



9 December 2009

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

HALF-YEAR RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2009

DTZ Holdings plc, a major global real estate adviser, today announces its half-year results for the six months ended 31 October 2009.

Financial Highlights

- Group revenue fell by 8.7 per cent to £168.2 million (2008: £184.3 million)
- Group loss before tax and exceptional items halved to £4.6 million (2008: loss of £9.0 million)
- Exceptional charges of £16.0 million resulted in a loss before tax, after exceptional items of £20.6 million (2008: loss of £11.2 million)
- Adjusted EBITDA: £1.8 million (2008: loss of £3.0 million)
- Strengthened cash position maintained with cash and cash equivalents of £48.3 million (2008: £27.3 million); additional credit facility of £15.0 million secured from Company’s largest shareholder
- Restructuring targets exceeded; annualised staff cost savings of some £55 million, with an additional £15 million of expected operating cost savings in the current year
- While we remain cautious, the Group’s trading remains in line with market expectations.

Operational Highlights

- Strong performance from Asia Pacific business with revenues up 11.5 per cent to £46.3 million (2008: £41.5 million)
- Strategic Review complete; Company better positioned to focus on the markets and services where it has a competitive advantage; business reshaped to enhance resilience and profitability
- Continued strong performance from Professional Services business; significant instruction from Ballymore Properties
- A number of existing and new clients of our Investment and Asset Management business increased their allocations and DTZ was selected for a number of new mandates.

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

“We have made very good progress during the first half of our financial year, building on the work started last year. We have stabilised the business and while revenues declined overall, we estimate that the overall market fell by a greater extent. Our Strategic Review is complete, we have achieved cost savings of some £70 million, and we continue to win major corporate mandates. The business is now well placed to compete aggressively in the territories and markets which we choose.

“We expect market conditions to remain challenging in the short term but look to the future with confidence.”

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DTZ Holdings will hold its half yearly financial report presentation for analysts at 9.00am on 9 December 2009 at 125 Old Broad Street, London, EC2N 2BQ.

A copy of the presentation will be available from 11.00am at www.dtz.com.

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 Europe, Middle East & Africa (EMEA), 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**

DTZ Holdings plc
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HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2009

Review of the six months to 31 October 2009

Overview

While the global property market continues to be challenging, there are early signs of growing confidence and activity in certain areas of our industry and across specific regions. Our business in Asia Pacific in particular is witnessing positive trends.

While the Group has seen an 8.7 per cent decline in revenues, we estimate that the overall market fell by a greater extent. Consequently, it is our view that the Group increased its market share and performed comparatively well in challenging market conditions, and as a result of actions taken the loss before tax and exceptional items has halved compared to the corresponding period last year.

We are pleased with the progress made implementing our restructuring and cost reduction programme, exceeding our targets and delivering benefits ahead of schedule. As this programme concludes we are confident these actions, combined with the Group’s client focus, will help drive future profitability. While we remain cautious, the Group’s trading remains in line with market expectations.

Financial Review

The Group’s results for the six months ended 31 October 2009 show that revenue declined to £168.2 million (31 October 2008: £184.3 million) and the Group recorded a loss before tax and exceptional items of £4.6 million (31 October 2008: loss before tax and exceptional items of £9.0 million).

After exceptional items the Group reported a loss before tax of £20.6 million (31 October 2008: loss before tax of £11.2 million). Exceptional items comprised £5.4 million of restructuring costs primarily relating to redundancies, and £10.6 million of largely non-cash charges associated with the closure of our Russian business, the disposal of our New Zealand operation, and the write-off of costs associated with the bank refinancing, of which £2.5 million was previously capitalised.

At an adjusted EBITDA level the Group was profitable for the six months ended 31 October 2009 at £1.8 million (31 October 2008: loss £3.0 million).

The loss per share before exceptional items for the six month period to 31 October 2009 was 3.0 pence (31 October 2008: loss per share of 24.9 pence), after exceptional items the loss per share was 9.3 pence (31 October 2008: loss per share of 27.8 pence).

On 21 July 2009 the Company secured an additional credit facility of £15.0 million from its largest shareholder, SAS Saint George Participations (‘SGP’), of which £10.0 million was drawn at the time as a pre-condition of the bank refinancing. As at 31 October 2009 the Group maintained its strengthened cash position with cash and cash equivalents of £48.3 million, a 28 per cent increase from the position at 30 April 2009 of £37.8 million.

Net cash used in operating activities was £8.8 million. Net cash generated from operating activities was £0.4 million before cash restructuring costs of £9.2 million. Net debt as at 31 October 2009 was £64.1 million (30 April 2009: £50.8 million).

In view of the ongoing challenging trading conditions and the continued focus on maintaining the strength of our balance sheet, the Board has decided not to declare an interim dividend.

Restructuring

As we complete the final stages of our restructuring programme, we have exceeded our restructuring targets with benefits delivered ahead of schedule. Restructuring initiatives to date have delivered cost savings, primarily relating to

headcount reductions and office closures, of some £70 million. We have achieved annualised staff cost savings of some £55 million with an additional £15 million of expected operating cost savings in the current financial year.

