HAYS Recruiting experts worldwide

EXPERTS IN A COMPLEX WORLD

Annual Report & Financial Statements 2013

HAYS AT A GLANCE

KEY STATS AND FACTS

NET FEES

£719.0m

2012: £734.0m

OPERATING PROFIT

£125.5m

2012: £128.1m

COUNTRIES

33

2012: 33

OFFICES

239

2012: 245

CONSULTANT HEADCOUNT

5,037

2012: 5,013

ONLINE
hays.com

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INSIDE OUR 2013 REPORT

CONTENTS

WHO WE ARE & WHAT WE DO

We are leading global experts in qualified, professional and skilled recruitment. Every day we help clients all around the world find the scarce talent they need to drive their own businesses forward.

The nature of employment is changing fast, with technological advances driving evolutions in the world of work.

We understand these complexities and are uniquely positioned across our markets to solve them.

Last year our experts placed around 53,000 people into permanent jobs and around 182,000 people into temporary assignments. We did this with over 5,000 experts, from 239 offices in 33 countries globally.

FOLLOW HAYS ON LINKEDIN

HAYS IN 2013

FOCUS ON DELIVERING IN THE SHORT TERM...

The last year has seen continued mixed and fragile conditions across a number of specialist recruitment markets.

Against this backdrop we have remained focused on controlling costs and driving efficiencies around the Group, ensuring we maximise the productivity of our people whilst investing selectively where appropriate to drive growth in more robust markets.

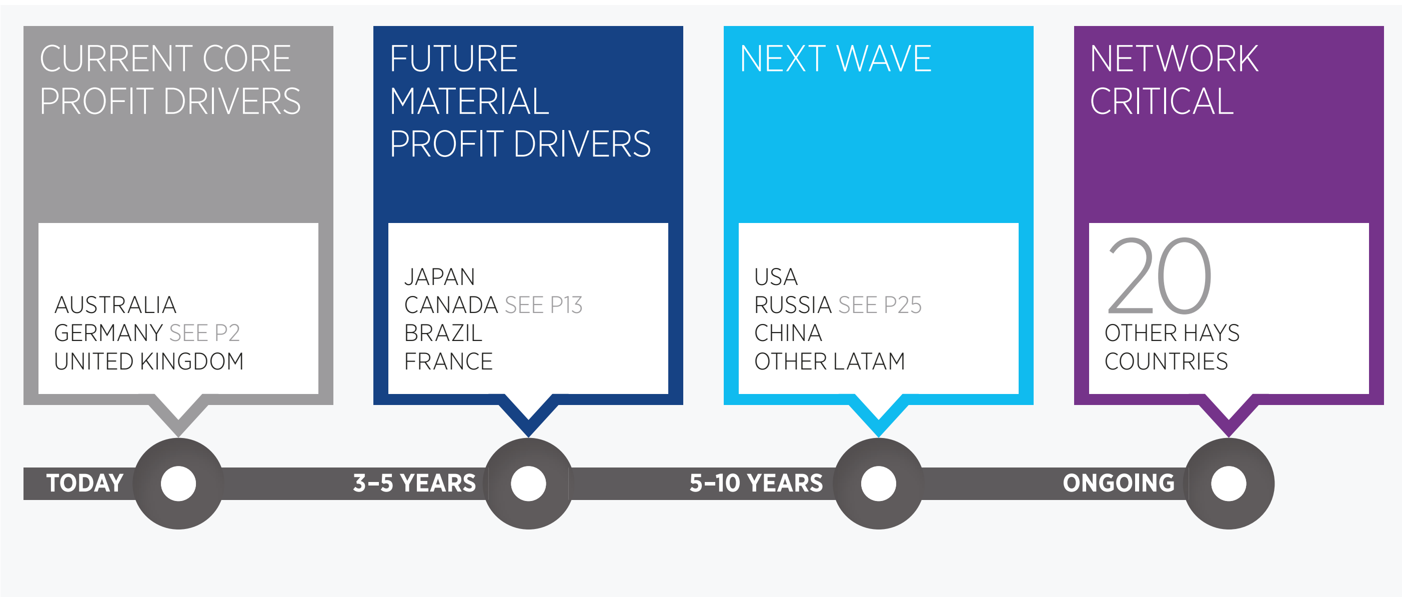
As a result of this approach, and underpinned by our unrivalled scale and the diversity of our business model, we have delivered a resilient financial performance in the year, converting £719.0 million of net fees into £125.5 million of operating profit, as well as making significant progress against our strategic and operational priorities.

Find out more about our performance this year on page 8.

...AND POSITIONING THE GROUP FOR THE LONG TERM

Whatever the stage of the macroeconomic cycle, the long-term structural growth opportunities in the specialist recruitment industry remain unchanged. Our strategy is focused on ensuring we position Hays to fully capitalise on these opportunities and deliver both diversification of income and growth in profits.

Find out more about our Group strategy on page 20.



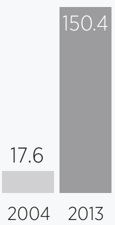
OVERVIEW

IN THIS SECTION

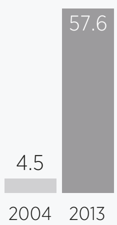
GERMANY
CURRENT CORE PROFIT DRIVER

THE OPPORTUNITY:
Despite being a large developed economy, Germany's specialist recruitment market remains at the very early stages of its development. We estimate that over 80% of specialist, professional jobs in Germany today are filled by in-house HR and recruitment teams, rather than outsourced to providers such as Hays. This is changing however, as businesses across Germany recognise the value added by working with specialist recruitment partners to help them source highly skilled employees. Further driving the industry's growth is the growing importance of flexible, temporary and contractor working to both employers, seeking to increase the flexibility of their skilled workforces, and employees, seeking to build varied and diverse careers and experience.

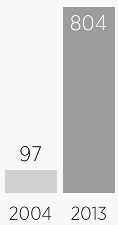
NET FEES (£m)



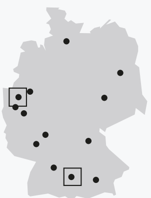
OPERATING PROFIT (£m)(1)



CONSULTANT HEADCOUNT

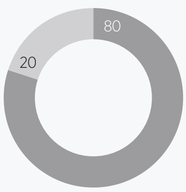


HAYS GERMAN OFFICES IN 2013



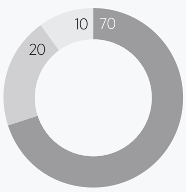
New Offices in 2013:
Ulm and Essen

MARKET DYNAMICS (%)(2)



Internal HR Recruitment
Agency Recruitment

HAYS BUSINESS (%)



Contracting
Temporary
Permanent

(1) Before allocation of CE&RoW divisional central costs.
(2) Hays plc estimate.

HAYS IN GERMANY

We have over 800 recruitment consultants operating from 13 offices across Germany. Over the 10 years since we entered the German market, we have delivered compound annual growth of over 30% in each of fees, profits and headcount and established Hays as the clear market leader. Our IT & Engineering specialisms remain at the core of our business, but we continue to rapidly diversify and today serve clients across nine specialist areas. We generate 90% of our net fees in Germany from temporary and contractor roles, helping to connect clients with the demand for highly skilled, technical professionals with the people they need to drive their business forward.

HAYS IN ACTION

Our market-leading position in Germany has been the result of our work in developing deep, long-term client relationships. We help them to understand and navigate the complexities of a changing world of work, and solve the challenges they face on a daily basis. We began working with one of Europe's leading electricity and gas companies, RWE AG, in 2005, initially helping them to source highly skilled IT contractors. From there, we worked with them to develop a dedicated client service team to source people for functions across the RWE business, from construction & property to finance and engineering and across a range of contractor, temporary and permanent roles. By implementing our proprietary vendor management system we have helped RWE to improve controls and management information around the entire hiring and payrolling process, directly driving efficiencies and savings. In a world where skilled candidates are in short supply, our work with RWE is a great example of the value Hays can bring to a highly technical business, helping them to source better candidates faster and more cost effectively.

For a video review of our Germany business, please go to hays.com/investors

To find out more visit hays.de

Potsdamer Platz in Berlin, one of 13 cities across Germany in which Hays has an office.

IN BRIEF

OUR BUSINESS IN 2013

HAYS AT A GLANCE

WE AIM TO BE THE WORLD'S PRE-EMINENT SPECIALIST RECRUITMENT BUSINESS

FINANCIAL HIGHLIGHTS FOR THE YEAR TO JUNE 2013

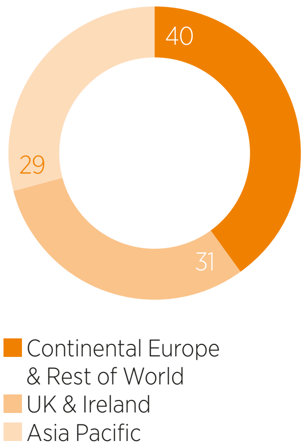
£719.0m
NET FEES
DOWN 1%(1) (2)

5.14p
EARNINGS PER SHARE
DOWN 6%(3)

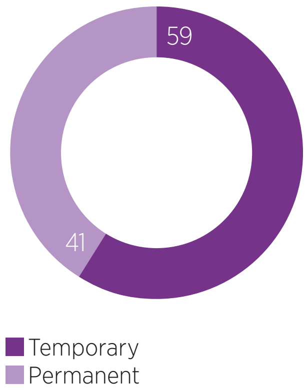
£125.5m
OPERATING PROFIT
DOWN 1%(2)

OUR BALANCED BUSINESS MODEL

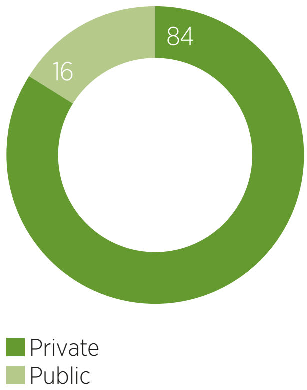
DIVISIONAL SPLIT OF NET FEES (%)



TEMPORARY/PERMANENT SPLIT OF NET FEES (%)



PRIVATE/PUBLIC SECTOR SPLIT OF NET FEES (%)



KEY NUMBERS

239
HAYS OFFICES WORLDWIDE

7,840
HAYS EMPLOYEES WORLDWIDE

53,000
PERMANENT CANDIDATES PLACED LAST YEAR

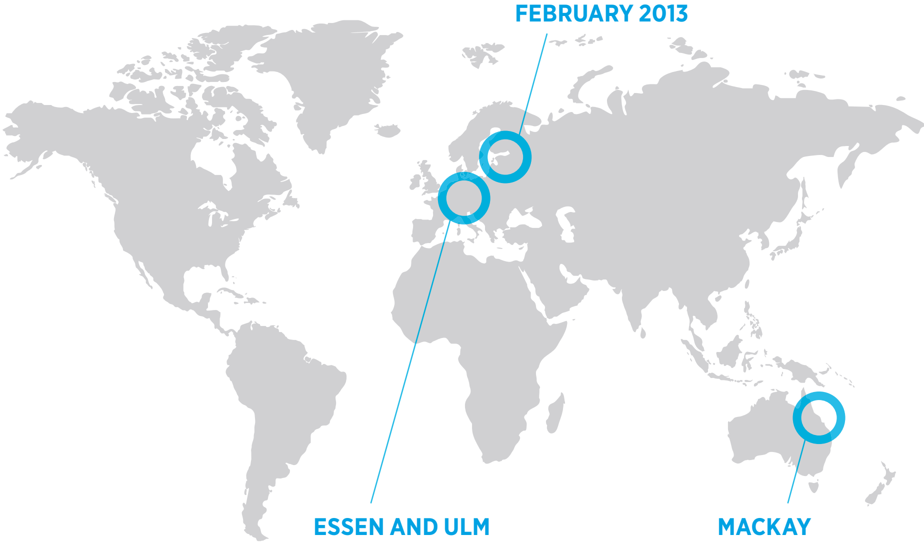
182,000
PEOPLE PLACED INTO TEMPORARY ASSIGNMENTS LAST YEAR

(1) Net fees of £719.0 million (2012: £734.0 million) are reconciled to statutory turnover of £3,696.9 million (2012: £3,654.6 million) in note 5 to the Consolidated Financial Statements.
(2) LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.
(3) Earnings per share is from continuing operations.

OUR COUNTRIES WORLDWIDE

33

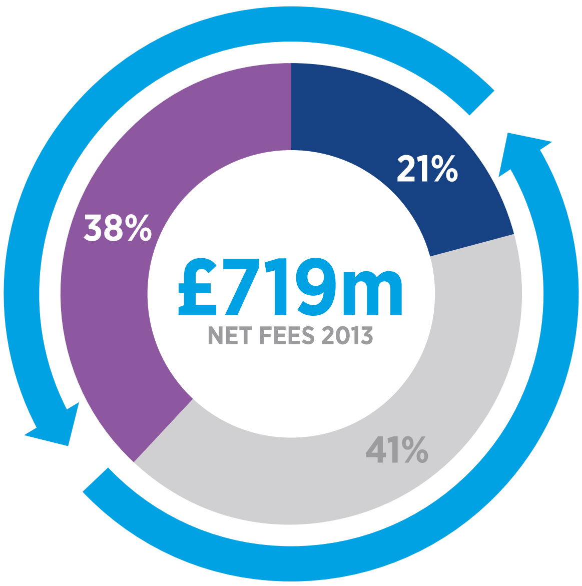
Australia
Austria
Belgium
Brazil
Canada
Chile
China
Colombia
Czech Republic
Denmark
France
Germany
Hong Kong
Hungary
India
Ireland
Italy
Japan
Luxembourg
Malaysia
Mexico
Netherlands
New Zealand
Poland
Portugal
Russia
Singapore
Spain
Sweden
Switzerland
UAE
United Kingdom
USA



OUR AREAS OF SPECIALISM

20

Accountancy & Finance
Construction & Property
Information Technology
Life Sciences
Sales & Marketing
Banking & Capital Markets
Contact Centres
Education
Engineering & Manufacturing
Executive
Financial Services
Health & Social Care
Human Resources
Legal
Office Professionals
Energy, Oil & Gas
Purchasing
Retail
Resources & Mining
Telecoms



STRONG SECTORS
Growth >10%[4]
Energy, Oil & Gas
Engineering
Life Sciences
Education

MODEST SECTORS
Growth (5)–10%[4]
Construction & Property
Sales & Marketing
Information Technology
Legal

WEAKER SECTORS
Declines >(5)%[4]
Resources & Mining
Banking & Capital Markets
Financial Services
Accountancy & Finance

Note: List of specialisms are examples only and are not exhaustive.
(4) Represents year-on-year net fee growth, on a like-for-like basis.

MARKETS

BACKDROP TO 2013

MARKET OVERVIEW

Specialist recruitment is an industry which by its nature is inextricably linked to the macroeconomic cycle, with activity levels driven by confidence amongst businesses and individuals.

In 2013 we had to manage our business against a global economic backdrop which remained fragile, mixed and prone to rapid changes in sentiment. The environment has been characterised by a weakening of near-term global economic growth projections as recovery from recession proved more protracted than expected.

Various country- and region-specific shocks added to major austerity programmes in place across several of our key markets, notably in the UK and certain Eurozone countries.

Lower growth expectations in economies such as China and the knock-on effect on demand for commodities also served to dampen sentiment globally.

Conversely, some markets have seen a degree of stabilisation and improving sentiment during the period and in certain cases, such as in the US, there was a stronger-than-expected return to growth.

Major central banks maintained supportive monetary policy measures with historic low interest rates in regions such as the Eurozone, the UK and the US. There were also several base-rate cuts in Australia through the year. Quantitative easing programmes were maintained by policymakers in a number of countries, including the UK, US and Japan.

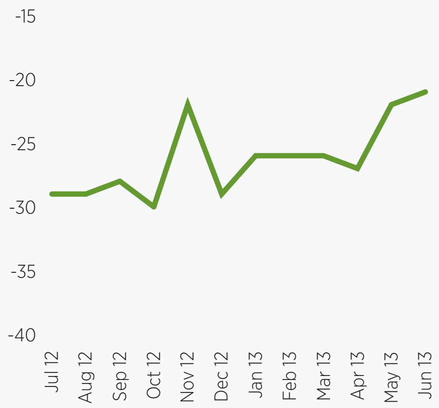
Elections took place in several major economies including the US and Japan, and China confirmed its first new head of state in a decade. Elsewhere, Australia saw a pre-election change in Prime Minister and political and social instability continued in many parts of the Middle East.

