

27 February 2007

Interim results for the 6 months ended 31 December 2006

OPERATING PROFIT UP 11%* AND OUTSTANDING PERFORMANCE INTERNATIONALLY

6 months ended 31 December £'s million	2006	2005	Actual growth	LFL* growth
Net fees	297.2	259.1	+ 15%	+ 14%
Profit from continuing activities	102.2	94.1	+ 9%	+ 11%
Cash from operations	98.6	83.9	+ 18%	
Profit before tax**	100.3	94.6	+ 6%	
Basic earnings per share**	4.73p	4.16p	+ 14%	
Interim dividend per share	1.60p	1.45p	+ 10%	

- Good like-for-like net fee and operating profit growth of 14% and 11% respectively*
- Outstanding International performance with net fees and operating profit up 36%*
- Profits flat in the United Kingdom & Ireland due to reduction in temporary business margin
- 26% increase in net fees from permanent business with excellent performance across the Group
- 14% increase in earnings per share** and 10% increase in interim dividend per share
- Entry into Japan and Pharmaceutical sector through James Harvard acquisition for initial £24 million

* LFL is like-for-like growth which represents organic growth of continuing activities at constant currency. No adjustment is made for the one less trading day in 2006

** continuing activities only

Commenting on these results, Denis Waxman, Chief Executive of Hays, said:

“These results show good growth in net fees, operating profit and earnings per share. The highlight is our outstanding performance internationally where we grew net fees by 33% (36% on a like-for-like basis*) to £98.5 million and operating profits by 30% (36% on a like-for-like basis*) to £34.7 million. The International business has increased its share of Group net fees from 22% three years ago to 33% this period. Our success underlines the excellent market opportunities available worldwide to Hays and the strength of our business model. We are continuing to invest internationally, primarily organically, to maximise our opportunities in these markets.

There was a mixed performance in the United Kingdom & Ireland. The permanent placement business performed strongly generating good net fee growth of 18%. However, challenging conditions in the temporary market, primarily in the public sector, led to margin reduction and low volume growth in this segment. The investment in consultants during the period in the United Kingdom & Ireland positions us for an improved performance in the second half of the financial year.

Since the start of January, net fees have been ahead of the comparable period last year by 16% on a like-for-like basis*. By region, net fee growth on a like-for-like basis* was 9% in the United Kingdom & Ireland, 29% in Asia Pacific and 36% in Continental Europe & Rest of World. Overall, the Group's performance for the year ending 30 June 2007 continues to be in line with the Board's expectations".

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Chairman's statement

Net fees of the Group were £297.2 million, 15% ahead of last year (14% on a like-for-like basis*), operating profit from continuing activities was £102.2 million, 9% ahead of last year (11% on a like-for-like basis*), and basic earnings per share from continuing activities was 4.73 pence, 14% ahead of last year. The average number of consultants increased by 17% to 4,349 compared to the average in the first half of last year (2005: 3,726).

We achieved a strong performance in our permanent placement business across all regions benefiting from continued investment in new consultants. Net fees in the permanent business grew by 26%, increasing its share of Group net fees to 47% (2005: 43%). Permanent placement volumes increased 15% and average fees per placement increased by 10% compared to the first half of last year. The temporary placement business, representing 53% of Group net fees, had a strong performance internationally but was impacted by challenging conditions in the United Kingdom & Ireland market, primarily in the public sector. Overall, the temporary placement business had modest net fee growth of 6%, with volume growth of 10% compared to the first half of last year and an 80 basis point reduction in the temporary business margin from 19.0% in the first half of last year to 18.2% in this period. This decline in margin reduced operating profit by circa £6 million.

The same factors led to a reduction in the Group's conversion rate, which is the proportion of net fees converted into operating profit, from 36.3% in the first half of last year to 34.4%.

United Kingdom & Ireland

The United Kingdom & Ireland business had a mixed performance with net fee growth of 8% (6% on a like-for-like basis*) to £198.7 million (2005: £184.8 million) and operating profits remaining broadly flat at £67.5 million (2005: £67.4 million). A strong performance by the permanent placement business was offset by a weak performance in the temporary business. In particular, the public sector activities, which represent circa 35% of our temporary business net fees, experienced challenging market conditions, which affected margins. As a result, the conversion rate declined from 36.5% in the first half of last year to 34.0%. We are encouraged that our temporary business margin has stabilised over the last three months. Whilst the public sector market has been difficult, it remains an attractive part of our business which provides resilience across the economic cycle.

