

INTEGRATED SOLUTIONS to
OUTSOURCING NEEDS

	2000	1999	Increase
Turnover from continuing operations	£1,261.3m	£1,015.0m	+24%
Operating profit*	£142.0m	£125.8m	+13%
Profit before tax*	£130.0m	£121.2m	+7%
EPS*	5.5p	5.2p	+6%
Dividend	1.32p	1.15p	+15%

*Before discontinued operations, exceptional items and amortisation of goodwill.

BUSINESS HIGHLIGHTS

- ➔ Organic growth in Group sales accelerated to 15%.
- ➔ Personnel achieved excellent growth with operating profit up by 38% to £70.1m.
- ➔ Logistics turnover increased organically by 16% with new contracts worth £70m p.a. (or £350m over the contract life) with Sainsbury's, Carrefour, BMW, Gillette, Danone and others to support future expansion.
- ➔ Good progress by Commercial held back by the integration of recent Mail & Express Services acquisitions in France and Spain. Profit growth will improve in the second half enhanced by major new contracts notably the national management information system for the Police.
- ➔ Continued good progress in the newly established fourth party supply chain solutions (4PS) activity with a number of promising projects underway.

WE HAVE CONTINUED TO INVEST IN MANAGEMENT, INFRASTRUCTURE AND IT SYSTEMS TO ENABLE US TO OFFER CUSTOMERS EVER MORE SOPHISTICATED AND INTEGRATED SOLUTIONS, OFTEN INVOLVING MORE THAN ONE DIVISION OF HAYS IN MORE THAN ONE COUNTRY.

GROUP PROFIT

In the six months to 31 December 2000 Group sales on continuing operations rose by 24% and operating profit on continuing operations rose by 13% before goodwill amortisation on acquisitions. Despite a substantial increase in the interest charge due to a number of factors, including higher Euro interest rates, earnings per share before amortisation of goodwill and exceptional items increased by 6%. We are pleased with the profit growth achieved during a period of strategic transition and development.

We have continued to invest in management, infrastructure and IT to enable us to offer customers ever more sophisticated and integrated solutions, often involving more than one Division of Hays in more than one country. These solutions are focused on supply chain, business process and human resources management and increasingly involve the complete outsourcing of these activities by customers to enable them to focus on their core activities. We have strengthened our consultancy and IT capabilities, established the 'Fourth Party Solutions' (4PS) business unit, completed the initial training on i2 software and achieved rapid organic growth on our HR outsourced solutions business. Hays is now uniquely placed to take advantage of the trend towards the outsourcing of business critical processes.

INTERIM DIVIDEND

The interim dividend is being increased by 15% to 1.32p and will be paid on 31 May 2001 to shareholders on the register on 27 April 2001. The Board's policy is to continue to provide shareholders with progressive dividend growth.

LOGISTICS

The first half of the year saw good progress in Logistics with organic sales growth of 16% and a 10% increase in operating profit to £28.0m. This improvement was achieved despite fuel price rises and fuel blockages in several countries, as well as investment to establish a 4PS Supply Chain Management activity. Our planned exit from the commodity transport business in Germany was satisfactorily completed and we are well placed for further strong organic growth.

We have successfully completed the start-up phase of the complex £75m p.a. Iveco contract across Europe, meeting the tight deadlines set at the outset. We currently operate major sites for Iveco in the UK, France, Germany, Spain and Italy and took full responsibility for Iveco's European transport management from January 2001.

We now have 5 pilot studies which are jointly being progressed with customers under the

DURING THE PAST SIX MONTHS WE HAVE WON NEW CONTRACTS WHICH WILL DELIVER ADDITIONAL ANNUALISED REVENUE IN EXCESS OF £70M PER ANNUM. OVER THE LIFE OF THESE CONTRACTS THE TOTAL REVENUE IS MORE THAN £350M.

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management of our new Fourth Party Solutions (4PS) business unit. We are confident that substantial business will develop out of these studies. A demonstration centre for Hays Logistar and i2 supply chain systems was opened in Paris earlier this year so that our multi-national team can demonstrate to customers our skills in the design and implementation of complex supply chain solutions.

