

INTERIM STATEMENT  
2004/2005

HAYS

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**Our aim is to be the best specialist recruitment group in the world**

## “Record net fees and operating profit for Hays Specialist Recruitment”

Interim results for the six months ended 31 December 2004

### Financial highlights<sup>1</sup>

- ✔ Record six months for Specialist Recruitment
- ✔ Specialist Recruitment net fees<sup>2</sup> 18% ahead of last year at £226.1m
- ✔ Specialist Recruitment operating profit<sup>3</sup> 28% ahead of last year at £80.6m
- ✔ Conversion rate<sup>4</sup> improved by 2.9% to 35.6%
- ✔ Group profit before tax of £86.4m
- ✔ Net cash of £113.7m, £36.3m ahead of 30 June 2004
- ✔ Interim dividend of 1.13p per share, 13% ahead of last year

### Specialist Recruitment

- ✔ Sustained growth delivered record net fees and operating profit
- ✔ UK and Ireland net fee growth of 15% delivered operating profit<sup>3</sup> growth of 20%
- ✔ Australia and New Zealand net fee growth of 24% delivered operating profit<sup>3</sup> growth of 38%
- ✔ Continental Europe net fee growth of 32% delivered operating profit<sup>3</sup> of £3.8m (2003/04: £0.4m)
- ✔ Significant continued investment in recruitment consultants, offices and the roll out of specialist activities across the branch network
- ✔ Substantial improvement in productivity across all regions

### Other corporate activity

- ✔ Successful demerger of the DX Services business
- ✔ Acquired 43.3m own shares for £52.8m to date under the ongoing share buy-back programme
- ✔ Disposed of equity interest in associate and rescheduled loan notes

1. The interim results for Specialist Recruitment previously included the results for a 24 week period. Following the transformation of the Group, the interim results include the results for the six months ended 31 December. The prior period comparatives have been restated, the impact of which has been to increase turnover, net fees and operating profit by £38.6m, £11.8m and £2.9m respectively. There is no material impact on the reported rate of growth of net fees.

2. Net fees are equal to turnover less payroll costs of temporary contractors.

3. Specialist Recruitment operating profit is stated before goodwill amortisation of £6.6m (2003/04: £6.6m).

4. Conversion rate is defined as operating profit before goodwill amortisation, divided by net fees.

## **Bob Lawson, Chairman, commented:**

Sustained growth and further impressive improvements in productivity have led to net fees of £226.1m, 18% ahead of last year, and operating profit<sup>3</sup> of £80.6m, 28% ahead of last year. This represents a record performance in our Specialist Recruitment business.

The business grew in each of the 16 countries in which we operate. Net fees grew 15% in the United Kingdom and Ireland, 24% in Australia and New Zealand and 32% across Continental Europe.

Even after accounting for substantial investment in the business, Hays' already impressive conversion rate improved to 35.6% and other key productivity measures also demonstrated considerable improvement in every region.

These record results demonstrate the benefits of being a focused Specialist Recruitment business.

## **Denis Waxman, Chief Executive, commenting on the outlook said:**

The business has generated net fee growth of 17% since the start of the second half. This is broadly consistent with recent growth rates, though prior year comparatives will now be tougher to exceed. The proportion of temporary contractors returning to work after the Christmas break is encouraging and orders for permanent jobs continue to grow.

The business is continuing to invest strongly in new recruitment consultants, rolling out specialist activities and expanding the branch network across all regions. This investment is expected to increase in the second half of the financial year. The performance of the business for the full year is continuing in line with our expectations.

## Results summary

Turnover from continuing operations of £800.7m (2003/04: £661.8m) grew by 21% and net fees of £226.1m (2003/04: £192.4m) grew by 18%. The conversion rate improved by 2.9% to 35.6%. Operating profit<sup>3</sup> before goodwill amortisation from continuing operations grew by 28% to £80.6m (2003/04: £63.0m). There were no acquisitions in the period.

Discontinued operations, which relate primarily to the demerged DX Services business, generated turnover of £42.6m and operating profit of £9.7m. There were no exceptional items in the period (2003/04: £1.9m).