The outlook for the global economy remains cautious with the International Monetary Fund identifying several major medium-term risks to growth, including a continuation of the Eurozone crisis, high public sector deficits and high sovereign debt levels in major economies such as the US and Japan.

ECONOMIC INDICATORS

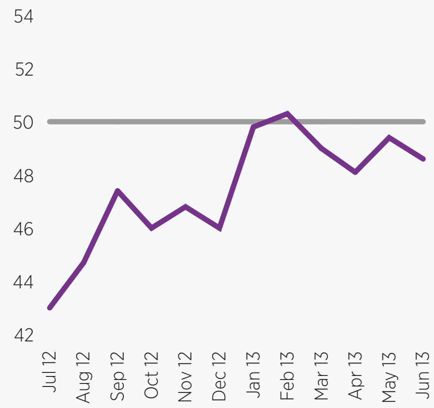
Reviewing various economic indicators confirms the mixed, volatile backdrop in which we were operating in the year. Taking just three examples of the many data points that we monitor across our markets, we see signs of improvement in UK consumer confidence, but weaker manufacturing sentiment in Germany over the last six months of the year. The iron ore price, like that of many commodities, has shown a sharp recent decline, after a period of significant volatility over the year as a whole.

GFK UK CONSUMER CONFIDENCE INDEX



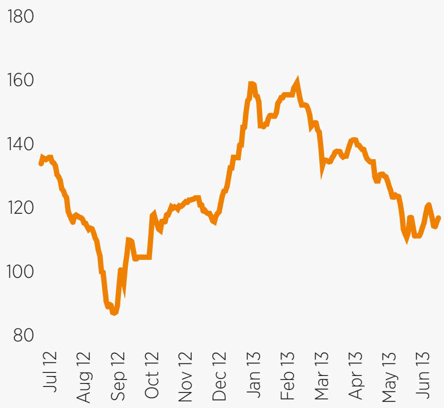
Source: GFK, 28 June 2013

GERMANY MANUFACTURING PMI



Source: Markit/BME, 1 July 2013

IRON ORE PRICE (US$ per tonne)



Source: The Steel Index, Iron Ore Fines 62%, 1 July 2013

OVERVIEW OF OUR KEY MARKETS

UK: FRAGILE BUT WITH SIGNS OF IMPROVING SENTIMENT

The UK economy remained fragile during the year, with relatively subdued GDP growth (despite an Olympics boost), and a downgrade to its sovereign debt credit rating. Interest rates remained at historically low levels and the Bank of England maintained its quantitative easing programme. Although the numbers of people in work remained relatively high, inflation continued to outstrip wage growth. More recently, some cautious optimism returned to the UK as there were signs of a more positive housing market and confidence measures amongst both businesses and consumers showed improvement.

30%

GROUP NET FEES

AUSTRALIA: GROWTH SLOWED DUE TO SLOWDOWN IN MINING INVESTMENT

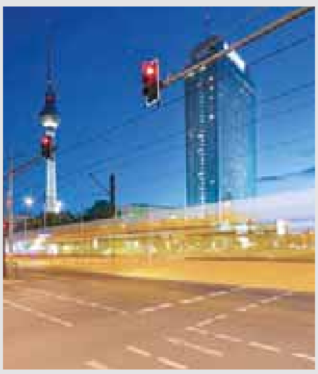
In Australia, overall sentiment worsened in the year. The sharp correction in the price of certain commodities following downgrades to global and Chinese growth expectations had a significant impact on the mining industry. This led to a slowing in activity in certain mining areas, and a lowering in the GDP growth trend for Australia as a whole. Despite some recent weakening, the Australian Dollar remained very strong by historical standards, and the Reserve Bank of Australia responded with a series of interest rate cuts during the year.

23%

GROUP NET FEES

GERMANY: CONTINUED EUROZONE WEAKNESS DRAGGING ON GROWTH

German GDP growth slowed during the year, impacted by the continuing challenges within the Eurozone including additional bail-outs of countries such as Cyprus and region-wide austerity measures. Downward revisions to growth forecasts for some of Germany's key export markets, including China, coupled with weakening domestic demand, dampened sentiment and industrial output. However, improvements in private consumption and investment in construction in Q2 of 2013 gave some support to the economy.



21%

GROUP NET FEES

HIGHLIGHTS

FINANCIAL HIGHLIGHTS IN 2013

RESILIENT FINANCIAL PERFORMANCE AGAINST FRAGILE MARKET BACKDROP, WITH FIRM CONTROL ON COSTS AND SELECTIVE INVESTMENT APPROACH

We have delivered a resilient financial performance against the backdrop of fragile market conditions, highlighting the strength of our diverse business model and our ability to react quickly to fast-changing markets. At the Group level, both net fees and operating profit were down 1%(1), and our cash performance was good, with 109% conversion of operating profit into operating cash flow(5). Earnings per share decreased 6%(3), reflecting the lower operating profit, higher net finance charge and higher effective tax rate.

Our fee performance was driven by our Continental Europe & Rest of World (CE&RoW) division where, although markets remained mixed, we delivered strong net fee growth of 10%(1). This included 13%(1) growth in Germany; one of 13 countries which delivered net fee growth of over 10%(1). In the UK & Ireland (UK&I), net fees were down 1%(1), but we returned this division to profit due to the successful delivery of our cost reduction programme. In Asia Pacific, net fees decreased 13%(1) as we experienced tough conditions in our Australian business, notably a significant step-down in activity in mining-focused areas.

Group consultant headcount was flat year-on-year(4). We remained focused on controlling costs and driving consultant productivity around the Group, took action to cut costs where market conditions deteriorated and selectively invested to drive growth in stronger areas.

NET FEES(2)

£719.0m

Net fees down 1%(1)
Although UK&I net fees were broadly flat and we saw net fee declines in Asia Pacific, this was largely offset by strong growth in our CE&RoW division.

OPERATING PROFIT(3)

£125.5m

Operating profit down 1%(1)
Resilient operating profit performance, including a return to profit in the UK, due to firm cost control and selective investment approach.

BASIC EARNINGS PER SHARE(3)

5.14p

Earnings per share down 6%(3)
Reflecting lower operating profit, higher net finance charge and higher effective tax rate.

FULL YEAR DIVIDEND

2.50p

Dividend maintained at appropriate level, 2.1x covered by earnings per share(3) within target cover range of 2.0x – 3.0x earnings per share(3).

CONSULTANTS(4)

5,037

Continued focused and selective investment in stronger businesses such as Germany (+15%), or Canada (+28%), appropriate reductions in more challenging markets such as Australia (-15%).

CASH CONVERSION(5)

109%

Good conversion of operating profit to operating cash flow due to good working capital management.

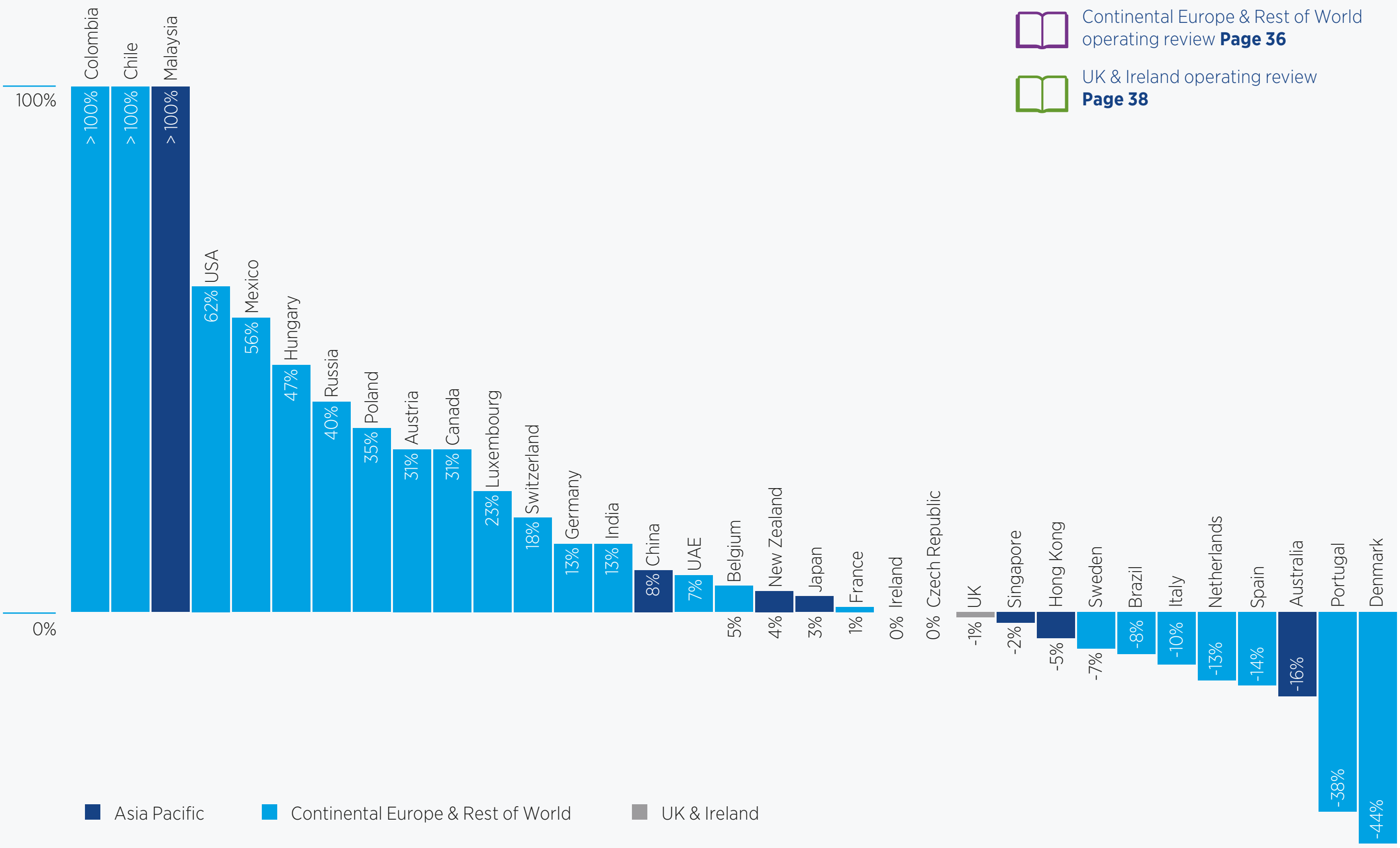
(1) LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.
(2) Net fees of £719.0 million (2012: £734.0 million) are reconciled to statutory turnover of £3,696.9 million (2012: £3,654 .6 million) in note 5 to the Consolidated Financial Statements.
(3) Operating profit and earnings per share are from continuing operations and before exceptional items.

LIKE-FOR-LIKE PERCENTAGE NET FEE GROWTH BY COUNTRY(1)

Asia Pacific operating review **Page 34**

Continental Europe & Rest of World operating review **Page 36**

UK & Ireland operating review **Page 38**



NET FEES (£m)(2)

2013	719.0
2012	734.0
2011	672.1
2010	557.7
2009	670.8

OPERATING PROFIT (£m)(3)

2013	125.5
2012	128.1
2011	114.1
2010	80.5
2009	158.0

CONVERSION RATE(6)

2013	17.5%
2012	17.5%
2011	17.0%
2010	14.4%
2009	23.6%

BASIC EARNINGS PER SHARE (pence)(3)

2013	5.14
2012	5.47
2011	5.19
2010	3.25
2009	7.72

CASH CONVERSION(5)

2013	109%
2012	127%
2011	85%
2010	97%
2009	165%

DIVIDEND PER SHARE (pence)

2013	2.50
2012	2.50
2011	5.80
2010	5.80
2009	5.80

(4) Consultant numbers, and changes in consultants, are shown on a closing basis, comparing 30 June 2013 with 30 June 2012.
(5) Cash conversion is the conversion of operating profit into operating cash flow (before exceptional items and capital expenditure).
(6) Conversion rate is the proportion of net fees converted into operating profit, before exceptional items.

OUR YEAR

CHAIRMAN ALAN THOMSON

CHAIRMAN'S STATEMENT

"I am encouraged by the performance of the Group this year. To have delivered such a resilient financial result, including a return to profit in the UK, is a significant achievement given the fragile market backdrop we have faced."

CORPORATE & SOCIAL RESPONSIBILITY
A summary of our approach to all aspects of corporate & social responsibility and an update on our progress.
Pg40

OUR GOVERNANCE FRAMEWORK
Including a description of our governance framework, the structure and purpose of our Board committees and how we engage with shareholders.
Pg47

OUR BOARD OF DIRECTORS
Biographies of each of our executive and non-executive directors.
Pg48

REMUNERATION REPORT
Detail of the remuneration of our executive directors in the year, including an explanation of the methodologies we use.
Pg66

Group net fees decreased by 1%[1] in 2013, with good growth in our CE&RoW division offset by a decrease in Asia Pacific and a broadly flat net fee performance in the UK & Ireland. We experienced marked differences in market conditions around the world over the year, which were prone to rapid change. As an example, net fees in our Australian Resources & Mining business fell by more than 30%[1] in the year, as concerns regarding the global economic outlook saw activity levels there slow. In contrast, elsewhere 14 countries delivered net fee growth of over 10%[1] in the year, including Canada which grew by 31%[1] and where we invested significantly in the year to capitalise upon this buoyant market. In France, however, market conditions became very difficult, but the strength of our French team was in evidence as they built market share, grew net fees year-on-year, and expertly managed their cost base to deliver improved profit – a stand-out performance. On the next page you can find a summary of our year as it unfolded by quarter.

Returning the UK business to profit was a key objective at the start of the year and I am particularly pleased to report that we have delivered this. Achieving a £12.1 million improvement in operating profit is a good result in a market which remained tough and I applaud the efforts of everyone in our UK team. They have impressed me with their focus on improving productivity, their discipline on controlling costs and most importantly their ability to capitalise on those opportunities that were available.

Indeed, as I have travelled around the Group this year, visiting Hays offices in Singapore, Australia, Canada, Japan, Dubai, France and Germany, the quality of our people around the world has consistently impressed me. Their expertise and commitment has been the key to our financial and operational performance this year, and I would like to thank everyone in the Group for their efforts over the last 12 months.

(1) LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.
(2) Dividend cover based on earnings per share based on continuing activities.

OUR YEAR AS IT HAPPENED

In the last 12 months the Group has performed well against a backdrop of challenging global markets, proving the value of our diversified business, selective approach to investment and focus on cost control.

Q1: MARKETS OVERALL STABLE

Markets were overall stable but multi-speed. Germany delivered excellent growth to achieve record fees, Australia & New Zealand were broadly sequentially stable although mining markets started to weaken, while UK market conditions were very difficult. Several markets during the period were impacted by further economic uncertainty, notably those in Southern Europe.

Q2: SEVERAL MARKETS FRAGILE

Several markets were fragile through the quarter and we experienced a material step-down in activity in the resource and mining sector in Australia. Elsewhere, net fees continued to grow in our German business and although conditions in the UK market remained tough, they were broadly stable, with growth in the public sector driven by permanent job churn. Critically, despite further net fee declines, we delivered a return to profitability in the UK business for the first half of the year. The Group completed the refinancing of its debt facilities in October with a new five-year, unsecured £300 million revolving credit facility to October 2017.

Q3: TEMP RESILIENT, PERM MORE CHALLENGING

The start to the second half in our key temp and contractor markets was encouraging and although many perm markets were challenging, they were broadly stable. Although Germany continued to grow, the rates of growth slowed through the quarter. In the UK, net fees were flat year-on-year but returned to modest sequential growth. Overall market conditions in Australia remained challenging but sequentially stable through the quarter. We commented that we expected full year operating profit to be at the top of the range of market estimates.