A key step towards regaining profitability remains ensuring that our cost structure is appropriately shaped to market conditions. This is an ongoing process of adjustment covering both cost control as well as selective investment, and it is pleasing to report that demonstrable progress has been made in this area. Cost control will remain an ongoing priority as the market recovers and we grow the business.

Strategic Review

The Group's strategic review, the purpose of which was to enhance the profitability and margins of the core business, is now complete and, as previously expressed, we do not expect further significant changes to our geographic footprint. The review resulted in the restructuring of many of our businesses and management teams as well as the closure, disposal, and exit from a small number of non-strategic operations.

The main actions ensuing from the review were: the sale of our 50 per cent interest in Rockwood in the United States; the closure of our offices in Austria and Portugal; the closure of our operation in Russia, where DTZ now operates under a franchise agreement with its franchise partner in Kazakhstan, and the sale of our business in New Zealand.

In all instances, uninterrupted client service has remained a priority and in the markets mentioned above we continue to serve our clients through DTZ affiliates except in Austria and Portugal, where we now service these markets from neighbouring regional offices.

Business Review

A detailed analysis of revenue by geography and business line for the six months to 31 October 2009 is shown below:

	31 October 2009					31 October 2008				
	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	18.2	13.4	16.1	8.8	56.5	25.6	16.1	11.3	6.6	59.6
Professional Services	24.3	12.7	9.0	-	46.0	25.6	10.3	7.9	-	43.7
Valuation	10.5	7.6	10.7	-	28.8	15.0	10.1	10.3	-	35.4
Investment Agency	6.8	3.8	7.9	0.9	19.4	5.6	4.8	9.0	3.2	22.6
Investment & Asset Management	2.6	4.3	-	-	6.9	4.0	4.1	0.1	0.5	8.7
Consulting & Research	6.5	1.6	2.6	-	10.6	8.1	3.2	2.9	-	14.3
Total	68.9	43.3	46.3	9.7	168.2	83.9	48.6	41.5	10.3	184.3

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

In addition during the period Capital Markets has been split into Investment & Agency and Investment & Asset Management, reflecting our new reporting and management structures and to help investors gain additional clarity on our business.

Figures from DTZ Research indicate that most markets globally are showing stabilisation of capital values, while some local markets have even turned to positive growth over the last three months. The UK IPD All Property Index reported its third consecutive monthly positive capital growth rate in October. However, a number of significant economic, regulatory, financial, and market-specific challenges remain, which are likely to prevent these strong positive trends continuing across all local property markets.

Our strategy includes growing the business organically in the markets where we choose to compete. We continue to see Asia Pacific and EMEA playing a major role in achieving this aim.

Our Asia Pacific business delivered a strong performance during the first half of the current financial year with revenues of £46.3 million, up 11.5 per cent compared to the corresponding period last year. The business delivered a small

operating profit for the first six months. Asia Pacific is now our second largest market after the UK & Ireland, contributing 27.5 per cent to the Group's total revenue.

Since 1 May we have completed several sizeable, high profile deals in Asia Pacific and continue to win new instructions and take market share.

Examples include advising Charter Hall on the sale of the 20,000 sq m 'Atrium' office building in Sydney, Australia for AUS\$137 million (£75.5 million) - one of the largest commercial property transactions in Sydney during the last 18 months. While in Taipei, DTZ advised Shin Kong Life Insurance on the purchase of the three Asia Plaza office buildings in the Neihu Technology Park from Citi Property Investors for NT\$11.5 billion (£214.0 million).

In China we have been advising 10 mainland companies on their admission to the Hong Kong Stock Exchange and continued to have the largest market share advising on significant investment deals completed across Greater China during the reporting period. We have firmly maintained our position as the leading real estate advisory and management firm in the region.

It is also pleasing to report that revenues from our business in Canada grew compared to the corresponding period last year and the Americas region reported a modest profit at an operating level.

In our established markets of the UK & Ireland and CEMEA, we are still seeing reduced levels of market activity. DTZ Research shows office leasing activity remained weak in most European markets during the third quarter of 2009, with volumes for year to date at around half the level recorded during the same period in 2008. Nevertheless, early signs of recovery are beginning to emerge in the occupier markets of Paris CBD and Central London.

Turning to our business lines, the Professional Services business has continued to perform well during the first half, increasing revenue by £2.3 million, or 5.3 per cent, compared to the corresponding period last year. Our property management team, in particular, had some major wins during the period. Shell mandated DTZ to undertake property management services at 5,000 retail sites in 11 countries across North America and Asia Pacific, and since the period end DTZ has been awarded a five year contract by international developer Ballymore Properties to undertake retail property and asset management services for the new landmark 230,000 sq m Eurovea scheme in Bratislava, the largest mixed-use commercial development in Central Europe.

Meanwhile our investment and asset management business continues to look to exploit growth opportunities. A number of our existing and new clients decided to increase their allocations and DTZ was selected for a number of new mandates. We continue to receive good inquiry flow.

