



13 July 2010

DTZ Holdings plc
(‘DTZ’ / ‘Group’ / ‘Company’)

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 APRIL 2010

DTZ Holdings plc, a major global real estate adviser, today announces its preliminary results for the year ended 30 April 2010.

Financial Highlights

- Strong performance, at top end of market expectations
- Return to profitability on an operating basis; Group profit before tax and exceptional items at £3.6m (2009: loss of £35.1m)
- Exceptional items of £26.5m (2009: £44.6m) resulted in a loss before tax of £22.9m (2009: loss of £79.7m)
- Adjusted EBITDA of £16.4m (2009: loss: £21.8m)
- Group revenue marginally down by 2.2 per cent to £356.0m (2009: £364.1m)
- Revenue from continuing operations increased by 1.5 per cent to £351.4m (2009: £346.3m)
- Revenue performance reflects continuing challenging market conditions
- Significantly strengthened balance sheet; cash and cash equivalents increased 33.9 per cent to £50.6m (2009: £37.8m); net debt reduced to £47.5m (2009: £50.8m)

Operational Highlights

- Far-reaching strategic review and restructuring programme completed, delivering cost savings of over £75m, greater and sooner than initial expectations
- Strong performance from Asia Pacific business with revenues up 24.1 per cent to £98.5m (2009: £79.4 million) and operating profit pre-exceptionals of £8.7m (2009: loss of £7.2m), a positive swing of £15.9m; region now Group’s second largest market by revenue
- First ever full year operating profit pre-exceptionals of £0.5m (2009: loss of £6.6m) from The Americas
- Strong contribution from Occupational and Development Markets business, with revenue increasing by 7.1 per cent to £118.5m (2009: £110.6m)
- Significant growth in the Investment Agency business with revenues up 19.8 per cent to £46.6m (2009: £38.9m).

Outlook

- Business reshaped and positioned for growth; DTZ well placed to compete in markets where it chooses
- Focus on delivering profitable organic growth and improving margin performance; near-term regional focus on UK and China, along with capturing growth opportunities from our annuity businesses
- Well placed to meet challenges and take advantage of opportunities market presents in this financial year and beyond
- Signs of improvement in several key markets, although with global economic uncertainty remaining, Group remains cautious.

Commenting on the results, Paul Idzik, Group Chief Executive, said:

“The year has been one of encouraging progress for DTZ. We have restored profitability on an operating basis and begun to see tangible benefits from our restructuring programme, the results of which are now firmly embedded in our business. Together with our strengthened balance sheet we are well positioned entering the new financial year.

“Looking forward, while our focus is on the profitable growth of the business, we are conscious there remains considerable economic uncertainty and geopolitical risk around the world and our outlook remains cautious.”

Forward looking statements

This document may contain certain forward looking statements. By their nature forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes of results expressed or implied by such forward looking statements.

Any forward looking statements made by or on behalf of DTZ speak only as at the date they are made and no representation or warranty is given in relation to them, including as to their completeness for accuracy or the basis on which they were prepared. DTZ does not undertake to update forward looking statements to reflect any changes in DTZ's expectations with regard thereto or any changes in events, conditions or circumstance on which any such statement is based.

Information contained in this document relating to the Company should not be relied upon as an indicator of future performance

For further information contact:

DTZ Holdings plc

Donal McCarthy, Head of Group Communications

E-mail: donal.mccarthy@dtz.com

Direct Tel: +44 (0)20 3296 3474

Sophie Morton, Group Communications Manager

E-mail: sophie.morton@dtz.com

Direct Tel: +44 (0)20 3296 3480

Blythe Weigh Communications

Tel: + 44 (0)20 7138 3204

Tim Blythe

E-mail: tim.blythe@blytheweigh.com

Mobile: 07816 924626

Paul Weigh

E-mail: paul.weigh@blytheweigh.com

Mobile: 07989 129658

Notes to editors

DTZ is a leading global real estate adviser with a team of over 10,000 people operating under the DTZ brand across 148 cities in 43 countries providing solutions for clients around the world. Its client-focused activities range from high quality capital market solutions, to cutting-edge occupier-led property services and advice. The comprehensive service offering across UK and Ireland, Continental Europe, Middle East & Africa (CEMEA), Asia Pacific and The Americas is based upon detailed local knowledge backed by first-class research. With its full-service expertise spanning all real estate sectors, DTZ offers a global solution to meet each client's particular property-related investment and business needs. The parent company, DTZ Holdings plc, has been quoted on the London Stock Exchange since 1987. www.dtz.com

Chairman's Statement

While the economic and market environment of the past 12 months continued to pose challenges, the year for DTZ as a business has been a good one - a year of significant corporate progress and one which has seen us return to profitability on an operating level.

This time last year I spoke about the important steps management had begun, and would continue to take, to transform DTZ into a more competitive, responsive and ultimately profitable business. While we would not conclude this work is complete, that we have made major advancements in achieving these aims is indisputable.

Results

In light of the varying degrees of recovery we saw across our markets during the year it is encouraging to report that revenue for the year ended 30 April 2010 declined by only 2.2 per cent to £356.0 million (2009: £364.1 million).

The success of the Group's restructuring programme can be seen in the significant improvement in our operating results, where the Group made a profit before tax and exceptional items of £3.6 million (2009: loss £35.1 million).

After exceptional items the Group reported a loss before tax of £22.9 million (2009: loss £79.7 million).

Further details of the results, exceptional charges and the Group's cash position are given in the Financial Review.

The Board continues to believe it is in the best interests of the Group to continue to maintain the strength of its balance sheet, and therefore has decided not to declare a final dividend. The total dividend for the year is therefore nil (2009: nil).

Restructuring

During the year we completed the Group's far-reaching restructuring programme and are pleased with the significant benefits in terms of cost savings and improved efficiencies which these actions have delivered. The Group now operates with increased proficiency, clear reporting lines and vastly improved information systems, ensuring management decisions are informed, timely and operationally enhancing.

We will of course continue to review the business in line with our strategy and ensure it is appropriately matched to market conditions.

Management

Last year when I reported the creation of the Group's Executive Committee, which is responsible for the day to day running of the Company, I referred to one more appointment that remained to be filled. I am pleased to report that since the year end, Menno Maas has joined DTZ as our Chief Executive Officer for CEMEA and completes the membership of this committee. Menno has over 25 years' real estate experience and was latterly CEO of ING Real Estate Development.

Board Changes

On behalf of the Board, I would like firstly to thank Peter Stone, who retired from the Group's Board this year after nine years in his role as an Independent Non-Executive Director. The Group has benefitted greatly from the work, support and advice he provided over the years.

Secondly, I would like to welcome Lorraine Baldry to the Board as an Independent Non-Executive Director. Lorraine brings with her extensive knowledge and experience from across the real estate sector and is a current Board member of the Olympic Delivery Authority and Chairman of its Planning Committee.

Board Governance

The recent global economic crisis has highlighted more than ever the necessity of ensuring effective corporate governance within an organisation, and the Board of DTZ takes this very seriously. More detail is provided in the

Corporate Governance report, but we have a well-balanced Board including effective involvement from representatives of our majority shareholder who are well aware of their responsibilities to all shareholders, a committee structure which ensures the proper degree of attention to the key issues confronting the Group, and a thorough process of evaluation which assures us that the Board structure is working effectively and flexibly. Additionally, the Board has considered carefully the need to appoint a Senior Independent Director and concluded that Lorraine Baldry, who joined the Board on 1 April 2010, should be nominated as Senior Independent Director once she has had the opportunity to acquaint herself fully with the Company.

Employees

On behalf of the Board and senior management I would like to thank each and every person at DTZ for the important role they have played in getting the Company to where it is today - back on track and well positioned for the future.

As well as continuing to deliver the exceptional client service for which we are renowned, our employees also helped us to reduce our cost base through their support of the temporary reduction to staff remuneration packages. Both of these factors contributed to our much improved results for this financial year. As originally planned, these temporary measures will expire this summer and I would like to put on record our gratitude and thank our employees for their participation.

Looking forward, we recognise that the ongoing success of the business relies on retaining our top talent, and we are therefore committed to rewarding our employees around the world for their contributions with a clear emphasis on recognising outperformance. Further, we will continue the work we have begun over the last 12 months to introduce and refine performance aligned reward programmes and selectively invest in the way we manage and grow our teams.

Outlook

The last financial year has undoubtedly been a year in which DTZ has made much progress.

We ended the year with a stronger balance sheet, an enviable brand, exceptional client relationships, and a talented and committed workforce.

From this strong position we must now look to the future, turning our attention to the profitable growth of the business. Despite the considerable economic uncertainty which remains around the globe, and the varying degrees of recovery across the markets in which we operate, we feel that, whilst remaining cautious, the progress that we have made over the past year leaves us well placed to meet the challenges, and take advantage of the opportunities, that we expect to face in the current financial year and beyond.

Tim Melville-Ross
Group Chairman
13 July 2010

Chief Executive's Review

The past 12 months have been a productive time for DTZ. Although conditions remain challenging in many of our key markets, we restored profitability on an operating basis and the tangible benefits from our recent restructuring are now embedded in the business and have positioned us well for future growth.

Certain results of that restructuring such as lowered staff costs and improved operating margins were of course a priority at the time. However, of equal importance then, and what matters even more as we move forward, is how the restructuring has made the firm better positioned to deliver results for our clients. I am specifically referring to the fact that DTZ increasingly operates today with a 'one firm' approach, working across our service lines to deliver responsive, creative solutions to clients' real estate needs in all of our markets across the globe. This change is key and will make a real difference to the business in the years to come.

Performance

Revenues for the financial year ended 30 April 2010 reduced slightly by 2.2 per cent to £356.0 million (2009: £364.1 million). However, after normalising for the effect of discontinued or disposed entities, the Group grew revenues by 1.5 per cent to £351.4 million (2009: £346.3 million) on a like for like basis.

As a result of the significant cost reduction programme undertaken we delivered a small profit before tax and exceptional items of £3.6 million (2009: loss £35.1 million). After exceptional items and before tax we reported a loss of £22.9 million (2009: loss £79.7 million).

