was 595.5 pence and 215.0 pence respectively. The share price during the year ranged from 204.25 pence to 624.5 pence.

On 8 August 2007, Mr T S Maynard (who resigned from DTZ Holdings plc on 4 October 2007) exercised 7,312 options at 165.5 pence per share. The exercise period for these options was 16 July 2007 to 15 July 2014. He also exercised 2,688 options at 165.5 pence per share on the same date. The exercise period for these options was 16 July 2007 to 15 July 2011.

On 24 May 2007, Mr T J Hodgson resigned from the Board. He retains 18,126 options at 165.5 pence per share, which are exercisable between 16 July 2007 and 15 July 2014 and 1,874 options at 165.5 pence per share which are exercisable between 16 July 2007 and 15 July 2011.

Directors' Long Term Incentive Plan Awards

Name	At 1 May 2007	Granted during the year	Exercised during the year	At 30 April 2008	Award price	Date upon which the award will vest
M D Struckett	33,587	–	–	33,587	nil	6 Oct 09
	–	50,000	–	50,000	nil	11 Jul 10
R H H Peto	18,320	–	–	18,320	nil	6 Oct 09
	–	30,000	–	30,000	nil	11 Jul 10
K B O'Higgins	18,320	–	–	18,320	nil	6 Oct 09
	–	30,000	–	30,000	nil	11 Jul 10
C C Child	–	44,868	–	44,868	nil	11 Oct 10
Totals	70,227	154,868	–	225,095		

Mr C C Child was appointed as a Director on 4 October 2007.

Mr T J Hodgson resigned as a Director on 24 May 2007.

Mr T S Maynard resigned as a Director on 4 October 2007.

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.

Co-investment by Director

Name	At 1 May 2007	Granted during the year	Exercised during the year	At 30 April 2008
M D Struckett	–	15,662	–	15,662
R H H Peto	8,694	–	–	8,694
K B O'Higgins	4,603	10,441	–	15,044
C C Child	–	–	–	–
Totals	13,297	26,103	–	39,400

Mr M D Struckett and Mr K B O'Higgins were also granted a Matching Share award for 15,662 plan shares (2007 nil) and 10,441 plan shares (2007 4,603) respectively.

Mr R H H Peto holds a Matching Share award of 8,694 plan shares granted to him on 6 October 2006.

In addition, under the SIP Mr K B O'Higgins held 134 shares at 30 April 2008 (2007 40 shares).

Details of the share option schemes are set out on pages 79 and 82 of the Notes to the financial statements.

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 an analysis of the remuneration of the Directors for the year ended 30 April 2008

Continuing Directors

Name	Salary and fees £'000	Performance related payments £'000	Benefits (Note 1) £'000	Sub-total £'000	Pension contributions (Note 2) £'000	Total 2008 £'000	Total 2007 £'000
M D Struckett	271	255	19	545	41	586	768
C C Child*	160	140	10	310	25	335	-
K B O'Higgins	183	240	19	442	28	470	571
R H H Peto	183	100	9	292	140	432	596
D M Gray	104	90	11	205	16	221	250
T D Melville-Ross	80	-	-	80	-	80	80
L Cullen	45	-	-	45	-	45	35
D Detter	37	-	-	37	-	37	30
P J Stone	43	-	-	43	-	43	33
A Lesniak	37	-	-	37	-	37	30
C Y Leung	268	540	4	812	1	813	302
	1,411	1,365	72	2,848	251	3,099	2,695

Non-continuing Directors

Name	Salary and fees £'000	Performance related payments £'000	Benefits (Note 1) £'000	Sub-total £'000	Pension contributions (Note 2) £'000	Total 2008 £'000	Total 2007 £'000
T S Maynard**	14	175	9	198	94	292	615
T J Hodgson***	18	-	4	22	1	23	763
	32	175	13	220	95	315	1,378

Appointed to the Board on 4 October 2007

Resigned from the Board 4 October 2007 – Amounts included in the table above relate to remuneration earned as a Director

* Resigned from the Board on 24 May 2007 – Amounts included in the table above relate to remuneration earned as a Director. Mr T J Hodgson continues his employment with DTZ and was paid £145,000 for the period thereafter.

Note 1 The main benefits provided consist of the provision of a fully expensed car, or cash allowance, and medical insurance.

Note 2 Pension contributions to the Group's money purchase pension scheme include, where appropriate, salary sacrifices made by individual Directors. The Company's contribution to the pension scheme is 15% of basic salary.

Pensions

Three (2007: three) 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 85 to 87. 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 contract	Notice period
M D Struckett	1 May 1987	6 months
C C Child	16 Sep 2007	6 months
D M Gray	1 May 2000	6 months
R H H Peto	1 May 1987	6 months
K O'Higgins	1 Oct 2001	6 months
C Y Leung	14 Dec 2006	6 months

Directors' Report. Corporate Governance Directors' remuneration report continued

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 2008
T D Melville-Ross	17 Jan 2000	17 Jan 2008	21 months
P J Stone	26 Apr 2001	4 Apr 2007	23 months
L Cullen	11 Sep 2003	23 Aug 2006	16 months
D Detter	8 Mar 2004	4 Apr 2007	23 months
A Lesniak	8 Mar 2004	4 Apr 2007	23 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 ('TSR') in respect of the Company's ordinary shares of 5 pence each for the five years ended 30 April 2008 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.

TSR Performance over period 30/04/2003 – 30/04/2008



Peter Stone
Chairman of Remuneration Committee
9 July 2008

Statement of corporate governance

Compliance with the Combined Code on Corporate Governance

Throughout the year ended 30 April 2008 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, 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 Group 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-appointment at the AGM on 4 September 2008 are shown on page 35.

As 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 page 35 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, and
- Changes to the Group's capital, corporate or management structure

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 Chairman and Group Chief Executive in ensuring new Directors receive appropriate training and induction to the Company and that on-going 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 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 Chairman.

The external and internal Auditors, the 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.

Directors' Report Corporate Governance Statement of corporate governance continued

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 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 Chairman. 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 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 39 to 46

Meetings

During the year there were thirteen 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

	Board	Audit	Remuneration	Nomination
T D Melville-Ross	13	–	–	1
M D Struckett	13	–	–	1
T S Maynard*	6	–	–	–
C C Child**	7	–	–	–
R H H Peto	13	–	–	–
K B O'Higgins	13	–	–	–
D M Gray	13	–	–	–
CY Leung	11	–	–	–
L Cullen	13	5	1	1
D Dettter	11	5	1	1
P J Stone	11	4	1	1
A Lesniak	13	5	1	1

Mr T S Maynard ceased to be a member of the Board from 4 October 2007
Mr C C Child was appointed to the Board on 4 October 2007

Relations with shareholders

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

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

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and financial statements. The Directors are required to prepare financial statements for the Group in accordance with International Financial Reporting Standards as adopted by EU ('IFRSs'). Company law requires the Directors to prepare such financial statements in accordance with IFRSs, the Companies Act 1985 and Article 4 of the IAS Regulation

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

- Properly select and apply accounting policies,
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information, and
- Provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance

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

The Directors are responsible for the maintenance and integrity of the Company website, in so far as it relates to the financial statements. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differ from legislation in other jurisdictions

Statement on internal control and risk management

The Board takes ultimate responsibility for the Group's system of internal control and risk management. The system of control is designed to enable the Board to govern and manage the business to achieve the Group's risk management objectives. A system of internal control can provide reasonable but not absolute assurance against misstatement or loss.

The Board conducts an annual review of the effectiveness of the system of internal control and risk management. This review is based on reports to the Board and the Audit Committee, prepared by the internal auditors and management.

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 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,
- Each of the Group's regional businesses has a regional Board which comprises Group Executive Directors and other senior employees. These Boards and their risk committees meet regularly to consider significant commercial matters, including risk management and internal control, and have formal reporting structures to the Board,
- The Group Executive conducts a top-down identification and review of the main risks facing the Group and internal control activities to mitigate these risks,
- Ongoing processes for identifying, evaluating and managing the significant risks faced by the Group in accordance with requirements of the Combined Code and Turnbull Guidance on internal control. A Group risk register identifies the risks the business faces, their potential impact, likelihood of occurrence and the key controls and action plans to mitigate these,

- The Audit Committee assists the Board in discharging its responsibility to review the system of internal control,
- 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 procedures are being progressively embedded across the global operations of the Group, and
- Certain aspects of the Group's activities are also subject to regulatory control by external bodies such as the FSA and are audited in respect of the quality standard ISO9001

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



Philip Cook
Company Secretary
9 July 2008

Directors' responsibility statement

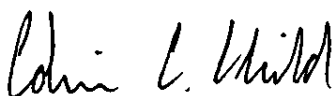
We confirm to the best of our knowledge

- The financial statements, prepared in accordance with International Financial Report Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and
- The management report, which is incorporated in the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face

By order of the Board



Mark Struckett
Group Chief Executive



Colin Child
Group Finance Director

Independent auditors' report

Independent auditors' report to the members of DTZ Holdings plc
We have audited the Group and parent Company financial statements (the 'financial statements') of DTZ Holdings plc for the year ended 30 April 2008 which comprise of the Consolidated income statement, the Consolidated and Company balance sheets, the Consolidated and Company cash flow statement, the Consolidated statement of recognised income and expense and the related notes 1 to 30. 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 Statement of corporate governance reflects the Company's compliance with the nine provisions of the 2006 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 Review and the Statement of corporate governance. 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 2008 and of its loss 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 2008,
- 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 2008 and of its profit for the year then ended.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
9 July 2008