Outlook

Our outlook remains unchanged from our last update to shareholders in September and, while we do remain cautious, particularly in light of the ongoing scarcity of credit in the marketplace, the Group's trading remains in line with market expectations.

Strategically, we continue to focus on organic growth in markets and services where we believe we have a competitive advantage, while reshaping our business mix to enhance resilience and profitability. We will continue to capitalise on our brand, deliver excellent service to our clients, as well as realise the full benefits, operationally and financially, from our restructuring programme.

9 December 2009

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.

Condensed consolidated income statement for the half year to 31 October 2009

	Notes	Before Exceptional Items 2009 £'000	Exceptional Items (note 6) 2009 £'000	Reviewed 31 October 2009 £'000	Before Exceptional Items 2008 £'000	Exceptional Items (note 6) 2008 £'000	Reviewed 31 October 2008 £'000	Audited year to 30 April 2009 £'000
Continuing Operations								
Revenue		168,242	-	168,242	184,278	-	184,278	364,072
Staff costs		(118,943)	(5,484)	(124,427)	(130,314)	(2,206)	(132,520)	(281,416)
Other operating costs		(52,891)	(6,590)	(59,481)	(61,830)	-	(61,830)	(160,232)
		<u>(171,834)</u>	<u>(12,074)</u>	<u>(183,908)</u>	<u>(192,144)</u>	<u>(2,206)</u>	<u>(194,350)</u>	<u>(441,648)</u>
Operating loss		(3,592)	(12,074)	(15,666)	(7,866)	(2,206)	(10,072)	(77,576)
Share of profits in associated undertakings		1,400	-	1,400	950	-	950	2,536
Total loss from operations including joint ventures and associated undertakings		(2,192)	(12,074)	(14,266)	(6,916)	(2,206)	(9,122)	(75,040)
Income from other fixed asset investments		-	-	-	276	-	276	308
Finance income		202	-	202	1,535	-	1,535	2,716
Finance expense		(2,611)	(3,970)	(6,581)	(3,937)	-	(3,937)	(7,674)
Net finance expense		<u>(2,409)</u>	<u>(3,970)</u>	<u>(6,379)</u>	<u>(2,402)</u>	<u>-</u>	<u>(2,402)</u>	<u>(4,958)</u>
Loss on ordinary activities before taxation		(4,601)	(16,044)	(20,645)	(9,042)	(2,206)	(11,248)	(79,690)
Taxation on loss on ordinary activities	7	(3,150)	-	(3,150)	(4,316)	-	(4,316)	(7,216)
Loss for the period from continuing operations		(7,751)	(16,044)	(23,795)	(13,358)	(2,206)	(15,564)	(86,906)
Attributable to:								
Equity shareholders of the parent		(8,293)	(16,044)	(24,337)	(13,515)	(2,206)	(15,721)	(87,324)
Minority interest		542	-	542	157	-	157	418
		<u>(7,751)</u>	<u>(16,044)</u>	<u>(23,795)</u>	<u>(13,358)</u>	<u>(2,206)</u>	<u>(15,564)</u>	<u>(86,906)</u>
Basic loss per ordinary share	8	(3.01)p		(9.31)p	(24.94)p		(27.83)p	(82.75)p
Diluted loss per ordinary share	8	(3.01)p		(9.31)p	(24.94)p		(27.83)p	(82.75)p

The notes on pages 12 to 17 are an integral part of these financial statements

**Condensed consolidated statement of comprehensive income
for the half year to 31 October 2009**

	Reviewed 31 October 2009 £'000	Reviewed 31 October 2008 £'000	Audited year to 30 April 2009 £'000
Loss for the period	(23,795)	(15,564)	(86,906)
Other comprehensive income:			
Net actuarial loss on retirement benefit obligation	(3,000)	-	(3,400)
Net revaluation of interest rate swap	(311)	(760)	(2,175)
Foreign exchange translation differences	(1,617)	(334)	4,839
Tax on items directly taken to reserves	-	-	(473)
Transfers from reserves to income statement	-	-	116
Other comprehensive expense for the period, net of tax	(4,928)	(1,094)	(1,093)
Total comprehensive expense for the period	(28,723)	(16,658)	(87,999)
Attributable to:			
Equity shareholders of the parent	(29,265)	(16,815)	(88,417)
Minority interest	542	157	418
	(28,723)	(16,658)	(87,999)