Q4: RETURN TO YEAR-ON-YEAR GROWTH IN THE UK

Overall, markets were stable but mixed. The UK returned to year-on-year fee growth for the first time in three years. Germany continued to deliver growth. We saw a stand-out performance in France, where the market remained very difficult but we grew by 10%(1), whilst seven countries saw net fee declines(1). After a period of sequential stability, activity in our Australian mining business stepped down at the end of the quarter. In June, we appointed Torsten Kreindl to the Board as a non-executive director. We again upgraded our full year operating profit guidance to be at the top of the range of market estimates.

GOVERNANCE AND BOARD

One of my main areas of focus is ensuring that the Group operates to the highest standards in respect of governance as well as meeting our corporate and social responsibility obligations to all stakeholders.

On the opposite page, you will find a table of the contents covering all of the details in these areas, but there are two specific points I wish to highlight.

Firstly, in last year's Annual Report I made it clear how important it is that the make-up of the Board not only reflects the shape of our business today, but also evolves to reflect what is a truly global, technology-enabled business. During the year, we further strengthened the Board with the appointment of Torsten Kreindl. Torsten's background (which you can find in detail on page 51) makes him ideally placed to advise on issues to do with Europe, a region which is so important to our Group and where he is based. Torsten also has in-depth experience of new and emerging digital media and technologies which have become central to the future development of our industry. Ensuring that the make-up of the Board is reflective of the issues facing the Group today and in the future remains a priority of mine, and will remain so throughout my Chairmanship.

Secondly, on executive pay. In an industry which is as cyclical and inextricably linked to the macroeconomic cycle as ours, it is essential that our senior team are rewarded appropriately throughout the cycle. Their rewards must reflect not only their ability to position the Group for long-term growth, whilst delivering financial returns in the short term, but also appropriately ensure that management are fully aligned to the interests of shareholders. Ensuring we achieve this balance in the current fast-changing economic environment is something that the Board takes very seriously. With this in mind we have outlined in the Remuneration Report our rationale and methodology regarding this year's remuneration packages.

DIVIDEND

Reflecting our financial performance this year, the Board has proposed a final dividend of 1.67 pence per share, unchanged from last year. This results in a full year dividend of 2.50 pence per share, again unchanged from last year, and representing a dividend cover ratio of 2.1x(2).

The Board fully recognises the importance to all shareholders of paying a sustainable and progressive dividend. We believe that dividends should be covered by earnings in the range of 2.0x – 3.0x(2) and we remain committed to reviewing the dividend payout when cover sustainably reaches 2.5x(2).

SUMMARY

2013 has been an encouraging year for the Group. We have delivered a resilient financial performance in the context of a generally fragile economic backdrop.

Operationally, we have continued to make significant progress, taking action to drive cost savings and efficiency improvements across the business and building on our position as industry leaders in the way we think about and utilise new and evolving technologies.

Longer term, the structural growth opportunities available to the Group are clear, and the Board remains focused on ensuring that the Group is positioned to take full advantage of them.

ALAN THOMSON
Chairman

STRATEGY

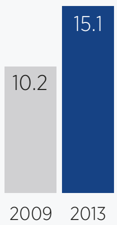
IN THIS SECTION

Oil & Gas is a key area of focus as we further develop our Canadian business, leveraging existing global relationships as well as our recently opened office in Houston, USA.

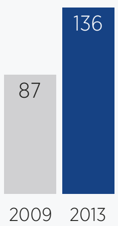
CANADA
FUTURE MATERIAL PROFIT DRIVER

THE OPPORTUNITY:
Canada is a market which has a long-established and well understood specialist recruitment industry. This has allowed us to organically grow our business there using both our relationships with multinational businesses with operations in the country and with domestic clients. Although showing significant recent growth, our scale in Canada today is relatively small and we therefore see a major opportunity to develop further by embedding more specialisms, investing aggressively for growth where appropriate and continuing the build-out of our Contractor business.

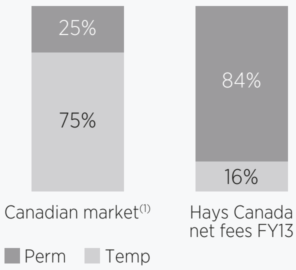
NET FEES (£m)



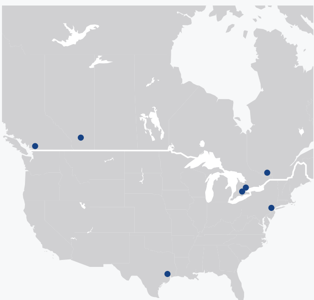
HEADCOUNT



SIGNIFICANT GROWTH OPPORTUNITIES



HAYS OFFICES: NORTH AMERICA



5 **CANADA**
- CALGARY
- MISSISSAUGA
- OTTAWA
- TORONTO
- VANCOUVER

2 **USA**
- NEW YORK
- HOUSTON

(1) Hays management estimate.

HAYS IN CANADA
Our recent success in Canada is an example of how we organically grow our business, leveraging our cross-border relationships and global network and using existing Hays management talent from around the world, alongside strong local teams. Having entered the country in FY 2002 with our Accounting & Finance and Construction & Property specialisms, we have embedded other technical specialisms including Resources & Mining and, most recently, IT Contracting. Our focus remains on further diversifying our offering in Canada, building new specialisms and contract types. We continue to draw on our international database of clients and candidates, allied to the growing list of local businesses we serve, to drive the next phase of growth for Hays in Canada.

HAYS IN ACTION
Suncor is Canada's largest Oil & Gas company with almost 13,000 employees. They approached Hays to work with them to identify candidates for several senior positions in the Netherlands and Norway, where they also have significant operations. Having built our relationship with Suncor in Calgary over several years, we developed a deep understanding of the company's requirements. Combining this understanding with our global footprint and database we were able to identify the best candidates for Suncor, wherever they were in the world. We continue to focus on excelling in delivering cross-border solutions for our large multinational clients.

To find out more visit hays.com and hays.ca

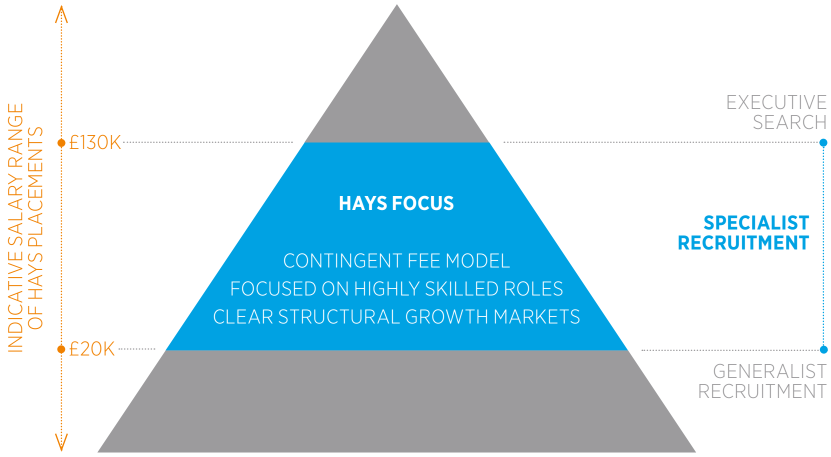
OUR MODEL

HAYS BUSINESS MODEL

WHAT WE DO

We are focused on the specialist recruitment market

In the vast majority of our businesses, we operate a contingent fee model, with fees paid to us by our clients derived as a proportion of the salary of the candidate placed. In the permanent business, we recognise fees when the candidate starts work. For temporary placements, we earn fees while a candidate is active in an assignment.



WHERE WE DO IT

Our organisational structure is simple and is built around three regions globally

Within this structure, our 5,037 consultants operate from 239 offices in 33 countries – an unrivalled footprint in specialist recruitment. Critically, we have market-leading positions in many of the most important markets in the world, including Australia, Germany and the UK. All of this means we understand our clients' challenges locally, and have the ability to solve them globally.

OF GROUP NET FEES

OFFICES **48**
CONSULTANTS **1,024**

For more detail see the Asia Pacific operating review on page 34

OF GROUP NET FEES

OFFICES **89**
CONSULTANTS **2,084**

For more detail see the Continental Europe & RoW operating review on page 36

OF GROUP NET FEES

OFFICES **102**
CONSULTANTS **1,929**

For more detail see the UK & Ireland operating review on page 38

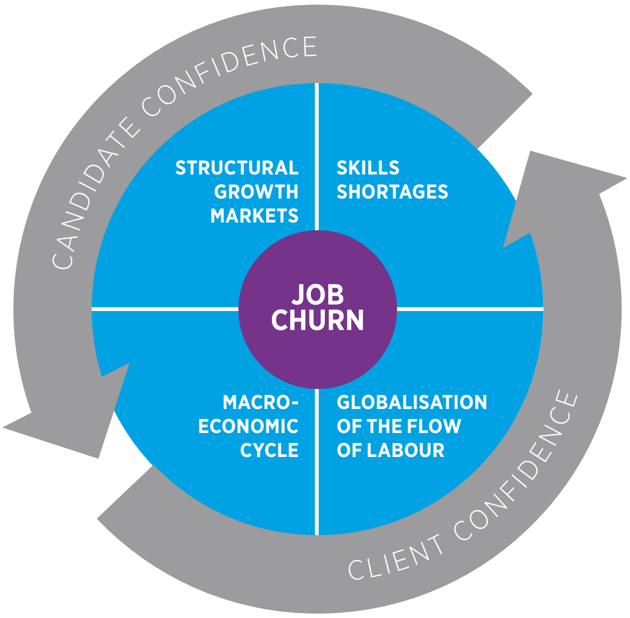
HOW OUR BUSINESS CREATES VALUE

- We have market-leading positions in some of the most attractive structural growth markets in the world of specialist recruitment
- Our diverse business mix provides relative sustainability to revenues through the economic cycle, and offers clients the broad range of services they need
- Our global footprint allows us to connect clients with candidates wherever they are in the world

WHAT DRIVES GROWTH?

The global specialist recruitment market is driven primarily by business and candidate confidence

We call this 'job churn'. In addition, we identify four further factors currently driving fee growth: the emergence of structural growth markets; the macroeconomic cycle; skills shortages; and the globalisation of the flow of labour.



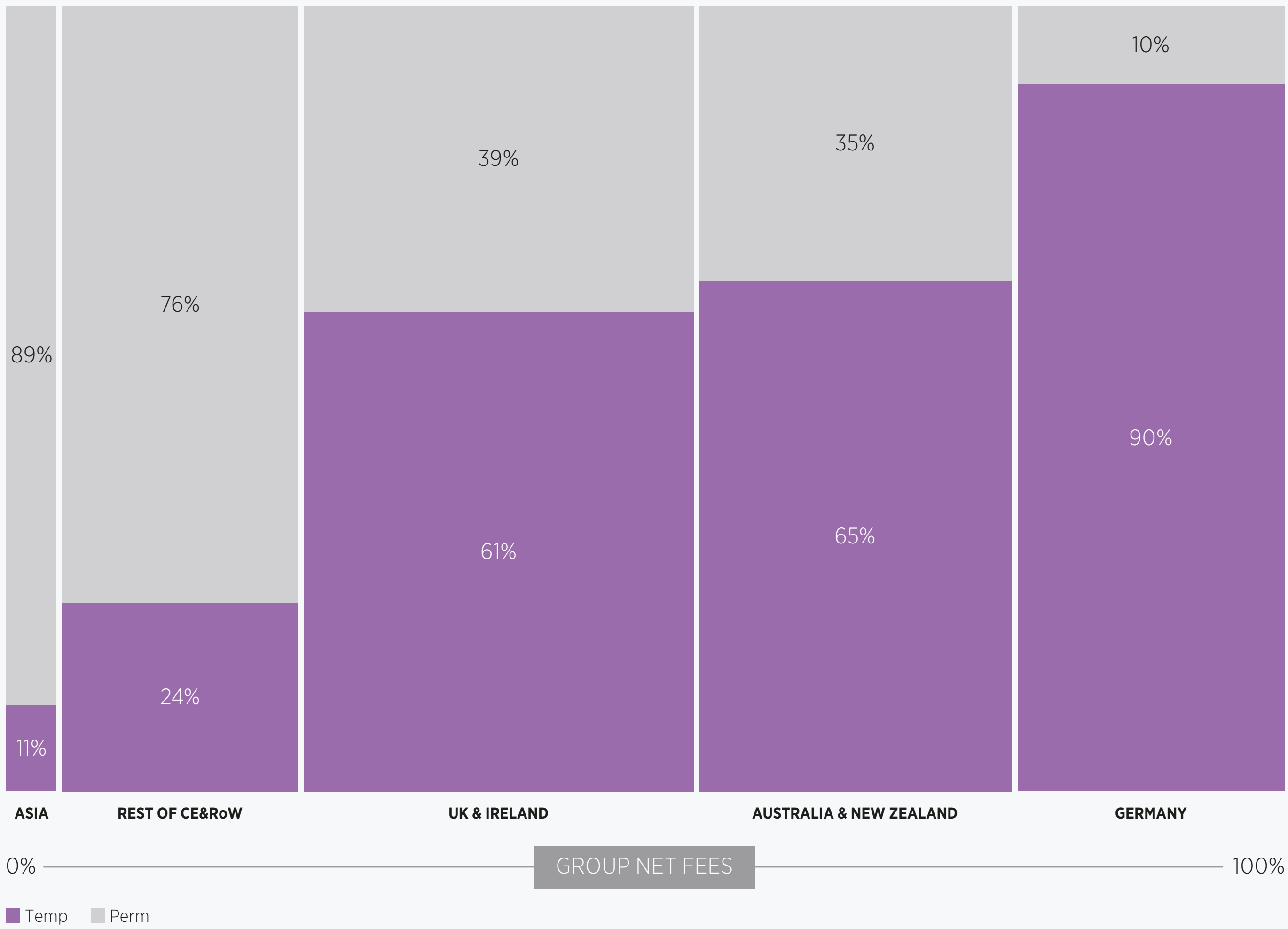
A BALANCED, DIVERSE OFFERING

What makes Hays unique in the world of specialist recruitment is the diversity of our business model

The breadth of our expertise by contract type, geography and specialism positions us well to withstand various stages of the macroeconomic cycle and best serve our clients around the world, regardless of the challenges they face.

A BUSINESS MODEL FOR A COMPLEX WORLD
BALANCED MIX OF TEMPORARY, CONTRACTOR AND PERMANENT BUSINESS

Our Group net fees are split 59% temp, 41% perm. Within this, however, we have three major temp and contractor businesses in the UK & Ireland, Australia & New Zealand and Germany. Elsewhere, our fees are c.85% perm, and in the majority of markets they are 100% perm. Although this adds a degree more cyclicality to the performance of these businesses, it also means that they are highly geared to improvements in economic conditions. A key strategic priority is to continue to build a balanced business in all markets supportive of a meaningful temp or contractor offering.



Note: Relative width of bar represents proportion of Group net fees in 2013.