Note: Neither an audit nor a review provides assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

Financial Statements

Consolidated income statement

Year ended 30 April 2008

	Note	Before exceptional items 2008 £'000	Exceptional items 2008 (note 5) £'000	2008 £'000	Before exceptional items 2007 £'000	Exceptional items 2007 (note 5) £'000	2007 £'000
Continuing operations							
Revenue	4	446,309	–	446,309	310,262	–	310,262
Staff costs	6	(300,207)	(1,633)	(301,840)	(195,225)	–	(195,225)
Other operating costs		(122,594)	(13,419)	(136,013)	(79,835)	–	(79,835)
Depreciation and amortisation		(7,113)	–	(7,113)	(3,051)	–	(3,051)
		(429,914)	(15,052)	(444,966)	(278,111)	–	(278,111)
Operating profit /(loss)	7	16,395	(15,052)	1,343	32,151	–	32,151
Share of profits in associated undertakings		6,687	–	6,687	6,514	–	6,514
Total profit/(loss) from operations including joint ventures and associated undertakings		23,082	(15,052)	8,030	38,665	–	38,665
Income from other fixed asset investments		9	–	9	59	3,834	3,893
Finance income	8	2,661	–	2,661	1,376	–	1,376
Finance expense	8	(5,139)	–	(5,139)	(2,139)	–	(2,139)
Net finance expense		(2,478)	–	(2,478)	(763)	–	(763)
Profit /(loss) on ordinary activities before taxation		20,613	(15,052)	5,561	37,961	3,834	41,795
Taxation on profit /(loss) on ordinary activities	9	(6,852)	1,017	(5,835)	(11,862)	(1,198)	(13,060)
Profit / (loss) for the year from continuing operations		13,761	(14,035)	(274)	26,099	2,636	28,735
Attributable to							
Equity shareholders of the parent		9,777	(14,035)	(4,258)	23,244	2,636	25,880
Minority interest		3,984	–	3,984	2,855	–	2,855
		13,761	(14,035)	(274)	26,099	2,636	28,735
Basic earnings/(loss) per ordinary share	12	17 56p		(7 65)p	44 35p		49 38p
Diluted earnings/(loss) per ordinary share	12	17 56p		(7 65)p	43 83p		48 80p

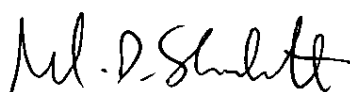
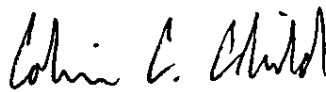
Consolidated balance sheet

At 30 April 2008

	Note	2008 £'000	2007 £'000
Non-current assets			
Intangible assets	13	152,474	94,110
Property, plant and equipment	14	16,140	11,422
Investments in associates	15	7,285	7,484
Other investments – financial assets	16	537	1,133
Deferred tax assets	9	7,112	5,631
Trade and other receivables	17	51	80
		183,599	119,860
Current assets			
Work in progress		8,045	6,715
Trade and other receivables	17	151,215	111,153
Tax recoverable		1,121	149
Cash and cash equivalents	21	42,773	49,798
		203,154	167,815
Total assets		386,753	287,675
Current liabilities			
Bank loans and overdrafts	20	(13,599)	(1,940)
Trade and other payables	18	(162,574)	(122,134)
Tax liabilities		(1,490)	(7,116)
Provisions	19	(5,737)	(2,698)
		(183,400)	(133,888)
Non-current liabilities			
Bank loans and overdrafts	20	(62,867)	(23,861)
Retirement benefit obligations		(3,574)	(4,470)
Trade and other payables	18	(5,797)	(4,556)
Deferred tax liabilities	9	(73)	(73)
Convertible loan notes	22	(10,011)	–
Provisions	19	(3,452)	(8,718)
		(85,774)	(41,678)
Total liabilities		(269,174)	(175,566)
Net assets		117,579	112,109
Equity			
Called-up share capital	23, 24	2,970	2,865
Share premium account	24	49,737	39,008
Retained earnings	24	51,653	62,384
Equity reserves	24	(3,098)	–
Other reserves	24	8,881	2,159
Equity shareholders' funds		110,143	106,416
Minority interest	24	7,436	5,693
Total equity		117,579	112,109

These financial statements were approved for issue by the Board of Directors on 9 July 2008

Signed on behalf of the Board of Directors


Mark Struckett
Group Chief Executive

Colin Child
Group Finance Director

Financial Statements continued

Company balance sheet

At 30 April 2008


	Note	2008 £'000	2007 £'000
Non-current assets			
Investments in associates and subsidiary companies	15	15,905	15,755
Other investments – financial assets	16	1	1
		15,906	15,756
Current assets			
Trade and other receivables	17	126,640	66,551
Cash and cash equivalents		141	371
		126,781	66,922
Total assets		142,687	82,678
Current liabilities			
Bank loans and overdrafts	20	(12,096)	(750)
Provisions	19	(1,417)	–
Trade and other payables	18	(3,364)	(487)
		(16,877)	(1,237)
Non-current liabilities			
Bank loans and overdrafts	20	(62,867)	(23,861)
Provisions	19	–	(2,833)
Trade and other payables	18	(1,930)	(1,757)
		(64,797)	(28,451)
Total liabilities		(81,674)	(29,688)
Net assets		61,013	52,990
Equity			
Called-up share capital	23, 24	2,970	2,865
Share premium account	25	49,737	39,008
Retained earnings	25	9,724	11,783
Other reserves	25	(1,418)	(666)
Total equity		61,013	52,990

These financial statements were approved and authorised for issue by the Board of Directors on 9 July 2008

Signed on behalf of the Board of Directors



Mark Struckett
Group Chief Executive



Colin Child
Group Finance Director

Consolidated and Company cash flow statement

Year ended 30 April 2008

		Group		Company	
	Note	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Cash flows from operating activities					
Cash generated from operations	A	23,718	26,159	(42,303)	(15,958)
Dividends received		6,852	5,694	-	-
Interest received		2,661	1,376	-	-
Interest paid		(5,139)	(2,139)	(504)	(126)
Income tax paid		(13,910)	(9,285)	-	-
Net cash generated from/(used in) operating activities		14,182	21,805	(42,807)	(16,084)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		728	612	-	-
Proceeds from sale of investment		-	1,614	-	-
Income from other fixed asset investments		9	2,925	-	-
Purchases of property, plant and equipment		(6,501)	(5,381)	-	-
Payment of deferred consideration		(7,010)	(2,315)	(1,416)	(1,417)
Purchase of investments in associates, joint ventures and other investments (net of cash and cash equivalents acquired)		(35,252)	(18,817)	(150)	(225)
Net cash used in investing activities		(48,026)	(21,362)	(1,566)	(1,642)
Cash flows from financing activities					
Proceeds from issue of share capital		922	429	263	429
Proceeds from borrowings		52,767	25,051	51,102	23,861
Repayment of loans		(11,784)	(750)	(750)	(750)
Purchase of shares for Employee Benefit Trust		(4,022)	-	-	-
Dividends paid to equity shareholders		(6,473)	(5,518)	(6,473)	(5,518)
Dividends paid to minorities		(3,470)	(410)	-	-
Net cash generated from financing activities		27,940	18,802	44,142	18,022
Net (decrease)/increase in cash and cash equivalents		(5,904)	19,245	(231)	296
Cash and cash equivalents at the beginning of the year		49,798	31,857	371	75
Effect of foreign exchange rate changes		(1,121)	(1,304)	-	-
Cash and cash equivalents at the end of the year	B	42,773	49,798	140	371

Notes to the consolidated and Company cash flow statement

Year ended 30 April 2008

A Cash generated from/(used in) operations

	Group		Company	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
(Loss)/ profit for the year from continuing operations	(274)	28,735	4,414	4,935
Adjustments for				
Taxation	5,835	13,060	-	-
Depreciation and amortisation	7,113	3,051	-	-
Impairment charge	11,688	-	-	-
Share of profit in associated undertakings	(6,687)	(6,514)	-	-
Income from other fixed asset investments	(9)	(3,893)	-	-
Net finance expense	2,478	763	504	126
Loss/(profit) on sale of property, plant and equipment	155	(90)	-	-
Increase/(decrease) in provisions	12	(1,381)	-	-
Operating cash flow before movements in working capital	20,311	33,731	4,918	5,061
Decrease/(increase) in work in progress	317	(2,250)	-	-
Increase in receivables	(1,745)	(24,287)	(49,434)	(22,787)
Increase in payables	4,835	18,965	2,213	1,768
Cash generated from/(used in) operations	23,718	26,159	(42,303)	(15,958)

B Analysis of movement in net funds

	At 1 May 2007 £'000	Cash flows £'000	Other non-cash changes £'000	At 30 April 2008 £'000
Analysis of movement in net funds				
Cash and cash equivalents	49,798	(5,904)	(1,121)	42,773
Bank loans and overdrafts within one year	(1,940)	(11,659)	-	(13,599)
Bank loans and overdrafts after one year	(23,861)	(39,006)	-	(62,867)
	23,997	(56,569)	(1,121)	(33,693)

Consolidated statement of recognised income and expense

Year ended 30 April 2008

	2008 £'000	2007 £'000
Net actuarial (loss)/profit on retirement benefit obligation	(223)	2,139
Net revaluation of interest rate swap	(837)	(197)
Foreign exchange translation differences	7,657	(1,065)
Net income recognised directly in equity	6,597	877
Tax on items directly taken to reserves	(30)	175
Transfers from reserves to income statement	–	(563)
(Loss)/profit for the year from continuing operations (before dividends)	(274)	28,735
Total recognised income and expense for the year	6,293	29,224
Attributable to		
Equity shareholders of the parent	2,298	26,369
Minority interest	3,995	2,855
	6,293	29,224

Financial statements

Notes to the financial statements

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 of the Group's operations and its principal activities are set out in note 4 and in our Business Review on pages 1 to 33.