The notes on pages 12 to 17 are an integral part of these financial statements

**Condensed consolidated statement of financial position
as at 31 October 2009**

	Reviewed 31 October 2009 £'000	Reviewed 31 October 2008 £'000	Audited as at 30 April 2009 £'000
	<u>Notes</u>		
Non-current assets			
Intangible assets	135,376	159,328	139,903
Property, plant and equipment	22,012	16,719	26,317
Investments in associates	6,128	7,126	6,894
Other investments – financial assets	865	759	929
Deferred tax assets	1,443	4,259	2,893
Trade and other receivables	39	314	43
	<u>165,863</u>	<u>188,505</u>	<u>176,979</u>
Current assets			
Work in progress	6,764	8,702	6,726
Trade and other receivables	91,582	124,294	91,128
Tax recoverable	2,242	6,029	4,279
Cash and cash equivalents	48,337	27,315	37,765
	<u>148,925</u>	<u>166,340</u>	<u>139,898</u>
Total assets	<u>314,789</u>	<u>354,845</u>	<u>316,877</u>
Current liabilities			
Borrowings	10 (15,374)	(32,974)	(328)
Trade and other payables	(104,380)	(129,481)	(102,750)
Tax liabilities	(5,419)	-	(3,896)
Convertible loan notes	-	(5,334)	(10,914)
Provisions	(8,140)	(4,080)	(10,632)
	<u>(133,313)</u>	<u>(171,869)</u>	<u>(128,520)</u>
Non-current liabilities			
Borrowings	10 (97,042)	(68,961)	(88,247)
Retirement benefit obligations	9 (9,341)	(3,550)	(6,041)
Trade and other payables	(14,017)	(5,372)	(14,493)
Deferred tax liabilities	-	(73)	(73)
Convertible loan notes	-	(5,013)	-
Provisions	(3,750)	(2,043)	(4,357)
	<u>(124,150)</u>	<u>(85,012)</u>	<u>(113,211)</u>
Total liabilities	<u>(257,463)</u>	<u>(256,881)</u>	<u>(241,731)</u>
Net assets	<u>57,325</u>	<u>97,964</u>	<u>75,146</u>
Share capital	13,261	2,971	12,011
Share premium account	95,438	49,751	86,638
Accumulated (loss)/ retained earnings	(62,261)	34,239	(37,983)
Equity reserve	168	(3,067)	49
Other reserves	3,605	7,868	7,948
Equity attributable to equity holders of the parent	<u>50,211</u>	<u>91,762</u>	<u>67,663</u>
Minority interest	7,115	6,202	7,483
Total equity	<u>57,325</u>	<u>97,964</u>	<u>75,146</u>

The notes on pages 12 to 17 are an integral part of these financial statements

**Condensed consolidated statement changes in equity
as at 31 October 2009**

	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	-	-	(24,337)	-	-	542	(23,795)
Other comprehensive income:							
Net actuarial loss on retirement benefit obligation	-	-	-	-	(3,000)	-	(3,000)
Net revaluation of interest rate swap	-	-	-	-	(311)	-	(311)
Foreign exchange translation differences	-	-	-	-	(1,617)	-	(1,617)
Total comprehensive income for the period	-	-	(24,337)	-	(4,928)	542	(28,723)
Transactions with owners:							
Shares issued for cash in exchange for options exercised	1,250	9,800	-	-	-	-	11,050
Interest charge on equity component of convertible loan notes	-	-	-	26	-	-	26
Employee share options	-	-	-	-	584	-	584
Release of treasury shares	-	-	59	93	-	-	152
Dividends paid to minority interest	-	-	-	-	-	(1,551)	(1,551)
Movement in minority interest	-	-	-	-	-	641	641
Balance as at 31 October 2009	13,261	95,438	(62,261)	168	3,604	7,115	57,325
Balance as at 1 May 2008	2,970	49,737	51,653	(3,098)	8,881	7,436	117,579
(Loss)/ profit for the period	-	-	(15,721)	-	-	157	(15,564)
Other comprehensive income:							
Net revaluation of interest rate swap	-	-	-	-	(760)	-	(760)
Foreign exchange translation differences	-	-	-	-	(334)	-	(334)
Total comprehensive income for the period	-	-	(15,721)	-	(1,094)	157	(16,658)
Shares issued for cash in exchange for options exercised	1	14	-	-	-	-	15
Interest charge on equity component of convertible loan notes	-	-	-	31	-	-	31
Employee share options	-	-	-	-	81	-	81
Equity dividends paid	-	-	(1,693)	-	-	-	(1,693)
Dividends paid to minority interest	-	-	-	-	-	(1,289)	(1,289)
Movement in minority interest	-	-	-	-	-	(102)	(102)
Balance as at 31 October 2008	2,971	49,751	34,239	(3,067)	7,868	6,202	97,964