Net interest receivable of £1.3m compares favourably to last year (2003/04: interest payable £3.0m) as a result of cash receipts from disposals in the prior year and continued careful management of working capital. Tax of £29.3m represents an effective rate on profit before goodwill amortisation of 31.5%.

## Operating review

### United Kingdom and Ireland

Net fees in the United Kingdom and Ireland of £172.9m (2003/04: £150.7m) were 15% ahead of last year and

operating profit<sup>3</sup> of £64.0m (2003/04: £53.3m) was 20% ahead.

### Accountancy and Finance

Demand for our Accountancy and Finance services started to improve in January 2004 and has now recorded 12 consecutive months of growth. Net fees in the period were 13% ahead of last year and operating profit<sup>3</sup> was 18% ahead. The growth was broadly based throughout the country. Fees from permanent

placements grew strongly reflecting higher client demand combined with improved candidate confidence. The growth rate of temporary fees was reasonably consistent throughout the period.

The business continued to invest in the development and expansion of new specialist recruitment services, such as Human Resources and Purchasing, which contributed to good growth rates. The conversion rate improved to 42.4%, even after investing in new services.

### Construction and Property

Construction and Property continued its long record of impressive growth, generating net fees 13% ahead of last year. Demand for its services continued to grow with increased volumes of both temporary and permanent

placements. The business continued to develop and invest in new specialist services such as technical recruitment in Social Housing. The conversion rate improved to 38.5%.

### Information Technology

The Information Technology business experienced a strong growth in demand. Contractor volumes continued to grow strongly in both the spot and contract markets. Increased demand for permanent staff had a favourable impact on permanent placement fees, which now represent 25% of overall net fees. In addition to achieving excellent net fee growth of 31%, management remained focused on productivity as demonstrated by a conversion rate of 35.5%.

### Other specialist activities

Within our other activities in the United Kingdom, Banking, Legal and Education were the largest contributors to growth with high levels of net fees and productivity being achieved.

### Australia and New Zealand

Australia and New Zealand generated net fee growth of 24% to £28.9m and operating profit<sup>3</sup> growth of 38% to £12.8m. Growth was broadly based throughout the region. Demand for both temporary and permanent placements was high throughout the period with

record numbers of temps paid and permanent placements filled. Each of the specialist activities generated double-digit net fee growth and the business has continued to win market share. The conversion rate improved to 44.3%.

### Continental Europe\*

The performance of the business in Continental Europe demonstrates the strength of the Hays business model. Net fees across the region grew by 32% to £24.3m. Operating profit<sup>3</sup> improved from £0.4m to £3.8m which resulted in a substantial increase in the conversion rate to 15.6%.

Germany and Benelux performed well ahead of expectations. The Accountancy and Finance business established in France in 2002 grew particularly strongly. Net fee growth in each of the Group's operations in Austria, Canada, Czech Republic, Poland, Portugal, Spain, Sweden and Switzerland exceeded 50% as compared to last year.

### Investment

The business continued to invest in new recruitment consultants across all major specialist activities and in all geographies. The office network was expanded by opening 9 new offices in the United Kingdom and Ireland and 6 new offices overseas in

Auckland, Katowice, Nantes, Oporto, Toronto and Vancouver.

### Transformation

The demerger of DX Services was completed on 1 November 2004, marking the last significant step in the transformation. The equity interest in Albion was also disposed of in the period and the outstanding loan notes were rescheduled. The transaction gave rise to no gain or loss on disposal.

The Group is now focused entirely on Specialist Recruitment and has no non-core trading interests.

### Cash flow

The Group generated £67.4m of cash from operating activities. This cash flow is stated after increases in working capital of the Specialist Recruitment business of £9.4m due to the expansion of the business, and after other working capital movements of £17.4m. £33.1m was invested in buying back the company's own shares. Tax payments of £37.0m and dividend payments of £34.4m were also made in the period. The demerger of DX resulted in a cash inflow of £68.1m.

The Group's net cash position improved by £36.3m to £113.7m at the end of the period.

\*Includes Canada.