As indicated in September, we have invested in consultants increasing the average number by 7% to 2,826 (2005: 2,636). This investment positions us for an improved performance in the second half of the financial year.

The Accountancy & Finance business, which has a large weighting to the public sector, was impacted by the conditions in the temporary market described above. As a result, this business had flat net fees of £77.6 million (2005: £77.3 million) and a 3% fall in operating profit to £31.5 million (2005: £32.6 million). The increased focus and consultant investment in the permanent placement business positions us for an improved performance in the second half of the financial year.

Construction & Property, which serves both the construction and "built" environment sectors, had an improved performance versus the second half of last year, benefiting from earlier investment in consultants and the temporary business margin stabilising in the second quarter. Net fee growth of 7% to £54.4 million (2005: £50.8 million) translated into operating profit growth of 4% to £22.4 million (2005: £21.5 million). We believe this business is well positioned for an improved performance in the second half of the financial year.

Information Technology had net fee growth of 5% to £15.8 million (2005: £15.1 million) and operating profit growth of 2% to £5.5 million (2005: £5.4 million). This business, which is predominantly in the temporary placement market, was affected by subdued demand from our larger contracts. In response to this, we are increasing our focus on the permanent market and SMEs.

The Other Specialist Activities in the United Kingdom & Ireland continued their strong track record of growth. Net fees increased by 22% to £50.9 million (2005: £41.6 million) and operating profits increased by 3% to £8.1 million (2005: £7.9 million). This result included strong contributions from Human Resources, Recruitment Management Services, Banking and Legal which had combined net fee growth of 28%. As expected, the Contact Centres business was impacted by the completion of a large contract and the Healthcare business was affected by the challenging NHS market for healthcare professionals and, as advised in September, the investment in the new social care activities. Excluding the Contact Centres and Healthcare businesses, operating profit in Other Specialist Activities was up by 30%.

Asia Pacific

The Asia Pacific business had an excellent performance in both the temporary and permanent placement businesses. Net fees increased 24% to £51.4 million (2005: £41.4 million) and operating profit increased 21% to £24.4 million (2005: £20.1 million). On a like-for-like basis*, the growth in net fees and operating profit was 28% with the difference being principally due to the depreciation of the Australian dollar. The average number of consultants increased by 39% to 775 (2005: 557). As a result of the investment in China & Hong Kong and Singapore, the conversion rate declined slightly from 48.6% to 47.5%.

In Australia & New Zealand, the business continues to deliver strong growth across all its specialist activities further enhancing its market leading position. New specialist activities, including Oil & Gas and Healthcare, were rolled out, and activities were expanded in Perth, Melbourne, Maroochydore and Auckland. This expansion contributed to an increase in net fees in Australia & New Zealand of 21% compared to the first half of last year.

In Asia, net fees were £1.2 million in the period (2005: nil). In line with our expectations, the newly established China & Hong Kong business achieved break-even in the period. We also entered the Singapore market. We believe Hays is well placed to take advantage of the opportunities in these rapidly growing markets.

Continental Europe & Rest of World ('RoW')

The Continental Europe & RoW region continued its outstanding progress increasing net fees by 43% to £47.1 million (2005: £32.9 million) and operating profit by 56% to £10.3 million (2005: £6.6 million) compared to the first half of last year. On a like-for-like basis*, the growth in net fees and operating profit was 44% and 58% respectively. We accelerated our investment in consultants increasing the average number of consultants in the period by 40% to 747 (2005: 533) and we started operations in Brazil, representing our first entry into Latin America. The conversion rate strengthened to 21.9% from 20.1% due to the increased scale of the business despite significant investment in the period.

All countries contributed to the outstanding performance across both temporary and permanent sectors with ten countries delivering net fee growth of more than 25% in the period. Germany, our largest business in the region,

further improved its market share and took advantage of structural growth in the market, growing net fees by 26%. France, our second largest business in the region, continued its expansion into the provinces growing net fees by 37%. Canada, our third largest business in the region, benefited from the ongoing investment in consultants, growing net fees by an impressive 65%.