Despite the continuing uncertainty during the year in many of our markets, we benefited from our strong market positions across Asia Pacific and especially in China. Indeed, led by China, the Asia Pacific region delivered strong revenue growth and a robust performance. Interestingly, the growth trajectory in China is having a positive impact on one of its biggest regional trading partners, Japan, where we also enjoyed a good year in our Occupational & Development Markets and Investment Agency businesses.

In the UK & Ireland, we saw increasing activity in the investment and occupier markets, led by Central London.

CEMEA continued to face challenging conditions throughout the year, but Paris stood out as an exception and remained an investment alternative to London.

In Canada, a country that has come through the financial crisis relatively unscathed, our business has remained in good shape.

Strategic Review and Restructuring

The strategic review and restructuring programme we started back in 2008 is now complete and I am pleased to report that we have managed to achieve cost savings of over £75 million. Of that amount, circa £55 million came from structural staff cost savings and over £20 million from savings in operating expenses.

There are three important points to be made about the restructuring:

First, DTZ professionals never allowed the inherent demands of the initiative to distract from the continuing objective of being the 'best in class' in delivering tangible results for our clients.

Second, we not only exceeded our initial cost reduction targets, we also delivered them ahead of schedule.

Finally, the restructuring should be seen as part of a deep-rooted and enduring approach, not as a 'one-off' exercise. As we look to achieve sustainable profitability we will be constantly reviewing the shape of the business to ensure that it is fit for our clients both geographically and by service line. This flexibility will allow us to meet our clients' evolving requirements - a good example is our expansion into Vietnam.

Corporate Development

Today the Group has also announced its intention to purchase the remaining 20 per cent of DTZ Asset Management Europe SAS which it does not already own. Asset management is a key business for DTZ and an area we have highlighted as a growth priority. If the proposed acquisition is approved by DTZ's shareholders, DTZ Asset Management Europe SAS will become a wholly owned subsidiary of the Group.

The Market and DTZ

In 2009, the two major markets which bucked the trend of continuing declines in real estate transaction volumes were the UK and Asia Pacific. These are DTZ's two strongest markets.

In the UK, where investors were attracted by the depreciation in sterling as well as the depth and sophistication of the market, transaction volumes were flat compared to the previous year, according to DTZ Research. Quite remarkable, considering that transaction volumes globally were down 35 per cent year-on-year.

The UK was also able to attract capital from international investors at a time when global cross border flows were down nearly 60 per cent year-on-year. For a business such as ours, which thrives on transactional activity, the performance of the UK in tough economic conditions is heartening.

The picture becomes even brighter when you consider that the only region showing growth in cross-border flows was Asia Pacific - a region where we hold a dominant market share among non-domestic firms and where we continue to invest. Our ability to facilitate the movement of that capital and then advise on the execution of a transaction is one of the many reasons why the 'one firm' approach is so essential to the future of DTZ.

As we look to the future, we are seeing the early signs of those cross-border flows spreading out further afield than just London. In 2009, the market saw activity from institutional investors in Asia targeted, in addition to London, at Paris and Berlin. While we expect European activity to slowly pick up in the coming year, it will in all likelihood be focused on those countries with higher credit ratings such as France and Germany, where we also have well established and strong businesses. Those Eurozone countries struggling under the weight of huge budget deficits will have a harder time attracting investment capital.

We also have grounds for optimism in the amount of new equity capital available to offset the debt funding gap - the gap created when the amount of a loan available to refinance a commercial property is less than the original loan itself. DTZ Research estimates that in Europe alone there is €116 billion of such capital available to European real estate over the next two years. As the banks continue tightening their loan to value ratios, we believe increasing pressures on both equity investors and lenders will result in a greater urgency to find effective and creative solutions and create transactions.

In Asia Pacific, where we hold a dominant share of the market among non-domestic firms, we expect that by 2011 China will have overtaken Japan as the second largest real estate market in the world. Our decision during the year to extend our Investment Management business to Asia Pacific is a clear sign of our confidence in that market.

Strategy

The long-term strategic objectives of DTZ have not changed. By taking a 'one firm' approach in everything we do, we intend to become the best real estate services firm for our clients, in every market where we choose to operate. We will look to provide sustainable returns for our shareholders, and will do so by fostering a culture for our staff that is both dynamic and rewarding.

At the start of our 2009/10 financial year, we indicated that growing market share organically in those markets that offered the best prospects would be a priority for us. In order to lay the foundation for that growth, we completed a strategic review of our operations that led us to exit a small number of loss-making and non-strategic areas and to focus our investments into more attractive markets.

We are already seeing the results of our focused efforts in those chosen markets, demonstrated by the significant growth in revenues in China and the growth of our Investment Management business which won four new mandates during the

year collectively totalling £510.0 million. These allocations taken together with existing Assets under Management would represent £2.0 billion of funds under management or a 40 per cent increase.

At the same time, we made a number of senior hires focused on driving growth during the year that allowed us to significantly enhance our client offering in certain parts of the world. They included Hans Vrensen as Global Head of Research and David Schaefer as Head of the Investment Management business in Asia Pacific. Additionally, recent appointments in our North Asia business have targeted the fast-growing domestic and international requirements of major Chinese businesses and included a Head of Valuation and an Occupier Services team, focusing on exporting Chinese occupational business overseas, once again capitalising on our cross border capabilities.

A second strategic priority for last year was the completion of our firm-wide strategic review and restructuring. As I mentioned earlier in my review this is now complete. It delivered the desired cost reduction and was brought in ahead of schedule.

Our final strategic priority for the year was the continued build-out of a global operating platform to support the 'one firm' approach at DTZ. Alongside increasing efficiencies, we wanted to provide the necessary infrastructure to facilitate more cross-selling among service lines and more cross-border teamwork on behalf of clients for whom that is becoming more important.

While work continues, we have begun to see the initial benefits of more timely and accurate financial information, more uniform HR processes, and better client relationship management information.

As we look ahead to the current financial year, we have identified three strategic priorities which build on our progress to date. Overarching all these priorities is our commitment to attract, retain and develop the best talent in the industry in order to drive the business forward.

First, we intend to pursue sustainable profitable organic revenue growth in all markets in which we operate, but specifically those markets where we see the most viable opportunities – in the near-term China and the UK, and from our annuity businesses, Investment & Asset Management and Property Management. Alongside these primary targets, as opportunities arise to leverage opportunities from our global transactional businesses we will, of course, continue to act on these.

We believe our strength in China coupled with its strong growth, capital flows and rapidly expanding commercial real estate market, merits special consideration for strategic investment moving forward.

Just as importantly we will target investment capital for the UK - a market that is already seeing initial signs of recovery and one in which we have a very strong regional presence.

Among our service lines, we intend to investment in our Property Management business where we believe an enhanced offering will improve value to clients and our margins. Meanwhile our award winning Investment & Asset Management business has also been targeted for investment as a way to further propel growth.

However, we will not pursue any opportunity simply for the sake of it; nor do we intend to disrupt our progress toward growth with an opportunity that could be distracting. The objective to ultimately expand our pre-tax profit margins will guide any investment decision.

Our measure of the success of this strategy will be how well we deliver consistent growth in revenues coupled with improving pre-tax profits.

The second strategic priority for the year will be the continuation of our cost containment initiatives, ensuring the cost conscious culture put in place in the last financial year endures into the future. At the same time, we will adopt a 'fit for purpose' cost ethic that focuses investment to drive a positive impact on our revenue generating capabilities.

We have given ourselves some aggressive targets by which to measure our success against this strategy. Over the cycle we intend to reduce our staff costs to revenue ratio to 60 per cent - a target that betters our historical norms. In the same vein, having this year reached our 30 per cent target for non-staff costs to revenue ratio, we intend to reduce this further.

Our final strategic priority entails deepening our current client relationships by delivering the benefits of the 'one firm' approach to which I repeatedly refer. This approach is already being welcomed by clients in a variety of ways – by the ease with which they can work with DTZ through one contact; by the knowledge that if they have a requirement arising on a local or global scale, this will be dealt with seamlessly; and by knowing that the moment an initial instruction moves beyond a particular service line, the entire breadth of knowledge and experience across DTZ can be quickly and efficiently brought to bear.

We will measure our success in strengthening our client relationships by the growth in the number of clients from whom the Group derives revenues in excess of £0.5 million per annum.

Summary

Having returned to profitability at an operating level, our main strategic priority for the coming year and beyond has to be to focus on driving revenue growth, while expanding our pre-tax profit margins, which in turn will enable us to deliver improved shareholder value.

Our management model remains very clear and DTZ professionals globally know what is expected of them; they are on the front foot in delivering world-class client service levels and new business mandates. Together we have achieved a great deal over the past 12 months for our clients and shareholders, and as we look to the future, and the long term success of the Company, I am confident that we can maintain this momentum to continue building a highly profitable business of which we can all be proud.

Whatever satisfaction DTZ takes from its efforts over the past year, we realise we have just begun the journey to become the best firm in the real estate services industry.

Paul T. Idzik
Group Chief Executive
13 July 2010

OPERATING REVIEW

Occupational & Development Markets

Our Occupational & Development Markets business provides advice and transaction support to occupiers, landlords, and developers. During the year, as the Group undertook its own restructuring, the team advised clients who were also adjusting to more difficult market conditions. Through working closely with clients, tailoring solutions to meet their specific requirements, the business was able to grow revenues to £118.5 million (2009: £110.6 million).

UK & Ireland

Due to a combination of factors including pent-up demand and very favourable leasing opportunities, the office sector in central London experienced an increase in take-up which exceeded market expectations. As a result of that activity, DTZ retained a top two position by number of transactions.

Outside of London, the business turned its attention to occupiers, helping them take advantage of favourable market conditions – for instance larger corporate occupiers are now looking at sizeable Grade A properties as a way to consolidate workforces and achieve business efficiencies.

In the industrial and logistics sector, occupiers were consolidating their supply chains, while landlords were impacted by a severe reduction in requirements and pressure from existing tenants to re-gear existing leases on more favourable terms. Notwithstanding this, DTZ advised on approximately 375 transactions comprising over eight million sq ft of space.

