



Press release

9th March 2004

Hays plc

INTERIM RESULTS FOR THE 6 MONTHS TO 31 DECEMBER 2003

Financial Highlights

- Performance in line with our expectations
- Personnel turnover of £623.2m, up 24% (12% on a like-for-like basis)¹
- Personnel operating profit² of £60.1m, up 12% (6% on a like-for-like basis)
- Mail operating profit stable at £16.3m on turnover up 2%
- Group profit before tax of £83.2m
- Group profit before tax, goodwill amortisation and exceptional items of £87.9m³
- Net debt reduced to £94.5m
- Interim dividend rebased (as previously announced) to 1.0p per share

1. *Percentage change is calculated over the result for H1 2002/03 and like-for-like percentage change calculated before acquisitions and at constant exchange rates*
2. *Personnel operating profit stated before goodwill amortisation of £6.6m (2002/03: £2.5m)*
3. *Goodwill amortisation of £6.6m and exceptional profit of £1.9m*

Operating Highlights

- Increased Personnel operating profit for first time in two and a half years
 - Continued gradual recovery in principal markets
 - Continued strong growth in Montrose (technical) and Australia
 - Return to growth in IT
 - Accountancy performed well in regions but South East difficult
 - Ascena performed well but Continental European markets challenging
- New mail products launched successfully and showing promising growth

Group Transformation

- Two thirds of Group transformation completed
- £355.0m gross headline consideration realised from disposals to date
- Board actively reviewing options for method and timing of divestment of Mail

Bob Lawson, Chairman, commented:

“We are delighted that after two and a half years of difficult trading conditions our Personnel business has returned to creditable growth. We grew operating profit before goodwill amortisation by 6% on a like-for-like basis despite weak demand in the South East of England and Continental Europe. Including acquisitions and favourable foreign exchange movements the growth was 12%. We are confident that we have performed well compared to the competition. We continued to invest in the business adding a further 13 offices in the period and we are well positioned to capitalise on future opportunities.”

“The new Mail management team has improved and developed the quality of the core business. They have also successfully launched three new mail products which we believe offer exciting potential in the deregulating UK mail market.”

“It is only one year since we announced our strategy to transform Hays into a focussed specialist recruitment and HR services company. In that time we have completed two thirds of the transformation, having sold substantially all of our former Commercial and Logistics operations. We have made excellent progress in disposing of other non-core assets and we are actively reviewing our options with respect to Mail.”

“The financial performance of Hays Personnel in the period reflected slightly more favourable economic conditions with net fees growing by 5% on a like-for-like basis. During January and February comparative year on year growth in net fees has been sustained at 5-6% with no evidence of any acceleration. We have not yet seen a strong recovery in the South East of England or in Continental European markets. Accordingly, our outlook remains cautious but we are well placed for any future stronger upturn.”

ENQUIRIES:

Colin Matthews	Chief Executive Officer, Hays plc	+ 44 (0)1483 302 203
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John Martin	Group Finance Director, Hays plc	+ 44 (0)20 7628 9999
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CONFERENCE CALL:

Hays plc will conduct a conference call for analysts and institutional shareholders at 15:30 UK time on 9 March 2004. The dial-in details are as follows:

Dial-in number:	+44 (0)1452 561 263
Password:	Hays

The call will be recorded and available for playback as follows:

Replay dial-in number:	+44 (0)1452 550 000
Access code:	1022898#

The Instant Replay will be available until 16 March 2004.

DELAYED WEB-CAST:

The presentation to analysts will be available to view on the Hays website from 14:30 UK time on 9 March 2004 - www.hays.com

The presentation will also be filmed and distributed by RAW Communications to those who subscribe to that service.

CHAIRMAN'S STATEMENT

The last six months has been a period of considerable achievement for the Group. We have completed two thirds of our Group transformation, disposing of substantially all of our former Commercial and Logistics operations. Hays Personnel, our specialist recruitment and HR services business, has continued to perform well in a recovering market, increasing operating profit for the first time in two and a half years. Our Mail business is now generating stable profits and has successfully launched three new products in the deregulating UK mail market.