These financial statements are presented in Sterling as this 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 ('IFRSs') 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 IFRSs. 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)		
IFRS 8	Operating Segments	1 January 2009
IAS 1	Amendments – Presentation of financial statements	1 January 2009
IAS 12	Amendments – Borrowing Costs	1 January 2009
IFRS 2	Amendments – Share-Based Payment: Vesting conditions and cancellations	1 January 2009
IAS 31 and IAS 1	Amendments – Puttable financial instruments and obligations arising on liquidation	1 January 2009
IFRS 3	Business Combinations	1 July 2009
IAS 27	Amendments – Consolidated and separate financial statements	1 July 2009
International Financial Reporting Interpretations Committee (IFRIC)		
IFRIC 12	Service Concession Arrangements	1 January 2008
IFRIC 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirement and their interaction	1 January 2008
IFRIC 13	Customer loyalty programmes	1 July 2008
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 15	Agreements for the Construction of Real Estate	1 January 2009

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 investments 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 subsidiaries and joint venture undertakings, together with the Group's share of the 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.

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. 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.

Intangible assets acquired as part of a business combination are valued at fair value on acquisition and amortised over the useful life. Amortisation charges are spread on a straight line basis over the period of the assets' estimated useful lives using the following rates:

- Brand 33%-50% per annum
- Customer relationships and contracts 33%-50% per annum
- Software 33% per annum

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.

Financial Statements continued

2 Significant accounting policies continued

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 and such completion had not occurred at the balance sheet date.

Taxation

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

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

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

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

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

Foreign currencies

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

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

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

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 payable basis.

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

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

Capitalised pension liability

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

Leasing

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

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

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 Company Share Option Plan ('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 contracts 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.

Financial Statements continued

2 Significant accounting policies continued

Derivative financial instrument and hedge accounting continued

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 forecast 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 is 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 forecast 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. Estimates used in this analysis are set out in note 13 to the financial statements.

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.

Income taxes

As the Group operates across many income tax jurisdictions, judgement is required in determining the consolidated 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 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 2008

	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	36,703	42,202	78,905	25,598	6,214	–	110,717
Valuation	41,492	21,447	62,939	18,029	–	–	80,968
Occupational & Development Markets	57,135	39,182	96,317	30,516	9,960	–	136,793
Professional Services	56,158	17,446	73,604	13,749	–	–	87,353
Consulting & Research	20,613	4,220	24,833	5,645	–	–	30,478
Total external sales	212,101	124,497	336,598	93,537	16,174	–	446,309
Total revenue	212,101	124,497	336,598	93,537	16,174	–	446,309
Result							
Operating profit/(loss) before exceptional items	15,995	6,986	22,981	3,474	(3,964)	(6,096)	16,395
Share of profits in associated undertakings	340	6,347	6,687	–	–	–	6,687
Total profit/(loss) from operations including joint ventures and associated undertakings	16,335	13,333	29,668	3,474	(3,964)	(6,096)	23,082
Income from other fixed asset investments	22	(13)	9	–	–	–	9
Net finance (expense)/ income	(1,683)	865	(818)	(431)	(1,229)	–	(2,478)
Operating profit/(loss) before exceptional items	14,674	14,185	28,859	3,043	(5,193)	(6,096)	20,613
Exceptional items	(4,884)	(266)	(5,150)	(300)	(9,602)	–	15,052
Profit/(loss) on ordinary activities before taxation	9,790	13,919	23,709	2,743	(14,795)	(6,096)	5,561
Taxation on profit/(loss) on ordinary activities							(5,835)
Loss for the year from continuing operations							(274)
Other information							
Segment assets ⁽¹⁾	141,012	121,520	262,532	79,946	36,990	–	379,468
Investment in equity method associates	1,231	5,906	7,137	148	–	–	7,285
Consolidated total assets							386,753
Segment liabilities	(159,065)	(54,599)	(213,664)	(40,518)	(14,992)	–	(269,174)
Consolidated total liabilities							(269,174)
Capital additions ⁽¹⁾	1,596	1,908	3,504	2,705	292	–	6,501
Depreciation and amortisation	4,107	1,149	5,256	1,238	619	–	7,113

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

Financial Statements continued

4 Segmental analysis continued

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) before exceptional items	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/(loss) from operations including joint ventures and associated undertakings	30,376	13,262	43,638	1,392	(2,160)	(4,205)	38,665
Income/(loss) from other fixed asset investments	24	(8)	16	43	–	–	59
Net finance income/(expense)	781	322	1,103	(366)	(1,500)	–	(763)
Operating profit/(loss) before exceptional items	31,181	13,576	44,757	1,069	(3,660)	(4,205)	37,961
Exceptional items	–	–	–	–	–	3,834	3,834
Profit/(loss) 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 and amortisation	1,671	702	2,373	533	145	–	3,051

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

5 Exceptional items

	2008 £'000	2007 £'000
Exceptional items relating to continuing operations		
Restructuring costs	(839)	–
Non-recurring integration costs	(794)	–
Staff costs	(1,633)	–
Impairment of North American investments	(11,688)	–
Non-recurring integration costs	(1,731)	–
Other operating costs	(13,419)	–
Realisation of interest in Curzon Capital Partners	–	3,834
Total exceptional items before taxation	(15,052)	3,834
Taxation	1,017	(1,198)
	(14,035)	2,636

Year ended 30 April 2008**Restructuring costs**

Restructuring costs represent the cost of staff redundancies incurred in the current year

Impairment of North American investments

During the current year an impairment charge of £9,517,000 has been recognised in respect of the Group's investment in DTZ Rockwood, and the cost of £2,171,000 for an option to acquire DTZ FHO Partners, which has not been exercised and has been accordingly written off. See notes 13 and 16 of these financial statements

Non-recurring integration costs

Non-recurring integration costs associated with the acquisition of Donaldsons LLP comprise staff and other operating costs totalling £2,525,000

Year ended 30 April 2007**Income from fixed asset investments**

The realisation of the Group's investment in Curzon Capital Partners resulted in incentive fees and a gain totalling £3,834,000

6 Staff costs

	2008 £'000	2007 £'000
Staff costs during the year		
Wages, salaries and performance-related payments	259,205	164,609
Social security costs	29,714	20,707
Other pension costs	12,766	9,769
Share-based payments	155	140
	301,840	195,225

During the year the Group employed an average of 6,588 staff (2007: 3,993) including Directors. Of this number, 5,757 (2007: 3,485) were involved in the professional side of the Group's activities and 831 (2007: 508) were involved in central support functions. At 30 April 2008, the Group employed 7,079 staff (2007: 5,565).

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.

Key management compensation	2008 £'000	2007 £'000
Key management		
Remuneration	2,844	3,603
Fees to Non-Executive Directors	242	208
Post-employment benefits	271	530
Share-based payments	2	–
	3,359	4,341

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.

Financial Statements continued

7 Operating profit

	2008 £'000	2007 £'000
Operating profit is stated after charging/(crediting)		
Loss/(profit) on disposal of tangible fixed assets	155	(90)
Depreciation on tangible fixed assets		
Owned assets	5,909	3,051
Amortisation of intangible assets	1,204	–
Rentals under operating leases		
Land and buildings	19,723	11,302
Others	6,449	4,970
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	181	126
The audit of the Company's subsidiaries pursuant to legislation	513	469
Total audit fees	694	595
Other services pursuant to legislation	9	19
Tax services	420	385
Information technology services	–	394
Corporate Finance services	–	28
Other services	85	24
Total non-audit fees	514	850
Total fees	1,208	1,445

8 Net finance (expense)/income

	2008 £'000	2007 £'000
Bank interest receivable	1,975	954
Other interest receivable	686	422
Total finance income	2,661	1,376
Bank loans and overdrafts – interest payable	(4,508)	(1,808)
Unwinding of discount on provisions	(631)	(331)
Total finance expense	(5,139)	(2,139)
Net finance	(2,478)	(763)

9 Taxation on profit/(loss) on ordinary activities

	2008 £'000	2007 £'000
UK corporation tax at 30% (2007 30%) based on the profit for the year	(141)	(8,423)
Overseas taxation	(10,157)	(7,209)
Double taxation relief	2,757	1,410
	(7,541)	(14,222)
Deferred taxation – origination and reversal of timing differences	1,706	1,162
	(5,835)	(13,060)

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% (2007 30%) The differences are explained below

	2008 £'000	2007 £'000
Profit on ordinary activities before taxation	5,561	41,795
Tax at 30% thereon	(1,668)	(12,538)
Effects of		
Expenses not deductible for tax purposes	(5,132)	(771)
Overseas tax rates	1,504	249
Movement in tax losses	(539)	–
Total tax charge for the year	(5,835)	(13,060)

The effective tax rate, pre-exceptional items, for the year was 33.24% (2007 31.25%)

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 trading losses in overseas subsidiaries where there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £4,121,000 (2007 £1,400,000). The asset will be recovered if sufficient suitable profits are made in the future against which the asset could reverse.