**Condensed consolidated statement changes in equity
as at 31 October 2009 continued**

	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 2008	2,970	49,737	51,653	(3,098)	8,881	7,436	117,579
(Loss)/ profit for the period	-	-	(87,324)	-	-	418	(86,906)
Other comprehensive income:							
Net actuarial loss on retirement benefit obligation	-	-	-	-	(2,175)	-	(2,175)
Net revaluation of interest rate swap	-	-	-	-	(3,400)	-	(3,400)
Foreign exchange translation differences	-	-	-	-	4,839	-	4,839
Tax on items directly taken to reserves	-	-	-	-	(473)	-	(473)
Transfers from reserves to income statement	-	-	-	-	116	-	116
Total comprehensive income for the period	-	-	(87,324)	-	(1,093)	418	(87,999)
Transactions with owners:							
Shares issued for cash in exchange for options exercised	1	14	-	-	-	-	15
Shares issued in connection with acquisition of a subsidiary	29	203	-	-	-	-	232
Shares issued for cash (net of transaction fees)	9,011	35,684	-	-	-	-	44,695
Interest charge on equity component of convertible loan notes	-	-	-	61	-	-	61
Purchase of shares for Employee Benefit Trust	-	-	-	(1,630)	-	-	(1,630)
Treasury shares issued	-	-	(619)	4,716	-	-	4,097
Employee share options	-	-	-	-	160	-	160
Equity dividends paid	-	-	(1,693)	-	-	-	(1,693)
Dividend paid to minority interest	-	-	-	-	-	(2,396)	(2,396)
Movement in minority interest	-	-	-	-	-	2,025	2,025
Balance as at 30 April 2009	12,011	85,638	(37,983)	49	7,948	7,483	75,146

Condensed consolidated cash flow statement for the half year to 31 October 2009

	<u>Notes</u>	Reviewed 31 October 2009 £ '000	Reviewed 31 October 2008 £ '000	Audited year to 30 April 2009 £ '000
Cash flows from operating activities				
Cash used in operations	4	(9,549)	(34,292)	(30,809)
Dividends received from associates		204	6,161	3,927
Interest received		202	1,535	2,716
Interest paid		(2,123)	(3,269)	(5,424)
Income tax (received)/ paid		2,425	(7,930)	(6,058)
Net cash used in operating activities		<u>(8,841)</u>	<u>(37,795)</u>	<u>(35,648)</u>
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		318	463	200
Proceeds from sale of investment		462	-	815
Income from other fixed asset investments		-	276	308
Purchases of property, plant and equipment		(855)	(3,226)	(16,934)
Payments of deferred consideration		(280)	(2,974)	(5,995)
Purchase of investments in associates, joint ventures and other investments (net of cash and cash equivalents acquired)		-	(306)	(977)
Net cash used in investing activities		<u>(355)</u>	<u>(5,767)</u>	<u>(22,583)</u>
Cash flows from financing activities				
Proceeds from issue of share capital		-	15	48,902
Proceeds from borrowings		25,000	19,743	20,150
Proceeds from lease incentive		-	11,735	11,545
Payment of transaction costs		(1,829)	-	(5,233)
Repayments of loans		-	-	(15,000)
Purchase of shares for Employee Benefit Trust		-	-	(1,630)
Dividends paid to equity shareholders		-	(1,693)	(1,693)
Dividends paid to minorities		(1,551)	(1,289)	(2,396)
Net cash generated from financing activities		<u>21,620</u>	<u>28,511</u>	<u>54,645</u>
Net increase/ (decrease) in cash and cash equivalents		<u>12,424</u>	<u>(15,051)</u>	<u>(3,586)</u>
Cash and cash equivalents at beginning of year		37,765	42,773	42,773
Effect of foreign exchange rate changes		(1,852)	(407)	(1,422)
Cash and cash equivalents at end of period		<u>48,337</u>	<u>27,315</u>	<u>37,765</u>

The notes on pages 12 to 17 are an integral part of these financial statements

NOTES

1. Basis of preparation

The annual financial statements of DTZ Holdings plc are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-year financial report have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting', as adopted by the European Union.

The financial information comprises the unaudited results for the six months to 31 October 2009 and 31 October 2008, together with the audited results for the year to 30 April 2009.

The financial information for the year ended 30 April 2009 does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The Auditors' report on those accounts was not qualified and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

The unaudited results for the six months to 31 October 2009 have been prepared on a basis consistent with the IFRS accounting policies set out in the 2009 Annual Report and Accounts, except as described in Note 2 below.

Going concern

The Group has significantly strengthened its financial position by way of an additional mezzanine facility provided by its largest shareholder SGP and extension of the maturity of its bank facilities. The Group's forecasts and projections which take reasonable account of possible changes in trading performance show that the Group will 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 condensed financial statements. 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 these condensed financial statements.

2. Accounting policies

The following new standards, amendments and interpretations are mandatory for the first time for the Group's financial year beginning on 1 May 2009:

- IAS 1 (Revised), 'Presentation of financial statements'

The Group has presented both a condensed consolidated statement of comprehensive income and a condensed consolidated statement of changes in equity as financial statements. The condensed consolidated statement of comprehensive income effectively replaces the current consolidated statement of recognised income and expense (SORIE). As a result, the Group presents in the condensed consolidated statement of changes in equity all owner changes in equity, where as all non-owner changes in equity are presented in the condensed consolidated statement of comprehensive income.

- IFRS 8, 'Operating Segments'

This standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Refer to note 3.