WHY OUR MO

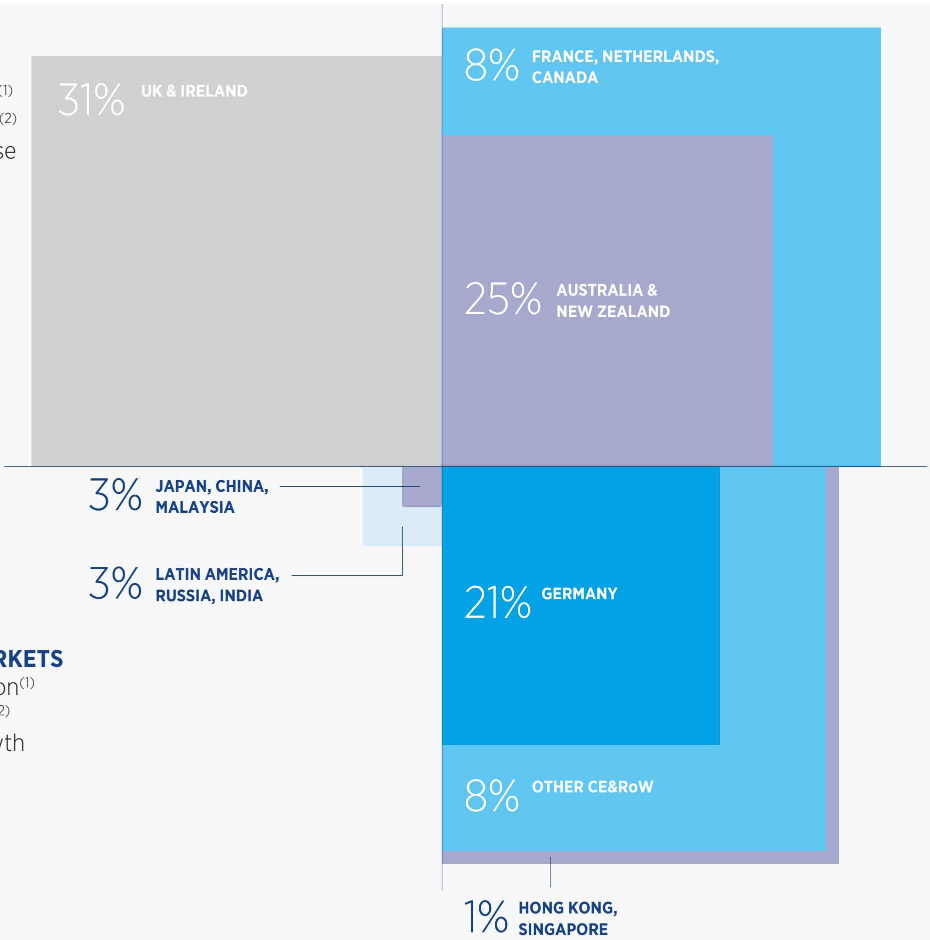
BUSINESS MODEL IN ACTION

A BUSINESS MODEL FOR A COMPLEX WORLD
BALANCED EXPOSURE TO STRUCTURAL GROWTH AND MATURE MARKETS

In most countries, the vast majority of professional recruitment is still done in-house with minimal outsourcing to agencies, even in developed economies such as Germany or Japan. We have very deliberately built a business model that provides us with a balanced exposure to these high structural growth markets, as well as in more mature markets such as the UK and the USA.

ESTABLISHED MARKETS
>70% penetration(1)
31% of Group fees(2)
1% net fee decrease in 2013(3)

DEVELOPING MARKETS
30 – 70% penetration(1)
33% of Group fees(2)
-11% net fee decrease in 2013(3)



EMBRYONIC MARKETS
0 – 10% penetration(1)
6% of Group fees(2)
+10% net fee growth in 2013(3)

EMERGING MARKETS
10 – 30% penetration(1)
30% of Group fees(2)
+10% net fee growth in 2013(3)

Note: USA is considered an established market, but excluded for business size reasons.
(1) Market penetration is defined as the % of skilled and professional recruitment that is outsourced, based on Hays Management estimates.
(2) Percentage in the chart shows the percentage of Group net fees in 2013.
(3) LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.

DEL WORKS

MY VIEW

**CHIEF EXECUTIVE
ALISTAIR COX**

CHIEF EXECUTIVE'S STRATEGIC REVIEW

EXPERTISE AND COMMITMENT WE UNDERSTAND THE CHALLENGES OUR CLIENTS AND CANDIDATES FACE AROUND THE WORLD

ALISTAIR COX, CHIEF EXECUTIVE

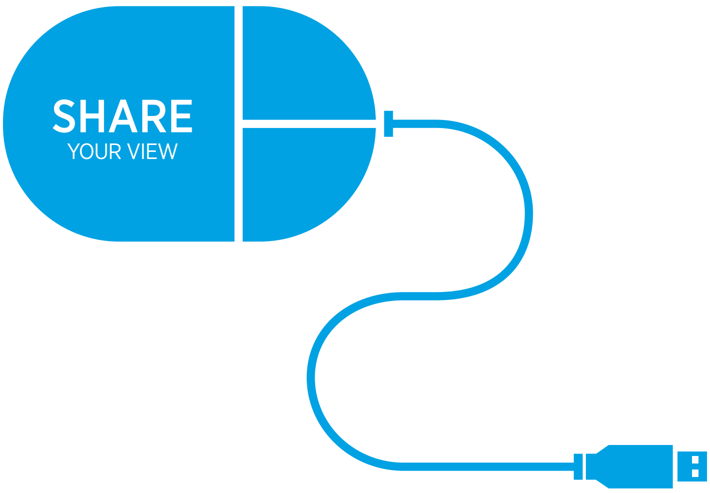
INTRODUCTION: MY VIEW OF 2013

Against a fragile backdrop in several markets, we have made significant operational progress and delivered a resilient financial performance.

2013 was a year where we found ourselves facing fragile and very varied market conditions around the world. Some areas, such as Southern Europe, continued to be tough and we saw a step-down in activity in certain markets, most notably in our Australian mining business. At the same time, however, we enjoyed much more buoyant conditions in markets such as North America and Russia. Different sectors also faced different fortunes. Banking continued to be a difficult market worldwide, whereas the more technically-oriented sectors including IT & Engineering felt much stronger.

Against such a mixed backdrop, we have successfully delivered resilient and consistent Group net fees, operating profit and cash generation. The mixed market conditions are reflected in our performance around the world. 11 countries saw net fees[1] decline in the year, but 14 countries delivered net fee growth of over 10%[1]. Some of our newer businesses, in markets as diverse as Colombia and Malaysia, more than doubled their net fees[1] in the year. Similarly, while net fees in more difficult markets such as Resources & Mining fell by over 30%[1], we grew by more than 10%[1] in industries as diverse as Oil & Gas, Life Sciences and IT & Engineering.

Delivering these results is due to two things; firstly, the diversified business we have very deliberately built over many years; and secondly, our nimble and surgical approach to making investment and operational decisions around the world.



Building a diversified business worldwide provides us with two advantages; a broader platform from which to grow, as well as a diversification into multiple markets and sectors so that we spread our risk and reduce our reliance on any specific market. We look at diversification in three ways; by country, by industry sector (or specialism) and by contract form. I believe the platform we have built across all three dimensions is unique in our industry today and it has clearly stood us in good stead in a world that is as mixed as the one we now live in.

This diversification alone will not deliver resilient results however. It needs to be combined with a flexible but highly focused approach to running the business, responding quickly to changing market conditions whenever and wherever they occur. We have done this over the last couple of years as we have sought to capitalise on the long-term structural growth opportunities so evident in many of our markets while simultaneously delivering good profit and cash performances along the way. In the last year there have been many examples of this surgical and selective approach, and I describe a number of these in my review of our progress in 2013 overleaf.

A key priority of mine in 2013 has been the return to profitability of our UK business and I am delighted that we delivered on that promise, as we said we would. Again, I will discuss this in more detail in the next section.

The final point I want to make is regarding the quality of our people. Hays is the ultimate people business and the operational progress we have made and financial performance we have delivered over the year would not have been possible without the expertise and commitment of our 8,000 experts around the world. Hays' people are the best in the industry at understanding their local markets, the challenges faced by their clients and candidates and identifying and exploiting opportunities to drive growth wherever they are available. The skill and expertise of our people is what sets Hays apart and I would like to thank each of them for their contribution this year.

On the next page I detail our Group strategy. It is built around the four Strategic Pillars that underpin everything we do, regardless of where we are in the economic cycle. I also outline our current areas of operational focus, with an update on our progress against each of them over the last year and our priorities for the next 12 months.

FOLLOW ALISTAIR COX'S LINKEDIN INFLUENCER BLOG

FOLLOW HAYS INVESTOR RELATIONS ON TWITTER @HAYSPLCIR

MY VIEW CONTINUED

CHIEF EXECUTIVE'S STRATEGIC REVIEW CONTINUED

OUR STRATEGY

OUR AIMS

- TO BUILD THE WORLD'S PRE-EMINENT SPECIALIST RECRUITMENT BUSINESS
- TO DELIVER WELL-DIVERSIFIED AND PROFITABLE GROWTH

OUR FOUR STRATEGIC PILLARS

1
ONE HAYS AROUND THE WORLD
- Single global brand
- Globally consistent customer service
- Global thought leadership

2
GROWTH TAILORED TO MARKET OPPORTUNITIES
- Build global scale
- Diversify specialisms in existing countries
- Selected new country openings
- Respond to evolving client needs
- Find new ways of addressing our markets

3
BEST PEOPLE IN THE INDUSTRY
- Recruit, engage and retain the best people
- Provide industry-leading training
- Provide global career opportunities and mobility

4
EFFICIENCY AND OPERATIONAL EFFECTIVENESS
- Maximise consultant productivity
- Leverage best-in-class technology platform
- Drive efficiencies through automated back-office systems
- Integrate with developing social media channels

OUR OPERATIONAL FOCUS

FULLY CAPITALISE ON ALL OPPORTUNITIES
- Exploit buoyant markets
- Further build scale and diversity
- Fully capitalise on long-term structural opportunities

DEFEND AND MAXIMISE FINANCIAL PERFORMANCE
- Further improve UK financial performance
- Targeted, selective investment only where appropriate
- Focus on consultant productivity everywhere

RESPOND TO AND BEST SERVE EXISTING AND EVOLVING CLIENT DEMANDS
- Local network and expertise
- Efficient large corporate client offering
- Evolving product offering

RECRUITMENT, TRAINING AND LEADERSHIP DEVELOPMENT
- Performance-driven remuneration
- Active local management and dedicated local recruitment
- Best-in-class training and development

CONTINUE TO RESEARCH AND RESPOND TO NEW MEDIA
- Position the Group to capitalise on all opportunities
- Anticipate and understand potential threats
- Build partnerships

PROGRESS AGAINST OUR OBJECTIVES IN 2013
Our long-term aim is to be the world's pre-eminent specialist recruitment business. We will achieve this by following the four themes in our Strategic Pillars for long-term growth and complementing this through our areas of Operational Focus by which we manage the business to deliver sustainable and meaningful profits along the way. In addition, we measure the business performance and our strategic progress against a list of Key Performance Indicators which you will find on page 26. Let me outline, however, the progress we made over the last year.

Returning the UK business into profit
Last year I set out my number one priority as returning the UK to profit and I am delighted to report that we achieved that goal. Over the course of the year, we delivered a £12.1 million profit turnaround in our UK & Ireland business. The market certainly offered us little help and indeed net fees were marginally down year-on-year. Several parts of the market, notably banking and finance, remained very difficult. The driver of our improved performance, however, was management action. With the UK job market activity today roughly half what it was in 2008, we have materially reduced our cost base to address this severe market downturn. Over recent years, we have reduced costs in the UK by over 30%. We have consolidated our office footprint from 235 at peak to 102 offices today and reduced headcount by over 40% since the peak. In our back-office we have automated and streamlined our administration functions while in the front-office we have focused our efforts on maximising the productivity of our recruitment consultants, increasing consultant productivity by 7% in 2013. Not only that but we have also invested heavily in our recruitment and training programmes so that we attract and develop the very best people available. Our investments in technology over the last three years equip our consultants with the best tools available so that they can be as productive as possible and reach their full potential. The results over the last year are a great illustration of the benefits we are now enjoying via these investments in our people.

As well as delivering a meaningful turnaround in profitability, we exited the year with net fee growth of 3%[(1)] in the second half; the first half of year-on-year growth in our UK business for three years. Areas such as IT, Life Sciences and other technically skilled industries offered opportunities for growth and as the year progressed; other markets which were amongst those most affected by the recession, including Construction & Property, started to show some improvement. While it remains early days, these signs give us encouragement.

Our focus going forward will be to continue to drive UK fee growth in these more robust parts of the market, keep a firm control on costs and do all we can to help maximise the productivity and effectiveness of our people. By relentlessly focusing on these areas, if the market backdrop remains supportive, we are confident that our UK business will continue its financial and operational recovery and quickly become a material contributor to Group profits once again.

THE BEST IN THOUGHT LEADERSHIP, THE HAYS JOURNAL

The Hays Journal is a bi-annual global publication providing insight and news for HR and recruitment professionals on the ever-changing world of work. Find out what is in the latest issue and get back issues at **hays-journal.com** or download our new Hays Journal app to your tablet.

Download on the App Store

Selective investment and capitalising on growth opportunities
Operating across 33 countries and 20 areas of specialism, with a balanced mix of business across temporary, permanent and contractor markets has been a significant advantage to the Group this year. In today's volatile markets, being overexposed to any single industry or country would pose a risk to the Group's financial performance.

By its nature however, having such a diverse business model implies that not all markets will simultaneously perform in the same way. Across our many businesses, we have witnessed very rapid changes in market conditions and this required rapid and surgical management action. We have had to rigorously reduce costs in more challenging areas and have taken appropriate action to adjust the size of our business where markets have deteriorated. At the same time, however, we have aggressively invested to drive growth where market conditions and outlook were more supportive.

There are many examples of this approach in action around the world. In Southern Europe, conditions have been tough throughout the year and cost control has remained a priority to best protect our financial performance there. In France, while the market has progressively become much more difficult through the year, our focus on productivity has actually seen us increase fees marginally year-on-year, significantly outperforming the market. Our mining business in Australia has enjoyed several years of extremely strong growth. However, the mining industry slowdown, starting in our second quarter, resulted in a dramatic fall in recruitment for that sector. Again we took rapid action, reducing headcount quickly to defend our financial performance. Despite these market swings, we still delivered a conversion rate of 35% in Australia, which we consider market-leading at any point in the economic cycle.

MY VIEW CONTINUED

CHIEF EXECUTIVE'S STRATEGIC REVIEW CONTINUED

UNDERSTANDING NEW AND EMERGING TECHNOLOGIES

We have established a well-defined process to monitor and understand how new and emerging technologies are impacting every stage of the recruitment process. We believe that this is essential so we can continue to best serve and advise our clients, capitalise on all new opportunities, and understand and mitigate any potential threats to our business.

As one part of this ongoing work, we formalised our working partnership with social media network LinkedIn during the year. This unique partnership is broad in nature and evolving, but our initial areas of focus have been on building our presence on the network in terms of increasing awareness of the Hays brand, as well as offering relevant jobs to members. We have continued to establish groups of professionals in specific regions or specialisms around the world, and provide those groups with relevant and interesting content. We have also worked with LinkedIn to establish cross-system awareness between the Hays candidate database and the LinkedIn member population. This provides Hays consultants with real-time, up-to-date information: something that is critical in today's fast-moving digital world.

Find out more by visiting Hays on LinkedIn at **linkedin.com**

347,000

FOLLOWERS ON LINKEDIN

31st

MOST FOLLOWED COMPANY GLOBALLY ON LINKEDIN

Counter-balancing these difficult markets has been the relative resilience of many of the more technical, specialist sectors. Areas such as Oil & Gas, Life Sciences and IT & Engineering continue to suffer from skills shortages worldwide and provide us with opportunities for growth. We have taken advantage of this by investing aggressively in each of these areas. We are already the global market leader in Life Sciences recruitment and have reinforced that further. In Germany we are by far the leader in IT recruitment but we have invested in the IT sector across many other countries to build their respective market positions. Our Oil & Gas business had an excellent year and there remain significant opportunities to leverage our existing global network to continue to build this business.

Overlaying this, a trend we continue to see is that of employers seeking to increase the flexibility of their labour forces. This is coupled with a trend amongst many employees to build their career around project roles at numerous employers, often in various parts of the world. These trends play well to our strategy to build equally strong businesses in both the temporary and contractor staff markets as well as in the permanent recruitment world. To capitalise on this, we have invested in the roll-out of our IT Contractor model to appropriate markets including Canada, France, Belgium, Poland and the Netherlands. Leveraging the world-class expertise we have in our highly successful German operation, we have been able to quickly build the expertise and infrastructure required to start up these businesses within our existing operations. This is an excellent example of how we have the scale and worldwide reach to quickly take good ideas and transport them around the globe to build big new businesses quickly and at relatively low risk.

This approach to managing our business, investing aggressively to capitalise on growth opportunities while actively controlling the shape and size of the business to defend our financial performance in more challenging areas, has been the central plank of our success this year. It will remain our focus for as long as conditions around us continue to be so mixed and volatile.

PRIORITIES AND FOCUS FOR 2014

Regardless of the prevailing market conditions we face, our long-term aims and the structural growth opportunities in our industry remain unchanged and we will continue to work within the framework of our four Strategic Pillars as we build towards achieving them.