In the retail sector, uncertainty over already constrained consumer spending patterns translated into a variety of pressures. However, at the same time there were some positive signs in the market, including a stabilisation of insolvencies and the resumption of bank lending.

In response to these events, the retail business performed well, working proactively with clients and sensing where the market was heading. For example, the team focussed attention on landlords as they sought to retain existing tenants offering attractive, but prudent packages to protect occupancy levels.

CEMEA

Our business in CEMEA advised on instructions totalling 30.5 million sq ft of office space and retained top three positions in several key markets, including Amsterdam, Berlin, Paris, and Warsaw during the year.

Our teams were proactive in meeting the needs of occupiers as they sought to consolidate, renegotiate leases or secure better quality space.

Asia Pacific

In the one region that remained economically robust last year, the Occupational & Development Markets business delivered a very strong performance.

As DTZ continues building its Chinese operation, this business is expected to play a major role in that expansion as the development of China's second and third tier urban centres will lead to an increase in demand for advisory services.

Outside of China, the team also had a busy year. In Australia, it advised on three of the largest transactions in the country, while in India DTZ acted in a tenant representative capacity to a number of major global clients. Finally, in South East Asia, the team secured several major new mandates in Singapore and Thailand.

The Americas

For the majority of the past 12 months in Canada tenants were 'right-sizing' their office accommodation and taking advantage of softer rental conditions to upgrade to better quality space.

While bank financing was restricted during the height of the crisis, Canadian lending institutions are now in a much better position to provide liquidity for developers and investors going forward.

Global Corporate Services

As the team which serves as the gateway into DTZ for large multi-national corporations, our Global Corporate Services (GCS) business provides clients with one point of contact for all their occupational needs.

This year saw the GCS team increasingly focus on providing multi-disciplinary real estate solutions, playing to the firm's strength as a global all round service provider. Consequently, in fulfilling the requirements of its global mandates, the team worked closely with clients and DTZ specialists from across the business including project management, consulting, agency and property management.

Summary

By being quick to adapt to the changing market conditions and by taking the necessary steps to remain close to its clients, the Occupational & Development Markets business is ideally situated to build on its strong performance when markets return to greater levels of activity.

Professional Services

The environment in the global real estate markets played to the strengths of our Professional Services business which delivered a solid performance during the year, delivering revenues of £93.7 million (2009: £94.4 million).

The Professional Services business, which comprises our property and facilities management teams alongside our building consultancy and project management departments, advises two different client groups; investors and corporate occupiers.

Investors, faced with pressure from lenders, prioritised the need to maintain cash flow, retain occupiers, and minimise non-recoverable costs during the year. In addition, investors' lenders are now insisting on documentation and management reports that demonstrate both transparency and efficiency.

Corporate occupiers have in the past two years seen ample opportunity to improve their positioning with owners in terms of rents and lease terms. That opportunity has translated into a strong flow of business for DTZ.

For both sets of clients, our 'Maximo' operations system, which electronically manages all aspects of our facilities management offering and has just completed its first full year of operation, meets the client demand for an efficient use of a wide variety of data such as health and safety, sustainability, third party contracts and performance indicators.

UK & Ireland

With the economic environment now stabilised relative to two years ago, the business is taking advantage of the opportunities summarised above as well as the continuing client drive to outsource.

In order to improve value, it was only natural that corporate clients would turn to the outsourcing of their real estate management needs. DTZ has stepped into the frame in a way that should generate a sustainable source of income in the future with a strong focus on margins.

Our Sustainability business serves clients in several ways: fulfilling their legal and regulatory requirements, helping them to achieve or improve the green nature of their holdings, as well as ensuring that their portfolio holdings are positioned correctly for the day when a value will be placed against the carbon costs of those holdings.

The heightened awareness of environmental issues within the global real estate market has enabled the Sustainability business at DTZ to grow its revenues significantly.

CEMEA

In CEMEA our team had a very busy year; particularly supporting retail clients. DTZ was involved in the opening of 20 new shopping centres predominantly located in Germany, Poland, the Czech Republic, and Slovakia. While the overall economic climate in Europe remains uncertain, the retail pipeline remains relatively robust.

Asia Pacific

In China, our Professional Services business continues to perform well and is the largest non-domestic real estate management firm operating in China. The business is now embarking on a two-pronged strategy to expand its offering and further develop its market position.

First, it has targeted second- and third-tier population centres which were previously served primarily by domestic Chinese real estate companies. With these centres experiencing rapid growth and the accompanying demand for good quality office, retail, and industrial space, the team has moved quickly to meet that demand. This past year alone, property management teams were involved in assignments for 960 million sq ft of space in over 60 Chinese cities. It is expected that further services will be provided as these smaller population centres continue maturing.

Secondly, the expertise that DTZ has developed in the UK & Ireland and CEMEA as a leading real estate adviser to the retail industry is supporting this momentum in China. The key driver behind our focus here is the strong demand for consumer goods in China, which is evidenced by the fact that in major urban centres, such as Shanghai, prime retail land is almost entirely occupied and the annualised growth rate of sales in consumer goods is approximately 13 per cent.

Summary

Professional Services has demonstrated its ability to evolve to support changing client needs. As markets improve and equilibrium returns in the relationship between landlords and tenants, the business is poised to capture market opportunities.

Valuation

The performance of the Valuation business, closely linked to global transaction levels, typically lags behind the rest of the real estate market by six to 12 months. That time lag, coupled with continuing uncertainty in the sector, negatively impacted its performance last year with revenues standing at £60.7 million (2009: £74.1 million).

With greatly reduced business flows from its traditional client base of portfolio and strategic investors, the business responded by pursuing new opportunities in those parts of the market that were still active, namely distressed debt investors, bank work-out groups, and court-appointed receivers. Its overall revenues also benefited from a solid performance by the business in Asia Pacific.

UK & Ireland

After two years of steady, downward pressure, the Valuations business started to see a recovery in property values in the middle of last year that translated into an increase in activity at the prime end of the market, although this was concentrated mainly in central London. As supply outpaced demand, particularly in central London, the first capital flows back into the market came from institutional investors and opportunity funds.

While the initial interest was in prime property stock, that interest broadened to other areas of the market with the return of investors looking for enhanced yields.

At the same time while overall lending volumes remained significantly depressed from pre-crisis levels, there are signs of some initial lending activity which will have a direct positive impact on the business.

It is also expected that there will be a marked pick-up in activity working with lenders and investors to retrieve capital through the direct sale of properties, transfer of debt, introduction of joint venture partners or through some form of

insolvency process including the appointment of LPA receivers. The level of those appointments has been subdued up until now because of the limited opportunity for lenders to exit properties at acceptable levels.

Outside receivership appointments, activity has improved in the amount of valuation work being undertaken on behalf of banks and loan service providers seeking advice regarding distressed real estate portfolios. This business is being undertaken as part of a broader pan-DTZ effort that includes our investment agency, building consultancy, and property management teams.

CEMEA

The CEMEA market remained a challenging one for the Valuations business last year as regional economic uncertainty greatly reduced transaction flows.

Adding to the challenges presented by the market are the methodological approaches toward valuing properties that exist within different national real estate markets. In order to address those differences and improve operating margins, Valuations began migrating during the year towards a regional service line approach in the way it manages its business and advises international clients. The global funds and institutions we advise continue to focus on centralising management and risk functions, cross-border assignments, and require coordination across multiple countries, but with a single reporting line back to the client. This is becoming a larger part of our offering and our own internal structure means we are well positioned to advise and service clients requiring this type of delivery.

Asia Pacific

Along with its strong core business of providing valuations for mortgages and financing, the year saw heightened activity around the equity capital markets. In particular, DTZ was an active valuer of companies preparing for flotation on the Hong Kong Stock Exchange, completing 13 assignments.

There is also an expectation that Real Estate Investment Trusts (REITs) will be launched in mainland China soon, which we anticipate will create substantial opportunities for the business.

Summary

By being proactive and innovative, Valuations compensated for the lower transaction volumes by reaching out to opportunistic investors in the real estate market. With that stream of business expected to remain, and if markets continue to recover, Valuations will be well positioned for the upcoming years.

Investment Agency

Our Investment Agency business advises on the acquisition and disposal of commercial real estate. While the investment markets continued to show varying degrees of recovery during the year, there was undoubtedly a pick-up in the UK, driven by activity in central London and across Asia Pacific, driving revenues to £46.6 million (2009: £38.9 million) - a commendable performance.

There were two overarching trends within the Investment Agency business over the past 12 months. First, there was a marked increase in cross-border flows, predominantly for traditional core markets. After two years of moribund markets, investors were much more willing to look outside their own regions to add to their real estate portfolios. Secondly, the flow of investment into property markets only reached significant levels after institutional investors, who had been on the sidelines, recognised the diversification and yield enhancement that was now on offer within the real estate asset class.

UK & Ireland

After an extended period of uncertainty, the London market improved throughout the year, based on a combination of built-up local demand and overseas capital looking for safe, but potentially productive, opportunities. The first client group to conclude that the market had over-corrected were opportunistic local buyers, followed by UK institutional investors and overseas buyers. Investment Agency, with its close ties to local markets and its ability to leverage DTZ offices in CEMEA and Asia Pacific, was ideally positioned to capitalise on these flows.

Looking ahead, there are tentative signs of increased activity in the rest of the UK & Ireland. Strategic transactions that had been suspended during the market turmoil are now starting to be revived and overseas financial investors are looking beyond London to take advantage of buying opportunities.

CEMEA

Although there have been some slight signs of improvement, the overall trading environment in CEMEA remains challenging, and has been recently exacerbated by new uncertainties surrounding the Eurozone.

The only strong exception within CEMEA is Paris, where there has been an increase in occupier and investment activity – international investors have turned their attention to Paris as an alternative to London, but like London are suffering from a lack of investment opportunities.

Looking ahead a potential bright spot for the region is the interest being shown by Asian investors who see Europe at the bottom of a market cycle and an opportunity to diversify their portfolios and enhance their yield through select buying opportunities.

Asia Pacific

The robust economic growth in this region allowed DTZ to continue to cement its presence throughout the major markets it serves, including China, and retain its top three position across the entire region.