3. Operating segments

For management purposes, the Group is organised into four geographic operating divisions: UK and Ireland; Continental Europe, Middle East and Africa ('CEMEA'); Asia Pacific and The Americas. These divisions are the basis on which the Group reports its segment information. During the current period EMEA, has been split into UK and Ireland and CEMEA, prior year numbers reflect this change. In addition the Group operates six service lines across the geography segments. During the current period Capital Markets has been split into Investment Agency and Investment & Asset Management, prior year numbers have been restated on this basis.

Reviewed six months to 31 October 2009	UK and Ireland £'000	CEMEA £'000	Asia Pacific £'000	The Americas £'000	Group centre £'000	Consolidated £'000
REVENUE						
External Sales						
Occupational & Development Markets	18,203	13,326	16,144	8,782	-	56,456
Professional Services	24,336	12,670	9,040	-	-	46,046
Valuation	10,525	7,641	10,643	-	-	28,809
Investment Agency	6,827	3,857	7,900	913	-	19,496
Investment & Asset Management	2,582	4,267	2	-	-	6,851
Consulting & Research	6,473	1,566	2,545	-	-	10,583
Total external sales	68,946	43,327	46,274	9,695	-	168,242
Total revenue	68,946	43,327	46,274	9,695	-	168,242
RESULT						
Operating (loss)/ profit	(392)	(4,202)	2,390	643	(2,031)	(3,592)
Share of (loss)/ profits in associated undertakings	(250)	1,650	-	-	-	1,400
Total (loss)/ profit from operations including joint ventures and associated undertakings	(642)	(2,552)	2,390	643	(2,031)	(2,192)
Net finance (expense)/ income	(2,432)	26	15	(18)	-	(2,409)
Operating (loss)/ profit before exceptional items	(3,074)	(2,526)	2,405	625	(2,031)	(4,601)
Exceptional items	(3,192)	(6,449)	(1,726)	(78)	(4,599)	(16,044)
(Loss)/ profit on ordinary activities before taxation	(6,266)	(8,975)	679	547	(6,630)	(20,645)
Taxation on loss on ordinary activities						(3,150)
Loss for the period from continuing operations						(23,795)

3. Operating segments (continued)

Reviewed six months to 31 October 2008	UK and Ireland £'000	CEMEA £'000	Asia Pacific £'000	The Americas £'000	Corporate Overheads £'000	Consolidated £'000
REVENUE						
External Sales						
Occupational & Development Markets	25,563	16,078	11,326	6,622	-	59,589
Professional Services	25,602	10,273	7,855	-	-	43,730
Valuation	14,963	10,148	10,315	-	-	35,426
Investment Agency	5,547	4,764	8,964	3,195	-	22,469
Investment & Asset Management	4,033	4,147	110	502	-	8,793
Consulting & Research	8,150	3,228	2,893	-	-	14,271
Total external sales	83,858	48,638	41,463	10,319	-	184,278
Total revenue	83,858	48,638	41,463	10,319	-	184,278
RESULT						
Operating profit / (loss)	9,380	(9,542)	(2,514)	(2,664)	(2,526)	(7,866)
Share of (loss)/ profits in associated undertakings	(127)	1,077	-	-	-	950
Total (loss)/ profit from operations including joint ventures and associated undertakings	9,253	(8,465)	(2,514)	(2,664)	(2,526)	(6,916)
Income from other fixed asset investments	-	265	11	-	-	276
Net finance (expense) / income	(2,498)	424	(150)	(178)	-	(2,402)
Operating profit/ (loss) before exceptional items	6,755	(7,776)	(2,653)	(2,842)	(2,526)	(9,042)
Exceptional items	(1,779)	(170)	(154)	(103)	-	(2,206)
Profit/ (loss) on ordinary activities before taxation	4,976	(7,946)	(2,807)	(2,945)	(2,526)	(11,248)
Taxation on loss on ordinary activities						(4,316)
Loss for the period from continuing operations						(15,564)

4. Cash used in operations

	Reviewed 31 October 2009 £'000	Reviewed 31 October 2008 £'000	Audited year to 30 April 2009 £'000
Loss for the period	(23,795)	(15,564)	(86,906)
Adjustments for:			
Taxation	3,150	4,316	7,216
Depreciation and amortisation	3,958	3,604	8,371
Impairment charge	3,717	-	28,766
Share of profits in associated undertakings	(1,400)	(950)	(2,536)
Income from other fixed asset investments	-	(276)	(308)
Net finance expense	6,379	2,402	4,958
Profit on sale of property, plant and equipment	(2)	(17)	(38)
Write off capitalised refinancing costs	2,500	-	-
(Decrease)/ increase in provisions	(2,431)	(358)	9,494
Charge for share-based payment compensation	584	-	-
Operating cash flows before movements in working capital	(7,340)	(6,843)	(30,983)
(Increase)/ decrease in work in progress	(38)	(657)	1,319
(Increase)/ decrease in receivables	(451)	17,822	(53,437)
Decrease in payables	(1,720)	(44,614)	(54,582)
Cash used in operations	(9,549)	(34,292)	(30,809)

**5. Analysis of earnings before interest, tax, depreciation and amortisation (EBITDA)
for the half year to 31 October 2009**