## **Dividends and capital structure**

The Board has declared an interim dividend of 1.13p per share payable on Friday 27 May 2005 to shareholders on the register at the close of business on Friday 22 April. This represents a 13% increase on last year.

The target net debt range for the Group continues to be £50m to £150m. Earlier in the financial year the Company announced its intention to return at least £200m to shareholders via the purchase of its own shares on the open market. The programme commenced on 5 November and, including purchases after the period end, has acquired 43.3m of its own shares representing 2.5% of the issued share capital for £52.8m. The Company remains committed to returning surplus cash to shareholders via the share buy-back programme which will continue subject to market conditions.

## **Management and employees**

The commitment of staff has once again been first class and the Board would like to register its appreciation for this record performance. The Board welcomed William Eccleshare and Paul Stoneham who joined the

Company as non-executive Directors in the period.

## **Outlook**

The business has generated net fee growth of 17% since the start of the second half. This is broadly consistent with recent growth rates, though prior year comparatives will now be tougher to exceed. The proportion of temporary contractors returning to work after the Christmas break is encouraging and orders for permanent jobs continue to grow.

The business is continuing to invest strongly in new recruitment consultants, rolling out specialist activities and expanding the branch network across all regions. This investment is expected to increase in the second half of the financial year. The performance of the business for the full year is continuing in line with our expectations.

# Consolidated Profit and Loss Account

for the six months ended 31 December 2004

	(In £'s million)	Six months to 31 December 2004 (Unaudited)	Six months to 31 December 2003 (Unaudited and restated) (note 3)	Year to 30 June 2004
<b>Turnover</b>				
Continuing operations		<b>800.7</b>	661.8	1,388.8
Discontinued operations		<b>42.6</b>	618.5	776.5
	<i>note 4</i>	<b>843.3</b>	1,280.3	2,165.3
<b>Operating profit</b>				
Before goodwill amortisation		<b>90.3</b>	92.6	181.5
Goodwill amortisation		<b>(6.6)</b>	(6.6)	(13.3)
	<i>note 4</i>	<b>83.7</b>	86.0	168.2
<b>Operating profit</b>				
Continuing operations		<b>74.0</b>	56.4	120.1
Discontinued operations		<b>9.7</b>	29.6	48.1
	<i>note 4</i>	<b>83.7</b>	86.0	168.2
Share of operating profit of associated company (discontinued)		<b>1.4</b>	1.2	2.9
<b>Exceptional items</b>				
Net interest receivable/(payable)	<i>note 5</i>	<b>1.3</b>	(3.0)	(3.4)
<b>Profit on ordinary activities before taxation</b>				
Tax on profit on ordinary activities	<i>note 6</i>	<b>(29.3)</b>	(50.6)	(81.4)
<b>Profit on ordinary activities after taxation</b>				
Equity minority interests		<b>-</b>	(0.1)	-
<b>Profit for the period</b>				
DX Services demerger (dividend in specie)	<i>note 7</i>	<b>(39.3)</b>	-	-
Dividends	<i>note 8</i>	<b>(19.3)</b>	(17.4)	(51.5)
<b>Transferred (from)/to reserves</b>				
		<b>(1.5)</b>	18.0	14.8
<b>Earnings per share</b>				
Basic earnings per share	<i>note 9</i>	<b>3.34p</b>	2.07p	3.87p
Earnings per share before goodwill amortisation and exceptional items	<i>note 9</i>	<b>3.72p</b>	3.54p	7.23p
Diluted earnings per share	<i>note 9</i>	<b>3.32p</b>	2.07p	3.86p
<b>Dividend per share</b>				
	<i>note 8</i>	<b>1.13p</b>	1.00p	3.00p