During the past six months we have won new contracts which will deliver additional annualised revenue in excess of £70m per annum. Over the life of these contracts the total revenue is more than £350m. We have further developed our European crate management business with an exciting new seven-year contract with Sainsbury's in the UK. This contract was won through our unique system for increasing efficiency and improving asset utilisation. Under this contract we will manage all aspects of the crates supply chain using our internet based tracking, stock control and billing systems. Hays now manages in excess of 350 million crate movements across Europe each year for a wide variety of customers. Other new business wins include the selection by Auchan of Hays Logistar systems to control their chill supply chain in France. In addition we have won new logistics contracts with Auchan, Leroy Merlin (DIY) and Carrefour in Italy, Gillette in France, BMW in Germany, Nortel in Holland, Danone in Poland and a retailer in Spain.

CHEMICALS

As expected, profits from our Chemicals operations were lower than the same period last year, with the depressed price of caustic soda being the major factor. Having reached the low point in the cycle of £107 per tonne in early 2000, the spot market price of caustic

soda has already more than doubled. This is directly benefiting our profits in the second half, though contract prices always lag the spot market by about 4 months. Our Chemical Distribution business continues to achieve success in a difficult market for UK manufacturers by converting major customers such as BP Chemicals and Glaxo Smithkline to total supply chain management agreements.

COMMERCIAL

The first half performance was disappointing with operating profit down 4%, due primarily to our Mail & Express businesses on the Continent. Commercial would have shown profit growth of 12% if the continental mail businesses had not made losses. In each of France and Spain we acquired and subsequently merged two companies. In both cases it has proved more difficult than anticipated to put the two businesses together and it has not been possible to resolve all the issues quickly. I am pleased to report that management actions in France have turned that business into profit for the month of January allowing us to be more positive about results in the second half but there is continued severe price pressure on our smaller Spanish business.

In the UK document exchange volumes have shown satisfactory growth, supported by new business wins, although profits were held back by the fuel blockage in September which halted activities for a number of days. In Ireland we have won a contract with the associated Banks of Ireland and in the UK we have gained new customers in the optical sector. In mailroom management we have now implemented the contract to handle the London mailrooms of the National Westminster Bank.

The Government has announced its initial plans for the liberalisation of the mail services market. As the only substantial alternative mail operator in the UK, Hays is well placed to benefit from deregulation. We are keen to win licences from the Postal Regulator which will allow us to accelerate the growth of our business by entering new markets.

Our Business Process Outsourcing activities, including Document Storage, have progressed well and we are now starting the next phase of development. We have integrated and grouped together a number of previous acquisitions to create centres of expertise and provide total solutions for customers. The costs associated with this have inevitably had an unfavourable impact on profit in the first half of the year. Nevertheless, Business Process Outsourcing recorded a good increase in profit and we expect growth to accelerate in the second half.

We are embarking on an exciting new programme to modernise and rationalise our network of document storage sites. Customers will benefit from an improved service capability fully integrated with our other Business Process Outsourcing activities, bringing together a full range of electronic storage and other document solutions.

Also within BPO we have achieved significant new business wins which will benefit the second half. We are extremely pleased that in late 2000 Hays achieved accreditation from the Police Information Technology Organisation (PITO) for a new National Management Information System (NMIS) for Police Forces. Despite being the last system to be specified by PITO this is the only one so far to have achieved accreditation under the programme known as the National Strategy for Police Information Systems. The system enables the

Police to manage their information and resources more efficiently on a geographical basis. It also provides local authorities and government with consistent and comparable statistical data. The system has already been sold to 7 Police Forces, including the Metropolitan and Greater Manchester forces, and implementation has commenced. More recently, government funding has been confirmed for the purchase of NMIS and we are now in discussion with Police Forces throughout the UK, which will lead to further substantial sales. Once implemented Hays will have a number of recurring revenue streams from managed services. The Hays system also has significant potential in other similar organisations and one version has already been implemented successfully within the Sunderland Health Trust.