	2008 £'000	2007 £'000
Deferred tax		
Movement on deferred tax balance in the period		
Deferred tax asset		
At 1 May	5,631	5,761
Charge to reserves	(221)	(1,346)
Reduction in corporation tax liability	(405)	(405)
Acquired with subsidiaries	(38)	459
Credit to profit and loss account	1,706	1,162
Foreign exchange	439	–
At 30 April	7,112	5,631
Deferred tax liability		
At 1 May	(73)	(334)
Credit to reserves	–	261
At 30 April	(73)	(73)
Analysis of deferred tax balance		
Capital allowances in excess of depreciation	95	95
Retirement benefit obligations	476	1,095
Short-term timing differences	3,845	2,341
Overseas losses	2,696	2,100
Deferred tax asset	7,112	5,631
Revaluation reserve	(73)	(73)
Undistributed profits within equity accounted non-UK investments	–	–
Deferred tax liability	(73)	(73)

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

10 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 £4,414,000 (2007 £4,935,000).

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11 Equity dividends

	2008 Per share	2008 £'000	2007 Per share	2007 £'000
Final 2007 (2006)	8 00p	4,506	7 00p	3,613
Interim 2008 (2007)	3 50p	1,967	3 50p	1,905
	11 50p	6,473	10 50p	5,518

Proposed final dividend for the year ended 30 April 2008 of 3 00 pence

The final dividend in respect of 30 April 2008 is to be proposed at the Annual General Meeting on 4 September 2008

These financial statements do not reflect this dividend payable

12 Earnings/ (loss) per ordinary share

The basic earnings/ (loss) per ordinary share is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of shares in issue during the year. The diluted earnings/ (loss) per ordinary share is calculated by adjusting the weighted average number of shares to assume conversion of all dilutive potential ordinary shares. In 2008, neither the convertible unsecured loan notes nor the share options were dilutive.

	2008 Number	2007 Number
Average number of shares in issue	55,679,658	52,407,300
Share options	–	623,279
Diluted average number of shares in issue	55,679,658	53,030,579

	Earnings per share before exceptional items 2008 £'000	Earnings per share 2008 £'000	Earnings per share before exceptional items 2007 £'000	Earnings per share 2007 £'000
Profit/ (loss) attributable to equity shareholders	9,777	(4,258)	23,244	25,880
Basic earnings/ (loss) per ordinary share	17 56p	(7 65)p	44 35p	49 38p
Diluted earnings/ (loss) per ordinary share	17 56p	(7 65)p	43 83p	48 80p

13 Intangible assets

	Goodwill £'000	Brand £'000	Customer relationships and contracts £'000	Software £'000	Licences £'000	Total £'000
Group						
Cost						
At 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 2007/1 May 2007	92,247	–	–	–	1,863	94,110
Reduction in deferred consideration	(5,199)	–	–	–	–	(5,199)
Foreign exchange translation differences	2,519	(3)	(3)	–	363	2,876
Acquisition of subsidiaries	66,414	1,727	2,337	930	–	71,408
Impairment charge for the year	(9,517)	–	–	–	–	(9,517)
Amortisation charge for the year	–	(394)	(552)	(258)	–	(1,204)
At 30 April 2008	146,464	1,330	1,782	672	2,226	152,474

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 7.8%, 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.

At 30 April 2008, prior to impairment testing, goodwill of £28,731,000 was held in the Group's accounts in relation to DTZ Rockwood. Due to the poor underlying performance of this business as a result of the 'credit crisis' in the US economy, the goodwill has been reduced by £5,199,000 related to deferred consideration that is deemed no longer payable, and there has been an impairment charge recognised in the period of £9,517,000. The revised goodwill allocated to DTZ Rockwood is now £14,015,000.

14 Property, plant and equipment

Group	Long leaseholds £'000	Short leaseholds £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 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 2007/1 May 2007	–	10,222	21,706	408	32,336
Acquired with subsidiary	–	1,976	7,030	1,173	10,179
Additions	–	1,784	4,533	184	6,501
Disposals	–	(425)	(2,765)	(299)	(3,489)
Foreign exchange translation differences	–	305	1,305	38	1,648
At 30 April 2008	–	13,862	31,809	1,504	47,175
Accumulated depreciation					
At 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 2007/1 May 2007	–	(6,758)	(13,841)	(315)	(20,914)
Acquired with subsidiary	–	(837)	(4,361)	(399)	(5,597)
Charge for year	–	(1,339)	(4,384)	(185)	(5,908)
Disposals	–	392	2,040	174	2,606
Foreign exchange translation differences	–	(172)	(1,020)	(30)	(1,222)
At 30 April 2008	–	(8,714)	(21,566)	(755)	(31,035)
Net book value					
At 30 April 2008	–	5,148	10,243	749	16,140
At 30 April 2007	–	3,464	7,865	93	11,422

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15 Investments in associates

	Share of net assets of associated undertakings £'000	Goodwill on acquisition of associated undertakings £'000	Group Total associated undertakings £'000	Company Shares in associates and subsidiary companies £'000
Cost				
At 1 May 2006	5,201	3,402	8,603	15,530
Additions	338	254	592	225
Transfer from investments	(207)	(20)	(227)	–
Transfer to subsidiaries	(1,190)	(1,705)	(2,895)	–
Foreign exchange translation differences	(46)	2	(44)	–
At 30 April 2007/1 May 2007	4,096	1,933	6,029	15,755
Additions	294	–	294	150
Acquired with subsidiary	201	–	201	–
Disposals	(24)	(270)	(294)	–
Transfer to subsidiaries	(25)	(1,171)	(1,196)	–
Foreign exchange translation differences	546	70	616	–
At 30 April 2008	5,088	562	5,650	15,905
Share of retained profits/(losses) in associates				
At 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)	–
Foreign exchange translation differences	(121)	–	(121)	–
At 30 April 2007/1 May 2007	1,455	–	1,455	–
Movement in the year	6,687	–	6,687	–
Transfer to subsidiaries	(554)	–	(554)	–
Dividend received	(6,751)	–	(6,751)	–
Foreign exchange translation differences	798	–	798	–
At 30 April 2008	1,635	–	1,635	–
Net book value				
At 30 April 2008	6,723	562	7,285	15,905
At 30 April 2007	5,551	1,933	7,484	15,755

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

	2008 £'000	2007 £'000
Assets	19,426	15,530
Liabilities	(11,921)	(9,979)
Revenue	29,143	27,880
Profit	6,687	6,514

16 Other investments – financial assets

Other investments

	Listed investments £'000	Unlisted investments £'000	Group Total £'000	Company Other investments £'000
Cost				
At 1 May 2006	1	2,501	2,502	1
Additions	–	872	872	–
Disposals	–	(2,176)	(2,176)	–
At 30 April 2007/1 May 2007	1	1,197	1,198	1
Additions	–	2,178	2,178	2,171
Impairment charge for the year	–	(2,171)	(2,171)	(2,171)
Disposals	–	(616)	(616)	–
Foreign exchange translation differences	–	14	14	–
At 30 April 2008	1	602	603	1
Provision				
At 1 May 2006	–	(57)	(57)	–
Additions	–	(8)	(8)	–
At 30 April 2007/1 May 2007	–	(65)	(65)	–
Foreign exchange translation differences	–	(1)	(1)	–
At 30 April 2008	–	(66)	(66)	–
Net book value				
At 30 April 2008	1	536	537	1
At 30 April 2007	1	1,132	1,133	1

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

Additional investments

Acquisitions

The following material acquisitions have taken place in the 12 months to 30 April 2008.

On 2 July 2007, DTZ Australia Pty Limited, a 100% owned subsidiary of DTZ Holdings plc, acquired 100% of the share capital of Harlow Property Consultants Pty Limited and Harlow Property Management Limited ('Harlow'), a real estate business specialising in industrial and logistics properties, located in Sydney Australia. Consideration of AU \$1,000,000 (£423,000) was paid in cash with a maximum future deferred consideration payable of AU \$1,142,000 (£483,000) dependent upon performance.

On 10 July 2007, DTZ Debenham Tie Leung Limited, a 100% owned subsidiary of DTZ Holdings plc, acquired the business and assets of Donaldsons LLP ('Donaldsons'), a privately owned UK-based property consultancy. Initial consideration comprised £20,080,000 satisfied in cash and £19,511,000 satisfied by the issue of loan notes of which £9,167,000 has been converted into 1,685,110 shares. The deferred consideration comprises cash payable of £6,552,000, and shares to the value of £710,000.

On 29 July 2007, DTZ International Limited, a 100% owned subsidiary of DTZ Holdings plc, exercised an option to acquire an additional 50% in DTZ Sweden AB ('DTZ Sweden'). This brings the total interest in DTZ Sweden to 80%. Consideration paid comprised SEK 35,058,000 (£2,577,000) in cash along with the issuance of 140,577 shares (£744,000).