Among the other countries in this region, Spain delivered the strongest performance, more than doubling its net fees, followed by the Netherlands, which increased net fees by 63%. The launch into Italy last year is progressing to plan and our entry into the United Arab Emirates (UAE) has exceeded our expectations, trading profitably within six months of opening.

We see great opportunities for Hays in these markets and we will continue to invest in consultants and offices to take advantage of them.

Tax and earnings per share

Tax on continuing operations for the period was £31.3 million, representing an effective tax rate of 31.2% (2005: 31.3%).

Basic earnings per share from continuing activities of 4.73 pence was 14% ahead of last year (2005: 4.16 pence per share). The improvement in earnings per share arises from the good growth in operating profit, 9% ahead of last year, and the favourable impact of the accretion from the share buy-back programme, partially offset by the higher net interest charge this period.

Cash flow

Cash flow was strong with net cash from continuing operations of £98.6 million (2005: £83.9 million) after investing £9.0 million in additional working capital. Tax paid was £31.8 million and net capital expenditure was modest at £4.8 million reflecting the low capital intensity of the business. £42.3 million was paid out in dividends, £2.7 million was paid out in net interest, and £21.8 million was used to buy-back our own shares. Over the period net debt increased from £77.0 million at the start of the period to £82.6 million at the end of the period.

Retirement benefits

The Group's pension liability under IAS 19 at 31 December 2006 of £88.9 million (£62.2 million net of deferred tax) increased by £33.0 million compared to 30 June 2006 due to the decrease in the AA bond discount rate. During the period the Group contributed £2.4 million of cash into the main scheme. A formal actuarial valuation of the scheme as at 30 June 2006 is currently being finalised and the results will be known by the end of the financial year.

Capital structure and dividend

The priorities for our free cash flow are to fund Group development, particularly overseas, support a progressive dividend policy and to buy back shares when appropriate. During the period, we purchased 11.2 million shares at a total cost of £15.4 million. This brings the total number of shares bought back since the start of the share buy-back programme to 279.0 million shares at a cost of £358.7 million.

The Board has decided to pay an interim dividend of 1.60 pence per share, which represents a 10% increase on last year. The dividend is payable on 25 May 2007 to shareholders on the register at 20 April 2007.

Acquisition and disposal

Whilst the strategy of the Group is to grow and create value primarily from organic development, geographical and sector in-fill acquisitions form part of our development strategy. On 23 February 2007 we acquired James Harvard, a recruitment business specialising in the Pharmaceutical and Biotechnology sectors and the IT Financial Services sector. Two thirds of the James Harvard business is based in the United Kingdom with the remainder overseas, primarily in Japan. The consideration was an initial £24 million, on a cash free, debt free basis, with further payments estimated at £19 million depending on achievement of growth and profitability targets over the next three years. In the year ended 31 December 2006, James Harvard generated estimated net fees of £10.7 million and estimated operating profits of £3.0 million.

This acquisition moves Hays into the specialist Pharmaceutical and Biotechnology sectors, which we believe are attractive markets with strong growth characteristics, and significantly strengthens Hays' recruitment offering in the high end IT Financial Services sector. The acquisition will enable the roll out of James Harvard's Pharmaceutical and Biotechnology specialist activities across Hays' Continental European network.

The acquisition provides Hays with an entry into Japan, which is the largest specialist recruitment market in Asia and the third largest in the world. Hays sees strong growth potential in the Japanese market and the sectors in which James Harvard operate. In addition, the acquisition provides Hays with an excellent platform to introduce our core sector businesses into Japan.

On 13 February 2007 Hays sold the IT services business in France for net proceeds of £2.0 million. This business was not a core activity and represented a small part of the Hays business in France with net fees and operating profit of £3.0 million and £0.3 million respectively for the year ended 30 June 2006.

Current trading and outlook

Since the start of January, net fees have been ahead of the comparable period last year by 16% on a like-for-like basis*. By region, net fee growth on a like-for-like basis* was 9% in the United Kingdom & Ireland, 29% in Asia Pacific and 36% in Continental Europe & RoW. Overall, the Group's performance for the year ending 30 June 2007 continues to be in line with the Board's expectations.