PERSONNEL

Another set of superb results was delivered by the Personnel Division with operating profit increasing by 38% to £70.1m from our core recruitment business and other HR activities. Of this growth 32% was organic and 6% through acquisitions.

The UK businesses grew strongly, particularly Accountancy Personnel and Montrose Technical. The public sector showed good progress and now represents over 10% of our turnover. Our IT acquisitions have been successfully integrated into one business, planned cost savings have been achieved and organic growth has resumed strongly following the slowdown post Y2K. In October 2000 we acquired ZMB, a leading UK legal recruitment consultancy, for a total consideration of up to £15m, including deferred payments. The acquisition of ZMB further strengthens our position in the UK legal

market. We are now extremely well placed to meet the staffing needs of the City of London and the financial services sector in general, with market leading positions in accounting, banking, legal, insurance and IT recruitment.

Our businesses in Australia continue to perform well although there are some signs that the economy is beginning to slow. On the Continent of Europe we have successfully merged the three IT recruitment businesses that we acquired in France and have achieved significant growth in Holland. Further development of markets on the Continent is likely to follow the model of our Australian businesses, where we have proved that we can develop new business sectors cost effectively alongside an established local operation.

Our Haysworks.com portal website was launched successfully in autumn 2000. Already 60% of the CVs we handle are received via the web and the site receives 1.6m hits per week. This award-winning site offers both employers and candidates a diverse range of HR related advice and services. It is much more than just a job board with the ability to match candidates' CVs with employment vacancies. The value of this innovative HR portal is demonstrated by the growth in activity each month and by the high number of visits which last for more than 15 minutes.

Our recently established Hays Personnel Solutions business continues to benefit from the trend for companies to outsource a wide range of HR activities under long-term contracts. Sales have more than doubled during the first half of the year to an annual rate in excess of £100m which represents nearly 10% of Personnel's revenue. In the public sector we have been appointed by the London Borough of Southwark

to handle the management of all their recruitment on an outsourced basis. We are confident that HR outsourcing will be seen as increasingly attractive by both large and small businesses and that it will become an important part of our Personnel activity.

BALANCE SHEET AND CASHFLOW

Our balance sheet remains strong notwithstanding that since 30 June we have experienced the usual seasonal increase in working capital. During the period £140m of long-term loan finance was raised at 6.99% via a highly successful private placement.

We continue to generate a strong cash flow. The interest charge has risen to £12.0m (1999 – £4.6m) primarily due to a rise in capital expenditure, the cost of acquisitions and acceleration of Corporation Tax payments as well as increases in interest rates and working capital. Interest cover remains extremely strong at 12 times.

GROUP MANAGEMENT AND STAFF

After 8 years as a Director David Tibble retires from the Board on 5 March 2001 to take up an academic post at a local university. In preparation for retirement David has been passing over his responsibilities in Business Process Outsourcing during the past 6 months, and he will continue to assist the Group on a number of projects. As more customers look for integrated solutions involving more than one division of Hays it has been decided to further simplify the Board structure by reducing the number of operational Executive Directors – we will have one for each of our three core activities. Keith Charlton becomes responsible for the strategic development in Commercial and Chemicals, Xavier Urbain for Logistics

and Denis Waxman for Personnel. Robert Morgan leaves the Board on 5 March 2001 to take up new interests outside the Group. We continue to ensure that the Board has an effective structure as the Group evolves and grows and I am delighted to announce the immediate appointment of Brian Wallace as a non-Executive Director. Brian is deputy chief executive of the Hilton Group plc with an established background in service industries. He has been Finance Director of the Hilton Group plc since 1995. Brian brings to the Hays Board a thorough understanding of both practical and technical issues.