Although the year started slowly, the second quarter saw a return of activity, which continued throughout the remainder of the year. As a result DTZ brokered or advised on some of the largest sales in Shanghai, Tokyo, Taipei, Singapore, and Sydney, while in China it maintained its dominant position advising on more than 50 per cent of all significant investment agency deals.

The Americas

In Canada, the troughs that other geographies experienced were not quite as pronounced. At the same time, the recovery of the markets in Canada should be quicker given the relative health of its fundamental economics and the strength of its banking system.

The past 12 months ended on an optimistic note as Canadian REITs returned to the market with new money and an appetite for properties with good cash flows and sustainable yields.

Summary

While we remain cautious, if the market recovery around the world continues, the corresponding increase in transactional activity should bode well for Investment Agency. Its ability to outperform the market and thereby capture more revenues will be dependent on its ability to tap into the cross border capabilities of the global DTZ network.

Investment & Asset Management

Predominantly comprising DTZ's Investment Management and Asset Management businesses, which provide discretionary and non-discretionary property investment acquisition and management services, the teams have remained active throughout the year winning some major new clients as we began to see the return of pension funds and other institutional investors to the real estate space.

During the 2009/10 financial year, DTZ Corporate Finance was also reported as part of this service line. The reduction in revenues from the Investment & Asset Management business is attributed to a restructuring of the Corporate Finance business to better focus on profitable revenue generation and the exit from Rockwood. As a result, revenue for the year fell to £13.8 million (2009: £18.1 million). Since the year end the corporate team has moved out of the Investment & Asset Management business and going forward will be reported as part of our Investment Agency division.

DTZ Investment Management

DTZ Investment Management is a London based investment management team focussing on both direct property portfolios and portfolios of funds.

From a low in early 2009, investor sentiment changed abruptly in the UK at about the financial half-year. Institutional and retail capital returned quickly to the market as investors saw relative value in property investing. This weight of capital coupled with the general recovery in risk asset valuations has driven a 15 per cent recovery in capital values since July 2009 and DTZ Investment Management has enjoyed great success in expanding existing long-term client mandates and helping new clients gain exposure to the market. To this effect during the year the team won four new mandates collectively totalling £510.0 million, comprising a mix of existing assets and new money to be invested.

The business continued its long track record of market outperformance on its fully discretionary managed portfolios, averaging 200 bps per annum or more than the market on a 1, 3, 5, and 10 year basis. This continued solid performance saw DTZ Investment Management receive the IPD / IPF Investment Award for the best risk-adjusted 10-year return of any UK managed fund for a fourth year running. This is the eleventh performance award our Investment Management business has won in the ten years since the IPD has been publishing these results.

The team now manages £1.5 billion of property assets in the UK, plus a further £0.5 billion of new allocations from existing and new clients (2009: £1.4 billion of assets under management).

Our Investment Management business continues to be a priority growth area for the Group, and investment in high quality talent has continued to meet this expansion. The development of our Asia Pacific investment management platform is a key component of our growth strategy. David Schaefer joined the business during the year to lead the establishment of DTZ Investment Management in Asia and to broaden the institutional client base of DTZ Investment management.

DTZ Asset Management

DTZ Asset Management is a Paris based business providing acquisition, financing, asset enhancement and disposal services to a broad range of institutional investors from around the globe. The team advises on a diverse range of property portfolios in France, Germany, Belgium and Italy.

During the financial year, DTZ Asset Management enjoyed a period of continued growth and won new mandates totalling €450 million. The gross assets under management was €3.6 billion as at April 2010 (2009: €3.5 billion). While the cyclical decline in property valuations adversely impacted the transaction volumes in this financial year, the track record and reputation of DTZ Asset Management places our business well to deliver top line and bottom line growth.

The growth of the asset management business in existing and new geographies, as well as the broader application of our asset enhancement skills to deliver property portfolio restructuring solutions or assist banks in managing assets repossessed from distressed debtors, is a key strategic priority for DTZ.

During the financial year, DTZ Asset Management won the award for Best European Property Manager from European Pensions.

DTZ Corporate Finance

During the year the Corporate Finance business continued to be restructured with the objective of improved financial performance. While this resulted in lower revenue realisation, the restructuring has led to improved risk profile around this business and rationalised the cost base.

Consulting & Research

During the year, DTZ's Consulting & Research business felt the impact of the overall slowdown in markets and generated revenues of £22.6 million (2009: £27.9 million) for the year to 30 April 2010.

Challenging market conditions and declining market demand for our UK development consulting services, exacerbated by pre-election uncertainty in the UK, contributed to the reduction in revenues.

However, while overall revenues were down, performance improved in our UK corporate/occupier consulting business and in certain of our Asia Pacific and CEMEA markets, reflecting the more robust market environment and the recognised strength of our consulting services.

Alongside servicing its own client base, the Consulting business also acts as the well spring for the intellectual and analytical capabilities of the firm. The business plays a crucial role in supporting and deepening existing client relationships as well as consistently generating cross-selling opportunities to other service lines within the Group.

Consulting

With nearly 300 consultants worldwide, DTZ is one of the largest global property consultancies, and this depth of expertise is a key differentiator for the Group.

Our service offering features two key elements; development consulting and corporate/occupier consulting. We advise clients from across the private and public sectors, providing a comprehensive consulting service, from strategy definition and the development of business and funding plans to programme management and delivery.

Despite the development market slowdown, our development consultancy team has been proactive in guiding clients through the uncertainty in both economic recovery and real estate markets. Our advice spans the full development cycle from master plan through to end delivery, and the team is appointed on some high profile instructions. For example, DTZ has developed a unique expertise in the commercial development around rail hubs with engagements last year in Europe and Asia Pacific. To date, the team has advised on the redevelopment of more than 250 metro and rail stations around the world.

The Middle East continues to provide our development teams with exciting instructions working on various projects across the region as countries there seek to bolster their infrastructure and diversify their economies. While in Asia-Pacific, where markets continue on a growth trajectory, our Consulting business has been active in advising on issues such as the development of Central Business Districts (CBDs) and new cities.

Finally our expertise in brownfield sites continues to win us new work. During the year we advised numerous clients on how best to exit from, or identify more productive use of, surplus land and buildings located around these sites. DTZ has developed an enviable track record of originating and executing such brownfield divestment strategies and in Europe alone has advised on 50,000 acres of brownfield development over the last five years.

The second specialist area within our Consulting business is our corporate/occupier consultancy which advises clients on the alignment of their corporate portfolios to their business objectives. In a continuing trend, our team was active during the year advising occupiers seeking to rationalise their cost base and transform their businesses. Indeed, in 2009 DTZ provided strategic advice to occupiers on over 32.1 million sq ft of real estate.

Research

Through its well respected publications and market commentators, DTZ's Research forms a major component of DTZ's public voice. Its other major value to the Group lies in the insight it provides to clients across the firm. The team tracks the performance of markets, provides forecasts of key indicators and delivers industry-leading insights on the implication of future trends.

During the year, DTZ's researchers around the globe published quarterly coverage on property markets in 30 countries and over 60 cities. This was supplemented by DTZ Research's annual report series which includes *Money into Property*, our flagship publication for investors, and *Global Occupancy Costs: Offices and Obligations of Occupation*, our flagship publication for occupiers.

DTZ Research operates as one global team with a local presence across DTZ's markets, complemented by a global forecasting and strategy team. Acting as an independent research house it provides its own views and conclusions on real estate markets around the world.

FINANCIAL REVIEW

Introduction

The 2009/10 financial year saw challenging conditions remain in many of our markets. However, as a result of the far-reaching restructuring programme which continued throughout the year, the Group is pleased to report a significant improvement in its operating results, delivering a profit before tax and exceptional items of £3.6 million, having made an equivalent loss of £35.1 million in 2008/09. EBITDA has improved to a loss of £3.2 million (2009: loss £66.4 million). EBITDA adjusted to exclude the effect of exceptional items moves to a profit of £16.4 million (2009: loss £21.8 million). This is a clear demonstration of the success of our actions against the background of a challenging market and despite a small decline in revenues to £356.0 million (2009: £364.1 million). After normalising for the effect of discontinued or disposed entities, the Group's revenue rose by 1.5 per cent to £351.4 million (2009: £346.3 million).

The improvements we have made to our financial controls and systems have been embedded across our business and are now part of our everyday existence. They provide a bedrock for our financial planning and enable the Company to move forward with greater clarity and confidence.

Completion of strategic review and restructuring

As reported last year, the Group has been undertaking a strategic review of its operations to identify ways of enhancing the profitability and margins of the core business.

The strategic review is now complete and as a result we have reduced headcount and exited a small number of loss making and non-strategic businesses, while continuing to ensure our client coverage remains uninterrupted.

We originally stated our expectation was to achieve at least £50 million in cost savings by 30 April 2010 from these measures. We have in fact greatly exceeded that target achieving cost savings of over £75 million. Of that amount, circa £55 million came from structural staff cost savings and over £20 million from savings in operating expenses.

The main actions resulting from our strategic review of the business during the year were: the sale of our 50 per cent interest in Rockwood in the United States; the closure of our operation in Russia, where DTZ now operates under a franchise agreement with its partner in Kazakhstan, and the sale of our business in New Zealand. During the year, we also acquired the remaining 20 per cent minority interest in our business in Sweden as part of our strategy to fully own our core operations. Following year-end, we have also today announced the proposed acquisition of the remaining 20 per cent of DTZ Asset Management Europe SAS that we do not own. These actions, together with our strengthened balance sheet, have positioned the Group for future profitable growth as markets recover.

As a result of our restructuring programme we incurred exceptional charges of £26.5 million (2009: £44.6 million). Of these £13.8 million relate to cash costs incurred or provided for during the year and £12.7 million are non-cash charges.

While the strategic review and resulting restructuring are now complete, and we do not envisage significant changes to our geographic footprint, we will remain flexible and continue to ensure the business is appropriately sized for market conditions. Further, where market conditions support it, we will invest in our business to ensure we are well placed to benefit from areas where we see increasing and sustainable levels of activity.