On 8 November 2007, DTZ International Limited, a 100% owned subsidiary of DTZ Holdings plc, acquired 100% of the share capital of JJ Barnicke Limited ('Barnicke'), Canada's largest independently owned full service commercial real estate services company. Initial consideration comprised CAD 18,615,000 (£9,709,000) and CAD 6,069,000 (£3,166,000) convertible into 743,507 shares. The deferred consideration comprises of CAD 2,591,000 (£1,352,000) to be paid over three years, with up to 40% allowed to be paid in the form of loan notes convertible into DTZ ordinary shares. A further payment of CAD 1,600,000 (£835,000) is payable to vendors contingent upon certain conditions being met.

The above transactions have been accounted for by the purchase method of accounting.

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16 Other investments – financial assets continued

	Harlow		Donaldsons		DTZ Sweden		Barnicke		Total
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000	Fair value £'000
Net assets acquired									
Property, plant & equipment	15	15	3,541	3,541	127	127	792	792	4,475
Intangibles	–	–	804	1,895	529	–	–	3,099	4,994
Other non-current assets	–	12	354	208	–	–	1	1	221
Trade and other receivables	295	162	21,005	19,370	2,091	1,369	7,714	6,984	27,885
Other current assets	–	–	4,969	1,648	–	–	–	268	1,916
Cash and cash equivalents	29	27	1,173	1,159	1,525	1,525	173	173	2,884
Bank loans and overdrafts	–	–	(9,843)	(9,843)	–	–	–	–	(9,843)
Trade and other current payables	(53)	(107)	(8,262)	(9,669)	(2,359)	(2,074)	(5,427)	(5,079)	(16,929)
Other current liabilities	–	–	(8,021)	(8,216)	(278)	(278)	–	–	(8,494)
Tax liabilities	(77)	(76)	–	–	–	–	–	–	(76)
Non-current payables	–	–	(1,544)	(1,712)	(559)	(559)	(257)	(257)	(2,528)
Net assets	209	33	4,176	(1,619)	1,076	110	2,996	5,981	4,505
Minority interest	–	–	1	1	(215)	(128)	(177)	(177)	(304)
	209	33	4,177	(1,618)	861	(18)	2,819	5,804	4,201
Preliminary goodwill		921		49,327		3,531		8,994	62,773
Total consideration		954		47,709		3,513		14,798	66,974
Total consideration									
Consideration satisfied by cash		423		20,080		2,577		9,709	32,789
Consideration satisfied by issuing shares and loan notes convertible into shares		–		19,511		744		3,166	23,421
Acquisition costs		48		856		–		571	1,475
Deferred consideration		483		7,262		–		1,352	9,097
Transfer from investments		–		–		192		–	192
		954		47,709		3,513		14,798	66,974
Net cash outflow arising on acquisition									
Cash consideration		(471)		(20,936)		(2,577)		(10,280)	(34,264)
Cash and cash equivalents acquired		27		1,159		1,525		173	2,884
		(444)		(19,777)		(1,052)		(10,107)	(31,380)
Net cash outflow after accounting for purchase of									
Minority interests									(1,701)
Other investments									(2,171)
Total									(35,252)

The preliminary goodwill arising on the acquisition of the above subsidiaries, which may be subject to amendment, is attributable to the anticipated future operating synergies from the combinations, and the anticipated profitability from the combined businesses. No intangible asset has been recognised in relation to employees acquired in the above transactions, as the Group has insufficient control over the expected future economic benefits arising from a team of skilled staff and from training for these items to meet the definition of an intangible asset.

Harlow contributed £466,000 revenue and an operating profit of £45,000 to the Group's profit before tax for the period between date of acquisition and 30 April 2008. Had the acquisition been completed on the first day of the current period, the estimated contribution to the Group would have been revenues of £602,000 and an operating profit of £105,000.

Donaldsons contributed £47,254,000 revenue and an estimated operating profit of £3,481,000 to the Group's profit before tax for the period between date of acquisition and 30 April 2008. Had the acquisition been completed on the first day of the current period, the estimated contribution to the Group would have been revenues of £58,854,000 and operating profit before tax of £4,881,000.

DTZ Sweden contributed £6,458,000 revenue and £417,000 to the Group's profit before tax for the period between date of acquisition and 30 April 2008. Had the acquisition been completed on the first day of the current period, the estimated contribution to the Group would have been revenues of £7,916,000 and operating profit before tax of £617,000.

Barnicke contributed £9,960,000 revenue and a loss of £413,000 (after associated financing costs) to the Group's profit before tax for the period between date of acquisition and 30 April 2008. Had the acquisition been completed on the first day of the current period, the estimated contribution to the Group would have been revenues of £23,585,000 and operating profit before tax of £2,850,000.

Also during the period the Group acquired additional minority interests in DTZ New Zealand Limited (34%) and the remaining minority interest in DTZ Austria (14%), DTZ Russia – Donaldsons (40%), DTZ Turkey – Donaldsons (40%) and DTZ Germany – Donaldsons (20%). Goodwill arising from other acquired interests resulted in a further increase to goodwill of £3,641,000. Additional deferred consideration is payable in relation to the New Zealand minority interest purchase of £28,000.

17 Trade and other receivables

	Group		Company	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Non-current				
Other	51	80	–	–
Current				
Fees receivable	125,264	88,896	–	–
Allowance for doubtful debts	(7,023)	(2,801)	–	–
Net fees receivable	118,241	86,095	–	–
Amounts owed by subsidiaries	–	–	126,640	66,551
Loans	4,788	26	–	–
Other debtors	12,635	6,266	–	–
Prepayments and accrued income	15,551	18,766	–	–
	151,215	111,153	126,640	66,551

Fees receivables

Total fees receivable (net of allowances) held by the Group at 30 April 2008 amounted to £118,241,000 (2007: £86,095,000).

The Group has provided fully for all receivables over eight months because historical experience is such that receivables that are past due beyond eight months are generally not recoverable. Fees receivable between one month and eight months are provided for based on estimated irrecoverable amounts determined by reference to past default experience.

Ageing of past due but not impaired receivables

	2008	2007
	£'000	£'000
Up to 3 months	25,064	25,190
3 to 6 months	10,532	4,564
Over 6 months	5,810	1,299
Total	41,406	31,053

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17 Trade and other receivables continued

	2008 £'000	2007 £'000
Movement in the allowance for doubtful debts		
Balance at the beginning of the period	(2,801)	(1,618)
Provision for impairment losses recognised	(5,579)	(1,443)
Amounts written off as uncollectible	(79)	(85)
Amounts recovered during the year	1,811	333
Foreign exchange translation differences	(375)	12
Balance at the end of the period	(7,023)	(2,801)

The carrying amounts of the Group's fee receivables are originated from the following geographic regions

	2008 £'000	2007 £'000
UK & Ireland	52,655	42,905
EMEA (excluding UK & Ireland)	41,477	27,740
Asia Pacific	16,683	15,239
The Americas	7,426	211
	118,241	86,095

The concentration of credit risk is limited due to the customer base being large, unrelated and internationally dispersed. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts. The current year increase in the allowance for doubtful debts is a result of the growth in revenues and through acquisitions during the period.

	2008 £'000	2007 £'000
Ageing of impaired fee receivables		
Up to 3 months	(10)	(66)
3 to 6 months	(53)	(19)
Over 6 months	(6,960)	(2,716)
Total	(7,023)	(2,801)

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

18 Trade and other payables

	Group		Company	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Current				
Other loans	4,238	6,657	–	–
Amounts payable to subsidiaries	–	–	1	487
Taxation and social security	17,453	14,359	–	–
Trade creditors, accruals and deferred income	140,883	101,118	3,363	–
	162,574	122,134	3,364	487
Non-current				
Trade creditors, accruals and deferred income	5,797	4,556	1,030	857
Amount payable to subsidiaries	–	–	900	900
	5,797	4,556	1,930	1,757

Trade and other payables are non-interest bearing. The Directors consider that the carrying value of all financial liabilities approximates to their fair value.

19 Provisions

	Deferred consideration £'000	Accom- modation provision £'000	Total £'000
Current			
Group			
At 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 2007/1 May 2007	2,314	384	2,698
Deferred consideration on acquisition in year	7,134	–	7,134
Profit and loss charge	293	23	316
Transfer from non-current	2,315	–	2,315
Applied	(7,010)	–	(7,010)
Foreign currency translation differences	284	–	284
At 30 April 2008	5,330	407	5,737
Company			
At 1 May 2006	–	–	–
At 30 April 2007/1 May 2007	–	–	–
Transfer from non-current	2,833	–	2,833
Applied	(1,416)	–	(1,416)
At 30 April 2008	1,417	–	1,417
Non-current			
Group			
At 1 May 2006	8,149	841	8,990
Deferred consideration on acquisition 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 2007/1 May 2007	8,718	–	8,718
Deferred consideration on acquisitions in year	1,990	–	1,990
Reduction in deferred consideration	(5,199)	–	(5,199)
Acquired with subsidiary	–	239	239
Profit and loss charge	65	–	65
Transfer to current	(2,315)	–	(2,315)
Foreign currency translation differences	(46)	–	(46)
At 30 April 2008	3,213	239	3,452
Company			
At 1 May 2006	4,250	–	4,250
Applied	(1,417)	–	(1,417)
At 30 April 2007/1 May 2007	2,833	–	2,833
Transfer to current	(2,833)	–	(2,833)
At 30 April 2008	–	–	–

The opening deferred consideration balance relates to the prior year acquisitions of Hodnett Martin Smith Limited, Grosvenor Hickey Tindale Pty Limited, Edmund Tie & Company Limited and DTZ Rockwood. Current year additions relate to the deferred consideration associated with the acquisitions of DTZ Barnicke, Donaldsons LLP, Harlow Property Consultants and Harlow Property Management. Current year reductions relate to the release of the provision for deferred consideration for DTZ Rockwood.