Bob Lawson
Chairman
26 February 2007

CONSOLIDATED INCOME STATEMENT

<i>(In £'s million)</i>	Notes	Six months to 31 December 2006 (Unaudited)	Six months to 31 December 2005 (Unaudited)	Year to 30 June 2006
TURNOVER				
Continuing operations	3	1,002.3	888.7	1,826.6
NET FEES *				
Continuing operations	3	297.2	259.1	538.2
PROFIT FROM OPERATIONS				
Continuing operations	3	102.2	94.1	193.0
Finance income		1.7	2.5	5.8
Finance cost		(3.6)	(2.0)	(6.3)
	4	(1.9)	0.5	(0.5)
PROFIT BEFORE TAX		100.3	94.6	192.5
Tax	5	(31.3)	(29.6)	(60.1)
PROFIT FROM CONTINUING OPERATIONS AFTER TAX		69.0	65.0	132.4
PROFIT FROM DISCONTINUED OPERATIONS AFTER TAX	6	0.3	17.2	52.5
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS		69.3	82.2	184.9
Earnings per share from continuing operations				
- Basic	8	4.73p	4.16p	8.69p
- Diluted	8	4.72p	4.14p	8.65p
Earnings per share from discontinued operations				
- Basic	8	0.02p	1.10p	3.45p
- Diluted	8	0.02p	1.09p	3.43p
Total earnings per share				
- Basic	8	4.75p	5.26p	12.14p
- Diluted	8	4.74p	5.23p	12.08p

* Net fees are equal to turnover less payroll costs of temporary contractors and workers.

<i>(In £'s million)</i>	Notes	31 December 2006 (Unaudited)	31 December 2005 (Unaudited)	30 June 2006
Goodwill		122.2	100.3	126.2
Other intangible assets		1.9	1.6	1.6
Property, plant & equipment		21.1	18.4	20.1
Deferred tax assets		32.8	32.5	22.2
NON-CURRENT ASSETS		178.0	152.8	170.1
Trade & other receivables		370.7	311.7	330.2
Cash & cash equivalents		30.0	33.7	52.8
CURRENT ASSETS		400.7	345.4	383.0
TOTAL ASSETS		578.7	498.2	553.1
Trade & other payables		(233.3)	(201.0)	(208.9)
Tax liabilities		(49.8)	(56.5)	(49.4)
Obligations under finance leases		-	(0.1)	-
CURRENT LIABILITIES		(283.1)	(257.6)	(258.3)
Bank loans & overdrafts		(112.6)	(107.0)	(129.8)
Trade & other payables		(5.2)	-	(7.9)
Retirement benefit obligations	9	(88.9)	(87.3)	(55.9)
Deferred tax liabilities		(0.9)	(2.3)	(0.9)
Provisions & other liabilities	10	(53.7)	(64.8)	(57.0)
NON-CURRENT LIABILITIES		(261.3)	(261.4)	(251.5)
TOTAL LIABILITIES		(544.4)	(519.0)	(509.8)
NET ASSETS / (LIABILITIES)		34.3	(20.8)	43.3
Called up share capital		15.7	16.5	15.7
Capital redemption reserve		1.7	0.9	1.7
Share premium account		369.6	369.6	369.6
Retained earnings		(359.4)	(411.6)	(354.8)
Other reserves		6.7	3.8	11.1
TOTAL SHAREHOLDERS' EQUITY / (DEFICIT)		34.3	(20.8)	43.3