Of the £356.0 million of revenue, £4.5 million is attributable to discontinued operations (2009: £17.7 million) giving an adjusted revenue of £351.4 million (2009: £346.3 million) an increase of 1.5 per cent in the year.

Results

Summary of the Group's income statement:

	2010 £m	2009 £m
Revenue	356.0	364.1
Profit/(loss) before taxation and exceptional items	3.6	(35.1)
Exceptional items:		
Restructuring costs	(14.9)	(17.3)
Impairments	(0.3)	(27.3)
Disposal of Russia and New Zealand	(4.4)	-
Refinancing costs	(6.9)	-
Loss before tax	(22.9)	(79.7)
Basic loss per share	(9.60)p	(82.75)p
Earnings/ (loss) per share adjusted to exclude exceptional items	0.74p	(40.29)p

Revenue

Despite difficult trading conditions, overall our business performed well during the year and benefitted from an improved strategic focus and the reduction in our cost base. As part of our management reorganisation, during the year, we divided the 'Capital Markets' service line into Investment Agency and Investment & Asset Management and these businesses are reported separately in our Operating Review. This new structure reflects our reporting and management structures and will help investors gain additional clarity on our business.

In a robust performance by the Group - in light of the ongoing challenging economic conditions and varying degrees of recovery displayed by our markets - revenue declined by only 2.2 per cent to £356.0 million (2009: £364.1 million). It is a testament to our client facing teams and the trust our clients have in DTZ that we were able to deliver this revenue while simultaneously undertaking such a fundamental restructuring of the business.

Foreign currency movements also had a significant impact on our results. On an underlying, constant currency basis, our revenue decreased to £343.3 million - a decline of £20.7 million or 5.7 per cent.

The table below shows an analysis of revenue by geography and service line:

	2010						2009					
	UK & Ireland £m	CEMEA ¹ £m	Asia Pacific £m	The Americas £m	Total £m	%	UK & Ireland £m	CEMEA ¹ £m	Asia Pacific £m	The Americas £m	Total £m	%
Occupational & Development Markets	37.1	28.1	34.7	18.6	118.5	33.3	45.2	31.4	22.0	12.1	110.6	30.4
Professional Services	50.7	26.2	16.8	-	93.7	26.3	53.1	24.4	16.9	-	94.4	25.9
Valuation	22.8	17.6	20.4	-	60.8	17.1	30.4	23.4	20.3	-	74.1	20.3
Investment Agency	16.9	7.0	21.0	1.7	46.6	13.1	10.6	8.9	13.8	5.6	38.9	10.7
Investment & Asset Management	4.8	9.0	-	-	13.8	3.9	7.8	9.1	0.1	1.1	18.1	5.0
Consulting & Research	13.4	3.6	5.6	-	22.6	6.3	15.8	6.0	6.2	-	28.0	7.7
Total	145.7	91.5	98.5	20.3	356.0	100.0	162.7	103.2	79.4	18.8	364.1	100.0

¹ 'CEMEA' - Continental Europe, Middle East and Africa, previously reported as EMEA - excluding UK & Ireland

In the UK & Ireland revenues decreased to £145.7 million (2009: £162.7 million).

Our CEMEA business delivered revenues of £91.5 million (2009: £103.2 million), a decrease of 11.3 per cent, reflecting the challenging markets.

Our Asia Pacific business showed strong growth with revenues up 24.1 per cent to £98.5 million (2009: £79.4m). Asia Pacific is now our second largest market after the UK & Ireland, contributing 27.7 per cent to the Group's total revenue.

Despite the sale of DTZ Rockwood which contributed £4.5 million of revenues in the prior year, The Americas region, which is predominately comprised of DTZ Barnicke, our Canadian business, reported a growth in revenues of £1.6 million to £20.3 million.

Noteworthy performances from our services lines include a 19.8 per cent increase in revenues to £46.6 million (2009: £38.9 million) by our Investment Agency business and a 7.1 per cent increase in revenues to £118.5 million (2009: £110.6 million) from our Occupational & Development Markets business. The reduction in revenues from our Investment & Asset Management business is attributed to a restructuring of our Corporate Finance unit to better focus on profitable revenue generation and our exit from Rockwood. Further detail on the performance of our services lines can be found in the Operating Review.

Costs

	2010			2009		
	Total costs pre exceptional items	Exceptional items	Total costs after exceptional items	Total costs pre exceptional items	Exceptional items	Total costs after exceptional items
	£m	£m	£m	£m	£m	£m
Staff costs	240.9	10.1	251.1	269.4	12.1	281.4
Other costs	100.8	9.5	110.3	119.3	32.5	151.8
Depreciation	7.6	-	7.6	8.4	-	8.4
	349.4	19.6	369.0	397.1	44.6	441.6

Costs before exceptional items decreased by £47.7 million (12.0 per cent) to £349.4 million (2009: £397.1 million). This is attributable to the Group's restructuring programme, including the sale of the Group's 50 per cent interest in DTZ Rockwood, redundancies and lower incentive compensation payments.

During the period staff costs declined by £28.5 million or 10.6 per cent. The number of directly employed staff declined by 938 people over the course of the financial year to 4,637 primarily as a result of our restructuring actions.

Along with our peers in service industries across the world, the Group's largest cost remains staff, which accounted for 67.7 per cent of revenue compared with 74.0 per cent in the previous year. This decrease is attributable to the restructuring actions we have taken. As the Group's most significant cost, we monitor the correlation between staff costs and revenue very closely, a process made easier as a result of the reporting measures put in place by the Executive Committee. We are targeting a further improvement in this ratio as the 2010/11 fiscal year unfolds and remain committed to driving this ratio towards 60 per cent.

The most significant area of cost reduction was seen in operating costs, which declined by £18.5 million or 15.5 per cent. In addition depreciation and amortisation reduced by £0.8 million to £7.6 million. As a proportion of revenue, other costs were 30.5 per cent in the year compared with 35.1 per cent in the previous year. We have reached our 30 per cent target and are now looking to optimise further as we continue to focus on our cost base.

Foreign exchange movements had a significant impact on costs. On an underlying basis, for the entire year, our costs decreased to £337.5 million, a decrease of £59.6 million or 15.0 per cent.

Exceptional items

During the year, certain exceptional items have been recognised and charged to the income statement. To enable a clearer understanding of the Group's underlying performance and to assist comparability between periods, the exceptional items have been reported separately in the income statement. The reasons for these exceptional items are:

- 1 Restructuring and redundancy costs as a result of our restructuring programme of £14.9 million, of which £10.1 million relates to redundancy costs.
- 2 The sale of the New Zealand and the closure of our Russian operations which resulted in a loss of £4.4 million in the year.
- 3 Costs relating to the renegotiation of our financing arrangements with RBS of £6.9 million. Of this, £3.9 million relates to costs directly associated with the refinancing that were capitalised in the prior year and £1.5 million relating to costs incurred in the current year relating to refinancing costs but now released to the profit and loss. The remaining £3.0 million is a non-cash expense resulting from changes made to our interest rate swaps that was released from the hedging reserve as required by accounting standards.

Taxation

The Group's tax charge has decreased to £0.5 million (2009: £7.2 million). This reflects the tax charged in jurisdictions where the Group generated profits, and the recognition of deferred tax assets of £4.1 million.

Earnings per share and dividends

Basic earnings per share before exceptionals has returned to a profit of 0.74 pence per share (2009: loss per share 40.29 pence). Basic earnings per share after exceptional items has also improved, but remains a loss per share of 9.60 pence (2009: loss 82.75 pence) as a consequence of the size of exceptional items.

The Board continues to believe it is in the best interests of the Group to continue to maintain the strength of its balance sheet and therefore has decided not to recommend a final dividend for the year to 30 April 2010 (2009: nil). No interim dividend was paid during the year so the total dividend for the year is nil (2009: nil).

Acquisitions and disposals

During the year, the Group undertook the following corporate activity:

- On 18 May 2009, the Group disposed of its 50 per cent interest in DTZ Rockwood for a nominal amount;
- On 2 October 2009, the Group's operations in Russia closed and DTZ now operates in Russia under a franchise agreement with its franchise partner in Kazakhstan;
- On 30 October 2009, the Group disposed of 100 per cent of its interest in DTZ New Zealand;
- On 27 November 2009, the Group acquired the remaining 20 per cent minority interest in DTZ Sweden to bring its share holding to 100 per cent.

Pensions

At 30 April 2010, a deficit of £10.2 million was held on the balance sheet (2009: £6.0 million). The deficit has increased primarily due to changes in the underlying actuarial assumptions, primarily the discount rate reducing to 5.5 per cent (2009: 6.7 per cent).

Cash flow and borrowings

In July 2009, DTZ secured an additional mezzanine facility of up to £15.0 million from its largest shareholder, SGP to support the acceleration of its restructuring plans. In addition, the introduction of this mezzanine facility permitted the Company to renegotiate its banking facilities. Consequently the Group is now in a stronger position compared to the prior year end. Further details are provided below and in notes 9 and 10 below.

As at 30 April 2010, the Group had cash and cash equivalents of £50.6 million. This compares to £48.7 million at 31 October 2009 and £37.8 million at 30 April 2009. In addition, the Company had a revolving credit facility of £15.0 million and £5.0 million under the SGP facility at the year end.

Throughout the year, the average cash and cash equivalents for the Group was £40.7 million, compared to £32.3 million in the prior year.

Net debt at 30 April 2010 was £47.5 million (2009: net debt £50.8 million), comprised as follows:

	2010 £m	2009 £m
Cash and cash equivalents	50.6	37.8
Loans	(98.1)	(88.6)
Net (debt) / cash	(47.5)	(50.8)
Undrawn facilities	20.0	15.0

At 30 April 2010, the Group's net assets were £59.9 million (2009: £75.1 million). This change is largely as a result of the loss for the year.