# Consolidated Summarised Balance Sheet

as at 31 December 2004

	(In £'s million)	31 December 2004 (Unaudited)	31 December 2003 (Unaudited and restated) (note 3)	30 June 2004
Goodwill		<b>95.3</b>	106.9	99.2
Intangible fixed assets		–	0.5	–
Tangible fixed assets		<b>17.5</b>	203.0	38.7
Investments	<a href="#">note 10</a>	–	48.4	–
Net current assets/(liabilities)		<b>70.1</b>	(49.0)	(8.7)
Creditors due after more than one year		<b>(9.2)</b>	(8.5)	(6.7)
Provisions for liabilities and charges	<a href="#">note 11</a>	<b>(118.9)</b>	(128.5)	(125.4)
Net cash/(debt)	<a href="#">note 12</a>	<b>113.7</b>	(94.5)	77.4
Net assets		<b>168.5</b>	78.3	74.5
Called up share capital		<b>17.4</b>	17.4	17.4
Share premium account		<b>369.5</b>	369.2	369.4
Profit and loss account		<b>(204.7)</b>	(290.7)	(296.0)
Own shares – ESOP		<b>(13.7)</b>	(17.7)	(16.3)
Equity shareholders' interests		<b>168.5</b>	78.2	74.5
Minority interests		–	0.1	–
		<b>168.5</b>	78.3	74.5

# Consolidated Summarised Cash Flow Statement

for the six months ended 31 December 2004

(In £'s million)	Six months to 31 December 2004 (Unaudited)	Six months to 31 December 2003 (Unaudited and restated) (note 3)	Year to 30 June 2004
<b>Operating activities</b>			
Total operating profit	<b>83.7</b>	86.0	168.2
Depreciation, amortisation and other operating activities	<b>10.5</b>	29.5	46.6
Pension contribution in September 2003	-	(51.7)	(51.7)
Increase in working capital	<b>(26.8)</b>	(35.5)	(58.3)
<b>Net cash inflow from operating activities</b>	<b>67.4</b>	28.3	104.8
Returns on investment and servicing of finance	<b>1.3</b>	(3.4)	(4.1)
Tax paid	<b>(37.0)</b>	(9.4)	(40.7)
Net capital receipts/(expenditure)	<b>0.2</b>	18.3	(24.0)
<b>Cash inflow before acquisitions and disposals</b>	<b>31.9</b>	33.8	36.0
Net acquisitions and disposals	-	198.8	334.0
Net repayment of DX Services loan notes <a href="#">note 7</a>	<b>68.1</b>	-	-
Equity dividends paid	<b>(34.4)</b>	(62.2)	(79.3)
<b>Cash inflow before financing</b>	<b>65.6</b>	170.4	290.7
Financing	<b>(30.4)</b>	(207.4)	(347.2)
Exceptional finance costs	-	(18.0)	(18.0)
<b>Increase/(decrease) in cash</b>	<b>35.2</b>	(55.0)	(74.5)

## Reconciliation of Net Cash Flow to Movements in Net Cash/(Debt)

for the six months ended 31 December 2004

(In £'s million)	Six months to 31 December 2004 (Unaudited)	Six months to 31 December 2003 (Unaudited)	Year to 30 June 2004
Increase/(decrease) in cash	<b>35.2</b>	(55.0)	(74.5)
Cash flow from movement in debt and lease financing	-	207.7	349.2
Change in net debt resulting from cash flows	<b>35.2</b>	152.7	274.7
Borrowings disposed	-	0.3	44.9
Exchange adjustment and other	<b>1.1</b>	(1.7)	3.6
<b>Movement in net cash in the period</b>	<b>36.3</b>	151.3	323.2
<b>Opening net cash/(debt)</b>	<b>77.4</b>	(245.8)	(245.8)
<b>Closing net cash/(debt)</b>	<b>113.7</b>	(94.5)	77.4

## Consolidated Statement of Total Recognised Gains and Losses

for the six months ended 31 December 2004

	(In £'s million)	Six months to 31 December 2004 (Unaudited)	Six months to 31 December 2003 (Unaudited and restated) (note 3)	Year to 30 June 2004
Profit for the period		<b>57.1</b>	35.4	66.3
Exchange differences on translation		<b>4.3</b>	(0.1)	(2.3)
Total recognised gains and losses for the period		<b>61.4</b>	35.3	64.0