It is also crucial, however, that we continue to deliver short-term financial performance along the way. In a business like ours, which has such limited visibility, it is challenging to make accurate long-term forecasts. However, looking ahead to 2014, we expect the overall market backdrop to remain mixed.

Opportunities for growth are likely to sit side by side with more challenging areas and conditions will remain volatile. We must therefore quickly respond to the changes we see in our markets. We must be nimble to spot opportunities to drive growth and target areas for investment, but keep control of costs where necessary. Achieving this balance will continue to be the key to our success.

FOLLOW ALISTAIR COX'S LINKEDIN INFLUENCER BLOG FOR NEW PERSPECTIVES ON THE WORLD OF WORK

FOLLOW ALISTAIR COX ON LINKEDIN

FOLLOW HAYS INVESTOR RELATIONS ON TWITTER @HAYSPLCIR

With this in mind, our primary focus will be on the following areas in the 2014 financial year:

Further improve financial performance in the UK
Having successfully delivered a return to profit in the UK business in 2013, over the next year we will be focused on ensuring that progress is maintained. Specific priorities include:

- Positioning our business to fully capitalise on all market segments which offer immediate opportunities for growth. Selectively investing in and aligning resources to more resilient parts of the market;
- Continuing to drive improvement in the productivity of our recruitment consultants; and
- Keeping a firm control on costs, especially in our back-office and operational functions.

Invest to position the Group for long-term structural growth opportunities, while delivering short-term results
Having put in place our international network, our focus now is on building critical mass in those areas that can become most material to us and build more countries to match the scale of Australia, Germany and the UK. This will give us a bigger platform for growth but also reduce our profit concentration. Countries which offer the potential to achieve this over the next five years include Canada, Japan, France and Brazil. Clearly each of these markets are at different stages in their economic cycle so our short-term investment approach will be tailored to suit, but we expect to invest aggressively in whichever of these markets offers us opportunities this year.

A number of our smaller countries and recent start-ups are focused on achieving sufficient scale to consistently deliver profits. While we accept that start-up country operations will be loss-making in their early stages, we are specifically focused on ensuring that each of our recent investments moves into or very close to profit this year. Equally, should some of our more established markets become more difficult, we will quickly respond to defend their profitability.

We will continue to invest in those sectors where we see good market conditions. Oil & Gas and IT Contracting are examples where we have strong local positions in markets characterised by skills shortages, but still see opportunities to expand our presence globally.

BUILDING CRITICAL MASS ACROSS THE HAYS PLATFORM

We are focused on further diversifying our revenue streams and building critical mass across the existing Hays platform. A core part of this is the roll out of our successful IT Contractor business into appropriate markets around the world.

This year we have established our IT Contractor businesses in Canada, France and Japan as well as four other countries. In each country, we have built an infrastructure and process to take account of local regulations and working practices, but each is mentored by senior leaders from our market-leading German business.

> "Looking ahead to 2014, we expect the overall market backdrop to remain mixed. Opportunities for growth are likely to sit side by side with more challenging areas."

Continue to evolve our routes to market
The one certainty about our world is that it will continue to change and evolve. The recruitment industry is not immune as new technologies allow people to communicate with and access the job and talent market in new ways. Our role as an expert adviser to help employers find the scarce talent they need or for professionals to find the right career move for themselves remains undiminished. However, we also recognise that the way we provide these services needs to keep pace with how individuals run their own lives and businesses. While the essence of our value is in the expertise of our people, giving them the tools to be as effective as possible is vital. That is why we have invested in our technology programmes and we are now seeing the fruits of these investments. Last year, for example, our approach to using technology to help our consultants enabled us to formalise a unique relationship with LinkedIn. This provides us with a new route to build long-lasting relationships with literally millions of professional people worldwide and to help them find their perfect role. Based on that partnership, we are now by far the most followed recruitment company in the world; indeed one of the most followed companies globally in any industry on the LinkedIn network. Clearly the insights we provide around one of the most important aspects of any professional's life – their career – are being valued. So while we cannot predict how future technologies will emerge, we can ensure that we build a capability to search out and leverage these new tools to our own advantage. That is why we now have a dedicated team in place whose task is to keep us at the forefront of these evolutions and I believe that further sets us apart in today's recruitment industry.

PERFORMANCE

IN THIS SECTION

Life Sciences represents around a quarter of our net fees in Russia, and has been a core specialism driving the rapid growth of our business there.

RUSSIA
NEXT WAVE MARKET

THE OPPORTUNITY:
Although there are a significant number of recruitment companies in Russia, the vast majority of all qualified, professional roles are filled by in-house HR and recruitment teams. We continue to capitalise on the trend, notably amongst multinational companies with operations in Russia, to outsource more of their recruitment to companies such as Hays. Driving this change is a need to source candidates who are often in short supply in higher skilled areas, as well as the globalisation of candidate sourcing into the Russian workforce. Increasingly, clients see the expert advice offered by recruitment professionals as a key part of their hiring process.

HAYS OFFICES: RUSSIA

2
- MOSCOW
- ST PETERSBURG (OPENED IN 2013)

+40%

YEAR-ON-YEAR NET FEE GROWTH IN RUSSIA IN FULL YEAR 2013(1)

HAYS IN RUSSIA

Russia is an important developing global market, and one that we see as being key to our Group's development over the next five to 10 years. We entered the Russian market in 2009, opening our first office in Moscow, and since 2010 we have grown net fees by a cumulative average growth rate of 96% per year, including 40%(1) growth in 2013. In February 2013 we opened our second Russian office in St Petersburg and we now have 73 recruitment consultants in the business, up from 56 a year ago. Our core specialisms in Russia are Life Sciences and Sales & Marketing, but we continue to diversify, building significant businesses across newer areas such as Financial Services, HR and Legal.

HAYS IN ACTION

When Eisai Co., Ltd, one of the world's leading research-based pharmaceutical companies, entered the Russian market, Hays was the preferred supplier of talent due to our relationship with the company in its home country of Japan. Hays experts worked with the company on key hires both in Life Sciences and also across HR and Accountancy & Finance functions, supporting Eisai's move into a new country.

"Recruitment of quality staff with the right skills and expertise of the local market is a critical step in overall start-up strategy. Hays experts support us by providing quality candidates and local labour market insights."

Igor Galaburda, Eisai Russia's General Manager

To find out more visit hays.com and hays.ru

(1) LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.

OUR PROGRESS THIS YEAR

KEY PERFORMANCE INDICATORS

DELIVERING AGAINST OUR STRATEGY

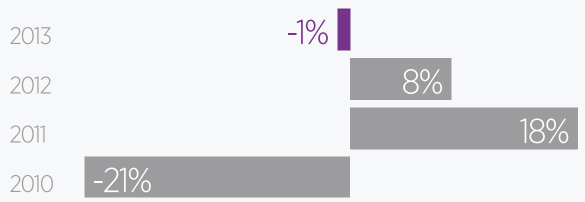
We use the following Key Performance Indicators (KPIs) to measure the performance of our business and progress against our strategic objectives. In 2013 we have made good progress against our KPIs, delivering a resilient net fee, profit and cash performance, and maintaining the Group's conversion rate.

Relates to Strategic Pillars 2 & 4

NET FEE GROWTH[1]

What does it demonstrate?
A measure of how the Group's business is developing and growing over time.

Progress in FY 2013
In 2013, net fees decreased by 1%[1] after conditions became more challenging in our Australian business. This was largely offset by strong growth in our CE&RoW division and a broadly flat performance in the UK & Ireland.

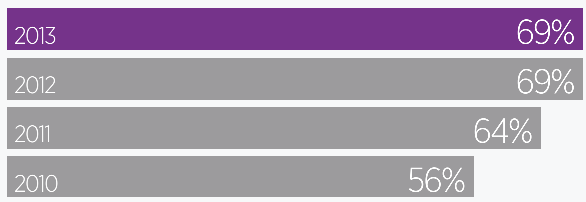


Relates to Strategic Pillar 2

PROPORTION OF GROUP NET FEES GENERATED BY OUR INTERNATIONAL BUSINESS[2]

What does it demonstrate?
A measure of the Group's internationalisation and relative exposure to markets which are more immature and underpenetrated than the UK.

Progress in FY 2013
The Group continues to generate over two-thirds of our net fees outside of the UK & Ireland, consistent with last year.

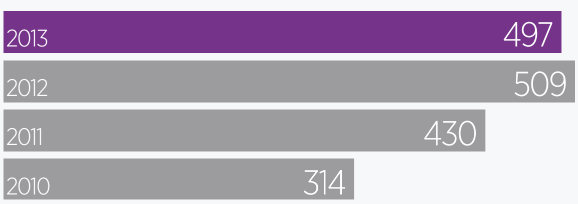


Relates to Strategic Pillar 2

INTERNATIONAL NET FEE BASE (£m)[2]

What does it demonstrate?
A measure of the absolute scale of the International business and the size of the platform for growth in these less mature markets.

Progress in FY 2013
Net fees in the International business fell 1%[1] largely as a result of more challenging conditions in our Australian business, particularly in our Resources & Mining specialisms. In CE&RoW, conditions remained mixed, but overall the division delivered strong net fee growth of 10%[1].

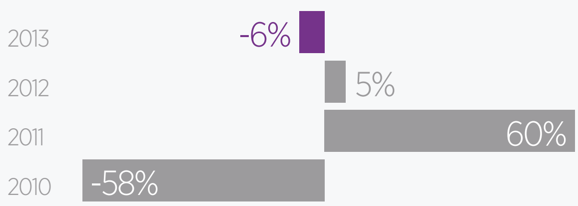


Relates to Strategic Pillars 2 & 4

BASIC EARNINGS PER SHARE GROWTH[3]

What does it demonstrate?
Measures the underlying profitability of the Group.

Progress in FY 2013
Basic earnings per share decreased by 6% in 2013, as a result of the Group's lower operating profit, higher net finance charge and higher effective tax rate.



(1) LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.
(2) International defined as outside of the UK & Ireland.
(3) Continuing activities only, before exceptional items.

OUR FOUR STRATEGIC PILLARS

1

ONE HAYS AROUND THE WORLD
- Single global brand
- Globally consistent customer service
- Global thought leadership

2

GROWTH TAILORED TO MARKET OPPORTUNITIES
- Build global scale
- Diversify specialisms in existing countries
- Selected new country openings
- Respond to evolving client needs
- Find new ways of addressing our markets

3

BEST PEOPLE IN THE INDUSTRY
- Recruit, engage and retain the best people
- Provide industry-leading training
- Provide global career opportunities and mobility

4

EFFICIENCY AND OPERATIONAL EFFECTIVENESS
- Maximise consultant productivity
- Leverage best-in-class technology platform
- Drive efficiencies through automated back-office systems
- Integrate with developing social media channels

Relates to Strategic Pillar 3

EMPLOYEE ENGAGEMENT

What does it demonstrate?
Hays' employees participation in our employee engagement survey which tracks their sense of belonging, discretionary effort, personal motivation and job satisfaction.

Progress in FY 2013
Employee engagement improved further in 2013, reflecting greater effectiveness of our TalkBack survey and our focus on employee training, retention and effectiveness.

Relates to Strategic Pillars 3 & 4

NET FEES PER CONSULTANT (£000)(4)

What does it demonstrate?
A measure of the productivity of the Group's fee earners.

Progress in FY 2013
In 2013, net fees per consultant decreased by 1% largely as a result of a decrease in our Australian business broadly offset by improvements in the UK and selective investment in certain International markets such as Germany.

Relates to Strategic Pillars 2 & 4

CONVERSION RATE(5)

What does it demonstrate?
Conversion of net fees into operating profit (EBIT). Measures the Group's effectiveness in controlling costs and managing our level of investment for future growth.

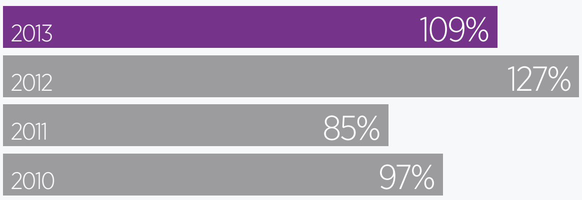
Progress in FY 2013
Group conversion rate was stable in 2013 at 17.5% despite the fact that Group net fees were lower, reflecting our focus on managing our cost base and increasing consultant productivity.

Relates to Strategic Pillar 4

CASH CONVERSION(6)

What does it demonstrate?
A measure of the Group's ability to convert profit into cash.

Progress in FY 2013
We had good cash conversion of 109% for the year, although this was down from 127% in 2012. This was due to a change in business mix, notably continued growth in our German temp and contractor business.



(4) Consultant headcount in each year represents the average consultant headcount.
(5) Conversion rate is the proportion of net fees converted into operating profit before exceptional items.
(6) Cash conversion is the conversion of operating profit before exceptional items into operating cash flow. Operating cash flow is presented before capital expenditure and excludes exceptional items.

PRINCIPAL RISKS

Mitigating risks and capitalising on opportunities is key to the success of our business. Expert knowledge of our markets, clients and candidates allows us to navigate the challenges of an increasingly complex world.

RISK	MANAGEMENT ACTIONS TO MITIGATE RISK
CYCLICAL NATURE OF OUR BUSINESS The performance of the Group is significantly impacted by changes to the underlying economic situation, particularly in the UK, Australia and Germany.	The Group has diversified its operations to include a balance of both temporary and permanent placement recruitment services to public and private sector markets, and operates across 33 countries and 20 sector specialisms. Progress is being made to further diversify the business to mitigate the Group's reliance on the UK, Germany and Australia. That said, as at 30 June 2013 Group profits are largely concentrated in two countries, namely Australia and Germany. The Group's cost base is highly variable and is carefully managed to align with business activity. The Group has ensured that net debt has been kept at a low and appropriate level. The Group is highly cash generative, requiring low levels of asset investment. Cash collection is a key priority and the Group has made appropriate investment in its credit control and working capital management processes.
BUSINESS MODEL The Group faces competition from the increasing use of social media for recruitment purposes and a growing trend towards outsourced recruitment models with associated margin pressures.	We have leveraged our broad geographical and sectoral footprint to win and maintain a significant number of multispecialism contracts with large corporate organisations. This has strengthened our relationship with these clients, increasing our share of their recruitment spend and increasing our share of the markets in which we operate. We monitor changes in the market in terms of industry trends including social media and insourcing, and continue to invest in our online presence to provide a high-quality customer experience. We have formed a working partnership with LinkedIn to increase our exposure to online professional networking and recruitment portals.
TALENT The Group is reliant on its ability to recruit, train, develop and retain staff to deliver its growth plans.	We continue to ensure that overall remuneration packages are competitive. We continue to invest in our leadership and development programmes which are aligned with the Group's business strategy. We provide sustainable career development paths for new recruits, starting with a structured induction programme and ongoing training as they progress their careers at Hays. Annual succession plans are undertaken at Board and Management Board levels and across all regions to identify future potential leaders of the business.

RISK	MANAGEMENT ACTIONS TO MITIGATE RISK
COMPLIANCE Increased employment law and regulations specific to certain business sectors and for temporary workers, in particular, necessitate pre-employment checks, which increase the Group's exposure to potential legal, financial and reputational risk.	All new employees receive training in respect of the relevant operating standards applicable to their recruitment role, with additional support provided by compliance functions. Compliance processes and monitoring are tailored to specific specialisms, ensuring additional focus is given to our high-risk specialisms such as Education and Healthcare. Operational and support staff receive regular training to ensure that legal and compliance updates are understood and applied. In territories where legislation sets out additional compliance requirements, specialists are employed. An example of this is in occupational health & safety in Australia. Dedicated compliance auditors conduct spot checks on candidate records, to ensure that the appropriate candidate vetting checks and due diligence obligations are carried out in line with legal and contractual requirements.
RELIANCE ON TECHNOLOGY Our dependence on technology in our day-to-day business means that systems failure and loss of data would have a high impact on our operations.	The Group's technology strategy is regularly reviewed to ensure that the systems it operates across the Group supports its strategic direction. Technology systems are housed in various data centres and the Group has capacity to cope with a data centre's loss through the establishment of disaster recovery sites that are physically based in separate locations to the ongoing operations.
DATA GOVERNANCE The Group works with confidential, sensitive and personal data in 33 countries on a daily basis under a variety of laws and regulations. A compliance failure would expose the Group to potential legal, financial and reputational risk.	Procedures for handling and storing confidential, sensitive and personal data are in place across the Group. Data protection and security policies and procedures are also in place across the Group and, where data protection and privacy legislation allows, email monitoring programmes are undertaken to address potential areas of concern and to protect our confidential information.
CONTRACTS The Group enters into contractual arrangements with clients, some of which can be onerous in terms of required activities.	During contract negotiations management seeks to minimise risk and ensure that the nature of risks and their potential impact is understood. Our global legal team has the depth of knowledge and experience to enable them to advise management on the level of risk presented in contracts. The Group Finance Director reviews and approves all contracts with onerous non-standard terms. Reviews are performed on a risk basis across key contracts to identify and agree improvements to the way in which we deliver services to clients.
FOREIGN EXCHANGE The Group has significant operations outside the UK and is therefore exposed to foreign exchange translation risk.	Profits from Australia and Euro-based markets are a material proportion of the Group's profitability. There is no active management of translation foreign exchange risk.