Risks & Uncertainties

Financial Risk 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 publishes 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 2010, the Group had bank loans denominated in foreign currencies of £22.9 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 per cent. The Group has interest rate swaps to manage its exposure to interest rate fluctuations. At the year end, approximately 59 per cent of our borrowings were at fixed rates.
- Credit risk. The Group's principal financial assets are bank balances and cash, trade and other receivables and investments. The Group 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 on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.
- Liquidity Risk. The Group seeks to maintain sufficient liquidity to meet its long-term strategic objectives. During the year management undertook an extremely thorough planning and budgeting process including the Group's liquidity requirements. The Group maintains a working capital model. Sensitivities are modelled taking reasonable account of possible changes in trading performance to ensure the Group has adequate resources to meet its working capital requirements for the foreseeable future, being at least 12 months. The Group also prepares and monitors rolling forecasts of its liquidity position (comprising undrawn borrowing facilities (note 9) and cash and cash equivalents (note 10)). This is carried out at local level in the operating companies of the Group as well as on a Group consolidated basis. These forecasts have been subject to stress testing by management.

Operational Risk Management

The Group's risk management process is integral to the operations of the business and risks are regularly assessed. This process is managed by the Group Risk Management Committee, which is chaired by the Group Chief Operating Officer. The Committee's remit includes all appropriate aspects of risk including financial systems and controls.

It is of course not possible to mitigate completely the risks that 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 helps mitigate, but cannot eliminate this risk. Additionally, management has undertaken a robust planning process and implemented stringent performance measures and accountabilities to mitigate this risk as much as possible. The Group remains sensitive to the underlying economic environment in the markets where we operate. In particular, the Eurozone and the UK have seen significant turmoil due to the effects of sovereign debt and governmental policies. A significant slowing of economic activity could impact real estate markets which would potentially impact results.
- **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 generate 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. Accordingly, management has established standardised procedures which seek to minimise the risk of claims against the business by ensuring robust process controls. The UK business successfully achieved certification with the latest ISO9001 standard in March 2010 for its business processes, one of the first real estate companies to do so.
- **Recruitment and retention of staff.** The Group's employees are crucial to the success and future development of the Company. It is therefore essential that we reward and manage the development of our employees securing their continued contribution to our business. The Group has put in place retention schemes for key staff and is constantly reviewing all aspects of its compensation and reward structures to ensure our ability to attract and retain high performing employees.

Summary

2009/10 has been a year of significant progress for DTZ. We have restructured and refocused our business and our finances have been stabilised. Our client facing teams have remained focused on our clients and in so doing have delivered a robust performance in difficult conditions. We continue to face uncertain and challenging trading conditions but DTZ is now well positioned to deal with those challenges and focus on delivering profitable revenue growth.

Bob Rickert
Group Finance Director and Global Chief Operating Officer

13 July 2010

Consolidated income statement for the year ended 30 April 2010

	Note	Before exceptional items 2010 £'000	Before exceptional items 2009 £'000	Exceptional items 2010 (note 3) £'000	Exceptional items 2009 (note 3) £'000	2010 £'000	2009 £'000
Revenue	2	355,951	364,072	-	-	355,951	364,072
Staff costs		(240,943)	(269,366)	(10,139)	(12,050)	(251,082)	(281,416)
Other operating costs		(108,476)	(127,689)	(9,463)	(32,543)	(117,939)	(160,232)
		(349,419)	(397,055)	(19,602)	(44,593)	(369,021)	(441,648)
Operating profit/ (loss)		6,532	(32,983)	(19,602)	(44,593)	(13,070)	(77,576)
Share of profits in associated undertakings		2,240	2,536	-	-	2,240	2,536
Total profit/ (loss) from operations including joint ventures and associated undertakings		8,772	(30,447)	(19,602)	(44,593)	(10,830)	(75,040)
Income from other fixed asset investments		16	308	-	-	16	308
Finance income		647	2,716	-	-	647	2,716
Finance expense		(5,822)	(7,674)	(6,929)	-	(12,751)	(7,674)
Net finance expense		(5,175)	(4,958)	(6,929)	-	(12,104)	(4,958)
Profit/ (loss) on ordinary activities before taxation		3,613	(35,097)	(26,531)	(44,593)	(22,918)	(79,690)
Taxation on profit/ (loss) on ordinary activities	6	(521)	(7,216)	-	-	(521)	(7,216)
Profit/ (loss) for the year from continuing operations		3,092	(42,313)	(26,531)	(44,593)	(23,439)	(86,906)
Attributable to:							
Equity shareholders of the parent		1,910	(42,731)	(26,531)	(44,593)	(24,621)	(87,324)
Minority interest		1,182	418	-	-	1,182	418
		3,092	(42,313)	(26,531)	(44,593)	(23,439)	(86,906)
Basic earnings/ (loss) per ordinary share	7	0.74p	(40.29)p			(9.60)p	(82.75)p
Diluted earnings/ (loss) per ordinary share	7	0.74p	(40.29)p			(9.60)p	(82.75)p

Consolidated statement of comprehensive loss for the year ended 30 April 2010

	2010 £'000	2009 £'000
Loss for the period	(23,439)	(86,906)
Other comprehensive income:		
Net actuarial loss on retirement benefit obligation	(4,800)	(3,400)
Net revaluation of interest rate swap	(23)	(2,175)
Foreign exchange translation differences	1,127	4,839
Tax on items directly taken to reserves	-	(473)
Transfers from reserves to income statement	2,759	116
Other comprehensive loss for the period, net of tax	<u>(937)</u>	<u>(1,093)</u>
Total comprehensive loss for the period	<u>(24,376)</u>	<u>(87,999)</u>
Attributable to:		
Equity shareholders of the parent	(25,558)	(88,417)
Minority interest	1,182	418
	<u>(24,376)</u>	<u>(87,999)</u>

**Consolidated statement of financial position
at 30 April 2010**

	<u>Note</u>	2010 £'000	2009 £'000
Non-current assets			
Intangible assets		138,899	139,903
Property, plant and equipment		20,268	26,317
Investments in associates		5,545	6,894
Other investments – financial assets		403	929
Deferred tax assets		7,353	2,893
Trade and other receivables		35	43
Total non-current assets		172,503	176,979
Current assets			
Work in progress		4,749	6,726
Trade and other receivables		90,056	91,128
Tax recoverable		850	4,279
Cash and cash equivalents	10	50,647	37,765
Total current assets		146,302	139,898
Total assets		318,805	316,877
Current liabilities			
Bank loans and overdrafts	9	(441)	(328)
Trade and other payables		(115,773)	(102,750)
Tax liabilities		(5,457)	(3,896)
Convertible loan notes		-	(10,914)
Provisions		(7,428)	(10,632)
Total current liabilities		(129,099)	(128,520)
Non-current liabilities			
Bank loans and overdrafts	9	(97,680)	(88,247)
Retirement benefit obligations		(10,190)	(6,041)
Trade and other payables		(16,893)	(14,493)
Deferred tax liabilities		(73)	(73)
Provisions		(4,966)	(4,357)
Total non-current liabilities		(129,802)	(113,211)
Total liabilities		(258,901)	(241,731)
Net assets		59,904	75,146
Equity			
Called up share capital		13,269	12,011
Share premium account		95,576	85,638
Retained earnings		(63,540)	(37,983)
Equity reserve		1,031	49
Other reserves		8,544	7,948
Equity shareholders' funds		54,880	67,663
Minority interest		5,024	7,483
Total Equity		59,904	75,146

**Consolidated statement of changes in equity
at 30 April 2010**

	Called up share capital	Share premium account	Retained earnings	Equity reserve	Other reserves	Minority interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 May 2009	12,011	85,638	(37,983)	49	7,948	7,483	75,146
(Loss)/ profit for the period	-	-	(24,621)	-	-	1,182	(23,439)
Other comprehensive loss:							
Net actuarial loss on retirement benefit obligation	-	-	-	-	(4,800)	-	(4,800)
Net revaluation of interest rate swap	-	-	-	-	(23)	-	(23)
Foreign exchange translation differences	-	-	-	-	1,127	-	1,127
Transfers from reserves to income statement	-	-	-	-	2,759	-	2,759
Total comprehensive loss for the period	-	-	(24,621)	-	(937)	1,182	(24,376)
Transactions with owners:							
Shares issued in connection with acquisition of a subsidiary	1,258	9,938	-	-	-	-	11,196
Interest charge on equity component of convertible loan notes	-	-	-	46	-	-	46
Treasury shares issued	-	-	(936)	936	-	-	-
Employee share options	-	-	-	-	1,533	-	1,533
Dividend paid to minority interest	-	-	-	-	-	(4,379)	(4,379)
Movement in minority interest	-	-	-	-	-	738	738
Balance as at 30 April 2010	13,269	95,576	(63,540)	1,031	8,544	5,024	59,904

Consolidated cash flow statement for the year ended 30 April 2010

	<u>Note</u>	2010 £'000	2009 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/ (used in) operations	4	14,725	(30,809)
Dividends received		2,727	3,927
Interest received		647	2,716
Interest paid		(4,143)	(5,424)
Income tax paid		(224)	(6,058)
Net cash generated from/ (used in) operating activities		13,732	(35,648)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		507	200
Proceeds from investment		458	815
Proceeds from sale of subsidiary		821	-
Income from other fixed asset investments		-	308
Purchases of property, plant and equipment		(2,133)	(16,934)
Payment of deferred consideration		(2,151)	(5,995)
Purchase of investments in associates, joint ventures and other investments (net of cash and cash equivalents acquired)		(731)	(977)
Net cash used in investing activities		(3,229)	(22,583)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	48,902
Proceeds from borrowings		25,095	20,150
Proceeds from lease incentive		-	11,545
Payment of transaction costs		(1,983)	(5,233)
Repayments of loans		(15,000)	(15,000)
Purchase of shares for Employee Benefit Trust		-	(1,630)
Dividends paid to equity shareholders		-	(1,693)
Dividends paid to minorities		(4,379)	(2,396)
Net cash generated from financing activities		3,733	54,645
Net increase/ (decrease) in cash and cash equivalents		14,236	(3,586)
Cash and cash equivalents at the beginning of the year		37,765	42,773
Effect of foreign exchange rate changes		(1,354)	(1,422)
Cash and cash equivalents at the end of the year		50,647	37,765

Analysis of movement in net debt

	At 1 May 2009 £ '000	Cashflows £ '000	Other non- cash changes £ '000	At 30 April 2010 £'000
Cash and cash equivalents	37,765	14,236	(1,354)	50,647
Bank loans and overdrafts due within one year	(328)	(95)	(18)	(441)
Bank loans and overdrafts due after one year	(88,247)	(10,000)	567	(97,680)
Net debt	(50,810)	4,141	(805)	(47,474)

NOTES

1. Basis of preparation

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRSs in August 2010.