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19 Provisions continued

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

20 Bank loans and overdrafts

	Group		Company	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Current				
Bank loans	12,096	750	12,096	750
Bank overdrafts	1,503	1,190	–	–
	13,599	1,940	12,096	750
Non-current				
Bank loans	62,867	23,861	62,867	23,861
	62,867	23,861	62,867	23,861
Amount due for settlement within 12 months	13,599	1,940	12,096	750
Amount due for settlement after 12 months	62,867	23,861	62,867	23,861
	76,466	25,801	74,963	24,611

The other principal features of the Group's borrowings are as follows

- (i) Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts is approximately 5.25% (2007: 7.36%) per annum.
- (ii) The Group has three principal bank facilities:
 - a A loan facility of US\$35,000,000, £17,659,000 (2007: £17,515,000) secured on certain current and non-current assets of the Group. This loan was advanced in full on 9 May 2006 and is due for repayment in two equal instalments on 9 May 2010 and 9 May 2011. The Group hedges 50% of the loan via an interest rate swap exchanging floating rate interest for fixed rate interest. At 30 April 2008, the bank loan carries a floating interest rate of 3.98% (2007: 5.36%), and a fixed interest rate of 5.48%.
 - b A loan facility of HK\$229,350,000, £14,851,000 (2007: £14,671,000) secured on certain current and non-current assets of the Group. The initial loan was advanced on 27 April 2007, and a subsequent draw down took place on 1 August 2007 with a total drawdown of HK\$152,502,098, £9,875,000 (2007: HK\$99,201,000, £6,346,000) and is due for repayment in four equal annual instalments commencing 16 March 2009. At 30 April 2008, the bank loan carries a floating interest rate of 2.91% (2007: 3.41%) on amount drawn down in year ended 30 April 2007, and 3.05% for amounts drawn down in current year.
 - c A loan facility of £70,000,000 (2007: £nil) secured on certain current and non-current assets of the Group. The initial loan of £30,000,000 was advanced on 13 September 2007, subsequent draw downs took place on 7 November 2007 (£10,554,000) and 28 February 2008 (£6,875,000) and is due for repayment in ten equal semi-annual instalments commencing 31 October 2008. The bank loan accrued interest at floating rates of 4.75%-6.68% (2007: nil %) at 30 April 2008. The Group hedges part of the sterling denominated interest exposure by swapping part of the floating rate debt to fixed rates for the full term of the loan.

The weighted average interest rates paid during the year were as follows

	2008 £'000	2007 £'000
Bank overdrafts	5.25%	7.36%
Bank loans	5.17%	5.93%

Available committed bank facilities

At 30 April 2008, the Group had available undrawn facilities of £22,571,000 under the £70,000,000 facility and a further HK\$76,848,000 (2007: HK\$130,149,000), £4,976,000 (2007: £8,326,000) available under the HK\$ facility.

DTZ Rockwood - breach of credit facility agreement

During the current year, DTZ Rockwood, a joint venture in which DTZ has a 50% interest, was in breach of its credit facility agreement. At 30 April 2008, the overdraft was US\$4,773,000 (£2,408,000) with £1,204,000 being reflected in these accounts. The breach was in relation to the financial covenants and repayment of the facility. Subsequent to year end, this facility has been renegotiated with the Signature Bank of New York. The breach occurred due to DTZ Rockwood's underlying poor trading performance for the year ended 30 April 2008.

21 Financial instruments

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 20, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 23 to 24.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Categories of financial instruments

	Carrying value	
	2008 £'000	2007 £'000
Financial assets		
Held -to-maturity investments		
Other investments – financial assets	537	1,133
Loans and receivables (including cash and cash equivalents)		
Trade and other receivables (non-current)	51	80
Trade and other receivables (current)	151,215	111,153
Cash and cash equivalents	42,773	49,798
	194,039	161,031
Financial liabilities		
Derivative instruments in designated hedge accounting relationships		
US\$ interest rate swap	(578)	(197)
Sterling interest rate swap	(455)	–
	(1,033)	(197)
Amortised cost		
Bank loans and overdrafts (current)	(13,599)	(1,940)
Bank loans and overdrafts (non-current)	(62,867)	(23,861)
	(76,466)	(25,801)

Financial risk management objectives

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. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Foreign currency risk management

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.

The net amount of monetary assets and liabilities and the carrying value of financial liabilities at 30 April 2007 and 30 April 2008 denominated in currencies other than the functional currencies of the operations involved were not significant.

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21 Financial instruments continued

The net cash and cash equivalents held is as follows

	April 2008				April 2007			
	Cash and cash equivalents	Bank overdrafts	Bank loans £'000	Net cash and cash equivalents £'000	Cash and cash equivalents	Bank overdrafts	Bank loans £ 000	Net cash and cash equivalents £'000
Euro	19,282	–	–	19,282	20,808	–	–	20,808
Chinese Yuan	4,516	–	–	4,516	–	–	–	–
Sterling	2,922	–	(36,875)	(33,953)	14,024	–	(750)	13,274
Hong Kong\$	1,250	–	(9,875)	(8,625)	6,366	–	(6,346)	20
Singapore\$	7,401	–	–	7,401	5,141	–	–	5,141
US\$	2,183	(1,204)	(17,659)	(16,680)	1,449	(1,190)	(17,515)	(17,256)
Canadian\$	293	(299)	(10,554)	(10,560)	–	–	–	–
Australian\$	1,638	–	–	1,638	1,197	–	–	1,197
Others	3,288	–	–	3,288	813	–	–	813
	42,773	(1,503)	(74,963)	(33,693)	49,798	(1,190)	(24,611)	23,997

At 30 April 2008, if the Euro had weakened / strengthened by 10% against Sterling with all other variables held constant, post-tax profit for the year would have been £640,000 lower / £782,000 higher (2007 £369,000 lower / £451,000 higher) Net assets would have been £640,000 lower / £782,000 higher (2007 £369,000 lower / £451,000 higher)

At 30 April 2008, if the US\$ had weakened / strengthened by 10% against Sterling with all other variables held constant post-tax profit for the year would have been £83,000 lower / £101,000 higher (2007 £192,000 lower / £235,000 higher) Net assets would have been £83,000 lower / £101,000 higher (2007 £192,000 lower / £235,000 higher)

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. 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.

If interest rates had been 1% higher / lower and all other variables were held constant, the Group's profit for the year ended 30 April 2008 would decrease/increase by £357,000 (2007 decrease/increase by £150,000)

The Group's exposure to interest rates on financial assets and liabilities are detailed in the liquidity risk management section of this note.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate held.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swap is 3 month LIBOR. The Group will settle the difference between the fixed and floating interest rate on a net basis. All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings.

The fair value of the US\$17,500,000 swap at 30 April 2008 is estimated at US\$1,145,000, £578,000 (2007 US\$393,000, £197,000) and has a maturity date of 9 May 2011.

The fair value of the £30,000,000 swap at 30 April 2008 is estimated at £455,000 and has a maturity date of 1 May 2013.

Both interest rate swaps have been designated and deemed 100% effective as cash flow hedges allowing the fair value to be deferred in equity. At 30 April 2008, the fair value deferred in equity for interest rate swaps was £837,000 (2007 £197,000).

Credit risk management

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.

Liquidity risk management

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. Included in note 20 is a description of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

2008	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Bank loans and overdrafts	(13,599)	(12,237)	(42,133)	(8,498)
Trade and other payables	(162,574)	(2,127)	(1,724)	(1,946)
	(176,173)	(14,364)	(43,857)	(10,444)
2007	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Bank loans and overdrafts	(1,940)	(1,586)	(11,930)	(10,345)
Trade and other payables	(122,134)	(442)	(1,766)	(2,348)
	(124,074)	(2,028)	(13,696)	(12,693)

22 Convertible loan notes

The convertible loan notes were issued in connection with the acquisition of Donaldsons LLP on 10 July 2007 at an issue price of £5.44 per note.

The net proceeds received from issue of the convertible loan notes have been allocated between the liability element and an equity component, representing the fair value of the option to cover the liability into equity of the Group as follows:

	£'000
Proceeds of issue of convertible loan notes	
Equity component	924
Liability component at date of issue	9,471
Interest charged	540
Interest paid	-
Liability component at 30 April 2008	10,011

23 Called-up share capital

	Number	£'000
Authorised ordinary shares of 5 pence		
At 1 May 2007 and 30 April 2008	68,000,000	3,400
Allotted and fully paid ordinary shares of 5 pence		
At 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 2007/1 May 2008	57,296,002	2,865
Shares issued for cash in exchange for options exercised	181,874	9
Shares issued in connection with acquisition of a subsidiary	1,825,687	91
Shares issued in connection with acquisition of a joint venture	105,965	5
At 30 April 2008	59,409,528	2,970

Total market value for the shares issued in exchange for options exercised was £263,000 (2007: £429,000). Total market value for shares issued in connection with the acquisition of a subsidiary was £9,911,000 (2007: £18,475,000). Total market value for shares issued in connection with the acquisition of a joint venture was £660,000 (2007: £3,974,000).

