



DTZ Corporate Finance Limited

Pillar 3 Disclosures as at 30 April 2009



Contents

OVERVIEW	1
Introduction	1
Structure and principal activities	1
Basis of disclosures	1
Frequency of disclosures	1
Verification, media and location	1
RISK MANAGEMENT FRAMEWORK	3
Approach to risk management	3
Overview of the DTZ framework	5
Group Structure	6
Risk structure	6
The Lines of Defence	7
CAPITAL RESOURCES	8



OVERVIEW

Introduction

The Capital Requirements Directive (CRD) came into effect on 1 January 2007, and is the framework for monitoring Basel II in the European Union. Basel II is an international initiative aimed at implementing a more risk sensitive framework for the calculation of regulatory capital.

The CRD consists of three 'pillars':- Pillar 1 of the new standards sets out the minimum capital requirements entities will be required to meet for credit, market and operational risk (where applicable). For Pillar 2, firms and supervisors have to take a view on whether a firm should hold additional capital against risks not covered in Pillar 1 and to take action accordingly within the Internal Capital Adequacy assessment Process (ICAAP). Pillar 3 complements the minimum capital requirements (Pillar 1) and the supervisory process (Pillar 2) with the aim of improving market discipline by requiring firms to publish certain details of their risks, capital and risk management.

In the United Kingdom, the Financial Services Authority (FSA) has introduced Pillar 3 by duplicating the CRD articles and annexes to create Chapter 11- Disclosure (Pillar 3) of the Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU).

Structure and principal activities

DTZ Corporate Finance Limited is a wholly owned subsidiary of DTZ Holdings Plc. The company has its headquarters in London. DTZ Corporate Finance Limited is authorised and regulated by the Financial Services Authority and its principal activities include corporate advisory, capital raising and distribution of funds, joint ventures and airports, strategic advisory and debt.

Basis of disclosures

In accordance with the requirements of Chapter 11 of BIPRU, the disclosures included in this document relate to DTZ Corporate Finance Limited. The disclosures cover both the qualitative (e.g. processes and procedures) and quantitative (e.g. actual numbers) requirements.

Frequency of disclosures

The disclosures are required to be made on an annual basis at a minimum and if appropriate some disclosures will be made more frequently. DTZ Corporate Finance Limited has an accounting reference date of 30 April, and disclosures will be made as soon as practical after publication of the Annual Report and Accounts (where requested).

Verification, media and location

These disclosures have been put together to explain the basis of preparation and disclosure of certain capital requirements and provide information about the management of certain risks and for no other purposes. They do not constitute any form of audited financial statement and have been produced solely for the purposes of Pillar 3.

The disclosures are not subject to audit.



These disclosures will be available from the Group Compliance Officer of DTZ Corporate Finance Limited upon request.

The DTZ Holdings Plc Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system can provide only reasonable and not absolute assurance against material financial misstatement or loss and is designed to mitigate, not eliminate, risk



RISK MANAGEMENT FRAMEWORK

Approach to risk management

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

The Board conducts an annual review of the effectiveness of the system of internal control and risk management. This review is based on reports to the Board and the Audit Committee, prepared by: the Management, Group Risk & Compliance, Internal & External Audit.

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

- The Board's various committees, which have defined financial authorities and operational responsibilities designed to enable effective decision making. A matrix management structure operates within the business focusing on commercial matters, the technical excellence of the Group and client relationship management;
- The Group Risk Management Committee, which is chaired by the Group Chief Financial Officer, meets regularly to review the management of risk arising out of the Group's activities.
- Each of the Group's regional businesses has a regional Board which comprises Group Executive Directors and other senior employees. These Boards and their risk committees meet regularly to consider significant commercial matters, including risk management and internal control, and report to the regional Board;
- The Group Executive conducts a top-down identification and review of the main risks facing the Group and internal control activities to mitigate these risks;
- Ongoing processes for identifying, evaluating and managing the significant risks faced by the Group in accordance with the requirements of the Combined Code and Turnbull Guidance on internal control. A Group risk register identifies the risks the business faces, their potential impact, likelihood of occurrence and the key controls and action plans to mitigate these;
- The Audit Committee assists the Board in discharging its responsibility to review the system of internal control;
- An internal audit function, which has been outsourced to BDO, that is subject to the controlling direction of the Audit Committee. Internal Audit provide to the Audit Committee an independent assessment of the Group's system of internal control, through reviewing how effectively key risks are being managed, and assist management in the effective discharge of their responsibilities by carrying out independent appraisals and making recommendations for improvement;
- Business policies and procedures are being progressively embedded across the global operations of the Group;
- Certain aspects of the Group's activities are also subject to regulatory control by external bodies such as the FSA and are audited in respect of the quality standard ISO9001.

DTZ CF is subject to the following main risks:

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. We understand the importance of



maintaining high standards. Accordingly management has established standardised procedures which see to minimise the risk of claims against the business by ensuring robust process controls.

Credit risk

This is the risk of clients not paying our fees. Given the blue chip nature of our client base and the processes we have for collecting and managing receivables, we believe this risk to be mitigated.