The financial information set out above does not constitute the company's statutory accounts for the years ended 30 April 2010 or 2009, but is derived from those accounts. Statutory accounts for 2009 have been delivered to the Registrar of Companies and those for 2010 will be delivered following the company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention any matters by way of emphasis and did not contain statements under s 498(2) or (3) Companies Act 2006.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Operating Review above. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review above. In addition, Note 10 below includes the Group's objectives, policies and processes for managing its capital; its financial risk management and its liquidity risk.

As highlighted in the Financial Review, the Group has significantly strengthened its balance sheet through an equity fund raising and by way of an additional mezzanine facility provided by its largest shareholder SGP. The Group's forecasts and projections, taking reasonable account of possible changes in trading performance, show the Group should be able to operate within the level of its existing facilities and cash resources for the foreseeable future, being at least 12 months from the date of these accounts. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, 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 Annual Report and Accounts.

2. Segmental analysis

30 April 2010	UK & Ireland £'000	CEMEA £'000	Asia Pacific £'000	The Americas £'000	Group Centre £'000	Consolidated £'000
REVENUE						
External Sales:						
Occupational & Development Markets	37,146	28,094	34,660	18,643	-	118,543
Professional Services	50,681	26,221	16,810	-	-	93,712
Valuation	22,787	17,549	20,358	-	-	60,694
Investment Agency	16,919	6,970	20,977	1,715	-	46,581
Investment & Asset Management	4,756	9,017	2	-	-	13,775
Consulting & Research	13,404	3,616	5,626	-	-	22,646
Total external sales	145,693	91,467	98,433	20,358	-	355,951
Total revenue	145,693	91,467	98,433	20,358	-	355,951
RESULT						
Operating profit/ (loss) before exceptional items	9,489	(6,081)	8,680	512	(6,068)	6,532
Share of (loss)/ profits in associated undertakings	(341)	2,581	-	-	-	2,240
Total profit/ (loss) from operations including joint ventures and associated undertakings	9,148	(3,500)	8,680	512	(6,068)	8,772
Income from other fixed asset investments	16	-	-	-	-	16
Net finance (expense)/ income	(426)	181	31	(22)	(4,939)	(5,175)
Profit/ (loss) on ordinary activities before exceptional items	8,738	(3,319)	8,711	490	(11,007)	3,613
Exceptional items	(5,549)	(10,068)	(2,252)	(1,004)	(7,658)	(26,531)
Profit/ (loss) on ordinary activities before taxation	3,189	(13,387)	6,459	(514)	(18,665)	(22,918)
Taxation on loss on ordinary activities						(521)
Loss for the year from continuing operations						(23,439)

2. Segmental analysis continued

30 April 2010	UK & Ireland £'000	CEMEA £'000	Asia Pacific £'000	The Americas £'000	Group Centre £'000	Consolidated £'000
OTHER INFORMATION						
Segment assets	116,681	84,580	99,983	12,016	-	313,260
Investment in equity method associates	780	4,564	200	1	-	5,545
Consolidated total assets						318,805
Segment liabilities	(179,238)	(31,205)	(40,428)	(8,030)	-	(258,901)
Consolidated total liabilities						(258,901)
Capital additions	863	602	650	17	-	2,132
Depreciation and amortisation	(3,585)	(1,344)	(1,795)	(899)	-	(7,623)
30 April 2009	UK & Ireland £'000	CEMEA £'000	Asia Pacific £'000	The Americas £'000	Group Centre £'000	Consolidated £'000
REVENUE						
External Sales						
Occupational & Development Markets	45,162	31,357	21,974	12,131	-	110,624
Professional Services	53,089	24,412	16,924	-	-	94,425
Valuation	30,355	23,392	20,326	-	-	74,073
Investment Agency	10,571	8,887	13,859	5,550	-	38,867
Investment & Asset Management	7,757	9,138	125	1,116	-	18,136
Consulting & Research	15,782	5,992	6,173	-	-	27,947
Total external sales	162,716	103,178	79,381	18,797	-	364,072
Total revenue	162,716	103,178	79,381	18,797	-	364,072
RESULT						
Operating profit/ (loss) before exceptional items	9,866	(22,451)	(7,150)	(6,575)	(6,673)	(32,983)
Share of (loss)/ profits in associated undertakings	(187)	2,723	-	-	-	2,536
Total profit/ (loss) from operations including joint ventures and associated undertakings	9,679	(19,728)	(7,150)	(6,575)	(6,673)	(30,447)
Income from other fixed asset investments	-	308	-	-	-	308
Net finance (expense)/ income	(5,192)	816	(216)	(366)	-	(4,958)
Profit/ (loss) on ordinary activities before exceptional items	4,487	(18,604)	(7,366)	(6,941)	(6,673)	(35,097)
Exceptional items	(7,406)	(8,978)	(1,789)	(25,671)	(749)	(44,593)
Loss on ordinary activities before taxation	(2,919)	(27,582)	(9,155)	(32,612)	(7,422)	(79,690)
Taxation on loss on ordinary activities						(7,216)
Loss for the year from continuing operations						(86,906)
OTHER INFORMATION						
Segment assets	131,215	88,538	80,484	9,746	-	309,983
Investment in equity method associates	1,139	5,448	306	1	-	6,894
Consolidated total assets						316,877
Segment liabilities	(175,776)	(35,209)	(25,714)	(5,032)	-	(241,731)
Consolidated total liabilities						(241,731)
Capital additions	15,169	2,016	2,509	150	-	19,844
Depreciation and amortisation	(3,827)	(1,546)	(1,883)	(1,115)	-	(8,371)

3. Exceptional items

The management consider the disclosure of the following items necessary to give a fair picture of the underlying results of the Group for the year.

	2010 £'000	2009 £'000
Exceptional items relating to continuing operations:		
Restructuring costs	(10,139)	(12,050)
Staff costs	(10,139)	(12,050)
Impairments	(268)	(27,333)
Restructuring costs	(4,785)	(5,210)
Disposal of Russia and New Zealand	(4,410)	-
Other operating costs	(9,463)	(32,543)
Total exceptional items before interest	(19,602)	(44,593)
Refinancing costs	(6,929)	-
Finance expense	(6,929)	-
Total exceptional items before taxation	(26,531)	(44,593)
Taxation	-	-
	(26,531)	(44,593)

Year ended 30 April 2010

Restructuring costs

Staff related restructuring costs represent the cost of staff redundancies paid or announced in the period. Restructuring costs included in other operating costs in the period relate to the recognition of onerous leases across the Group. Total restructuring costs for the period amounted to £14,924,000 (2009: £17,260,000).

Refinancing costs

During the period DTZ Holdings plc renegotiated its finance facility with RBS. Costs directly associated with the refinancing have been expensed, this amounted to £3,970,000, of which £2,500,000 was previously capitalised and £1,470,000 was incurred during the current period. In addition due to the termination and re-instatement of interest rate swaps £3,759,000 of costs have been incurred during the period, of this £2,759,000 has been transferred from the hedging reserve, and an additional £200,000 cost was embedded in the new derivatives.

Year ended 30 April 2009

Restructuring costs

Restructuring costs of £12,050,000 were included in staff costs and represent the cost of staff redundancies paid or announced during period. Restructuring costs included in other operating costs amounted to £5,210,000, represented by office closure costs of £3,761,000, and other restructuring costs of £1,449,000 which includes write off of goodwill in Austria and Portugal.

Impairments

In the prior period, a net impairment charge of £27,333,000 was recognised in respect of the Americas region in relation to goodwill and other assets, and the disposal in May 2009 of DTZ Rockwood for a nominal amount.

4. Cash generated from/ (used in) operations

	2010 £'000	2009 £'000
Loss for the year from continuing operations	(23,439)	(86,906)
Adjustments for:		
Taxation	521	7,216
Depreciation and amortisation	7,623	8,371
Impairment charge	268	28,766
Disposal and closure of subsidiary undertakings	4,410	-
Share of profits from associated undertakings	(2,240)	(2,536)
Income from other fixed asset investments	-	(308)
Net finance expense	12,103	4,958
Loss/ (profit) on sale of property, plant and equipment	11	(38)
Charge for share-based compensation	1,533	-
(Decrease)/ increase in provisions	(1,145)	9,494
Operating cash flow before movements in working capital	(355)	(30,983)
Decrease in work in progress	1,977	1,319
(Increase)/ decrease in receivables	(1,729)	53,437
Increase/ (decrease) increase in payables	14,832	(54,582)
Cash generated from/ (used in) operations	14,725	(30,809)

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

	Before exceptional items 2010 £'000	Exceptional items (note 3) 2010 £'000	2010 £'000	Before exceptional items 2009 £'000	Exceptional items (note 3) 2009 £'000	2009 £'000
Profit/ (loss) on ordinary activities before taxation	3,613	(26,531)	(22,918)	(35,097)	(44,593)	(79,690)
Add net finance expense	5,175	6,929	12,104	4,958	-	4,958
Add depreciation and amortisation	7,623	-	7,623	8,371	-	8,371
EBITDA	16,411	(19,602)	(3,191)	(21,768)	(44,593)	(66,361)

6. Taxation on profit on ordinary activities

The Group's tax charge has decreased to £521,000 (2009: £7,216,000). This reflects the tax charged in jurisdictions where the Group generated profits and recognition of deferred tax assets of £4,116,000.

7. 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 2009 the convertible unsecured loan notes and share options were not considered dilutive.