CONSOLIDATED CASH FLOW STATEMENT

<i>(In £'s million)</i>	Notes	Six months to 31 December 2006 (Unaudited)	Six months to 31 December 2005 (Unaudited)	Year to 30 June 2006
Operating profit from continuing operations		102.2	94.1	193.0
Adjustments for:				
Depreciation of property, plant and equipment		3.2	3.1	6.5
Amortisation of intangible fixed assets		0.1	-	0.2
Net movements in provisions, employee benefits & other items		2.1	0.7	7.6
		<u>5.4</u>	<u>3.8</u>	<u>14.3</u>
OPERATING CASH FLOWS BEFORE MOVEMENT IN WORKING CAPITAL		107.6	97.9	207.3
Movements in working capital		(9.0)	(14.0)	(24.2)
CASH GENERATED BY OPERATIONS		98.6	83.9	183.1
Income taxes paid		(31.8)	(7.1)	(46.7)
NET CASH FROM OPERATING ACTIVITIES		66.8	76.8	136.4
INVESTING ACTIVITIES				
Purchases of tangible & intangible assets		(4.8)	(3.5)	(10.9)
Proceeds from sale of property, plant & machinery		-	0.2	0.2
Cash paid in respect of acquisitions made in previous years		-	(1.6)	(8.2)
Acquisition of subsidiaries		-	-	(20.2)
Sale of businesses and related assets		(2.2)	(10.6)	20.4
Interest received		0.6	3.2	4.7
Net cash used from investing activities		(6.4)	(12.3)	(14.0)
FINANCING ACTIVITIES				
Interest paid		(3.3)	(1.6)	(6.3)
Equity dividends paid		(42.3)	(35.6)	(56.7)
Cash outflow in respect of share buy-back		(21.8)	(168.1)	(209.2)
Disposal of own shares & exercise of share options		1.8	2.7	8.7
(Repayment)/issue of loan notes		(0.5)	-	0.4
(Decrease)/increase in bank overdrafts & repayment of borrowings		(16.7)	100.6	122.5
Net cash used in financing activities		(82.8)	(102.0)	(140.6)
NET DECREASE IN CASH & CASH EQUIVALENTS	11	(22.4)	(37.5)	(18.2)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD		52.8	71.2	71.2
Effect of foreign exchange rate changes		(0.4)	-	(0.2)
CASH & CASH EQUIVALENTS AT END OF PERIOD		30.0	33.7	52.8
		<u>30.0</u>	<u>33.7</u>	<u>52.8</u>
		<u>30.0</u>	<u>33.7</u>	<u>52.8</u>
<i>(In £'s million)</i>	Notes			
BANK LOANS, OVERDRAFTS AND FINANCE LEASE OBLIGATIONS AT BEGINNING OF PERIOD		(129.8)	(6.9)	(6.9)
Decrease/(increase) in period		17.2	(100.6)	(122.9)
Effect of exchange rate movements		-	0.4	-
BANK LOANS, OVERDRAFTS AND FINANCE LEASE OBLIGATIONS AT END OF PERIOD		(112.6)	(107.1)	(129.8)
NET DEBT AT END OF PERIOD	11	(82.6)	(73.4)	(77.0)
		<u>(82.6)</u>	<u>(73.4)</u>	<u>(77.0)</u>
		<u>(82.6)</u>	<u>(73.4)</u>	<u>(77.0)</u>

CONSOLIDATED RECONCILIATION OF MOVEMENTS IN EQUITY*For the six months ended 31 December 2006*

<i>(In £'s million)</i>	Share capital	Capital redemption reserve	Share premium account	Retained earnings	Other reserves	Total
Balance at 1 July 2006	15.7	1.7	369.6	(354.8)	11.1	43.3
Currency translation adjustments	-	-	-	-	(2.2)	(2.2)
Actuarial losses on defined benefit pension scheme	-	-	-	(32.9)	-	(32.9)
Tax on items taken directly to reserves	-	-	-	9.9	-	9.9
Net expense recognised directly in equity	-	-	-	(23.0)	(2.2)	(25.2)
Profit for the period	-	-	-	69.3	-	69.3
Total recognised income/(expense) for the period	-	-	-	46.3	(2.2)	44.1
Dividends paid	-	-	-	(42.3)	-	(42.3)
Share based payment schemes	-	-	-	3.1	(0.7)	2.4
Purchase of own shares and other	-	-	-	3.7	(1.5)	2.2
Share buy-back	-	-	-	(15.4)	-	(15.4)
Balance at 31 December 2006	15.7	1.7	369.6	(359.4)	6.7	34.3

CONSOLIDATED RECONCILIATION OF MOVEMENTS IN EQUITY*For the six months ended 31 December 2005*

<i>(In £'s million)</i>	Share capital	Capital redemption reserve	Share premium account	Retained earnings	Other reserves	Total
Balance at 1 July 2005	17.4	-	369.6	(278.8)	(2.2)	106.0
Currency translation adjustments	-	-	-	-	1.3	1.3
Actuarial losses on defined benefit pension scheme	-	-	-	(16.2)	-	(16.2)
Tax on items taken directly to reserves	-	-	-	4.9	-	4.9
Net (expense)/income recognised directly in equity	-	-	-	(11.3)	1.3	(10.0)
Profit for the period	-	-	-	82.2	-	82.2
Total recognised income for the period	-	-	-	70.9	1.3	72.2
Dividends paid	-	-	-	(35.6)	-	(35.6)
Share based payment schemes	-	-	-	-	2.0	2.0
Cancellation of shares	(0.9)	0.9	-	-	-	-
Disposal of own shares and other	-	-	-	-	2.7	2.7
Share buy-back	-	-	-	(168.1)	-	(168.1)
Balance at 31 December 2005	16.5	0.9	369.6	(411.6)	3.8	(20.8)