## Consolidated Reconciliation of Movements in Equity Shareholders' Interests

for the six months ended 31 December 2004

	(In £'s million)	Six months to 31 December 2004 (Unaudited)	Six months to 31 December 2003 (Unaudited and restated) (note 3)	Year to 30 June 2004
Profit for the period as previously reported		<b>57.1</b>	33.5	66.3
Restatement	<a href="#">note 3</a>	<b>–</b>	1.9	–
		<b>57.1</b>	35.4	66.3
DX Services demerger (dividend in specie)	<a href="#">note 7</a>	<b>(39.3)</b>	–	–
Dividends		<b>(19.3)</b>	(17.4)	(51.5)
		<b>(1.5)</b>	18.0	14.8
Exchange differences on translation		<b>4.3</b>	(0.1)	(2.3)
New share capital subscribed		<b>0.1</b>	0.3	0.6
Share buy-back	<a href="#">note 13</a>	<b>(33.1)</b>	–	–
Disposal of own shares		<b>2.6</b>	–	1.4
Goodwill written back	<a href="#">note 7</a>	<b>121.6</b>	63.2	63.2
Net increase in equity shareholders' interests		<b>94.0</b>	81.4	77.7
Opening shareholders' interests		<b>74.5</b>	(3.2)	(3.2)
Closing shareholders' interests (2003 – as restated)		<b>168.5</b>	78.2	74.5

# Notes to the Accounts

## 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 2004. 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 2004.

## 3 Restatement of prior period comparatives

The interim results of the Group have previously included the results of the Specialist Recruitment business for a 24 week period. Following the transformation of the Group, the interim results now include results of all businesses to 31 December 2004. The prior period comparatives have been restated to increase turnover, operating profit and profit on ordinary activities after taxation by £36.8 million, £2.9 million and £1.9 million respectively.

## 4 Segmental information

	(In £'s million)	Six months to 31 December 2004 (Unaudited)	Six months to 31 December 2003 (Unaudited and restated) (note 3)	Year to 30 June 2004
<b>Turnover</b>				
Continuing operations – Specialist Recruitment				
United Kingdom & Ireland		<b>604.3</b>	503.5	1,059.3
Continental Europe		<b>101.8</b>	81.4	171.7
Australia & New Zealand		<b>94.6</b>	76.9	157.8
		<b>800.7</b>	661.8	1,388.8
Discontinued operations		<b>42.6</b>	618.5	776.5
		<b>843.3</b>	1,280.3	2,165.3
<b>Operating profit before goodwill amortisation</b>				
Continuing operations – Specialist Recruitment				
United Kingdom & Ireland		<b>64.0</b>	53.3	111.0
Continental Europe		<b>3.8</b>	0.4	2.6
Australia & New Zealand		<b>12.8</b>	9.3	19.8
		<b>80.6</b>	63.0	133.4
Discontinued operations		<b>9.7</b>	29.6	48.1
		<b>90.3</b>	92.6	181.5
<b>Operating profit after goodwill amortisation</b>				
Continuing operations – Specialist Recruitment				
United Kingdom & Ireland		<b>60.4</b>	49.7	103.7
Continental Europe		<b>0.8</b>	(2.6)	(3.4)
Australia & New Zealand		<b>12.8</b>	9.3	19.8
		<b>74.0</b>	56.4	120.1
Discontinued operations		<b>9.7</b>	29.6	48.1
		<b>83.7</b>	86.0	168.2

## 5 Net interest receivable/(payable)

(In £'s million)	Six months to 31 December 2004 (Unaudited)	Six months to 31 December 2003 (Unaudited)	Year to 30 June 2004
<b>Interest payable and similar charges</b>			
Bank overdrafts and other loans	(0.6)	(4.8)	(6.3)
Finance leases	–	(1.1)	(1.1)
Share of interest payable of associate (discontinued)	(0.6)	(2.1)	(2.2)
	<b>(1.2)</b>	(8.0)	(9.6)
<b>Interest receivable and similar income</b>			
Deposits	2.5	3.2	6.2
Interest receivable on loan to associate (discontinued)	–	1.8	–
	<b>2.5</b>	5.0	6.2
	<b>1.3</b>	(3.0)	(3.4)

## 6 Tax on profit on ordinary activities

The tax charge for the six months to 31 December 2004 is based on the estimated effective rate for the full year before goodwill amortisation and exceptional items of 31.5% (six months to 31 December 2003–33.1%). The results for the six months to 31 December 2003 included an exceptional tax charge of £20.5 million arising from disposals in the period. The results for the year ended 30 June 2004 included an exceptional tax charge of £24.3 million.