FINANCIAL REVIEW

GROUP FINANCE DIRECTOR PAUL VENABLES

"We have delivered a resilient financial performance against a fragile market backdrop, with firm control on costs and selective investment approach."

-1%
DECREASE IN GROUP NET FEES[1]

17.5%
CONVERSION RATE OF GROUP NET FEES INTO OPERATING PROFIT[2]

5,037
GROUP HEADCOUNT HELD BROADLY FLAT OVER THE YEAR (2012: 5,013)[3]

-1%
DECREASE IN GROUP OPERATING COSTS[1]

INTRODUCTION

Turnover increased by 1% (2% on a like-for-like basis[1]) and net fees decreased by 2% (1% on a like-for-like basis[1]). Operating profit decreased by 2% (1% on a like-for-like basis[1]). The difference in growth rates between turnover and net fees is consistent with the outperformance of temp versus perm. Exchange rate movements decreased net fees and operating profit by £6.8 million and £1.3 million respectively, primarily as a result of depreciation in the rate of exchange of the Euro. Fluctuations in exchange rates remain a significant sensitivity for the Group, particularly in the Australian Dollar and the Euro. For example, a one cent change in the exchange rates of these currencies to sterling has a respective operating profit impact of £0.45 million and £0.60 million per annum.

Operating costs decreased by 1%[1] versus the prior year. This was primarily due to the successful delivery of reductions to our operating cost base in the UK, which decreased by 7%[1], and reflected our focus on cost control in our more challenging markets, and our selective, targeted investment approach.

Group conversion rate, which is the proportion of net fees converted into operating profit, remained stable at 17.5%[2] (2012: 17.5%[2]) as our strong control of operating costs, largely focused on back office and overheads, was offset by a reduction in activity levels in Australia.

Consultant headcount at the end of June was 5,037[3], broadly flat year-on-year and also versus December 2012. In our International business, we increased consultant headcount by 1% year-on-year[3], with increases within our Continental Europe & Rest of World division largely offset by decreases in Australia. This reflects our targeted investment approach to ensure we capitalise on stronger markets and clear structural growth opportunities, but react to defend our financial performance in more volatile or challenging markets.

Temp market shows relative resilience in more challenging areas and areas of skills shortage; perm markets volatile and tough overall

Net fees in the temp business, which represent 59% of Group net fees, increased by 3%(1). This comprised a volume increase of 1% and an increase in mix/hours worked of 1%. Underlying temp margins(4) were broadly flat at 14.7% (2012: 14.6%).

Net fees in the perm business decreased by 7%(1), with a volume decrease of 4%, as client and candidate confidence in most markets remained subdued, and there was a reduction in the average fee per placement of 3%.

The higher level of growth in temp relative to perm reflects the greater resilience of the temp and contractor business in more challenging, uncertain markets, and the changes we are seeing in the behaviours of both candidates and clients in certain markets to embrace more flexible working arrangements. This is especially notable in areas of high technical skills and skills shortages such as IT, Engineering and Energy, Oil & Gas.

INVESTING IN OUR BUSINESS

We continue to build a stronger, broader-based and more efficient business and during the year we selectively invested to grow our International businesses and focused on developing new specialisms in existing locations. We opened new offices in Ulm and Essen in Germany and St Petersburg in Russia. We also continued to develop our global Oil & Gas-focused business and the roll-out of our successful IT Contractor model across six countries, including Canada and France.

In the UK, we finalised the consolidation of our office network in London as well as focusing on offices that have failed to make a positive contribution. We ended the year with 102 offices, a reduction of eight since 30 June 2012 and down from a peak level of 235 in full year 2009.

In our Continental Europe & Rest of World division, we increased consultant headcount by 6% year-on-year to 2,084, primarily in Germany and Canada. Asia Pacific consultant headcount was 8% lower, largely reflecting the tougher market conditions in Australia, where headcount was down 15%, but partially offset by continued investment in Asia, where headcount was up 12%, mainly in China, Japan and Malaysia. In the UK & Ireland consultant headcount remained broadly flat.

SUMMARY INCOME STATEMENT

Year ended 30 June (£m)	2013	2012	Actual growth	LFL growth(1)
Turnover(5)	**3,696.9**	3,654.6	1%	2%
Net fees(5)	**719.0**	734.0	(2)%	(1)%
Operating profit from continuing operations(6)	**125.5**	128.1	(2)%	(1)%
Cash generated by operations(7)	**136.3**	162.2	(16)%	
Profit before tax	**118.5**	122.4	(3)%	
Basic earnings per share(6)	**5.14p**	5.47p	(6)%	
Dividend per share	**2.50p**	2.50p	0%	

(1) LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.
(2) Conversion rate is the proportion of net fees converted into operating profit, before exceptional items.
(3) Closing consultant headcount at 30 June 2013.
(4) The underlying temp gross margin is calculated as temp net fees divided by temp gross revenue and relates solely to temporary placements in which Hays generates net fees and specifically excludes transactions in which Hays acts as agent on behalf of workers supplied by third party agencies.
(5) Net fees of £719.0 million (2012: £734.0 million) are reconciled to statutory turnover of £3,696.9 million (2012: £3,654.6 million) in note 5 to the Consolidated Financial Statements.
(6) Continuing operations only, excluding exceptional items.
(7) Excludes exceptional cash cost of £0.6 million in 2013 and £7.0 million in 2012.

FINANCIAL REVIEW CONTINUED

CURRENT TRADING

Although markets remain mixed, our business is stable overall. Globally, candidate confidence remains fragile, particularly in the perm market. Temp and contractor markets remain relatively robust.

Australia remains tough but broadly stable. Conditions in New South Wales and Victoria are stable, but continue to be subdued, notably in perm. In the mining-focused states of Western Australia and Queensland, conditions are broadly stable but fragile. In our Asia businesses, conditions continue to improve.

In Continental Europe & RoW, conditions are stable overall. In Germany, our business is performing well and continues to grow, although growth is slowing against tougher comparators. In the rest of the division, conditions are mixed but stable overall.

In the UK & Ireland we continue to see early indications of recovery, particularly in terms of improved client confidence. Although levels of growth remain modest, this improvement feels widespread across all sectors and regions, other than banking.

Looking ahead to 2014 we expect overall market conditions to remain mixed. While some markets are likely to remain challenging, there are also clear opportunities for growth. We will continue to react quickly to changing market conditions, investing in stronger markets while reducing costs where market conditions or outlook are more challenging. Our focus remains on ensuring the Group is positioned for long-term growth whilst driving our profits along the way.

NET FINANCE CHARGE

The net finance charge for the year was £7.0 million (2012: £5.7 million). The average interest rate on gross debt during the year was 2.8% (2012: 2.8%), generating net bank interest payable including amortisation of arrangement fees of £7.0 million (2012: £7.1 million). The net interest charge on the defined benefit pension scheme obligations was £0.4 million (2012: credit of £2.3 million) with the movement being primarily due to lower expected asset returns than in the prior year. The Pension Protection Fund levy was a £0.4 million credit (2012: £0.9 million charge) which included a £0.8 million credit arising on the release of an accrual related to the settlement of historic issues. Following the adoption of IAS 19(R), we expect the net finance charge for the year ending 30 June 2014 to increase to around £8.5 million. The increase is a non-cash item.

TAXATION

Taxation for the year was £46.8 million (2012: £46.9 million), representing an effective tax rate of 39.5% (2012: 38.3%). The effective tax rate reflects the Group's geographical mix of profits, and the impact of unrelieved UK and overseas tax losses and costs incurred in the UK for which no tax deduction has been available. We expect the Group's effective tax rate to decrease to around 37% for the year to June 2014.

EARNINGS PER SHARE

Basic earnings per share decreased 6% to 5.14 pence (2012: 5.47 pence)[1]. The decrease in earnings per share reflects the Group's lower operating profit, higher net finance charge and higher effective tax rate.

CASH FLOW AND BALANCE SHEET

Cash flow in the year was good with 109% conversion of operating profit into operating cash flow[2]. This was lower than the prior year (2012: 127%) as a result of an increase in trade debtor days to 37 days (2012: 35 days), due primarily to a change in business mix following strong growth in our German temp and contractor business and a reduction in our Australian temp business.

Net capital expenditure was lower at £10.7 million (2012: £18.8 million). Capital expenditure is expected to be around £12 million for the year to June 2014.

Dividends paid in the year totalled £34.8 million and pension deficit contributions were £12.8 million. Net interest paid was £8.3 million, which included the upfront arrangement fee in relation to the renewal of the Group's £300 million unsecured revolving credit facility in the first half of the year, which expires in October 2017 (more details of which are included in the treasury management section opposite).

Net debt reduced from £132.9 million at the start of the year to £105.2 million at the end of the year. We expect a further reduction in net debt in the year to June 2014.

RETIREMENT BENEFITS

The Group's pension liability under IAS19 at 30 June 2013 of £33.0 million increased by £17.6 million compared to 30 June 2012. The movement was due primarily to a decrease in the discount rate and changes to assumptions following the triennial actuarial valuation, partially offset by company contributions and higher than expected asset returns.

During the year, the Company contributed £12.8 million of cash to the defined benefit scheme (2012: £15.5 million) all of which represented funding towards reducing the pension deficit in line with previous guidance. The June 2012 triennial valuation quantified the actuarial deficit at c.£150 million, which was agreed between the scheme trustees and the Group in June 2013. Hays has agreed a recovery plan with the Trustees of the pension scheme which maintains the annual payment at the previous level of £12.8 million with a fixed 3% uplift per year, over a recovery period reduced to just under 10 years.

CAPITAL STRUCTURE AND DIVIDEND

The Board's priorities for our free cash flow are to fund the Group's investment and development, maintain a strong balance sheet and deliver a sustainable dividend at a level which is both affordable and appropriate. We target a dividend cover range of 2.0x to 3.0x[1] earnings and in line with this policy, the Board proposes to pay an unchanged final dividend of 1.67 pence per share (2012: 1.67 pence), resulting in a total dividend for the full year of 2.50 pence per share (2012: 2.50 pence). Our dividend cover is 2.1x for the year to June 2013.

The Board remains committed to paying a sustainable and progressive dividend. It is our intention to grow the dividend when dividend cover sustainably reaches c.2.5x(1).

The proposed final dividend payment date will be 15 November 2013 and the final dividend will be paid to shareholders on the register at close of business on 11 October 2013.

TREASURY MANAGEMENT
The Group's operations are financed by retained earnings and bank borrowings. The Group completed the refinancing of its £300 million revolving credit banking facility on 2 October 2012 at interest rates similar to the previous deal. The new five-year facility provides considerable headroom versus current and future expected levels of Group debt. The covenants, which are unchanged on the Group's previous facility, require the Group's interest cover ratio to be at least 4:1 and its leverage ratio (net debt to EBITDA) to be no greater than 2.5:1. The Group has significant headroom within these covenants.

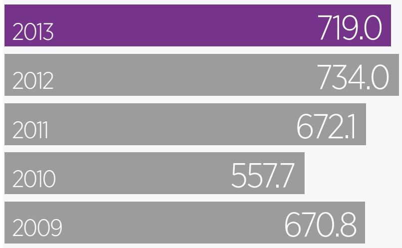
All borrowings are raised by the Group's UK-based treasury department, which manages the Group's treasury risk in accordance with policies set by the Board. The Group's treasury department does not engage in speculative transactions and does not operate as a profit centre.

The Board considers it appropriate to use certain derivative financial instruments to reduce its exposure to interest rate movements under its floating rate revolving credit facility. The Group holds six interest rate swaps which exchange a fixed payment for floating rate receipt on a total debt value of £40 million with an equal mix of two-year and three-year maturities, which commenced in October 2011. The Group does not hold or use derivative financial instruments for speculative purposes.

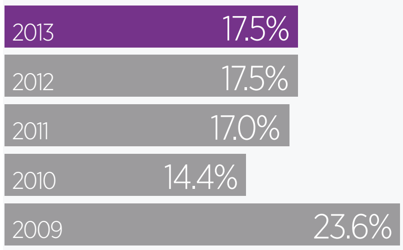
Counterparty risk primarily arises from investment of any surplus funds. The Group restricts transactions to banks and money market funds that have an acceptable credit rating and limits exposure to each institution.

(1) Earnings per share from continuing operations only, excluding exceptional items.
(2) Excludes exceptional cash cost of £0.6 million in 2013 and £7.0 million in 2012.
(3) 2013 net fees of £719.0 million (2012: £734.0 million) are reconciled to statutory turnover of £3,696.9 million (2012: £3,654.6 million) in note 5 to the Consolidated Financial Statements.
(4) Conversion rate is the proportion of net fees converted into operating profit, before exceptional items.
(5) Continuing operations only, excluding exceptional items.