Operational risk

Most of our risk management efforts are focused on operational risk .A robust control environment is in place which includes documented policies and procedures, which incorporate appropriate checks and balances. A risk register is in place which identifies potential and actual operational risks and controls are put in place to mitigate those risks. Our control environment is subject to annual external assessment by external compliance consultants Bovill and our internal auditors, BDO Stoy Hayward undertake period audits.

Group Risk

We have group risk and we aim to make sure we have appropriate interaction with group functions to understand and influence group level discussions.

Overview of the DTZ framework

This review provides comments on each of the elements of a System of Internal Control as suggested in the Revised Guidance for Directors (FRC, 2005). This framework is based on the COSO internal control framework, but has been modified to make it suitable for DTZ.

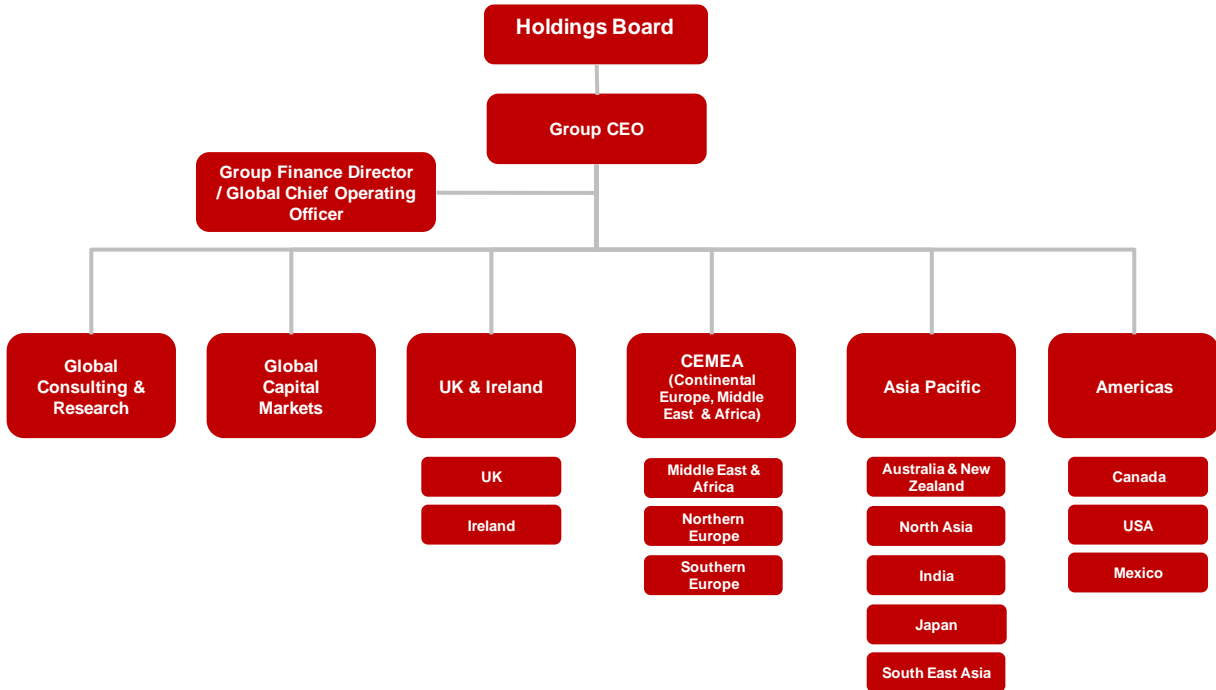
The framework consists of the following 5 elements:



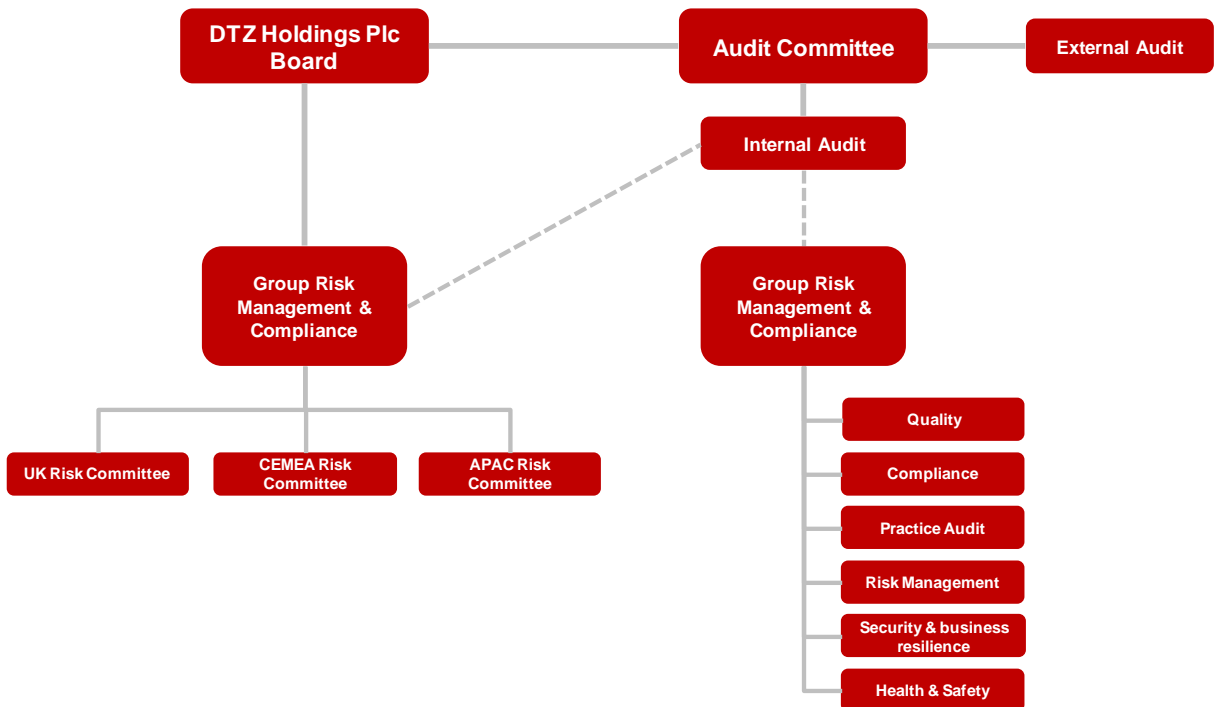
- Control Environment: The control environment sets the tone of an organization. It is the foundation for all other components of internal control, providing discipline and structure. Control environment factors include the structure and organisation of the business, the tone from the top and how authority is delegated.
- Risk Assessment: Every business faces a variety of risks from external and internal sources that must be assessed. Risk assessment is the identification and analysis of relevant risks to achievement of the objectives, forming a basis for determining how the risks should be managed.
- Control Activities: Control activities are the policies and procedures that help ensure management directives are carried out. They help ensure that necessary actions are taken to address risks to achievement of the business objectives. Control activities can include a range of activities as diverse as approvals, verifications, reviews of operating performance, security of assets etc.
- Information and Communication: Pertinent information must be identified, captured and communicated in a form and timeframe that enable people to carry out their responsibilities. There also needs to be effective communication with external parties, such as regulators and shareholders.
- Monitoring: Internal control systems need to be monitored, a process that assesses the quality of the system's performance over time.



Group Structure

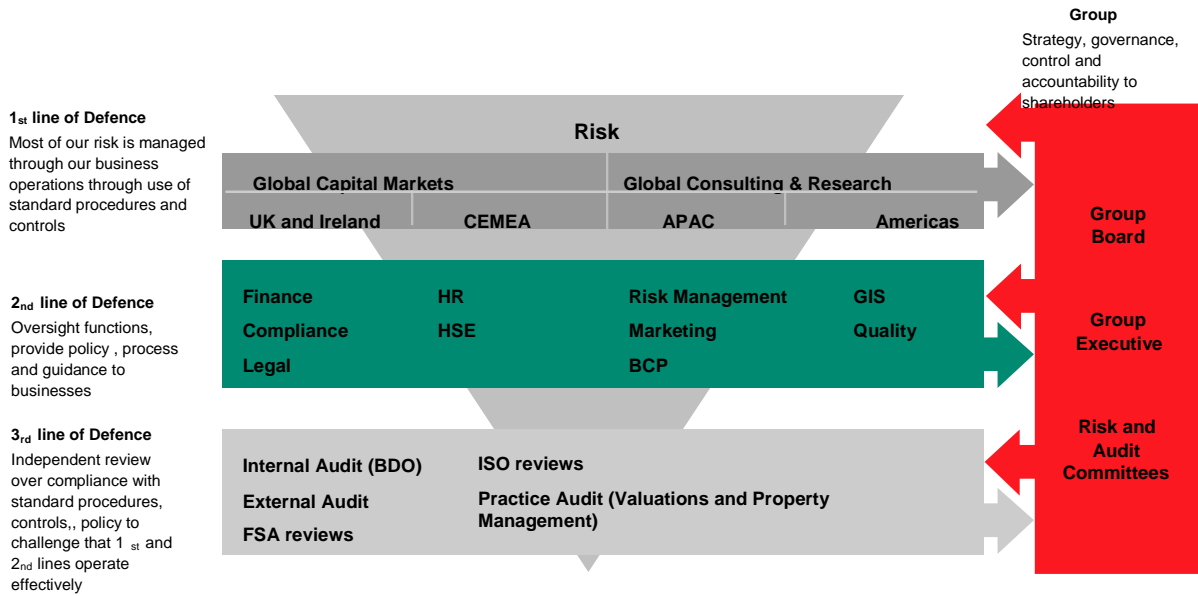


Risk structure





The Lines of Defence





CAPITAL RESOURCES

(As reported at 30 April 2009)

Tier 1	£000's
Permanent Share Capital	500
Reserve	406
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	£906
Tier 2	
Sub loan	650
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Capital Resources	£1,556
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DTZ CF's capital resources requirement is £796k as opposed to capital resources amounting to £1,556k.