The DTZ Holdings plc 1997 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

Financial Statements continued

23 Called-up share capital continued

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 2008 (2007 nil).

The DTZ Holdings plc 1987 Executive Share Option Scheme

Under the DTZ Holdings plc 1987 Executive Share Option Scheme, no executives of the Group companies held options at 30 April 2008 (2007 nil) over ordinary shares.

Reconciliation of option movements over the year to 30 April 2008 is shown below

	2008		2007	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at 1 May	–	–	5,000	76.5
Exercised	–	–	(5,000)	76.5
Outstanding at 30 April	–	–	–	–
Exercisable at 30 April	–	–	–	–

Following the AGM on 10 September 1997, the above scheme was replaced by the DTZ Holdings plc 1997 Company Share Option Plan ('the 1997 COSOP') and no further options will be granted under this scheme.

The DTZ Holdings plc 1997 Company Share Option Plan ('the 1997 COSOP')

The purpose of the 1997 COSOP is to give certain senior employees of the Group the opportunity to acquire shares in the Company on favourable terms. Under the 1997 COSOP, options over ordinary shares outstanding as at 30 April 2008 were 719,724 (2007 963,498).

	Option period	Exercise price	Number of shares 30 April 2008	Number of shares 30 April 2007
1 July 1998	1 July 2001 to 30 June 2008	105.0p	10,000	10,000
30 June 1999	30 June 2002 to 29 June 2009	126.5p	15,000	15,000
6 July 2000	6 July 2003 to 5 July 2010	161.5p	25,000	30,000
31 July 2000	31 July 2003 to 30 July 2010	158.0p	10,000	10,000
13 July 2001	13 July 2004 to 12 July 2011	162.5p	15,000	20,000
18 July 2002	18 July 2006 to 17 July 2012	108.5p	15,000	15,000
11 July 2003	11 July 2007 to 10 July 2013	89.5p	30,000	80,000
23 January 2004	23 January 2007 to 22 January 2014	135.0p	6,125	6,125
16 July 2004	16 July 2007 to 15 July 2014	165.5p	111,252	239,002
16 July 2004	16 July 2007 to 15 July 2011	165.5p	1,874	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	287,203	319,371
7 July 2005	7 July 2008 to 6 July 2012	229.5p	62,797	63,129
19 January 2006	19 January 2009 to 18 January 2016	468.0p	6,410	6,410
19 January 2006	19 January 2009 to 18 January 2013	468.0p	45,000	50,000
18 July 2006	18 July 2009 to 17 July 2016	650.0p	63,455	72,855
18 July 2006	18 July 2009 to 17 July 2013	650.0p	1,622	1,622
			719,724	963,498

Reconciliation of option movements over the year to 30 April 2008 is shown below

	2008		2007	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at 1 May	963,498	237.9	1,372,021	171.4
Forfeited/expired	(61,900)	297.1	(65,000)	182.4
Exercised	(181,874)	144.4	(418,000)	101.7
Granted	–	–	74,477	650.0
Outstanding at 30 April	719,724	256.4	963,498	237.9
Exercisable at 30 April	268,237		186,125	

The exercise of share options under the 1997 COSOP is subject to earnings per share performance targets

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 1997 COSOP

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 2006 COSOP')

The purpose of the 2006 COSOP is to give certain senior employees of the Group the opportunity to acquire shares in the Company on favourable terms. Under the 2006 COSOP, options over ordinary shares outstanding as at 30 April 2008 are 86,565 (2007 52,633)

	Option period	Exercise price	Number of shares 30 April 2008	Number of shares 30 April 2007
22 January 2007	22 July 2010 to 21 July 2017	725.0p	2,758	2,758
30 January 2007	30 July 2010 to 29 July 2017	690.5p	47,250	49,875
5 July 2007	5 January 2011 to 4 January 2018	522.5p	29,827	–
11 October 2007	11 April 2011 to 10 October 2018	445.8p	6,730	–
			86,565	52,633

Reconciliation of option movements over the year is shown below

	2008		2007	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at 1 May	52,633	692.0	–	–
Forfeited/expired	(4,625)	617.9	(2,625)	690.5
Exercised	–	–	–	–
Granted	38,557	508.9	55,258	692.0
Outstanding at 30 April	86,565	614.6	52,633	692.0
Exercisable at 30 April	–	–	–	–

The exercise of share options under the 2006 COSOP is subject to earnings per share performance targets

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23 Called-up share capital continued

Fair value of options at grant dates are

Grant date	Fair value (p)
22 January 2007	226 5
30 January 2007	215 1
5 July 2007	170 1
11 October 2007	133 3

Fair value of options

Options for the 1997 COSOP and 2006 COSOP 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 39 to 46

The Co-investment Plan is available to a Group of approximately 20 (2007: 21) Senior Executives including the Executive Directors. The maximum number of shares awarded in 2008 is 127,711 (2007: 109,939) 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 Co-investment Plan are classified as equity settled. The expense recognised in respect of these awards was £103,000 (2007: £246,000).

Six (2007: 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 2008 was 186,868 (2007: 103,412). The fair value of the shares under the Long Term Incentive 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 £409,000 (2007: £231,000).

24 Reconciliation of movement in equity

	Called-up share capital £'000	Share premium account £'000	Retained earnings £'000	Equity reserves £'000	Other reserves £'000	Minority interest £'000	Total £'000
Group							
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 2007/1 May 2007	2,865	39,008	62,384	–	2,159	5,693	112,109
Shares issued for cash in exchange for options exercised	9	254	–	–	–	–	263
Shares issued in connection with acquisition of a subsidiary	91	9,820	–	–	–	–	9,911
Shares issued in connection with acquisition of a joint venture	5	655	–	–	–	–	660
Equity component of convertible loan notes issued in connection with acquisition	–	–	–	874	–	–	874
Interest charge on equity component of convertible loan notes	–	–	–	50	–	–	50
Purchase of shares for Employee Benefit Trust	–	–	–	(4,022)	–	–	(4,022)
Employee share options	–	–	–	–	155	–	155
Recognised income and expense	–	–	(4,258)	–	6,567	3,984	6,293
Equity dividends paid	–	–	(6,473)	–	–	–	(6,473)
Dividend paid to minority interest	–	–	–	–	–	(3,470)	(3,470)
Movement in minority interest	–	–	–	–	–	1,229	1,229
30 April 2008	2,970	49,737	51,653	(3,098)	8,881	7,436	117,579

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24 Reconciliation of movement in equity continued

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Equity reserves £'000	Other reserves £'000	Minority interest £'000	Total £'000
Company							
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 2007/1 May 2007	2,865	39,008	11,783	–	(666)	–	52,990
Shares issued for cash in exchange for options exercised	9	254	–	–	–	–	263
Shares issued in connection with acquisition of a subsidiary	91	9,820	–	–	–	–	9,911
Shares issued in connection with acquisition of a joint venture	5	655	–	–	–	–	660
Profit for the year	–	–	4,414	–	–	–	4,414
Equity dividends paid	–	–	(6,473)	–	–	–	(6,473)
Foreign exchange translation	–	–	–	–	(752)	–	(752)
30 April 2008	2,970	49,737	9,724	–	(1,418)	–	61,013

Included in consolidated reserves is an amount of £21,407,000 (2007 £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		Company	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Capital commitments contracted for but not provided in the financial statements	463	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

	2008		2007	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Non-cancellable operating leases are payable as follows				
Within one year	24,461	6,771	15,164	3,621
Within two to five years	76,554	10,060	40,259	4,117
After five years	65,926	151	46,333	25

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 clauses, 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 ('Bernard Thorpe Annuitants').

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 ('2002 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 2008 was 6.3% pa (2006/07 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 2007.

The amount of contributions paid to the 2002 Plan during 2007/08 was £0.8 million (2006/07 £0.9 million) and these are not expected to materially change in 2008/09.