	<u>Note</u>	Reviewed 31 October 2009 £'000	Reviewed 31 October 2008 £'000	Audited year to 30 April 2009 £'000
(Loss)/ profit on ordinary activities before taxation		(20,645)	(11,248)	(79,690)
Add net finance expense		6,379	2,402	4,958
Add depreciation and amortisation		3,958	3,604	8,371
EBITDA		(10,308)	(5,242)	(66,361)
Exceptional items	6	(12,074)	2,206	44,593
Adjusted EBITDA		1,766	(3,036)	(21,768)

6. Exceptional items

		Reviewed 31 October 2009 £'000	Reviewed 31 October 2008 £'000	Audited year to 30 April 2009 £'000
Exceptional items relating to continuing operations:				
Restructuring costs		(5,484)	(2,206)	(12,050)
Staff costs		(5,484)	(2,206)	(12,050)
Impairment of The Americas region		-	-	(27,333)
Restructuring costs		(1,919)	-	(5,210)
Disposal of Russia and New Zealand		(4,671)	-	-
Other operating costs		(6,590)	-	(32,543)
Total exceptional items before interest		(12,074)	(2,206)	(44,593)
Refinancing costs		(3,970)	-	-
Finance expense		(3,970)	-	-
Total exceptional items before taxation		(16,044)	(2,206)	(44,593)
Taxation		-	574	-
Total exceptional items after taxation		(16,044)	(1,632)	(44,593)

Restructuring costs

Staff related restructuring costs represent the cost of staff redundancies paid or announced in the period. Restructuring costs included in other operating cost in the current period relate to the recognition of onerous leases across the Group. Total restructuring costs for the period amounted to £7,403,000 (31 October 2008: £2,206,000; 30 April 2009: £17,260,000).

Refinancing costs

During the period costs associated with the refinancing of banking facilities have been expensed, of the total £3,970,000, £2,500,000 was previously capitalised and £1,470,000 was incurred during the current period.

7. Taxation

Despite an overall loss for the Group a tax charge has been recognised for the half year ended 31 October 2009. The tax charge is based on the expected effective rate for the year of 15.26% (2008: 38.37%). The tax charge for the current period includes a reduction in the deferred tax asset of £1,450,000. The remaining £1,700,000 relates to tax charges arising in profitable overseas entities which are not sheltered by losses arising in other jurisdictions. For the year ended 30 April 2009, none of the exceptional items qualified for tax relief, the overall tax charge on profits after exceptionals was therefore disproportionately high.

8. Loss per ordinary share

The basic loss per ordinary share is calculated by dividing the loss attributable to equity holders of the parent by the weighted average number of shares in issue during the period. The diluted 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 and 2008, neither the convertible unsecured loan notes nor the share options were dilutive.

	Reviewed 31 October 2009	Reviewed 31 October 2008	Audited as at 30 April 2009
Weighted average number of shares in issue	255,491,921	56,486,297	105,028,569
Share options	-	-	-
Diluted weighted average number of shares in issue	255,491,921	56,486,297	105,028,569

	Reviewed 31 October 2009 £'000	Reviewed 31 October 2008 £'000	Audited year to 30 April 2009 £'000
Loss attributable to equity shareholders after exceptionals	(23,795)	(15,721)	(87,324)
Basic loss per ordinary share after exceptionals	(9.31)p	(27.83)p	(82.75)p
Diluted loss per ordinary share after exceptionals	(9.31)p	(27.83)p	(82.75)p
Loss attributable to equity shareholders before exceptionals	(7,751)	(14,089)	(42,731)
Basic loss per ordinary share before exceptionals	(3.01)p	(24.94)p	(40.29)p
Diluted loss per ordinary share before exceptionals	(3.01)p	(24.94)p	(40.29)p

9. Retirement benefit obligations

All pension assumptions are detailed in the Annual Report and Accounts as at 30 April 2009. The following assumptions have changed at 31 October 2009 from 30 April 2009 and compared to 31 October 2008:

	Reviewed 31 October 2009	Reviewed 31 October 2008	Audited 30 April 2009
Price inflation	3.4% pa	3.6% pa	3.3% pa
Discount rate	5.5% pa	6.2% pa	6.7% pa
Pension increases (LPI 5%)	3.3% pa	3.5% pa	3.2% pa

All other assumptions are those used in the disclosures contained within the Annual Report and Accounts as at 30 April 2009.

The defined benefit plan assets have been updated to reflect their market value as at 31 October 2009. Differences between the expected return on assets and the actual return on assets have been recognised as an actuarial loss in the Condensed consolidated statement of comprehensive income in accordance with the Group's accounting policy.

10. Bank loans

On 21 July 2009, the Company entered into an amendment agreement with The Royal Bank of Scotland to effect certain amendments to the terms of the existing facilities.