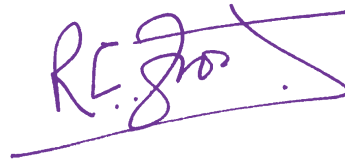
PROSPECTS

In a period of unprecedented change it is increasingly apparent that our customers require integrated solutions for their outsourcing needs, often involving more than one Hays division and on a pan European basis. Our intellectual property is becoming more important than our physical assets as we deliver intelligent solutions to meet our clients' requirements. We will continue to make the necessary investment in

our management infrastructure and IT systems so as to enable Hays to capitalise on its unique capability to offer a wide range of integrated services across Europe.

In this period of development I am pleased by the progress the Group has made and expect growth in the second half to lead to a satisfactory result for the year.

As shareholders will be aware I announced at our AGM that I would be stepping down as Chairman on 1 July 2001 and handing over the reins to Bob Lawson, our Deputy Chairman. I am confident that shareholders will be delighted with Bob as Chairman as he steers Hays through the next stage in its development. I will remain available to support Bob as he requires.



R E Frost Chairman

INDEPENDENT REVIEW REPORT TO HAYS PLC**INTRODUCTION**

We have been instructed by the Company to review the financial information set out on pages 8 to 14 for the six months ended 31 December 2000 which comprises a consolidated profit and loss account, a consolidated summarised balance sheet, a consolidated summarised cash flow statement and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

DIRECTORS' RESPONSIBILITIES

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

REVIEW WORK PERFORMED

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

REVIEW CONCLUSION

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 December 2000.

Deloitte & Touche

Chartered Accountants

5 March 2001

Hill House

1 Little New Street

London EC4A 3TR

<i>(In £'s million)</i>	Half Year to 31 December 2000 (Unaudited)	Half Year to 31 December 1999 (Unaudited)	Increase %	Year to 30 June 2000
TURNOVER				
Continuing Operations	1,256.7	1,015.0		2,188.9
Acquisitions	4.6	–		–
	1,261.3	1,015.0	+24%	2,188.9
Discontinued Operations	3.2	14.8		27.5
	1,264.5	1,029.8		2,216.4
PROFIT FROM OPERATIONS				
Continuing Operations	141.4	125.8		280.3
Acquisitions	0.6	–		–
	142.0	125.8	+13%	280.3
Discontinued Operations	–	0.5		(5.8)
	142.0	126.3		274.5
Goodwill amortisation	(9.0)	(4.0)		(10.3)
OPERATING PROFIT	133.0	122.3		264.2
Exceptional items	–	0.9		(48.7)
Net interest payable	(12.0)	(4.6)		(11.9)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	121.0	118.6		203.6
Tax on profit on ordinary activities	(35.7)	(31.6)		(72.3)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	85.3	87.0		131.3
Equity minority interests	(0.1)	(0.2)		(0.5)
PROFIT FOR THE PERIOD	85.2	86.8		130.8
Dividends	(22.2)	(19.4)		(60.3)
TRANSFERRED TO RESERVES	63.0	67.4		70.5
Earnings per ordinary share before exceptional items and goodwill amortisation	5.5p	5.2p		11.1p
Basic earnings per share	5.0p	5.1p		7.7p
Diluted earnings per share	4.9p	5.0p		7.6p
DIVIDEND PER SHARE	1.32p	1.15p		3.54p
INTEREST COVER	12X	27X		23X

SUMMARISED BALANCE SHEET

as at 31 December 2000

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	<i>(In £'s million)</i>	31 December 2000 (Unaudited)	31 December 1999 (Unaudited)	30 June 2000
Goodwill and intangible fixed assets		316.5	197.4	298.7
Tangible fixed assets		512.4	472.7	490.9
Investments		56.2	33.2	38.9
Net current assets/(liabilities)		9.6	(32.0)	(85.4)
Other creditors due after more than one year		(29.3)	(55.7)	(36.3)
Provisions for liabilities and charges		(26.7)	(20.5)	(21.0)
		838.7	595.1	685.8
Called up share capital		17.3	8.6	17.3
Share premium account		362.4	360.7	359.2
Profit and loss account		93.6	(0.7)	30.8
Equity shareholders' interests		473.3	368.6	407.3
Minority interests		1.5	1.6	1.5
		474.8	370.2	408.8
Net debt		363.9	224.9	277.0
		838.7	595.1	685.8
Net debt as a % of shareholders' and minority interests		77%	61%	68%