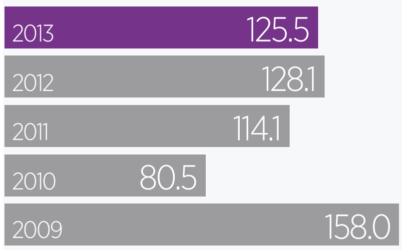
NET FEES (£m)(3)



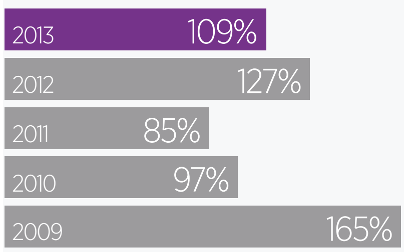
CONVERSION RATE(4)



OPERATING PROFIT (£m)(5)



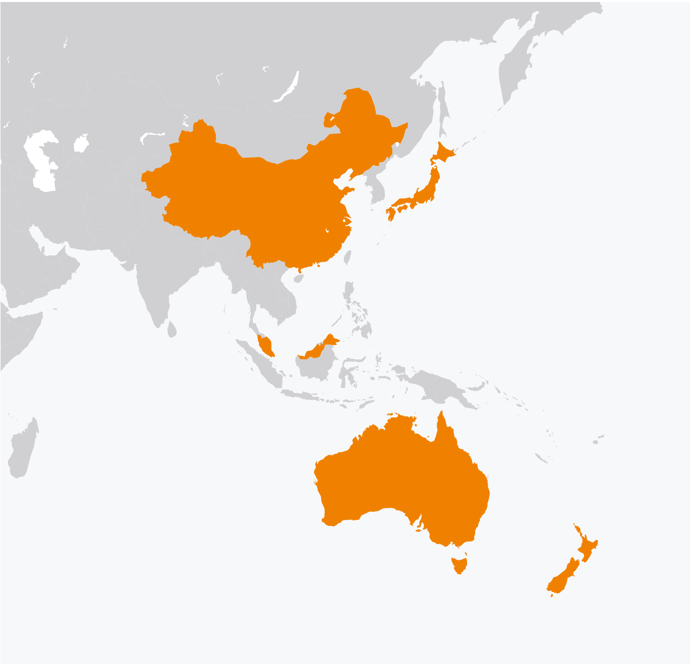
CASH CONVERSION(2)



INSIGHT

ASIA PACIFIC

DIVISIONAL OPERATING REVIEW



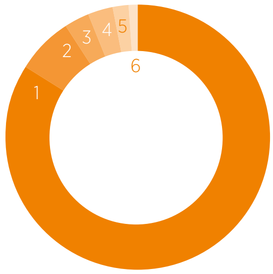
% OF GROUP NET FEES

29%

NET FEES

£211.8m

NET FEES BY REGION

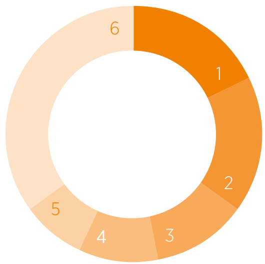


78% PRIVATE SECTOR

22% PUBLIC SECTOR

1. Australia & New Zealand 85%
2. Japan 7%
3. China 3%
4. Singapore 3%
5. Hong Kong 2%
6. Malaysia

NET FEES BY SPECIALISM



57% TEMPORARY

43% PERMANENT

1. Construction and property 18%
2. Accounting & Finance 17%
3. Office support 12%
4. IT 10%
5. Resources & Mining 8%
6. Other 35%

OPERATING PERFORMANCE

Year ended 30 June	2013	2012	Actual growth	LFL growth(1)
Net fees (£m)	**211.8**	242.2	(13)%	(13)%
Operating profit (£m)	**67.2**	90.9	(26)%	(26)%
Conversion rate(2)	**31.7%**	37.5%		
Period-end consultant headcount(3)	**1,024**	1,112	(8)%	
Division as % of Group net fees	**29%**	33%		

2013 HIGHLIGHTS

- Markets overall stable but tough in some areas, notably Australian Resources & Mining
- Strong conversion rate of 32% achieved due to control on costs
- 16%(1) net fee decline in Australia driven by 25%(1) fall in perm business and a step-down in mining activity
- 4%(1) net fee growth in Asia, with signs of improvements in most specialisms whilst banking and finance remained subdued
- Consultant headcount decreased by 8% in Asia Pacific division; Australia & New Zealand down 14%; Asia up 12%

LOOKING FORWARD

- Continue to take the necessary steps to react to fast-changing market conditions across the region
- Selective consultant headcount investment in growth areas such as IT and Life Sciences in Asia
- Build further scale in our Hays Malaysia business, entered in June 2012
- Remain cautious about investment where conditions are more challenging
- Expect headcount across the division to remain broadly at current levels

(1) LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.
(2) Conversion rate is the proportion of net fees converted into operating profit, before exceptional items.
(3) Closing consultant headcount as of 30 June 2013.

In Asia Pacific, net fees decreased by 13% (13% on a like-for-like basis[1]) to £211.8 million and operating profit decreased by 26% (26% on a like-for-like basis[1]) to £67.2 million, representing a conversion rate of 31.7%[2] (2012: 37.5%[2]). Throughout the year we took the necessary steps to react to fast-changing market conditions across the various geographies and sectors in the division to reduce our cost base.

In Australia, net fees decreased by 16%[1]. Temp net fees decreased by 10%[1] and perm net fees decreased by 25%[1]. In New South Wales and Victoria (which together represent 47% of our Australia business) net fees decreased by 15%[1] and market conditions were tough but broadly stable through the year. We saw a significant step-down in activity in the resources-based regions of Western Australia and Queensland, notably in the second quarter, with fees down 21%[1]. We responded rapidly by reducing headcount where necessary to best protect our financial performance. New Zealand delivered solid net fee growth of 4%[1].

In Asia, which comprises five countries and accounted for 15% of the division's net fees in the year, net fees increased by 4%[1]. In Japan, net fees increased 3%[1] and we saw an improvement in sentiment towards the end of the year. Whilst banking and financial services remained subdued across the region, other specialisms showed clear signs of improvement and we continued to grow our Accountancy & Finance, Life Sciences and IT businesses.

Consultant headcount in the division decreased by 8%[3] during the year. In Australia & New Zealand, consultant headcount decreased by 14% as we responded quickly to more challenging market conditions, notably in the first half. In Asia, consultant headcount increased by 12% and investment was broad-based across the region. Going forward, we expect headcount in the division to remain broadly at current levels.

Hays is the market-leading specialist recruitment company in Australia, having been a pioneer of the industry in the country since 1976. Our breadth of experience, technical expertise across a large range of specialisms and our presence in every state of the country enables us to act as a key partner to many of the leading companies in the country.

Schneider Electric is one of the world's leading energy management companies, employing over 110,000 staff worldwide, and has been in Australia since the early 1960s. Schneider Electric's business requires highly skilled workers across Australia and Hays has been working with the company to fill permanent and temporary roles throughout the business but particularly in engineering, IT, and accounting and finance, using our expertise across Australia and the APAC region to find key talent.

"Hays have become a valued supplier for Schneider Electric across Australia, most recently assisting with a national project to merge our customer service operations. We value their understanding of our requirements and ability to work with us across our business, which they are able to do given their countrywide presence and ability to source candidates across all specialisms and contract types."

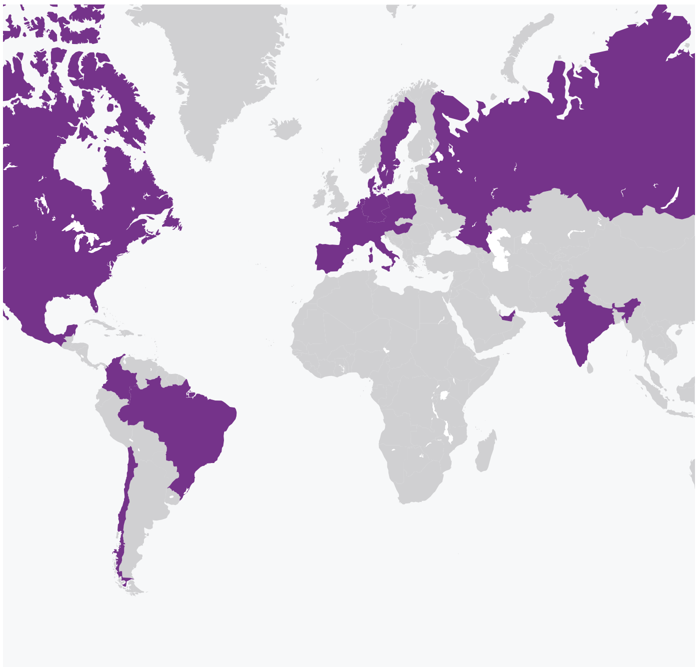
DANNY SIDHWA
Talent Acquisition Manager, Schneider Electric

1976 Our business has been operating in Australia since 1976 and is the market leader.

INSIGHT

CONTINENTAL EUROPE & REST OF WORLD

DIVISIONAL OPERATING REVIEW



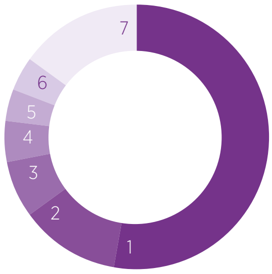
% OF GROUP NET FEES

40%

NET FEES

£285.2m

NET FEES BY REGION

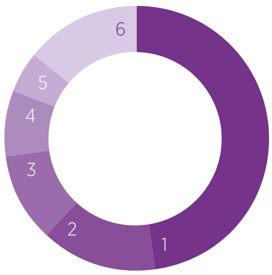


97% PRIVATE SECTOR

3% PUBLIC SECTOR

1. Germany 53%
2. France 12%
3. Benelux 7%
4. Canada 5%
5. Brazil 4%
6. Switzerland 4%
7. Other 15%

NET FEES BY SPECIALISM



58% TEMPORARY

42% PERMANENT

1. IT & Engineering 48%
2. Accountancy & Finance 14%
3. Construction & Property 11%
4. Life Sciences 8%
5. Sales & Marketing 5%
6. Other 14%

OPERATING PERFORMANCE

Year ended 30 June	2013	2012	Actual growth	LFL growth(1)
Net fees (£m)	**285.2**	266.5	7%	10%
Operating profit (£m)	**52.7**	43.7	21%	25%
Conversion rate(2)	**18.5%**	16.4%		
Period-end consultant headcount(3)	**2,084**	1,967	6%	
Division as % of Group net fees	**40%**	36%		

2013 HIGHLIGHTS

- Strong net fee growth of 10%(1) to £285.2 million, a record for the division
- Driven by strong net fee growth of 13%(1) in Germany, with growth in all specialisms across contracting, temp and perm contract types
- Improved conversion rate to 18.5%(2), driving an increase in operating profit of 25%(1)
- Consultant headcount increased by 6%(3), led by increases of 15% in Germany and 28% in Canada

LOOKING FORWARD

- Leverage market-leading position in German IT and Engineering whilst continuing to diversify into newer specialisms
- Develop further scale in Latin America to capitalise on structural growth opportunities
- Continue to build our scale and diversify our North American businesses
- Control costs where conditions are more difficult

(1) LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.
(2) Conversion rate is the proportion of net fees converted into operating profit, before exceptional items.
(3) Closing consultant headcount as of 30 June 2013.

In CE&RoW, we delivered net fee growth of 7% (10% on a like-for-like basis[1]) to £285.2 million, driving excellent operating profit growth of 21% (25% on a like-for-like basis[1]) to £52.7 million. Both net fees and operating profit represented records for the division. The difference between actual growth and like-for-like growth rates was due primarily to the depreciation of the Euro versus sterling. The conversion rate of the division increased to 18.5%[2] (2012: 16.4%[2]) driven by strong net fee growth in more buoyant markets, strong cost control in more challenging areas and our selective investment approach across the division.

Germany, which represented 53% of the division's net fees, delivered strong net fee growth of 13%[1]. Although the rate of growth slowed in the second half, this represented a record net fee performance. We saw growth in all of our specialisms across contracting, temp and perm. We saw strong growth in Legal, Life Sciences, Accountancy & Finance, Construction & Property and Sales & Marketing as well as solid growth in our core specialisms of IT and Engineering. Specialisms outside of IT and Engineering account for 25% of our total net fees in the country. Our market-leading position and our well diversified business mean we are ideally positioned to benefit from the structural growth opportunities presented by an increasing demand for specialist recruitment services in Germany and the increasing adoption of flexible working.

In France, our second largest country in the division, net fees were up 1%[1], a good performance against the backdrop of a very difficult market. Seven countries saw net fees decline in the year, including Italy, Spain, Portugal and the Netherlands, but 13 countries delivered net fee growth of 10%[1] or more including Russia, Poland and Hungary, which each achieved record monthly net fee performances during the year.

In Latin America, our recently opened businesses in Colombia and Mexico performed well. Brazil remains a volatile market and net fees were down 8%[1] in the year. In North America, Canada delivered excellent net fee growth of 31%[1] and our business in the USA continues to perform well, increasing net fees by over 60%[1] versus last year.

Consultant headcount in the division increased by 6%[3], led by increases of 15% in Germany and 28% in Canada. We are continuing to invest in consultant headcount in markets which demonstrate clear growth, while being more cautious across the rest of the division to maximise our financial performance. Overall, we expect headcount in the division to remain broadly at current levels.

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Companies in every country face the same challenges in sourcing the very best talent with the skills and experience to make a difference to their business. At Hays we utilise expertise in each local market, underpinned by globally connected systems we have developed over many years to identify the people our clients require.

We work with a large number of multinational businesses that not only require highly technical but also multilingual candidates. One such client is Volvo, where we have worked alongside their Group Logistics Services business in Belgium for over 15 years on a variety of technical assignments, including sourcing skilled temporary and contractor workers as well as permanent engineer roles.

"We have used Hays to support our business over many years, and they are a trusted partner in sourcing very specific skills that are required within our industry. Our relationship has grown over the years and beyond the recruitment services they provide us, we also rely on Hays to add their expertise to our recruitment campaigns and to give us their unrivalled insight into the job market."

SIGERT VANDENBERGHE
HR Business Partner, Volvo Group Belgium

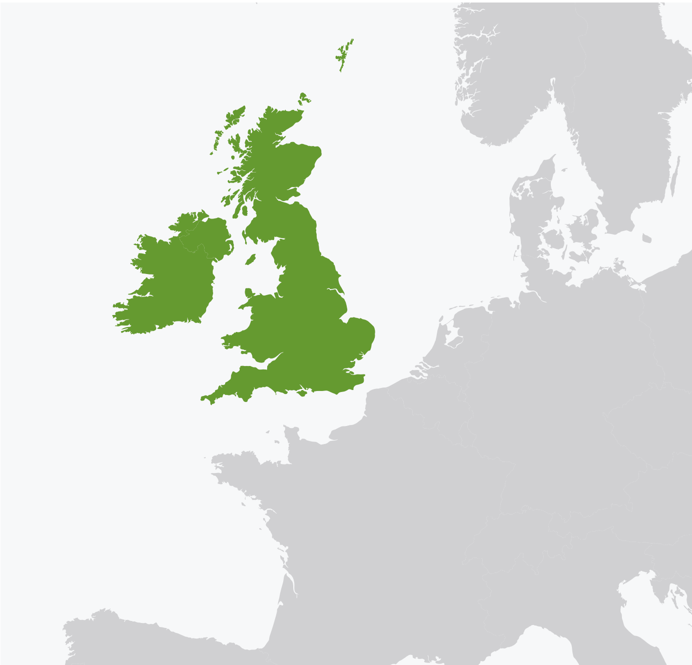
15yrs

The length of time we have been supporting the Volvo Group Logistics Services business.

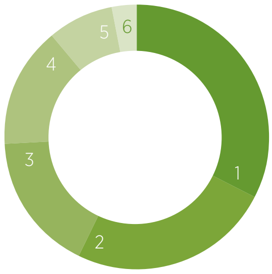
INSIGHT

UK & IRELAND

DIVISIONAL OPERATING REVIEW



NET FEES BY REGION

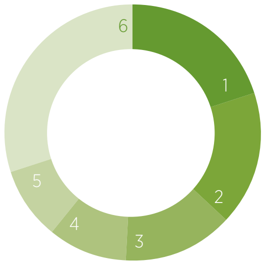


72% PRIVATE SECTOR

28% PUBLIC SECTOR

1. London 33%
2. North & Scotland 25%
3. Midlands & East Anglia 17%
4. Home Counties 15%
5. South West & Wales 8%
6. Ireland 2%

NET FEES BY SPECIALISM



61% TEMPORARY

39% PERMANENT

1. Accountancy & Finance 20%
2. Construction & Property 17%
3. Banking & Financial Services 14%
4. Office Support 10%
5. IT 9%
6. Other 30%

% OF GROUP NET FEES

31%

NET FEES

£222.0m

OPERATING PERFORMANCE

Year ended 30 June	2013	2012	Actual growth	LFL growth(1)
Net fees (£m)	**222.0**	225.3	(1)%	(1)%
Operating profit (£m)	**5.6**	(6.5)	186%	186%
Conversion rate(2)	**2.5%**	(2.9)%		
Period-end consultant headcount(3)	**1,929**	1,934	0%	
Division as % of Group net fees	**31%**	31%		

2013 HIGHLIGHTS

- Returned to profit due to successful delivery of cost reduction plans
- Net fees decreased by 1%(1) with resilience in temp business but perm remaining subdued
- Public sector net fees increased by 14%(1), private sector decreased by 6%(1) but exited year with growth
- Increased consultant productivity
- UK cost base down more than 30% from peak levels
- UK office network down to 102 offices versus peak of 235

LOOKING FORWARD

- Focus on growing market share and capitalise on more resilient parts of the UK market
- Continue to drive improved consultant productivity
- Optimise efficiency benefits of the back-office systems
- Continue to review all aspects of our UK cost base to increase profit and defend financial performance

(1) LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.
(2) Conversion rate is the proportion of net fees converted into operating profit, before exceptional items.
(3) Closing consultant headcount as of 30 June 2013.

In the United Kingdom & Ireland, net fees decreased by 1%[1] to £222.0 million but we generated an operating profit of £5.6 million (2012: operating loss of £6.5 million). We saw relative resilience in the temp business with net fees up 3%[1] while perm remained more challenging, with net fees down 7%[1] in the year.

Although trading conditions in the UK were subdued throughout the year they were broadly stable and we returned to net fee growth in the second half. Activity was broad-based and net fees in our Home Counties, London (excluding City-related), Midlands, Scotland & Northern Ireland and Yorkshire regions grew in the year.