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

Key Terms	Facilities as at 30 April 2009	Amended facilities as at 31 October 2009
Interest margin:		
To 31 July 2011	1.75%	1.75%
1 August 2011 to 31 July 2012	1.75%	2.50%
1 August 2012 to 31 July 2013	1.75%	3.00%
1 August 2013 onwards	-	3.50%
Zero coupon tranche (£'000)	15,000	20,000 (1)
Revolving credit facility (£'000)	15,000	15,000 (2)
Management fee (£'000)	-	75 pa
Repayment terms (£'000):		
Within 1 year	-	-
1 – 2 years	5,000	-
2 – 3 years	70,747	5,000
3 – 4 years	-	15,000
4 – 5 years	15,000	17,500
After 5 years	-	53,247

(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.

(2) The revolving credit facility expires on 31 January 2012 and any amounts drawn down on this facility are repayable on that date. At 31 October 2009, £15,000,000 of the revolving credit facility was drawn.

On 18 August 2009, the loan tranches denominated in US dollars and Canadian dollars were converted into sterling loans

SGP Facility

On 21 July, 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, as a condition of the amendment of the terms of the facility with the Royal Bank of Scotland, £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.

11. Disposals

On 18 May 2009, the Group disposed of its 50% interest in DTZ Rockwood LLP, to our joint venture partners.

On 31 October 2009, the Group disposed of certain assets and liabilities of its 100% owned interest in DTZ New Zealand (Holdings) Limited.

12. Related party transactions

All related party transactions across the Group are provided on an arm's length basis.

The Group provided advisory services for total fees of £1,549,000 (31 October 2008: £209,000; 30 April 2009: £497,000) and made payments for service provided of £80,000 (31 October 2008: £nil; 30 April 2009: £36,000) to/ from companies connected to Non-Executive Directors of DTZ Holdings plc.

One subsidiary company leases an office at an annual rent of £nil (31 October 2008: one company £85,000; 30 April 2009: two companies £120,000) from a company controlled by a Director of the subsidiary company.

A subsidiary company pays an annual software user licence fee of £37,000 (31 October 2008: £32,000; 30 April 2009: £41,000), on an arm's length basis, to a company controlled and owned by two of the Directors of the subsidiary company.

As at 31 October 2009, the Group had outstanding loans to certain joint venture and associated companies in the sum of £140,000 (31 October 2008: £7,060,000; 30 April 2009: £3,683,000). All of these loans are on commercial terms.

As at 31 October 2009, the Group had an outstanding loan of £1,058,000 (31 October 2008: £nil; 30 April 2009: £nil) with a company connected to Non-Executive Directors of DTZ Holdings plc. This loan is on commercial terms.

As at 31 October 2009, the Group had £10,391,000 of loans payable to our largest shareholder SGP (31 October 2008: £nil; 30 April 2009: £nil). This loan is described in note 10. Interest in connection to this loan amounted to £119,000 (31 October 2008: £nil; 30 April 2009: £nil), and a further £13,000 was paid during the period as a management fee (31 October 2008: £nil; 30 April 2009: £nil).

Risks and Responsibilities

Principal risks and uncertainties

The 2009 Annual report sets out the most significant risk factors relating to DTZ's operations in the Company's judgment at the time of that report. The Board does not consider that these principal risk and uncertainties have changed. However, additional risks and uncertainties not currently known to DTZ, or that DTZ does not currently deem material, may also have an adverse effect on its business.

With respect to the risks and uncertainties identified within the Annual report, DTZ currently highlights the following significant developments over the first half of 2009.

In its Annual Report, DTZ identified changing market conditions as a material risk. The Group's geographic spread and range of services provided helps mitigate, but cannot eliminate, this risk. The continued restricted availability of debt financing globally significantly impacted transaction values in our Investment Agency and Investment & Asset Management businesses and the poor global economic conditions reduced tenant demand in our Occupational & Development Markets. Whilst we are seeing increased levels in some markets, it remains uncertain as to when economic conditions will improve and transaction volumes increase to a normalised level. In the medium term DTZ stands to benefit from the renewal of growth in market activity relative to currently depressed levels. DTZ consequently implemented a global programme of cost reduction initiatives. Management has undertaken a robust planning process and instituted stringent performance measures and accountabilities to mitigate this risk as much as possible.

Refinancing of maturing debt and bank facilities remains a general risk for the Company. To date in 2009, DTZ has confirmed refinancing of the RBS debt facility. In July 2009, entered into an amendment agreement to revise the repayment terms and converted the loan tranches denominated in US dollars and Canadian dollars to Sterling loans. As a result of the renegotiation the maturity of DTZ's bank facilities have been extended and the next loan repayment is due in January 2012. This has allowed the Company to mitigate repayment, foreign currency and liquidity risk.

Responsibility statement

We confirm that to the best of our knowledge:

- (a) the condensed set of financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting';
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the board.

Paul T. Idzik
Group Chief Executive
9 December 2009

Bob Rickert
Group Finance Director and Global Chief Operating Officer
9 December 2009

INDEPENDENT REVIEW REPORT TO DTZ HOLDINGS PLC

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2009 which comprises the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the cash flow statement and related notes 1 to 12. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditors,
London, United Kingdom
9 December 2009