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' INTERESTS

	<i>(In £'s million)</i>	Half year to 31 December 2000 (Unaudited)	Half year to 31 December 1999 (Unaudited)	Year to 30 June 2000
Profit for the period		85.2	86.8	130.8
Dividends		(22.2)	(19.4)	(60.3)
		63.0	67.4	70.5
Exchange differences on translation		(0.2)	(4.7)	(2.2)
New share capital subscribed		3.2	4.0	7.6
Goodwill written back		-	4.7	34.2
Net increase in shareholders' interests		66.0	71.4	110.1
Opening shareholders' interests		407.3	297.2	297.2
Closing shareholders' interests		473.3	368.6	407.3

<i>(In £'s million)</i>	Half year to 31 December 2000 (Unaudited)	Half year to 31 December 1999 (Unaudited)	Year to 30 June 2000
OPERATING ACTIVITIES			
Total operating profit	133.0	122.3	264.2
Depreciation and amortisation	40.0	29.9	65.4
Other operating activities	0.8	(3.8)	0.7
Increase in working capital	(80.3)	(60.0)	(21.8)
Net cash inflow from operating activities	93.5	88.4	308.5
Returns on investment and servicing of finance	(12.7)	(5.3)	(12.0)
Tax paid	(27.1)	(2.0)	(76.6)
Capital expenditure	(41.7)	(31.5)	(81.4)
CASH INFLOW BEFORE ACQUISITIONS AND DISPOSALS	12.0	49.6	138.5
Acquisitions and disposals	(34.3)	(31.1)	(146.9)
Equity dividends paid	(40.7)	(35.6)	(54.8)
CASH OUTFLOW BEFORE FINANCING	(63.0)	(17.1)	(63.2)
Financing	69.8	13.7	81.3
INCREASE/(DECREASE) IN CASH	6.8	(3.4)	18.1
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
Increase/(decrease) in cash	6.8	(3.4)	18.1
Cash flow from financing	(83.6)	(25.3)	(94.6)
Change in net debt resulting from cash flows	(76.8)	(28.7)	(76.5)
Borrowings acquired with subsidiaries	-	(8.0)	(4.9)
Loan notes issued	(10.6)	(2.0)	(3.5)
Exchange adjustment and other	0.5	10.8	4.9
MOVEMENT IN NET DEBT IN THE PERIOD	(86.9)	(27.9)	(80.0)
OPENING NET DEBT	(277.0)	(197.0)	(197.0)
CLOSING NET DEBT	(363.9)	(224.9)	(277.0)

1 STATEMENT UNDER S240 – PUBLICATION OF NON STATUTORY ACCOUNTS

The financial information contained in this interim statement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The financial information for the full preceding year is based on the statutory accounts for the financial year ended 30 June 2000. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.

2 BASIS OF PREPARATION OF INTERIM FINANCIAL INFORMATION

The interim financial information has been prepared on the basis of the accounting policies set out in the Group's statutory accounts for the year ended 30 June 2000.

3 BONUS SHARE ISSUE

On 24 January 2000 a one for one bonus issue of shares took place. As a result the Company's issued share capital doubled. The amount of earnings and dividends per share for the prior period have been calculated as if additional shares were in issue at 30 June 1999.