	2010 Number	2009 Number
Average number of shares in issue	256,541,013	105,028,569
Share options	2,230,168	-
Diluted average number of shares in issue	<u>258,771,181</u>	<u>105,028,569</u>

	Earnings per share before exceptional items 2010 £'000	Loss per share 2010 £'000	Loss per share before exceptional items 2009 £'000	Loss per share 2009 £'000
Profit/ (loss) attributable to equity shareholders	1,910	(24,621)	(42,731)	(87,324)
Basic earnings/ (loss) per ordinary share	0.74p	(9.60)p	(40.29)p	(82.75)p
Diluted earnings/ (loss) per ordinary share	0.74p	(9.60)p	(40.29)p	(82.75)p

8. Dividends

The Board is not proposing a dividend at 30 April 2010.

9. Bank loans and overdrafts

	2010 £'000	2009 £'000
Current		
Bank loans	-	-
Bank overdrafts	441	328
	<u>441</u>	<u>328</u>
Non-current		
Bank loans	97,680	88,247
	<u>97,680</u>	<u>88,247</u>
Amount due for settlement within 12 months	441	328
Amount due for settlement after 12 months	97,680	88,247
	<u>98,121</u>	<u>88,575</u>

During the year the other principal features of the Group's borrowings were as follows:

RBS facility

On 21 July 2009, the Company entered into an amendment agreement with The Royal Bank of Scotland to effect certain changes to the terms of the outstanding facilities at 30 April 2009. Under the agreement on 26 August 2009, the loan tranches denominated in US dollars and Canadian dollars were converted into sterling loans.

The table below provides a comparison of the facilities as at 30 April 2010 and 30 April 2009.

Key Terms	30 April 2010	30 April 2009
Interest margin (pa):		
To 31 July 2011	1.75%	1.75%
1 August 2011 to 31 July 2012	2.50%	1.75%
1 August 2012 to 31 July 2013	3.00%	1.75%
1 August 2013 onwards	3.50%	–
Zero coupon tranche (£'000)	20,000 (1)	15,000
Term loan – sterling tranche (£'000)	54,744	15,000
Term loan – US dollar tranche (US\$'000)	–	35,000
Term loan – HK dollar tranche (HK\$'000)	152,502	152,502
Term loan – Canadian dollar tranche (CA\$'000)	–	21,200
Revolving credit facility (£'000)	15,000 (2)	15,000
Repayment terms (£'000):		
Within 1 year	–	–
1 – 2 years	5,000	5,000
2 – 3 years	15,000	70,747
3 – 4 years	17,500	–
4 – 5 years	50,117	15,000
After 5 years	–	–

(1) The zero coupon tranche was increased to £20,000,000 on 21 July 2009. It is further increased by £1 for each £1 drawn under the mezzanine facility between £10,000,000 and £15,000,000 and the sterling interest loan or debt is reduced likewise. For example, if £15,000,000 is drawn under the mezzanine facility, then the zero coupon tranche will increase to £25,000,000 and the sterling debt will be reduced by an additional £5,000,000.

(2) The revolving credit facility expires on 31 January 2012 and any amounts drawn down on this facility are repayable on that date. At 30 April 2010 and 2009 there were no amounts drawn on this facility.

All facilities are secured on certain current and non-current assets of the Group.

SGP facility

On 21 July 2009, the Company entered into an agreement with SAS Saint George Participations ("SGP") for a mezzanine facility of up to £15,000,000. On 21 July 2009, £10,000,000 of this facility was drawn by the Company and £5,000,000 remains available to the Company on demand in tranches of no less than £500,000 up until 20 July 2012. The mezzanine loan is denominated in Euro. It attracts cash interest at EURIBOR +4.0% and a pay-in-kind (PIK) coupon of EURIBOR +7.0% which rolls up and is paid on redemption of the mezzanine loan on or before 20 July 2012. At the Company's sole discretion, the mezzanine loan, plus unpaid interest, can be redeemed by issuing shares to SGP at 27.0p or the then share price, whichever is the lower.

Weighted average interest

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

	2010	2009
Bank overdrafts	2.37%	3.23%
Bank loans	4.50%	4.40%

Available committed bank facilities

At 30 April 2010, the Group has available undrawn facilities of £15,000,000 (2009: £15,000,000) under the revolving credit facility, and £5,000,000 available under the SGP facility (2009: £nil), all other term loans are fully drawn. In addition, the Group has available local overdraft facilities of £513,000 (2009: £1,778,000).

10. Financial instruments

The Group manages its capital to ensure the Group will be able to continue as a going concern 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 9, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Consolidated statement of changes in equity.

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 the Significant accounting policies section of the Group's financial statements.

Categories of financial instruments

Carrying value:	2010	2009
	£'000	£'000
Financial assets		
Held-to-maturity investments		
Other investments – financial assets	403	929
Loans and receivables (including cash and cash equivalents)		
Trade and other receivables (non-current)	35	43
Trade and other receivables (current)	90,056	91,128
Cash and cash equivalents	50,647	37,765
	140,738	128,936
Financial liabilities		
Derivative instruments in designated hedge accounting relationships		
US\$ interest rate swap(1)	–	(1,073)
Sterling interest rate swap(1)	(3,430)	(2,136)
	(3,430)	(3,209)
Amortised cost		
Bank loans and overdrafts (current)	(441)	(328)
Bank loans and overdrafts (non-current)	(97,680)	(88,247)
	(98,121)	(88,575)

(1) Included within Trade and other payables.

All the derivative instruments held by the Group (categorised as either FVTL or derivative instruments in designated hedge accounting relationships) are classified as Level 2 as defined in accordance with IFRS 7.

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.

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 2010 and 30 April 2009 denominated in currencies other than the functional currencies of the operations involved were not significant.

The net cash and cash equivalents disclosed on the consolidated statement of financial position is comprised of the following currencies:

	Cash and cash equivalents £'000	Bank overdrafts £'000	Bank loans £'000	April 2010 Net cash and cash equivalents £'000	Cash and cash equivalents £'000	Bank overdrafts £'000	Bank loans £'000	April 2009 Net cash and cash equivalents £'000
Euro	13,675	–	(10,063)	3,612	11,944	–	–	11,944
Chinese Yuan	7,458	–	–	7,458	3,916	–	–	3,916
Sterling	12,565	–	(74,744)	(62,179)	11,317	–	(39,199)	(27,882)
Hong Kong\$	911	–	(12,873)	(11,962)	943	–	(13,369)	(12,426)
Singapore\$	6,336	–	–	6,336	5,749	–	–	5,749
US\$	216	–	–	216	210	–	(23,780)	(23,570)
Canadian\$	1,106	–	–	1,106	(493)	–	(11,899)	(12,392)
Australian\$	1,756	–	–	1,756	469	–	–	469
Others	6,624	(441)	–	6,183	3,710	(328)	–	3,382
	50,647	(441)	(97,680)	(47,474)	37,765	(328)	(88,247)	(50,810)

At 30 April 2010, 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 £1,418,000 lower/ £1,734,000 higher (2009: £1,343,000 lower/ £1,642,000 higher). Net assets would have been £1,418,000 lower/ £1,734,000 higher (2009: £1,343,000 lower/ £1,642,000 higher).

At 30 April 2010, if the Singapore \$ had weakened/ strengthened by 10% against sterling with all other variables held constant post-tax profit for the year would have been £330,000 lower/ £404,000 higher (2009: £177,000 lower/ £216,000 higher). Net assets would have been £330,000 lower/ £404,000 higher (2009: £177,000 lower/ £216,000 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 2010 would decrease/ increase by £517,000 (2009: decrease/ increase by £519,000).

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 Group has the following interest rate swap contracts outstanding:

	30 April 2010			30 April 2009		
	Nominal amount	Estimated liability	Maturity Date	Nominal amount	Estimated liability	Maturity Date
Sterling interest rate swap						
Amortising interest rate swap (£'000)	21,000	1,572	20 May 2013	27,000	2,136	1 May 2013
Adjusting interest rate swap (£'000)	5,000	1,858	31 July 2014	–	–	–
US dollar interest rate swap						
Interest rate swap (US\$'000)	–	–	–	17,500	1,579	9 May 2011

During the year the US\$17,500,000 interest rate swap was closed out and modified to become a £5,000,000 sterling denominated adjusting interest rate swap with an extended maturity date. Due to these changes the original hedge was deemed to be ineffective and £900,000 was released from the hedging reserve to the income statement, in addition costs of £200,000 were embedded into the new swap.

During the year, the £27,000,000 amortising interest rate swap was also modified by extending the maturity date, and changing the interest roll date during the month. Due to these changes the original hedge was deemed to be ineffective and £1,858,000 was released from the hedging reserve to the income statement.

From 18 August 2009, the two new interest rate swaps have been designated and deemed 100% effective as cash flow hedges allowing their fair value to be deferred in equity. At 30 April 2010, the fair value charge deferred in equity for the interest rate swap was £472,000 (2009: £2,175,000)

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.

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

	30 April 2010				30 April 2009			
	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	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	(441)	(5,000)	(92,680)	–	(328)	(5,000)	(83,247)	–
Trade and other payables	(115,773)	(971)	(6,701)	(9,221)	(102,750)	(971)	(2,652)	(10,869)
	(116,214)	(5,971)	(99,381)	(9,221)	(103,078)	(5,971)	(85,899)	(10,869)

11. Date of approval

The financial information set out in the announcement was approved by the Board of Directors on 13 July 2010.

12. Subsequent events

On 13 July 2010, the Group announced its intention to purchase the remaining 20 per cent of Asset Management Europe SAS ('AME') which it does not already own. The Group already has control of AME. Asset Management is a key business for DTZ and an area that has been highlighted as a growth priority by the Board. If the proposed acquisition is approved by DTZ's shareholders, AME will become a wholly owned subsidiary of the Group.

For further information contact:

DTZ Holdings plc

Donal McCarthy, Head of Group Communications

E-mail: donal.mccarthy@dtz.com

Direct Tel: +44 (0)20 3296 3474

Sophie Morton, Group Communications Manager

E-mail: sophie.morton@dtz.com

Direct Tel: +44 (0)20 3296 3480

Blythe Weigh Communications

Tel: + 44 (0)20 7138 3204

Tim Blythe

E-mail: tim.blythe@blytheweigh.com

Mobile: 07816 924626

Paul Weigh

E-mail: paul.weigh@blytheweigh.com

Mobile: 07989 129658