Results Summary

Group operating profit before goodwill amortisation and exceptional items of £89.7m (2002/03: £94.7m) is in line with our expectations.

Our Personnel business generated turnover of £623.2m, up 24% over the equivalent period last year (2002/03: £502.2m), and operating profit before goodwill amortisation¹ of £60.1m (2002/03: £53.6m), up 12%. On a like-for-like basis, excluding the benefit of acquisitions and favourable foreign exchange movements, turnover increased by 12% and operating profit before goodwill amortisation by 6%.

After two and a half years in which trading has been challenging, the markets for our Personnel business now appear to be recovering. Whilst the overall results are positive, the pace of recovery varies. Australia, the Northern regions of the UK, Montrose, IT and Ascena in Germany all performed well, but other markets in Continental Europe and those for Accountancy in the South East of England continued to be difficult.

Once again, we believe that Hays Personnel has performed well compared to the competition. We continue to strive to gain market share and increase efficiencies, as well as invest for future growth adding a further 13 offices in the period.

1. *Operating profit of Personnel is stated throughout the Chairman's statement before goodwill amortisation of £6.6m (2002/03: £2.5m)*

Hays Personnel generated an excellent net operating margin in the period of 9.6%, compared to 10.7% in the same period last year. Over half of the reduction in operating margin is as a result of the acquisition of two specialist temporary recruitment businesses in Continental Europe, Ascena in Germany and IOS in Belgium, whose performance has matched our expectations. Our UK IT and Contact Centre businesses grew quickly, contributing to overall profit growth but diluting average margins. In addition, in the period we won a number of recruitment management contracts. These contracts enable us to capture a higher share of a client's regular specialist recruitment business but result in a reduction in reported margin as a result of having to record the gross fees for those temps sourced from third parties on which we earn a management fee. The overall margin has also been impacted by further investment, particularly in Accountancy where we have continued to build new specialisms. In the period, we saw little evidence of the opportunity to generate significant operating leverage at this stage of the cycle.

Mail turnover of £65.5m was 2% ahead of the same period last year (2002/03: £64.1m) and operating profit was stable at £16.3m. We are pleased that the benefits of a strengthened management team and the focus on our UK operations are now evident. During the period, the business successfully launched three new products under its new licence which are demonstrating promising growth potential in the liberalising mail market. The business has borne the associated launch costs without significantly impacting its results.

The financial statements for the period include the results of several operations that have been sold or are being disposed. In the period, these businesses contributed turnover of £553.0m (2002/03: £622.2m) and operating profit before goodwill amortisation of £13.3m (2002/03: £24.8m). The management teams of these businesses remained dedicated to their customers and employees and we are confident that they will capitalise on the opportunities for development under new ownership.

Our investment in Albion Chemicals generated operating profits of £1.2m during the period (2002/03: £2.4m). Whilst the distribution activities performed well, manufacturing faced increased utility costs and weakness in selling prices, accounting for the decline in operating profits.

Interest charges of £3.0m compare favourably to the same period last year (2002/03: £8.6m) as a result of the repayment and refinancing of higher rate debt facilities, lower interest rates and continued careful control of working capital. Tax includes an exceptional charge of £20.5m relating to the disposals completed in the period. The net exceptional gain of £1.9m is as a result of accounting for the disposals concluded in the period.

Transformation

In March 2003 we announced our intention to transform the Group into a pure specialist recruitment and HR services business. We have made good progress since that date, having disposed of substantially all of our former Commercial and Logistics operations.

In addition to the IMS, BPO and Logistics disposals previously announced, during the period we also completed the sale of our former Field Support, Sameday Courier, US Home Delivery and German Multi-user Network businesses, as well as several surplus properties.

Post Balance Sheet Events

On 4 February 2004 we completed the disposal of the bulk of our Logistics operations.