CONSOLIDATED RECONCILIATION OF MOVEMENTS IN EQUITY – OTHER RESERVES*For the six months ended 31 December 2006*

<i>(In £'s million)</i>	Own shares	Equity reserve	Cumulative translation	Total
Balance at 1 July 2006	(0.7)	8.7	3.1	11.1
Currency translation adjustments	-	-	(2.2)	(2.2)
Total recognised expense for the period	-	-	(2.2)	(2.2)
Share based payment schemes	-	(0.7)	-	(0.7)
Purchase of own shares	(1.5)	-	-	(1.5)
Balance at 31 December 2006	(2.2)	8.0	0.9	6.7

CONSOLIDATED RECONCILIATION OF MOVEMENTS IN EQUITY – OTHER RESERVES*For the six months ended 31 December 2005*

<i>(In £'s million)</i>	Own shares	Equity reserve	Cumulative translation	Total
Balance at 1 July 2005	(9.4)	4.4	2.8	(2.2)
Currency translation adjustments	-	-	1.3	1.3
Total recognised income for the period	-	-	1.3	1.3
Share based payment schemes	-	2.0	-	2.0
Disposal of own shares	2.7	-	-	2.7
Balance at 31 December 2005	(6.7)	6.4	4.1	3.8

CONSOLIDATED STATEMENT OF RECOGNISED INCOME & EXPENSE

<i>(In £'s million)</i>	Six months to 31 December 2006 (Unaudited)	Six months to 31 December 2005 (Unaudited)	Year to 30 June 2006
Profit for the period	69.3	82.2	184.9
Currency translation adjustments	(2.2)	1.3	0.3
Actuarial (losses)/profits on defined benefit pension scheme	(32.9)	(16.2)	15.8
Tax on items taken directly to reserves	9.9	4.9	(4.8)
	44.1	72.2	196.2

1 STATEMENT UNDER S240 – PUBLICATION OF NON STATUTORY ACCOUNTS

The interim financial statement has been prepared in accordance with the recognition and measurement criteria of IFRS and the disclosure requirements of the Listing Rules.

The information for the year ended 30 June 2006 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. A copy of the statutory accounts for that year prepared under IFRS has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under Section 237 (2) or (3) of the Companies Act 1985.

2 BASIS OF PREPARATION OF INTERIM FINANCIAL INFORMATION

Hays plc presented its 30 June 2006 financial statements in accordance with applicable International Financial Reporting Standards. The same accounting policies and methods of computation have been followed in these interim financial statements.

3 SEGMENTAL INFORMATION

Continuing operations comprise one class of business, the Specialist Recruitment activities. The Group operates in three identified geographic segments. These results by geography are shown below.

TURNOVER, NET FEES AND PROFIT FROM CONTINUING OPERATIONS

<i>(In £'s million)</i>	Six months to 31 December 2006 (Unaudited)	Six months to 31 December 2005 (Unaudited)	Year to 30 June 2006
TURNOVER			
United Kingdom & Ireland	677.3	623.2	1,266.9
Continental Europe & Rest of World	167.6	129.8	286.5
Asia Pacific	157.4	135.7	273.2
	<u>1,002.3</u>	<u>888.7</u>	<u>1,826.6</u>
NET FEES			
United Kingdom & Ireland	198.7	184.8	378.4
Continental Europe & Rest of World	47.1	32.9	74.1
Asia Pacific	51.4	41.4	85.7
	<u>297.2</u>	<u>259.1</u>	<u>538.2</u>
PROFIT FROM OPERATIONS			
United Kingdom & Ireland	67.5	67.4	137.5
Continental Europe & Rest of World	10.3	6.6	13.8
Asia Pacific	24.4	20.1	41.7
	<u>102.2</u>	<u>94.1</u>	<u>193.0</u>