## 7 Demerger of DX Services business

On 1 November 2004 the DX Services business was demerged from the Group. The summary balance sheet of the DX Services business at the date of the demerger was:

	£'s million (Unaudited)
Tangible fixed assets	17.6
Net current liabilities	(31.8)
Net debt	(68.1)
Net liabilities	(82.3)

Goodwill previously written off to reserves in respect of the DX Services business was £121.6 million. The dividend in specie of £39.3 million represents goodwill previously written off to reserves less net liabilities demerged.

# Notes to the Accounts

continued

## 8 Dividends

	(pence)	Six months to 31 December 2004 (Unaudited)	Six months to 31 December 2003 (Unaudited)	Year to 30 June 2004
Interim – pence per ordinary share		<b>1.13</b>	1.00	1.00
Final – pence per ordinary share		–	–	2.00
		<b>1.13</b>	1.00	3.00

	(In £'s million)	Six months to 31 December 2004 (Unaudited)	Six months to 31 December 2003 (Unaudited)	Year to 30 June 2004
Interim		<b>19.3</b>	17.4	17.2
Final		–	–	34.3
		<b>19.3</b>	17.4	51.5

## 9 Earnings per share

Earnings per share (EPS) is based on profits from ordinary activities after taxation and minority interests of £57.1 million and a weighted average of 1,712.1 million shares. EPS has also been calculated before goodwill and exceptional items using earnings of £63.7 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 8.4 million shares and diluted EPS is 3.32p.

## 10 Investments

In the six months ended 31 December 2004, the Group's share of Albion Group Limited profit after tax was £0.5 million. This equity investment was disposed on 10 December 2004. No profit or loss on disposal was incurred. The value of the investment at 30 June 2004 was nil.

## 11 Provisions for liabilities and charges

(In £'s million – unaudited)	Pensions	Property	Deferred employee benefits	Other	Total
At 1 July 2004	10.6	29.2	4.0	81.6	125.4
Exchange adjustments	–	0.3	0.1	–	0.4
Utilised	–	(1.5)	–	(5.4)	(6.9)
At 31 December 2004	10.6	28.0	4.1	76.2	118.9

## 12 Movement in net debt

(In £'s million – unaudited)	Cash	Debt	Net Cash
At 1 July 2004	78.7	(1.3)	77.4
Foreign exchange movements	1.1	–	1.1
Movement during period	35.2	–	35.2
At 31 December 2004	115.0	(1.3)	113.7

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

## 13 Share buy-back programme

Hays commenced its share buy-back programme in the period, purchasing 27.1 million shares (held as treasury shares) for a total cost of £33.1 million.

# 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 2004 which comprises the consolidated profit and loss account, the consolidated summary balance sheet, the consolidated summary cash flow statement, the reconciliation of net cash flow to movements in net cash/(debt), the consolidated statement of total recognised gains and losses, the consolidated reconciliation of movements in equity shareholders' interests and related notes 1 to 13. We have read the other information contained in the interim statement 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 statement, 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 statement 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 2004.

**Deloitte & Touche LLP**  
**Chartered Accountants**  
**London**

**28 February 2005**

# Shareholder Information

## Enquiries

Please refer enquiries concerning the administrative arrangements of your shareholding (including: dividend payment enquiries; dividend mandate instructions; loss of share certificates/dividend warrants/dividend vouchers; change of address; transfers to another person; and amalgamation of accounts), to:

Lloyds TSB Registrars

The Causeway

Worthing

West Sussex BN99 6DA

Telephone: +44 (0) 870 600 3970

Textphone: +44 (0) 870 600 3950

You can access your shareholding details and a range of other shareholder services at the Lloyds TSB Registrars' website [www.shareview.co.uk](http://www.shareview.co.uk)

## Information

Further information on the Company, including its share price and the 2004 Annual Report can be obtained on our website [www.haysplc.com](http://www.haysplc.com).