On 5 March 2004, we disposed of the remainder of our German Logistics business. The business lost £2.6m in the year to 30 June 2003 and was disposed for nominal consideration with net cash of approximately £4.9m which will enable the new owners to complete the necessary restructuring. We have also recently entered into a contract for the disposal of the French and Belgian courier businesses. These businesses generated losses of £4.4m in the year to 30 June 2003 and also require further restructuring. The businesses will be sold for nominal consideration with net cash of £14.0m and we expect to complete this transaction shortly.

Aggregate gross headline consideration from disposals to date (including Logistics, a number of surplus properties, the German logistics business and the French and

Belgian Courier businesses which have completed or are expected to complete shortly) amounts to £355.0m.

The sale of further surplus properties is ongoing and we expect to make substantial progress on this in the second half of this financial year. In addition, processes to dispose of the small, but profitable, Rentacrate and Management Services businesses are ongoing. The dismantling of shared facilities in the UK is also proceeding well.

Finally, we are actively reviewing our options for the method and timing of the divestment of our Mail business.

Cash flow

Operating cash flow in the period, after a one-off contribution to the Hays Pension Scheme of £51.7m and exceptional cash costs relating to the Group transformation of £1.6m, was £28.3m (2002/03: £136.9m). After proceeds of disposals and payment of the final dividend for the last financial year, net cash flow of £151.3m reduced net debt to £94.5m.

Net capital receipts in the period of £18.3m comprise £36.5m of receipts from the sale of properties less £18.2m capital investment principally relating to Logistics. Net cash flow from disposals was £198.8m. Exceptional cash costs of £18.0m were incurred in connection with the restructuring of our debt facilities.

Dividends

The Board has declared an interim dividend of 1.0p per share payable on 28 May 2004 to shareholders on the register at the close of business on 23 April 2004. As previously announced, the dividend has been rebased to reflect a level appropriate to Hays once the transformation is complete. We expect that the ratio of interim to final dividends will be broadly similar to earlier years. The Board is mindful of the importance of maintaining a progressive dividend policy.

Our target net debt range following the Group transformation remains £50m to £150m, as previously indicated. The Group remains committed to returning surplus cash proceeds from disposals to shareholders on conclusion of the transformation.

Review of Operations

Personnel

Our Personnel business has returned to underlying growth for the first time in two and a half years. During the period our principal markets continued their gradual recovery. Operating profit before goodwill amortisation increased by 12% on turnover up 24% compared to the prior year, with growth in each of the four principal markets of UK, Eire, Australia and Germany. On a like-for-like basis, excluding acquisitions and favourable foreign exchange movements, operating profit was 6% ahead of the same period last year on turnover 12% higher.

The ratio of net temp fees to perm fees in the period was 61:39. The higher proportion of net temp fees compared to the same period last year (2002/03: 59:41) is attributable to the acquisitions of Ascena and IOS. On an underlying basis the ratio was consistent.

We have continued to invest in the business, adding a further 13 offices in the period bringing our total number of offices at 31 December 2003 to 306 in 16 countries. At the end of the period our total number of consultants stood at 3,025, a 7% increase on the number at 30 June 2003.

In the UK, total gross fees were £475.5m, up 11% on the same period last year (2002/03: £430.0m). Net fees were 3% ahead at £141.8m (2002/03: £137.4m) and operating profit before goodwill amortisation was up 3% at £50.7m (2002/03: £49.0m).

Accountancy Personnel continued to perform strongly in the regions, but market conditions in London and the South East remained difficult throughout the period. Whilst gross fees were 4% ahead of last year at £159.0m (2002/03: £153.6m), net fees reduced by 1% to £66.4m (2002/03: £66.8m).

Hays Montrose, which services the technical and 'built environment' sectors, continued its strong growth across all of its operations, with gross fees up 13% to £151.1m (2002/03: £133.2m) and net fees up 10% to £44.3m (2002/03: £40.3m).

Conditions in the IT sector improved and our IT business grew gross fees by 11% to £104.7m (2002/03: £94.7m) and net fees by 5% to £10.2m (2002/03: £9.7m).

