

11 October 2007

HAYS PLC

Interim Management Statement for the quarter ended 30 September 2007

Comment

Commenting on trading for the quarter ended 30 September 2007, Denis Waxman, Chief Executive of Hays plc, said:

"I am pleased to report that in our first quarter we have made a strong start to the year built on the momentum generated in the second half of last year. We have achieved strong growth in net fees and continued with our investment plans, particularly in the International business. Although we are mindful of the increased economic uncertainty, we continue to see strong demand across our markets and fully expect to continue our good progress this year."

Group

Growth in net fees in the quarter ended 30 September 2007
(versus the same period last year)

	Growth	
	actual	LFL*
By region		
United Kingdom & Ireland	14%	12%
Asia Pacific	50%	40%
Continental Europe & Rest of World	40%	41%
Total	24%	21%
By segment		
Temporary	16%	14%
Permanent	34%	30%
Total	24%	21%

* LFL is like-for-like growth, which represents organic growth of continuing activities at constant currency

Hays plc, the Specialist Recruitment Group, has made a strong start to the financial year. In the quarter ended 30 September 2007, Group net fees grew by 21% on a like-for-like basis versus the same period

last year. During the quarter, the Group increased the number of consultants by 9% as planned, and added nine offices to the network, all of which were in the International businesses.

The contrasting conditions between the market for permanent staff and the market for temporary staff has continued. As a result, our net fees increased by 30% in the permanent placement market and by 14% in the temporary placement market on a like-for-like basis versus the same period last year.

United Kingdom & Ireland

In the United Kingdom & Ireland, we had strong net fee growth of 12% on a like-for-like basis versus last year. The Accountancy & Finance business continued to make good progress building on its improvement in the second half of last year. Construction & Property benefited from strong demand and the Information Technology business made steady progress following the investment in the second half of last year. We continue to invest heavily in the newer specialisms and they are performing strongly.

Asia Pacific

In Asia Pacific, our businesses continued their excellent momentum from last year, achieving growth in net fees of 40% on a like-for-like basis versus last year. In Australia & New Zealand, where we are market leader, the business recorded exceptional performances across all its specialist activities. We continued to roll out our newer specialisms across the network and we opened another office in Brisbane. In Asia, our newly established businesses in Japan, China, Hong Kong and Singapore all performed well and we opened a second office in Japan (Osaka).

Continental Europe & Rest of World ('RoW')

In Continental Europe & RoW, net fees increased by 41% on a like-for-like basis versus the same period last year. This outstanding growth stems from our significant investment in the region and the considerable structural growth in the market. All countries in this region contributed to this performance, with Germany, France, Belgium, Spain and Canada performing particularly strongly.

During the quarter, we started operations in Hungary (Budapest) and opened further offices in Germany (Stuttgart), Spain (Barcelona and Seville), Canada (Edmonton), Switzerland (Basel) and the Czech Republic (Ostrava). Following the acquisition last year of James Harvard, we continue to rapidly roll out

our Pharmaceutical specialism across Europe, introducing it into Switzerland and Portugal during the quarter.

Share buy-back

We have continued with the share buy-back programme. During the quarter, we purchased 21.1 million shares at a cost of £32.6 million. As previously stated, the company expects to buy-back a minimum of £75 million of shares during this financial year.

Cash flow and balance sheet

The cash flow performance in the quarter has been in line with expectations and the balance sheet remains strong with net debt modestly increasing during the quarter reflecting seasonal cash flow trends and the ongoing share buy-back programme.

Outlook

Our markets continue to be strong, particularly in Continental Europe and Asia Pacific, and the business is well positioned to take advantage of these conditions. Whilst the Board is mindful of the increased economic uncertainty, our outlook is unchanged from when we last reported on 4 September when we stated that the Board is confident in its outlook for the year.

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Enquiries

Hays plc

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Conference call

Paul Venables and Martin Abell of Hays plc will conduct a conference call for analysts and investors at 9:00am United Kingdom time on Thursday 11 October 2007. 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 for seven days as follows:

Replay dial-in number	+44 (0) 1452 550 000
Access code	19544276#

Reporting calendar

We expect to issue a trading statement for the quarter ended 31 December 2007 on 10 January 2008. Accordingly, we do not expect to make a preclose trading statement in December as we have done on previous occasions.

We expect to issue our interim results on 26 February 2008.

Note to editors

Hays plc is the market leader in specialist recruitment in the UK and in Australia, and one of the market leaders in Continental Europe. For the year ended 30 June 2007:

- the Group had revenues of £2.1 billion, net fees of £633.6 million and operating profit of £216.1 million
- the Group employed 7,753 staff operating from 376 offices in 25 countries across 17 specialisms
- the Group placed circa 68,000 candidates into permanent jobs during the year and paid circa 46,000 temporary workers weekly
- the temporary placement business represented 51% of net fees and the permanent business represented 49% of net fees
- the United Kingdom & Ireland represented 66% of Group net fees, Asia Pacific represented 18% and Continental Europe & Rest of World represented 16%

Important notice

Certain statements in this preliminary announcement are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.

All information shown for the quarter ended 30 September is unaudited.