4 SEGMENTAL INFORMATION

	<i>(In £'s million)</i>		Half year to		Year to	
	31 December 2000		31 December 1999		30 June 2000	
	Turnover (Unaudited)	Operating Profit (Unaudited)	Turnover (Unaudited)	Operating Profit (Unaudited)	Turnover	Operating Profit
BY BUSINESS SECTOR						
Continuing Operations						
Logistics	451.1	28.0	375.3	25.4	781.4	60.3
Chemical Distribution	78.0	5.8	80.5	10.1	159.9	17.7
Commercial	229.9	38.1	212.1	39.5	445.0	84.8
Personnel	502.3	70.1	347.1	50.8	802.6	117.5
	1,261.3	142.0	1,015.0	125.8	2,188.9	280.3
Discontinued Operations						
Goodwill amortisation	3.2	–	14.8	0.5	27.5	(5.8)
	–	(9.0)	–	(4.0)	–	(10.3)
	1,264.5	133.0	1,029.8	122.3	2,216.4	264.2
BY GEOGRAPHIC AREA						
Continuing Operations						
United Kingdom	858.6	116.3	666.0	98.9	1,454.3	224.3
Other Europe	330.0	15.6	296.0	19.8	612.3	38.4
Rest of the World	72.7	10.1	53.0	7.1	122.3	17.6
	1,261.3	142.0	1,015.0	125.8	2,188.9	280.3
Discontinued Operations						
Goodwill amortisation	3.2	–	14.8	0.5	27.5	(5.8)
	–	(9.0)	–	(4.0)	–	(10.3)
	1,264.5	133.0	1,029.8	122.3	2,216.4	264.2

5 EXCEPTIONAL ITEMS

No exceptional items have been charged or credited in the period. In the half year ended 31 December 1999 the exceptional profit of £0.9m related to the disposal of the animal feed ingredients business and certain fixed assets. In the year ended 30 June 2000 the exceptional charge of £48.7m principally related to the disposal and closure of bulk transport businesses in Germany and France.

6 EARNINGS PER SHARE

Earnings per share is based on profits from ordinary activities after taxation and minority interests of £85.2m and a weighted average of 1,701.3 million shares. To enable comparisons with previous periods, earnings per share has also been calculated before goodwill and exceptional items using earnings of £94.2m. The weighted average number of shares in issue excludes shares held by the Hays Employee Share Trust Ltd and the QUEST (Hays plc Qualifying Employee Share Ownership Trust). The dilution effect of share options issued to employees but not yet exercised is 20.0 million shares and the diluted earnings per share is 4.9p.

7 DIVIDENDS

	<i>(pence)</i>	Half year to 31 December 2000 (Unaudited)	Half year to 31 December 1999 (Unaudited)	Year to 30 June 2000
Interim – pence per ordinary share		1.32	1.15	1.15
Final – pence per ordinary share		–	–	2.39
		1.32	1.15	3.54

	<i>(In £'s million)</i>	Half year to 31 December 2000 (Unaudited)	Half year to 31 December 1999 (Unaudited)	Year to 30 June 2000
Interim		22.2	19.4	19.4
Final		–	–	40.9
		22.2	19.4	60.3

8 PROVISIONS FOR LIABILITIES AND CHARGES

<i>(In £'s million)</i>	Pensions	Deferred taxation	Property	Deferred employee benefits	Other	Total
At 1 July 2000	6.2	1.0	4.9	6.9	2.0	21.0
Acquisitions	-	-	-	5.7	-	5.7
Charged to P&L account	0.6	-	-	-	0.6	1.2
Utilised	-	-	(0.7)	-	(0.5)	(1.2)
At 31 December 2000 (unaudited)	<u>6.8</u>	<u>1.0</u>	<u>4.2</u>	<u>12.6</u>	<u>2.1</u>	<u>26.7</u>

9 RESERVES

	<i>(In £'s million)</i>	Share Premium	Profit & loss Account
At 1 July 2000		359.2	30.8
Translation differences in respect of foreign subsidiaries		-	(0.2)
Shares allotted on the exercise of options		2.3	-
Shares issued to QUEST		0.9	-
Transferred from profit and loss account		-	63.0
At 31 December 2000 (unaudited)		<u>362.4</u>	<u>93.6</u>

10 ACQUISITIONS

The following acquisitions were completed in the half year:

Applied IT Limited 1 September 2000

Turngate Limited (ZMB) 18 October 2000

The assets acquired are set out below:

	<i>(In £'s million)</i>	Fair values acquired (Unaudited)
Tangible fixed assets		15.1
Debtors		3.3
Cash		1.0
Creditors and provisions		(11.5)
Net assets acquired		<u>7.9</u>
Goodwill		24.9
		<u>32.8</u>
Consideration		
Cash		20.0
Loan notes issued		8.1
Deferred consideration recognised		<u>4.7</u>
		<u>32.8</u>

11 MOVEMENT IN NET DEBT

	<i>(In £'s million)</i>	Cash	Debt	Net Debt
At 1 July 2000		95.1	(372.1)	(277.0)
Foreign exchange movements		(0.5)	1.0	0.5
Movement during year		6.8	–	6.8
Borrowings repaid		–	111.8	111.8
Borrowings raised		–	(206.0)	(206.0)
At 31 December 2000 (unaudited)		<u>101.4</u>	<u>(465.3)</u>	<u>(363.9)</u>

Cash comprises cash at bank and in hand, less overdrafts. Debt includes borrowings and finance lease liabilities.

LOGISTICS

Specialised logistics services

Operating throughout the UK and continental Europe, Hays Logistics is a leader in the design, implementation and management of supply chain solutions on a dedicated or multi-user basis to manufacturers and retailers. Hays has been very active in developing its Fourth Party Solutions (4PS) business unit which now offers customers an innovative and integrated software solution to manage the total Supply Chain Process. Hays Logistics is a specialist in the distribution of consumer goods across all temperature bands, shop and office fittings, telecoms equipment, automotive parts, oils, office paper and DIY products. Services include initial consultancy and design, IT facilities management as well as a comprehensive range of physical operations from warehousing and co-packing to JIT, home delivery, technical repair sub assembly, transport and distribution. In addition, Hays Logistics provides retailers with a full crate supply, washing and management facility.

CHEMICALS

Hays Chemicals provides quality organic and inorganic chemicals safely and on time by maintaining stringent operating standards for packaging and distribution.

COMMERCIAL

Mail services and Business Process Outsourcing

Hays Mail and Express Services provides mail and related services in the UK, the Republic of Ireland, France, Belgium and Spain. These include a Document Exchange service, door-to-door deliveries, spare parts distribution to field engineers, same day secure delivery, international mail, magazine circulation, mail management, reprographics and the destruction of confidential waste.

Hays Business Process Outsourcing offers customers a range of outsourced solutions which include total restructuring of front and back office processes, knowledge-based enhancement of customer communications, the design, supply and implementation of electronic document management and workflow systems, and the day to day management of outsourced business processes such as payroll, data input, IT, billing and call centres. Its main activities are in the UK and France. Hays IMS is a market leader in archive storage and records management, providing secure off-site storage and retrieval, magnetic media backup and online data retrieval systems to customers in the commercial, energy, public and healthcare sectors in the UK, continental Europe and the USA.

PERSONNEL

Specialist staff recruitment agencies

Hays Personnel Service offers HR solutions which form part of the groups complete integrated services available throughout Europe. Hays Accountancy Personnel provides accounting staff up to the level of finance director, while further specialist agencies place staff in the banking, call centre, insurance, IT and legal sectors. In addition, the specialist agency Hays Montrose is the largest supplier of staff to the construction, property and maintenance sectors in the UK and Republic of Ireland. These services also extend to Australia and New Zealand.

Interim Statement for half year ending 31 December	March
Interim Dividend on Ordinary Shares paid	31 May
Preliminary Announcement of results for financial year ending 30 June	September
Annual Report posted to shareholders	October
Annual General Meeting held	November
Final Dividend on Ordinary Shares paid	November

For further information contact David Beckley on +44 (0) 1483 302203.

INVESTMENT CRITERIA

HAYS concentrates on activities which display most of the following characteristics:

- Leading position in growth markets
- Provision of essential and added value services
- Repeat business
- Long-standing customer relationships
- High quality customers
- Significant barriers to entry
- Advantages of scale
- Strong cash flow
- High return on capital

Information

about Hays plc and a full copy of
the Annual Report and Accounts can
be found on the Hays plc website:

www.hays-plc.com



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