Within our other specialisms in the UK, market conditions were mixed. Overall, gross fees grew 25% to £60.7m (2002/03: £48.5m) and net fees grew 1% to £20.9m (2002/03: £20.6m). Contact Centres was the largest individual contributor to gross fee growth as a result of winning a major new contract. However, because of this contract and the successful conclusion of a sizeable one-off project, margins were lower in this area, accounting for the difference between the growth rates in gross and net fees. Education and Banking also grew both gross and net fees. Financial Services and Legal have continued to experience difficult market conditions, although careful cost control restricted the impact on the overall performance of the Group.

Our business in Australia generated strong growth, increased its market share, and turned in an excellent overall performance. Gross fees increased 57% to £72.3m (2002/03: £46.1m) or 40% excluding the favourable foreign exchange effect. Net fees increased 39% to £21.8m (2002/03: £15.7m). Operating profit increased 42% on a headline basis and 24% after eliminating the foreign exchange effect to £8.8m (2002/03: £6.2m).

In Continental Europe market conditions were challenging. However, the Ascena and IOS acquisitions both continued to meet our expectations. Overall in Continental Europe, gross fees increased to £75.4m from £26.1m and net fees increased to £16.9m from £6.9m showing the effect of these acquisitions. Operating profit before goodwill amortisation was £0.6m compared to a loss of £1.6m in the same period last year.

Mail

Our Mail management team made significant progress on a number of fronts in the period. Firstly, they continued to focus on operational efficiency and service levels with the pleasing result that profits have been stabilised after previous years' declines. Secondly, the Mail business has successfully launched three new products under its new licence. It is the only operator to have launched new products targeting the next day business-to-business mail market in the UK. In a relatively short period, these products have grown to volumes of over 300,000 items per week. Whilst the current

financial contribution from these products is relatively modest compared to the existing business, the potential is significant. Finally, management has made substantial progress in establishing independent back-office functions to enable the business to operate on a stand-alone basis.

Management and Employees

Xavier Urbain served as a director of Hays plc for seven years prior to the disposal of the Logistics business in February 2004. He brought valuable insights to the Board of Hays along with extensive logistics experience and was vital to maintaining the confidence of clients of the logistics business during the disposal process. We wish him good fortune in his new role.

The management and employees of the Group have shown tremendous commitment to the transformation of our business and I wish to record my appreciation for their dedication and professionalism in support of Hays during a challenging period.

Current Trading and Outlook

Mail

Volumes within our core business are stable. We believe that the new licence presents excellent prospects for profitable growth and having launched our three new products successfully, we are well placed to capitalise on them.

Personnel

The financial performance of the business in the period reflected slightly more favourable economic conditions with net fees growing by 5% on a like-for-like basis. During January and February comparative year on year growth in net fees has been sustained at 5-6% with no evidence of any acceleration. We have not yet seen a strong recovery in the South East of England or in Continental European markets. Accordingly, our outlook remains cautious but we are well placed for any future stronger upturn.

Bob Lawson
Chairman

INDEPENDENT REVIEW REPORT TO HAYS PLC

INTRODUCTION

We have been instructed by the Company to review the financial information for the six months ended 31 December 2003 which comprises the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses, the reconciliation of movements in equity shareholders' interests and related notes 1 to 14. 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.

This report is made solely to the company in accordance with Bulletin 1999/4 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 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 are 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 2003.

Deloitte & Touche LLP

Chartered Accountants

London

8 March 2004

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the half year ended 31 December 2003