## Capital Gains Tax base cost of Hays shares

Following the demerger of DX Services Plc on 1 November 2004, the original base cost of your Hays plc shares for Capital Gains Tax purposes should be allocated between your Hays plc shares and the DX Services Plc shares that you received as follows:

Hays plc shares 89.57%

DX Services Plc shares 10.43%

For example, suppose you held 100 Hays plc shares for which the base cost is £100. Immediately after the demerger, you held 100 Hays plc shares and 5 DX Services Plc shares. The £100 cost should be allocated between these shares as follows:

Hays plc shares  $89.57\% \times £100 = £89.57$ , or £0.90 per share

DX Services Plc shares  $10.43\% \times £100 = £10.43$ , or £2.09 per share

If you are in any doubt about the allocation of the base cost between the shares of the two companies, you should consult your tax advisor.

## Financial calendar

Interim Dividend 27 May 2005

Preliminary Announcement September 2005

Annual Report posted October 2005

Annual General Meeting November 2005

Final Dividend November 2005

## Registered office

141 Moorgate

London EC2M 6TX

Telephone +44 (0) 20 7628 9999

## Shareholder Information

continued

### Share price information

Information concerning the day to day movement of the share price of the Company can be found on our website [www.haysplc.com](http://www.haysplc.com) or that of the London Stock Exchange [www.prices.londonstockexchange.com](http://www.prices.londonstockexchange.com). Alternatively, information can be found under Reuters RIC code HAS.L, Bloomberg code HAS LN Equity, TOPIC page number 45326 and short code HAS, Datastream code HAS or by dialling +44 (0) 906 843 5377 for the FT Cityline share price service. Calls are charged at 50p per minute at all times.

### Dealing service

Cazenove & Co Ltd operates a postal dealing service for Ordinary shares in Hays plc. This provides for the sale or purchase of shares at a basic commission of 1% subject to a £10 minimum charge. Further information is available from: Cazenove & Co Ltd, 20 Moorgate, London EC2R 6DA. Telephone: +44 (0) 20 7155 5155. Website: [www.cazenove.com](http://www.cazenove.com)

Lloyds TSB Registrars offer Shareview Dealing, a service which allows you to sell your Hays plc shares or add to your holding if you are a UK resident. You can deal in your shares on the internet or by phone. Log on to [www.shareview.co.uk/dealing](http://www.shareview.co.uk/dealing) or call them on +44 (0)870 850 0852 between 8.30am and 4.30pm, Monday to Friday, for more information about this service and for details of their rates. If you wish to deal, you will need your account/shareholder reference number which appears on your share certificate.

### ShareGift

ShareGift is a charity share donation scheme for shareholders administered by the Orr Mackintosh Foundation. It is especially useful for those shareholders who may wish to dispose of a small parcel of shares whose value makes it uneconomic to sell on a normal commission basis.

Further information can be obtained from [www.sharegift.org](http://www.sharegift.org) or from Lloyds TSB Registrars.

### Corporate Individual Savings Account

The Hays plc Single Company ISA is available to existing and prospective shareholders in Hays plc. Further information is available from: Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6UY. Telephone: +44 (0) 870 242 4244. Website: [www.lloydstsb-registrars.co.uk](http://www.lloydstsb-registrars.co.uk)

### Dividend Re-investment Plan (DRIP)

The Company has introduced a DRIP to allow shareholders to re-invest the cash dividend that they receive in shares on competitive dealing terms.

Further information is available from: The Share Dividend Team, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex, BN99 6DA. Telephone: +44 (0) 870 600 3970. Website: [www.lloydstsb-registrars.co.uk](http://www.lloydstsb-registrars.co.uk)

### Unsolicited mail

As the Company's share register is, by law, open to public inspection, shareholders may receive unsolicited mail from organisations that use it as a mailing list. To reduce the amount of unsolicited mail you receive, contact: The Mailing Preference Service, FREEPOST 22, London W1E 7EZ. Telephone: +44 (0) 845 703 4599. Website: [www.mpsonline.org.uk](http://www.mpsonline.org.uk)



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