4 FINANCE INCOME AND FINANCE COSTS

<i>(In £'s million)</i>	Six months to 31 December 2006 (Unaudited)	Six months to 31 December 2005 (Unaudited)	Year to 30 June 2006
FINANCE INCOME			
Interest on bank deposits	0.6	2.0	4.7
Net interest on pension obligations	1.1	0.5	1.1
	<u>1.7</u>	<u>2.5</u>	<u>5.8</u>
FINANCE COSTS			
Interest payable on bank overdrafts and loans	(3.3)	(2.0)	(6.0)
Pension Protection Fund levy	(0.3)	-	(0.3)
	<u>(3.6)</u>	<u>(2.0)</u>	<u>(6.3)</u>
Net finance (charge)/income	<u>(1.9)</u>	<u>0.5</u>	<u>(0.5)</u>

5 TAXATION ON ORDINARY ACTIVITIES

The Group's consolidated effective tax rate in respect of continuing operations for the six months to 31 December 2006 is based on the estimated effective tax rate for the full year of 31.2% (31 December 2005: 31.3%, 30 June 2006: 31.2%).

<i>(In £'s million)</i>	Six months to 31 December 2006 (Unaudited)	Six months to 31 December 2005 (Unaudited)	Year to 30 June 2006
TAX CHARGE			
United Kingdom	18.2	19.8	39.4
Overseas	13.1	9.8	20.7
	<u>31.3</u>	<u>29.6</u>	<u>60.1</u>

6 PROFIT FROM DISCONTINUED OPERATIONS

Profits from discontinued operations in the period of £0.3 million arose from the repayment of loan notes previously provided for.

Profits from discontinued operations in the prior year period of £17.2 million arose from the write-back of £17.2 million of tax related accruals which had been established for a number of historic disposals.

Profits from discontinued operations in the year ended 30 June 2006 of £52.5 million were generated from surplus property disposals of £6.0 million, a final settlement of £31.0 million from the acquirers of Hays Chemicals and a net tax credit £15.5 million due mainly to the write-back of tax related accruals that were established for a number of historic disposals.

7 DIVIDENDS

<i>(In £'s million)</i>	Six months to 31 December 2006 (Unaudited)	Six months to 31 December 2005 (Unaudited)	Year to 30 June 2006
Amounts recognised per ordinary share as distributions to equity holders in the period:			
Final dividend for the year ended 30 June 2005 of 2.27 pence per share	-	35.6	35.6
Interim dividend for the period to 31 December 2005 of 1.45 pence per share	-	-	21.1
Final dividend for the year ended 30 June 2006 of 2.90 pence per share	42.3	-	-
	<u>42.3</u>	<u>35.6</u>	<u>56.7</u>

The interim dividend for the period ended 31 December 2006 of 1.60 pence per share is not included as a liability in the balance sheet as at 31 December 2006.

8 EARNINGS PER SHARE

<i>(In £'s million)</i>	Six months to 31 December 2006 (Unaudited)	Six months to 31 December 2005 (Unaudited)	Year to 30 June 2006
Earnings from continuing operations	100.3	94.6	192.5
Tax on earnings from continuing operations	(31.3)	(29.6)	(60.1)
Basic earnings from continuing operations	<u>69.0</u>	<u>65.0</u>	<u>132.4</u>
Earnings from discontinued operations	0.4	-	37.0
Tax on earnings from discontinued operations	(0.1)	17.2	15.5
Basic earnings from discontinued operations	<u>0.3</u>	<u>17.2</u>	<u>52.5</u>
Number of shares (million):			
Weighted average number of shares	1,457.4	1,564.2	1,523.2
Dilution effect of share options	5.2	6.9	8.2
Weighted average number of shares used for diluted EPS	<u>1,462.6</u>	<u>1,571.1</u>	<u>1,531.4</u>
Basic earnings per share from continuing operations	4.73p	4.16p	8.69p
Basic earnings per share from discontinued operations	0.02p	1.10p	3.45p
Total basic earnings per share	<u>4.75p</u>	<u>5.26p</u>	<u>12.14p</u>
Diluted earnings per share from continuing operations	4.72p	4.14p	8.65p
Diluted earnings per share from discontinued operations	0.02p	1.09p	3.43p
Total diluted earnings per share	<u>4.74p</u>	<u>5.23p</u>	<u>12.08p</u>