<i>(In £'s million)</i>	Half year to 31 December 2003 (Unaudited)	Half year to 31 December 2002 (Unaudited)	Year to 30 June 2003 (Restated)
TURNOVER			
Continuing operations	756.4	626.5	1,365.8
Discontinued operations	485.3	562.0	1,132.6
	1,241.7	1,188.5	2,498.4
OPERATING PROFIT / (LOSS)			
Before goodwill amortisation and exceptional items	89.7	94.7	190.1
Goodwill amortisation	(6.6)	(12.4)	(27.3)
Exceptional operating items note 4	-	-	(490.0)
	83.1	82.3	(327.2)
OPERATING PROFIT / (LOSS)			
Continuing operations	66.2	57.7	(54.5)
Discontinued operations	16.9	24.6	(272.7)
	83.1	82.3	(327.2)
Share of operating profit of associated company	1.2	2.4	6.1
	84.3	84.7	(321.1)
EXCEPTIONAL ITEMS note 4	1.9	-	(85.3)
Net interest payable	(3.0)	(8.6)	(17.3)
Exceptional finance charges note 4	-	-	(21.1)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	83.2	76.1	(444.8)
Tax charge - non exceptional	(29.1)	(27.6)	(40.8)
Tax charge - exceptional note 7	(20.5)	-	-
Tax on profit / (loss) on ordinary activities	(49.6)	(27.6)	(40.8)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	33.6	48.5	(485.6)
Equity minority interests	(0.1)	(0.1)	(0.1)
PROFIT / (LOSS) FOR THE PERIOD	33.5	48.4	(485.7)
Dividends	(17.4)	(30.0)	(92.1)
TRANSFERRED TO RESERVES	16.1	18.4	(577.8)
Basic earnings per share	1.96p	2.83p	(28.39)p
Earnings per ordinary share before goodwill amortisation and exceptional items	3.43p	3.56p	7.01p
Diluted earnings per share	1.95p	2.83p	(28.38)p
DIVIDEND PER SHARE	1.00p	1.75p	5.38p
INTEREST COVER	30x	11x	11x

CONSOLIDATED SUMMARISED BALANCE SHEET
as at 31 December 2003

(In £'s million)

	31 December 2003 (Unaudited)	31 December 2002 (Unaudited and restated)	30 June 2003 (Restated)
Goodwill and intangible fixed assets	107.4	210.3	113.6
Tangible fixed assets	203.0	509.7	326.0
Investments	48.4	55.2	45.1
Net current liabilities	(50.9)	(14.5)	(110.8)
Other creditors due after more than one year	(8.5)	(2.1)	(9.4)
Provisions for liabilities and charges	(128.5)	(81.2)	(121.3)
	170.9	677.4	243.2
Called up share capital	17.4	17.3	17.3
Share premium account	369.2	368.8	368.9
Profit and loss account	(292.6)	105.5	(371.7)
Own shares	(17.7)	(50.1)	(17.7)
Equity shareholders' interests	76.3	441.5	(3.2)
Minority interests	0.1	0.6	0.6
	76.4	442.1	(2.6)
Net debt	94.5	235.3	245.8
	170.9	677.4	243.2

CONSOLIDATED SUMMARISED CASH FLOW STATEMENT
for the half year ended 31 December 2003

<i>(In £'s million)</i>	Half year to 31 December 2003 (Unaudited)	Half year to 31 December 2002 (Unaudited)	Year to 30 June 2003
OPERATING ACTIVITIES			
Total operating profit / (loss)	83.1	82.3	(327.2)
Depreciation and amortisation	29.5	45.3	96.3
Amounts written off fixed assets	-	-	430.1
Other operating activities	-	2.2	(1.3)
Pension contribution in September 2003	(51.7)	-	-
(Increase) / decrease in working capital	(32.6)	7.1	88.2
NET CASH INFLOW FROM OPERATING ACTIVITIES	28.3	136.9	286.1
Returns on investment and servicing of finance	(3.4)	(8.5)	(10.6)
Tax paid	(9.4)	(36.1)	(62.6)
Net capital receipts / (expenditure)	18.3	(32.3)	(74.5)
CASH INFLOW BEFORE ACQUISITIONS AND DISPOSALS	33.8	60.0	138.4
Net acquisitions and disposals	198.8	(6.4)	(52.6)
Equity dividends paid	(62.2)	(54.1)	(84.0)
CASH INFLOW / (OUTFLOW) BEFORE FINANCING	170.4	(0.5)	1.8
Financing	(207.4)	0.2	40.1
Exceptional finance costs	(18.0)	-	-
(DECREASE) / INCREASE IN CASH	(55.0)	(0.3)	41.9
RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET DEBT			
(Decrease) / increase in cash	(55.0)	(0.3)	41.9
Cash flow from financing	207.7	-	(39.5)
Change in net debt resulting from cash flows	152.7	(0.3)	2.4
Borrowings disposed	0.3	-	3.2
Loan notes issued	-	(2.2)	(2.2)
Exchange adjustment and other	(1.7)	(0.8)	(17.2)
MOVEMENT IN NET DEBT IN THE PERIOD	151.3	(3.3)	(13.8)
OPENING NET DEBT	(245.8)	(232.0)	(232.0)
CLOSING NET DEBT	(94.5)	(235.3)	(245.8)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the half year ended 31 December 2003