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 2008	30 April 2007	30 April 2006	30 April 2005
Retail price inflation	3.6% pa	3.0% pa	3.0% pa	2.8% pa
Discount rate	6.2% pa	5.5% pa	5.2% pa	5.3% pa
Pension increases in payment				
5% or inflation	3.5% pa	3.0% pa	3.0% pa	2.6% pa
2½ % or inflation	2.3% pa	2.2% pa	2.2% pa	2.2% pa
General salary increases	3.6% pa	3.0% pa	3.0% pa	2.8% pa
Life expectancy of male aged 60 at balance sheet date	26.8 yrs	26.7 yrs	26.6 yrs	26.5 yrs

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 2008 £m	30 April 2007 £m	30 April 2006 £m	30 April 2005 £m
Present value of defined benefit obligation	47.9	47.8	49.4	43.9
Fair value of assets	(46.8)	(46.1)	(43.5)	(35.9)
Liability recognised in the balance sheet	1.1	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 the Bernard Thorpe Annuitants is as follows:

	Bernard Thorpe Annuitants			
	30 April 2008 £m	30 April 2007 £m	30 April 2006 £m	30 April 2005 £m
Present value of defined benefit obligation	2.5	2.8	3.1	3.0
Fair value of assets	-	-	-	-
Liability recognised in the balance sheet	2.5	2.8	3.1	3.0

Financial Statements continued

27 Retirement benefit obligations continued

The amounts recognised within finance income in the profit or loss are as follows

	2002 Plan		Bernard Thorpe Annuitants	
	2008 £m	2007 £m	2008 £m	2007 £m
Employer's part of current service cost	0.3	0.3	–	–
Interest cost	2.6	2.5	0.1	0.1
Expected return on assets	(2.9)	(2.8)	–	–
Total expense included in profit or loss	0.0	0.0	0.1	0.1

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

	2002 Plan		Bernard Thorpe Annuitants	
	2008 £m	2007 £m	2008 £m	2007 £m
Opening defined benefit obligation	47.8	49.4	2.8	3.1
Employer's part of current service cost	0.3	0.3	–	–
Interest cost	2.6	2.5	0.1	0.1
Contributions from members	0.1	0.1	–	–
Actuarial gains	(1.7)	(2.8)	(0.3)	(0.2)
Benefits paid	(1.2)	(1.7)	(0.2)	(0.2)
Closing defined benefit obligation	47.9	47.8	2.4	2.8

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

	2002 Plan		Bernard Thorpe Annuitants	
	2008 £m	2007 £m	2008 £m	2007 £m
Opening fair value of the assets	46.1	43.5	–	–
Expected return on assets	2.9	2.8	–	–
Actuarial (losses)/ gains	(1.8)	0.6	–	–
Contributions by the employer	0.7	0.8	–	–
Contributions by members	0.1	0.1	–	–
Benefits paid	(1.2)	(1.7)	–	–
Closing fair value of assets	46.8	46.1	–	–

The amount recognised outside profit or loss in the statement of recognised income and expense for 2008 for the 2002 Plan is a loss of £0.1 million (2007: gain of £3.4 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 £0.3 million (2007: gain of £0.2 million).

The actual return on the 2002 Plan's assets over the year was £1.1 million (2007: £3.4 million).

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

	30 April 2008	30 April 2007	30 April 2006	30 April 2005
Equity instruments	41%	53%	59%	61%
Debt instruments	59%	47%	41%	39%
	100%	100%	100%	100%

	2002 Plan			
	30 April 2008 £m	30 April 2007 £m	30 April 2006 £m	30 April 2005 £m
Present value of defined benefit obligation	47.9	47.8	49.4	43.9
Fair value of assets	(46.8)	(46.1)	(43.5)	(35.9)
Deficit	1.1	1.7	5.9	8.0

	Bernard Thorpe Annuitants			
	30 April 2008 £m	30 April 2007 £m	30 April 2006 £m	30 April 2005 £m
Present value of defined benefit obligation	2 5	2 8	3 1	3 0
Fair value of assets	-	-	-	-
Deficit	2 5	2 8	3 1	3 0

	2002 Plan				Bernard Thorpe Annuitants			
	2008 £m	2007 £m	2006 £m	2005 £m	2008 £m	2007 £m	2006 £m	2005 £m
Experience adjustments on assets								
Amount of loss/ (gain)	1 8	(0 6)	(5 7)	(0 8)	-	-	-	-
Percentage of assets	4%	(1%)	(13%)	(2%)	-	-	-	-
Experience adjustments on liabilities								
Amount of gain	-	-	-	(0 3)	(0 3)	(0 2)	-	(0 1)
Percentage of the present value of the liabilities	-	-	-	(1%)	(13%)	(7%)	-	(3%)

In accordance with the transitional provisions for the amendments to IAS19 in December 2004, the disclosures above are determined prospectively from the 2005 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 £12,535,000 (2007 £9,734,000)

Financial Statements continued

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 Peda Consulting Limited	Consultancy	100*	EMEA
DTZ International Limited	Holding company	100*	EMEA
DTZ Corporate Finance Limited	Property advisers	100*	UK
DTZ Management Services Limited	Property advisers	100*	UK
DTZ Insurance Services Limited	Property advisers	100*	UK
DTZ Investment Management Limited	Property advisers	100*	UK
Incorporated in France			
Financiere DTZ Jean Thouard SA	Property advisers	100	France
Incorporated in Germany			
DTZ Deutschland 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 Inmobiliarios Internacionales SA	Property advisers	100	Spain
Incorporated in Austria			
DTZ Austria GmbH	Property advisers	100	Austria
Incorporated in Australia			
DTZ Australia 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 company	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	83**	New Zealand
Incorporated in Canada			
DTZ Barmicke Limited	Property advisers	100	Canada
Incorporated in Sweden			
DTZ Sweden AB	Property advisers	80	Sweden

	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
DTZ Australia (Gold Coast) Pty Limited	Property advisers	25***	Australia
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 £522,000 (2007 £688,000) to companies on which two Board members sit as Non-Executive Directors. Two subsidiary companies lease, on an arm's-length basis, offices at an annual rent of £191,000 (2007 one company £135,000), from a company controlled by one of each subsidiaries' Executive Directors. A subsidiary company pays an annual software user licence fee of £31,000 (2007 £nil), on an arm's length basis, to a company controlled and owned by two of the subsidiaries' Executive Directors.

The Group had outstanding loans to certain joint venture and associated companies totalling £4,708,000 (2007 £779,000) as at 30 April 2008. All of these loans are on commercial terms.

Our joint venture partners have made loans to DTZ Rockwood, at 30 April 2008, our 50% share reflected in creditors amounted to £1,873,000 (2007 £1,000,000).

Prior to the acquisition of DTZ Pacific Holdings, a Director loaned money to that company, at 30 April 2008 this amount was repaid in full (2007 £2,980,000 remained outstanding).

30 Share price

The mid-market price of the shares at 1 May 2007 and 30 April 2008 was 595.5 pence and 215.0 pence respectively. The share price during the year ranged from 204.25 pence to 624.5 pence.

Financial Statements continued

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				IFRSs
	2004 £'000	2005 £'000	2006 £'000	2007 £'000	2008 £'000
Revenue	166,255	194,441	232,369	310,262	446,309
Operating profit before exceptional items	8,910	16,726	23,184	32,151	16,395
Profit on ordinary activities before taxation and exceptional items	11,024	20,603	29,661	37,961	20,613
Exceptional items	–	–	–	3,834	(15,052)
Profit on ordinary activities before taxation	11,024	20,603	29,661	41,795	5,561
Profit/ (loss) on ordinary activities after taxation	5,676	12,821	20,201	28,735	(274)
Basic earnings/ (loss) per ordinary share	10.81p	24.75p	37.87p	49.38p	(7.65)p
Basic earnings per ordinary share before exceptional items	10.81p	24.75p	37.87p	44.35p	17.56p
Dividends per ordinary share (net)					
Interim	2.25p	2.50p	2.75p	3.50p	3.50p
Final	4.25p	5.00p	7.00p	8.00p	3.00p*
Year end share price	161.5p	199.5p	643.0p	596.0p	215.0p
Total assets	108,682	139,309	178,635	287,875	386,753
Net assets	48,355	45,386	65,542	112,109	117,579
Earnings before interest, taxation, depreciation and amortisation before exceptional items ('adjusted EBITDA')	16,999	24,015	31,951	41,775	30,204
Earnings before interest, taxation, depreciation and amortisation ('EBITDA')	16,999	24,015	31,951	45,609	15,152
Net cash / (debt)	6,628	13,981	30,357	23,997	(33,693)

Analysis of earnings before interest, tax, depreciation and amortisation

	2004 £'000	2005 £'000	2006 £'000	2007 £'000	2008 £'000
Profit on ordinary activities before taxation	11,024	20,603	29,661	41,795	5,561
Net finance expense/(income)	198	267	(289)	763	2,478
Depreciation and amortisation	5,777	3,145	2,579	3,051	7,113
EBITDA	16,999	24,015	31,951	45,609	15,152
Exceptional items	–	–	–	(3,834)	15,052
Adjusted EBITDA	16,999	24,015	31,951	41,775	30,204

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

To be paid on 12 September 2008 if approved at the AGM on 4 September 2008 to the shareholders on the register at the close of business on 15 August 2008.
The ex-dividend date is 13 August 2008.

Shareholder analysis

As at 30 April 2008

Shareholders by size	Number of holdings	%	Balance as at 30 April 2008	%
1-500	1,122	50.54	241,235	0.41
501-1,000	236	10.63	189,744	0.32
1,001-5,000	460	20.72	1,177,452	1.98
5,001-10,000	122	5.50	865,844	1.46
10,001-50,000	159	7.16	3,680,242	6.19
50,001-100,000	47	2.12	3,364,004	5.66
100,001-500,000	52	2.34	10,688,936	17.99
500,001-1,000,000	10	0.45	6,378,599	10.74
1,000,001 and over	12	0.54	32,823,472	55.25
Total	2,220	100.00	59,409,528	100.00

Financial statements

Financial Statements continued

Financial calendar

AGM

Thursday 4 September 2008 – 11 00 am at One Curzon Street, London W1A 5PZ

Reporting

Interim Management Statement	4 September 2008
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Half year to 31 October 2008	December 2008
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Interim Management Statement	March 2009
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Full year to 30 April 2009	July 2009
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Company Secretary
Philip Cook

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Deloitte & Touche LLP
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Clifford Chance LLP

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