9 RETIREMENT BENEFIT OBLIGATIONS

<i>(In £'s million)</i>	Six months to 31 Dec ember 2006 (Unaudited)	Six months to 31 Dec ember 2005 (Unaudited)	Year to 30 June 2006
Deficit in scheme brought forward	(55.9)	(69.7)	(69.7)
Current service cost	(3.6)	(4.3)	(8.1)
Past service cost	-	-	(0.1)
Contributions and other	2.4	2.4	5.1
Finance income	1.1	0.5	1.1
Actuarial (loss)/profit	(32.9)	(16.2)	15.8
Deficit in scheme carried forward	<u>(88.9)</u>	<u>(87.3)</u>	<u>(55.9)</u>

10 PROVISIONS AND OTHER LIABILITIES

<i>(In £'s million)</i>	Property	Deferred employee benefits	Other	Total
Balance at 1 July 2006	14.8	2.2	40.0	57.0
Utilised	(0.7)	(0.4)	(2.0)	(3.1)
Reclassification	1.5	-	(1.5)	-
Exchange adjustments	-	-	(0.2)	(0.2)
	<u>15.6</u>	<u>1.8</u>	<u>36.3</u>	<u>53.7</u>

Property provisions are for rents and other related amounts payable on certain leased properties for periods in which they are not anticipated to be in use by the Group. The leases expire in periods up to 2016. Deferred employee benefits include provision for the Performance Share Scheme and other employee related provisions. It is not possible to estimate the timing of payments against the deferred employee benefit provision. Other provisions comprise liabilities arising as a result of business disposals and the Group transformation, mainly relating to possible warranty and environmental claims for businesses disposed as part of the Group transformation during the period from March 2003 to November 2004.

11 MOVEMENT IN NET DEBT

<i>(In £'s million)</i>	1 July 2006	Cash flow	Exchange movement	31 December 2006
Cash & cash equivalents	52.8	(22.4)	(0.4)	30.0
Bank loans & overdrafts	(129.8)	17.2	-	(112.6)
Net debt	<u>(77.0)</u>	<u>(5.2)</u>	<u>(0.4)</u>	<u>(82.6)</u>

The table above is presented as additional information to show movement in net debt, defined as cash & cash equivalents less overdrafts & bank loans.

12 CONTINGENT LIABILITIES

In June 2006, Hays was visited by the UK Office of Fair Trading ('OFT') as part of an investigation into possible breaches of competition law by Hays and other recruitment companies in the construction recruitment sector. The OFT investigation related to a small part of Hays' Construction & Property business. Hays is co-operating fully with the OFT under the OFT's leniency programme and the Board believes that any financial impact of the matters under investigation will not be material to the Group.

13 EVENTS AFTER THE BALANCE SHEET DATE

As part of the share buy-back programme, the Company has purchased an additional 6.0 million shares for a total cost of £9.6 million since the balance sheet date.

On 23 February 2007 the Group acquired James Harvard International Group Ltd and James Harvard International Asia KK ('James Harvard'). James Harvard provides specialist recruitment services in the Pharmaceutical and Biotechnology sectors and Information Technology for the Financial Services sector. Approximately two thirds of the business is based in the United Kingdom and the remainder is based overseas, primarily in Japan. The initial consideration for the acquisition was £24 million with up to a further £19 million dependent upon profitability over the next three years.

14 LIKE-FOR-LIKE RESULTS

Like-for-like results represent organic growth of continuing activities at constant currency.

For the six months ended 31 December 2006 this is calculated as follows:

	<i>(In £'s million)</i>
Net fees for the six months ended 31 December 2005	259.1
Foreign exchange impact	(2.6)
Net fees for the six months ended 31 December 2005 at constant currency	<u>256.5</u>
Fees generated from acquisitions	3.7
Fees generated from organic growth	37.0
Net fees for the six months ended 31 December 2006	<u>297.2</u>
Profit from operations for the six months ended 31 December 2005	94.1
Foreign exchange impact	(1.3)
Profit from operations for the six months ended 31 December 2005 at constant currency	<u>92.8</u>
Loss from operations generated from acquisitions	(0.5)
Profit from operations generated from organic growth	9.9
Profit from operations for the six months ended 31 December 2006	<u>102.2</u>

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 2006 which comprise the consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement, the consolidated reconciliation of movements in equity, the consolidated statement of recognised income and expense 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 the 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 International Standards on Auditing (UK and Ireland) 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 2006.

Deloitte & Touche LLP
Chartered Accountants
London
United Kingdom
26 February 2007

A review does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.