<i>(In £'s million)</i>	Half year to 31 December 2003 (Unaudited)	Half year to 31 December 2002 (Unaudited)	Year to 30 June 2003 (Restated)
Profit / (loss) for the period	33.5	48.4	(485.7)
Currency translation differences on foreign currency net investments	(0.1)	2.0	1.8
Total recognised gains and losses for the period	33.4	50.4	(483.9)

Details of the prior period adjustment arising from adoption of UITF abstract 38 are shown below in the reconciliation of movements in equity shareholders' interests. The prior period adjustment has no cumulative effect on retained profits.

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' INTERESTS

for the half year ended 31 December 2003

<i>(In £'s million)</i>	Half year to 31 December 2003 (Unaudited)	Half year to 31 December 2002 (Unaudited and restated)	Year to 30 June 2003 (Restated)
Profit / (loss) for the period	33.5	48.4	(485.7)
Dividends	(17.4)	(30.0)	(92.1)
	16.1	18.4	(577.8)
Exchange differences on translation	(0.1)	2.0	-
Other recognised gains & losses relating to the period	-	-	1.8
New share capital subscribed	0.3	0.1	0.2
Goodwill written back relating to impairment charge	-	-	151.8
Goodwill written back	63.2	1.8	1.2
Net increase / (decrease) in equity shareholders' interests	79.5	22.3	(422.8)
Opening shareholders' interests as previously reported	14.5	469.3	469.3
Prior period adjustment in respect of UITF abstract 38	(17.7)	(50.1)	(49.7)
Closing shareholders' interests as restated	76.3	441.5	(3.2)

The results, summarised balance sheet, statement of total recognised gains and losses and movement in equity shareholders' interests for the periods ended 31 December 2002 and 30 June 2003 have been restated as a result of the adoption of UITF abstract 38 - Accounting for ESOP trusts. The adoption of UITF abstract 38 has resulted in a decrease in opening shareholders' funds at 1 July 2002 of £50.1 million and a decrease in opening shareholders' funds at 1 July 2003 of £17.7 million. The adoption has also resulted in the reversal of the impairment charge of £32.0 million recorded in the profit and loss account for the year ended 30 June 2003.

NOTES

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 2003. 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 2003, as amended for UITF abstract 38.

3 **SEGMENTAL INFORMATION (BEFORE GOODWILL AMORTISATION AND EXCEPTIONAL OPERATING COSTS)**

<i>(In £'s million)</i>	Half year to 31 December 2003		Half year to 31 December 2002		Year to 30 June 2003	
	Turnover (Unaudited)	Operating Profit (Unaudited)	Turnover (Unaudited)	Operating Profit (Unaudited)	Turnover	Operating Profit
BY BUSINESS SECTOR						
Continuing Operations						
Personnel	623.2	60.1	502.2	53.6	1,107.1	114.3
Mail	65.5	16.3	64.1	16.3	127.6	33.2
	688.7	76.4	566.3	69.9	1,234.7	147.5
Businesses being disposed	67.7	(3.6)	60.2	(7.8)	131.1	(11.6)
	756.4	72.8	626.5	62.1	1,365.8	135.9
Discontinued Operations	485.3	16.9	562.0	32.6	1,132.6	54.2
	1,241.7	89.7	1,188.5	94.7	2,498.4	190.1
BY GEOGRAPHIC AREA						
Continuing Operations						
United Kingdom	550.3	65.7	504.4	63.4	1,059.2	132.3
Continental Europe	132.4	(1.6)	75.5	(7.5)	200.5	(9.4)
Rest of the World	73.7	8.7	46.6	6.2	106.1	13.0
	756.4	72.8	626.5	62.1	1,365.8	135.9
Discontinued Operations	485.3	16.9	562.0	32.6	1,132.6	54.2
	1,241.7	89.7	1,188.5	94.7	2,498.4	190.1

SEGMENTAL INFORMATION (AFTER GOODWILL AMORTISATION AND EXCEPTIONAL OPERATING COSTS)

<i>(In £'s million)</i>	Half year to 31 December 2003		Half year to 31 December 2002		Year to 30 June 2003	
	Turnover (Unaudited)	Operating Profit (Unaudited)	Turnover (Unaudited)	Operating Profit (Unaudited)	Turnover	Operating Profit
BY BUSINESS SECTOR						
Continuing Operations						
Personnel	623.2	53.5	502.2	51.1	1,107.1	75.2
Mail	65.5	16.3	64.1	16.3	127.6	33.2
	688.7	69.8	566.3	67.4	1,234.7	108.4
Businesses being disposed	67.7	(3.6)	60.2	(9.7)	131.1	(162.9)
	756.4	66.2	626.5	57.7	1,365.8	(54.5)
Discontinued Operations	485.3	16.9	562.0	24.6	1,132.6	(272.7)
	1,241.7	83.1	1,188.5	82.3	2,498.4	(327.2)
BY GEOGRAPHIC AREA						
Continuing Operations						
United Kingdom	550.3	62.2	504.4	62.1	1,059.2	79.4
Continental Europe	132.4	(4.7)	75.5	(10.6)	200.5	(146.9)
Rest of the World	73.7	8.7	46.6	6.2	106.1	13.0
	756.4	66.2	626.5	57.7	1,365.8	(54.5)
Discontinued Operations	485.3	16.9	562.0	24.6	1,132.6	(272.7)
	1,241.7	83.1	1,188.5	82.3	2,498.4	(327.2)

4 EXCEPTIONAL ITEMS

<i>(In £'s million)</i>	Half year to 31 December 2003 (Unaudited)	Half year to 31 December 2002 (Unaudited)	Year to 30 June 2003
EXCEPTIONAL OPERATING ITEMS			
Impairment of goodwill and tangible assets	-	-	(442.8)
Restructuring costs	-	-	(47.2)
TOTAL EXCEPTIONAL OPERATING ITEMS	-	-	(490.0)
OTHER EXCEPTIONAL ITEMS			
Net profit/(losses) on disposals of businesses	1.9	-	(21.9)
Provision for losses for businesses sold after the period end	-	-	(63.4)
Exceptional finance charges	-	-	(21.1)
TOTAL EXCEPTIONAL ITEMS	1.9	-	(596.4)

The operating exceptional items for the year ended 30 June 2003 included £442.8 million for the impairment of goodwill and tangible assets arising after the Group had reviewed the carrying value of a number of non-core operations and its French IT services business. It also included £47.2 million for restructuring costs arising as a result of the reorganisation and termination of certain shared facilities employed by the Group and the restructuring of the Group's BPO, German Logistics and Dutch operations during the year.

The exceptional profit for the period ended 31 December 2003 arises from the disposal of the Group's IMS business, its BPO businesses, its Field Support business, its German MUN business and its Hays Home Delivery Services business. The exceptional losses in the period ended 30 June 2003 arose from the disposal of the Group's French call centre business, its 50% stake in a secure destruction business and the disposal of substantially all of the businesses within its former Commercial division.

5 INTEREST PAYABLE AND SIMILAR CHARGES

<i>(In £'s million)</i>	Half year to 31 December 2003 (Unaudited)	Half year to 31 December 2002 (Unaudited)	Year to 30 June 2003
INTEREST PAYABLE AND SIMILAR CHARGES			
Bank overdrafts and other loans	(4.8)	(10.5)	(20.2)
Finance leases	(1.1)	(1.1)	(2.5)
Share of interest payable of associate	(2.1)	(2.0)	(4.1)
	(8.0)	(13.6)	(26.8)
Exceptional finance charge	-	-	(21.1)
	(8.0)	(13.6)	(47.9)
INTEREST RECEIVABLE AND SIMILAR INCOME			
Deposits	3.2	2.9	5.4
Interest receivable on loan to associate	1.8	2.1	4.1
	5.0	5.0	9.5
	(3.0)	(8.6)	(38.4)

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge for the six months to 31 December 2003 is based on the estimated effective rate for the full year before goodwill amortisation and exceptional items of 33.1%.

7 EXCEPTIONAL TAX CHARGE

The exceptional tax charge arises from the disposal of the IMS business, the BPO businesses and the disposal of the Hays Home Delivery Services business. All of these disposals were completed during the period.

8 EARNINGS PER SHARE

Earnings per share (EPS) is based on profits from ordinary activities after taxation and minority interests of £33.5 million and a weighted average of 1,711.9 million shares. To enable comparisons with previous periods, EPS has also been calculated before goodwill and exceptional items using earnings of £58.7 million. The weighted average number of shares in issue excludes shares held by the Hays Employee Share Trust Ltd and the Hays plc Qualifying Employee Share Ownership Trust. The dilution effect of share options issued to employees but not yet exercised is 1.7 million shares and diluted EPS is 1.95p.

9 DIVIDENDS

<i>(pence)</i>	Half year to 31 December 2003 (Unaudited)	Half year to 31 December 2002 (Unaudited)	Year to 30 June 2003
Interim - pence per ordinary share	1.00	1.75	1.75
Final - pence per ordinary share	-	-	3.63
	1.00	1.75	5.38

<i>(In £'s million)</i>	Half year to 31 December 2003 (Unaudited)	Half year to 31 December 2002 (Unaudited)	Year to 30 June 2003
Interim	17.4	30.0	30.0
Final	-	-	62.1
	17.4	30.0	92.1

10 INVESTMENTS

<i>(In £'s million)</i>	31 December 2003 (Unaudited)	31 December 2002 (Unaudited and restated)	30 June 2003 (Restated)
Loan to Albion associate	44.7	52.8	42.8
Interest in Albion associate	(0.3)	-	1.0
Other investments	4.0	2.4	1.3
	48.4	55.2	45.1

11 PROVISIONS FOR LIABILITIES AND CHARGES

<i>(In £'s million)</i>	Pensions	Deferred taxation	Property	Deferred employee benefits	Other	Total
At 1 July 2003	(14.4)	(17.1)	(34.9)	(12.6)	(42.3)	(121.3)
Exchange adjustments	-	(0.2)	-	(0.1)	(0.2)	(0.5)
Charged to P&L account	(17.6)	-	-	-	(26.9)	(44.5)
Credited to P&L account	-	5.0	-	-	-	5.0
Utilised	24.7	-	1.3	1.1	5.7	32.8
At 31 December 2003	(7.3)	(12.3)	(33.6)	(11.6)	(63.7)	(128.5)

12 ACQUISITIONS AND DISPOSALS

No acquisitions were completed during the period. The IMS business, the former BPO businesses, the Sameday courier business, the Field Support courier business and the Hays Home Delivery Services business were all disposed during the period.

13 MOVEMENT IN NET DEBT

<i>(In £'s million)</i>	Cash	Debt	Net debt
At 1 July 2003	154.6	(400.4)	(245.8)
Foreign exchange movements	0.9	(2.6)	(1.7)
Movement during period	(48.3)	-	(48.3)
Loan notes redeemed and borrowings repaid	-	207.7	207.7
Cash/borrowings disposed	(6.7)	0.3	(6.4)
At 31 December 2003	100.5	(195.0)	(94.5)

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

14 **POST BALANCE SHEET EVENTS**

On 4 February 2004 the Group completed the disposal of the principal trading operations and certain assets of the former logistics division, as described in a circular to shareholders dated 28 November 2003.

On 5 March 2004 the Group completed the disposal of its German logistics subsidiary, Hays Logistics GmbH.

On 5 March 2004 the Group entered into a contract for the disposal of its French and Belgian courier businesses. This transaction is expected to complete shortly.