In our private sector business, which represented 72% of the division's net fees, net fees declined by 6%[1]. Markets remained difficult in our Banking and City-related specialisms, but we saw good growth in several areas including Human Resources, Life Sciences and Sales & Marketing.

In our public sector business, which represented 28% of the division's net fees, we delivered net fee growth of 14%[1], although activity in this market remained subdued and growth was driven by perm job churn. We delivered particularly good performances in our Education and Healthcare businesses.

The £12.1 million improvement in profitability in the UK & Ireland business has been primarily the result of the successful delivery of a range of cost reduction measures we announced in February 2012. We have reduced the cost base in the division by over 30% from peak levels and we continue to review all aspects to seek further efficiency savings, focusing primarily on back office and overhead costs. Additionally, our office network now consists of 102 offices versus a peak of 235.

Closing consultant headcount in the division was broadly flat year-on-year[3]. We delivered an improvement in consultant productivity, which increased by 7% year-on-year following an 8% reduction in average consultant headcount. We focused on growing market share and taking full advantage of those segments of the UK recruitment market which continue to present growth opportunities. Whilst we remain focused on driving consultant productivity, we expect to selectively increase headcount to target opportunities where they arise.

The North Sea oil & gas industry remains a key contributor to the UK economy and skills shortages are an increasing challenge for businesses operating in that market today. The sourcing of qualified, highly skilled professionals to optimise existing assets and develop the next wave of solutions is a high priority.

At Hays we work with leading global companies across the oil & gas sector including NOV Elmar, the world leader in the design and manufacture of wireline pressure control equipment. Combining our understanding of the industry and NOV Elmar's specific needs with our database of skilled professionals, we were able to assist the company in filling a senior design engineer role.

"Hays worked closely with us to fill a role that requires a very specific set of technical skills. They demonstrated their strong understanding of our sector and worked hard to find the right candidate who is already contributing a great deal to the company. We see Hays as a trusted partner in helping us to find the right people that enable us to continue to run major projects and develop new products for our clients."

PORTIA MACDONALD
Principal Engineer, NOV Elmar

No.1

Market leader in specialist recruitment in the UK.

OUR PATH TO CORPORATE RESPONSIBILITY

CORPORATE & SOCIAL RESPONSIBILITY REPORT

DEAR SHAREHOLDER

We are leading global experts in qualified, professional and skilled recruitment. Every day we help clients and candidates understand and navigate the ever-more complex and fast changing world of work.

We help clients all around the world find the scarce talent they need to drive their own businesses forward. We help businesses evolve and reshape their talent pools to reflect today's global flow of labour.

With our candidates, we help people understand changing ways of working and provide them with the advice and support they need to thrive in the modern workplace.

We understand that the right person in the right role can transform that individual's life and transform a business, and it is all made possible by the 7,800 people working for Hays across 33 countries. That is what makes us the ultimate people business and means that a responsibility for the world around us must be at the core of what we do every day. Hays' business is not divorced from society. We recognise that the two are interdependent and that society expects Hays to be a good corporate citizen. This is central to our values and how we do business. When we are successful as a business, we contribute to the wider growth and success of the economies and communities in which we operate.

ALISTAIR COX
Chief Executive

29 August 2013

HOW WE DO BUSINESS

Our aim is to build the world's pre-eminent specialist recruitment business and to deliver well-diversified and profitable growth.

Our purpose is to solve the challenges of our clients in today's complex world of work, and in so doing deliver the best opportunities possible to our candidates.

Our values are to be Expert, Inquisitive, Ambitious and Passionate about People. Only by truly understanding our candidates' and clients' needs and challenges, both locally and globally, can we help people and companies achieve lasting impact. Our values aim to reflect this commitment and underpin everything we do.

EXPERT As experts across 20 specialisms and 33 countries, we have a deep understanding of issues and challenges locally with an ability to solve them globally.	**INQUISITIVE** We're always curious, wanting to understand more about the roles people are being recruited for, as well as the world of work. That is how we build deeper knowledge into what makes people fit culturally and how they can achieve their full potential.
AMBITIOUS As a results-orientated company we are continually driven to succeed. Our energy and dynamism make us ambitious for our people, clients and candidates, and for the impact recruiting can have on their lives.	**PASSIONATE ABOUT PEOPLE** Hays is the ultimate people business. We are passionate about creating valuable relationships with everyone we work with. Our enthusiasm compels us to find the right person for the right role, and help clients deal with whatever issues they face.

OUR WORKPLACE

Employees

As a people-centred service provider, our success is directly related to the quality and expertise of our employees. Accordingly, we strive to recruit, train, develop and retain the best talent in our industry. It is imperative to our success that Hays is a company that people want to work for as well as do business with.

Employees at all levels of our business are supported by structured, tailored, learning and development programmes. This starts with a comprehensive induction on joining Hays and then at each level as our employees progress through the organisation. Internal transfers and global mobility are critical to the organic growth of our business. This approach not only supports growth, but enables our employees to gain experience of working in different areas of the Hays business around the world.

Learning and development

Our aim is to train and develop the best people in the industry. Hays encourages the ongoing learning and development of all employees to allow them to maximise their work performance, help them to achieve corporate objectives and reach their full potential.

Training at Hays is a partnership between the employee, their line manager and the Company. Recruitment consultants invariably join Hays at entry level and undergo a detailed induction programme. This forms part of our Developing Experts programme which provides training to our recruitment consultants as they progress through each stage of their career at Hays. Training is a combination of online and classroom-based learning with practical coaching provided by line managers and senior leaders.

Strong leadership and management are essential to our business. Executives are supported in their career at Hays through our Fast Forward and Advanced Management Programmes, which deliver a broad executive curriculum. Each year, the Board and Management Board review the succession planning needs of the Group with a view to developing the future leadership of Hays.

Employee engagement

Each year, we conduct TALKback, our global employee engagement survey. In 2013 we again saw good employee engagement with an 85% participation level and a reported engagement level of 84% (2012: 83%). Based on the results of the survey, key drivers in employee engagement in Hays during 2013 continued to be learning and development, leadership and direction, culture and collaboration.

EMPLOYEE ENGAGEMENT

Diversity

People are at the core of what we do and therefore to us diversity means understanding and reflecting the community in which we operate, building loyalty with our colleagues, candidates and clients. Age, gender, ethnicity, physical appearance, religion, education and beliefs are all valued and everyone has the opportunity to contribute to our success as a business and fulfil their potential.

Our aim is to create an open, honest and unprejudiced working environment and to ensure that all our colleagues feel part of Hays and are respected as individuals.

GENDER DIVERSITY

	2013	2012
Female employees	**60%**	61%
Female senior leadership and management	**21%**	24%
Female plc Board directors	**22%**	22%

We are delighted that Hays has been granted the prestigious ‘Employer of Choice for Women’ citation for 2013 by the Australian Workplace Gender Equality Agency. This is a significant achievement as companies awarded this citation are required to meet stringent criteria demonstrating policies and practices that support female employees across their business in Australia.

We also have a very diverse employee population in terms of ethnicity, with over 80 different nationalities represented in our global workforce.

Employee welfare

Our people are the key to our success and their welfare is important to us. With ever-increasing pressures at work and home, there are times when we all need some extra support to balance the demands of everyday life. That is why we provide a free and confidential employee assistance programme to everyone in the Group.

We conduct our business in a manner which strives to safeguard the health and safety of our employees and visiting clients and candidates. A Health & Safety programme comprising a risk assessment, policy implementation and monitoring covers the full range of workplace issues from accident reporting to home working. This programme is reviewed and updated on an ongoing basis.

OUR MARKETPLACE

We are committed to dealing with clients and candidates openly, honestly and with integrity.

Our recruitment consultants front the business and their role in any service encounter with candidates or clients, and the relationships that follow, are critical to our success. All of our recruitment consultants are trained in offering the best possible client and candidate experience, details of which are provided in sector-specific operation manuals and against which sector teams are assessed on a regular basis.

Supplier Code of Conduct

Hays is a people-to-people business and its supply chain is arguably its candidate pool. Where we do have traditional suppliers, such as utilities providers, we expect them to operate in an ethical, legally compliant and professional manner. The standards that we expect from these suppliers are detailed in our Supplier Code of Conduct, a copy of which can be found on our website hays.com.

OUR PATH TO CORPORATE RESPONSIBILITY CONTINUED

CORPORATE & SOCIAL RESPONSIBILITY REPORT CONTINUED

OUR COMMUNITY

Local charitable focus

Our involvement with the communities in which we operate goes beyond recruitment services. We use our global strength to make a positive local impact wherever we can. Rather than directing our employees' philanthropic efforts from a corporate level, we encourage them to take part in volunteering, fundraising activities and to donate funds to charities nominated at country and local level. This ensures that our charitable efforts are spread across a wide range of good causes and have maximum impact. For example, in the UK, employees recently nominated the Brain Tumour Charity as their national charity of the year. This replaced the Alzheimer's Society which was the UK national charity of the year for the 2013 financial year.

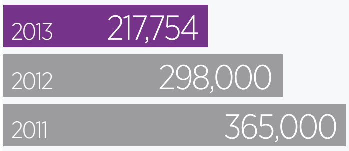
Charitable giving

Employees are encouraged to donate to charity in a tax-efficient manner through the Give As You Earn payroll giving scheme administered by the Charities Aid Foundation.

We operate a matched giving scheme where all UK employees are eligible, under which we match the employee contribution. In the 2013 financial year, Hays employees in the UK raised £37,811 for the Alzheimer's Society, which was matched by the Company. Hays is extending the matched giving scheme into the 2014 financial year.

In the financial year ended 30 June 2013, charitable donations made by the Group amounted to £182,300 (2012: £202,000).

AMOUNTS RAISED FOR GOOD CAUSES (£)*



* Including fundraising by Hays employees.

Fundraising activities

To raise money for our charities of the year, Hays employees take part in such activities as sporting events, pub quizzes, coffee mornings and bake-offs. Some of our colleagues around the world have undertaken more ambitious fundraising challenges including mountain climbing, sponsored runs, treks, abseils and cycle rides. We support their ambition and desire to make a contribution to the community.

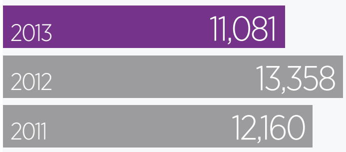
ENVIRONMENT

We recognise the need to reduce greenhouse gas emissions and support the UK Government's commitment in this regard. As a recruitment services company, the direct environmental effects of our business largely relate to facilities management and travel. We aim to reduce the environmental impact of our business through a reduction in consumption and conserving resources.

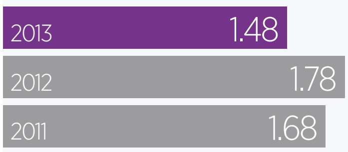
Greenhouse gas emissions

For the fourth year running, we undertook an environmental review of our business operations and for the first time this review covered all of Hays' offices globally. In readiness for mandatory carbon reporting, we developed and rolled out an online carbon footprint reporting portal. Data collected through the portal from Hays offices around the world, grouped by countries, included operational and vehicle use, electricity consumption and business travel. From this data, the Group's greenhouse gas emissions were calculated, the results of which are detailed below.

GREENHOUSE GAS EMISSIONS (TONNES CO_2e) TOTAL EMISSIONS(1)



EMPLOYEE INTENSITY (TONNES CO_2e PER EMPLOYEE)



(1) Greenhouse gas emissions are stated in tonnes of CO_2e (carbon dioxide equivalent, comprising carbon dioxide, methane and nitrous oxide) for each 12-month period ended 31 March.

Highlights for the year

- The global carbon footprint of Hays worldwide is 11,081 metric tonnes of CO_2e, which is a year-on-year decrease of 17% (2012 footprint: 13,358 tonnes CO_2e). This is mostly driven by a number of energy efficiency initiatives across the Group combined with improved information gathering and analysis in this area.
- Three countries were added to the carbon footprint calculations. Without this additional scope, the footprint would have decreased by 18% year-on-year.

GREENHOUSE GAS PROTOCOL		2012	**2013**	
GHG Protocol Scope	Resource	Total GHGs (tonnes CO_2e)	**Total GHGs (tonnes CO_2e)**	Percentage change (%)
Scope 1	Heating fuel	217	**192**	11.52
	Vehicle fuel	2,962	**2,631**	11.17
Scope 2	Electricity	7,655	**5,303**	30.73
	District heating	289	**527**	82.35
Scope 3	Air travel	1,743	**1,782**	2.24
	Rail travel	511	**645**	26.22
Totals		13,377	**11,081**	17.16
Totals per employee		1.72	**1.48**	13.95
Totals LFL*		12,325	**9,675**	21.50
Totals LFL* per employee		1.71	**1.38**	19.30

* LFL (like-for-like) figures represent comparable operations across each reporting year based on surveyed floor space.

GOVERNANCE

IN THIS SECTION

Hays are the largest specialist recruitment business in the UK, with market-leading positions across a range of specialist areas including Accountancy & Finance, IT and Construction & Property.

CURRENT CORE PROFIT DRIVER: UK & IRELAND

For a video review of our UK & Ireland business, please go to hays.com/investors

31%

UK & IRELAND REPRESENTS 31% OF GROUP NET FEES

102

OFFICES

1,929

CONSULTANTS

CHAIRMAN'S LETTER

DEAR SHAREHOLDER

I would like to reiterate my personal commitment and that of the Board to the continued maintenance and enhancement of strong governance across the Group and in ensuring that the framework in place is meaningful, relevant and focused on our business. This is described more fully in the corporate governance statement which follows.

Corporate governance

Despite the challenging economic environment which continues to prevail across the world, Hays has delivered a credible performance during the financial reporting year. I believe that our corporate governance framework has underpinned our successful performance and is fit to support the implementation of our Group strategy, which is described at the start of this Report.

Notwithstanding this, your Board is not complacent about corporate governance at Hays. We endeavour to ensure that the Group's corporate governance framework evolves in line with the growth of the business, particularly in an international context. Continuous improvement is part of the way we work at Hays and remaining fit for purpose and meeting the business challenges that lie ahead form a large part of the Board and management's focus.

Board composition and succession planning

As Chairman, my role is to manage the Board, ensuring it operates effectively and contains the right balance of skills and experience to successfully execute the Company's strategy. Your Board has long been aware that the internet is impacting on the recruitment services industry worldwide and as part of the Board's succession plan, the need for greater counsel on matters of information technology and social media was identified. In June 2013, I had the pleasure of welcoming Torsten Kreindl as a non-executive director to the Board. I have no doubt that Torsten's extensive knowledge and insight into these areas, as well as his international business experience, will assist the Board greatly.

The Board recognises that the impact of technology on recruitment services will continue at pace and is mindful of the need to ensure that it is well equipped to meet this challenge. Accordingly, the need for greater digital media expertise around the Board table will continue to be a focus for me.

Turning to the leadership teams across the Hays Group which support the Board, we continue to ensure that we have effective succession and talent development programmes in place. Our approach to gender diversity has to-date been incorporated within our more general approach to equal opportunities. We have listened to our stakeholders in this regard and this is something that the Board will be looking at in the year ahead.

People

Our results are a reflection of the quality of our people across the world from senior management to our recruitment teams. On behalf of the Board, I would like to thank all of my Hays colleagues for their continued hard work and commitment to our values, clients and candidates alike.

ALAN THOMSON
Chairman

29 August 2013

OUR GOVERNANCE FRAMEWORK

The Board believes that Hays' governance framework fits the requirements of its business.

The Board retains certain matters for its own preserve and delegates specific responsibilities to its principal committees; namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Each of these Committees operates within defined terms of reference, the full versions of which are available on the Company's website.

Each Committee reports its proceedings to the Board through the submission of reports and minutes as appropriate. The Chairman of each Committee also provides the Board with a brief synopsis of the work carried out by the Committee, if any, between Board meetings.

OUR GOVERNANCE FRAMEWORK

CHIEF EXECUTIVE

BOARD
Responsible for the overall management of the organisation of our business

Set standards, values, policies and strategic aims

Ensures we have the resources in place to meet our objectives

Monitors and reviews:
- Material strategic issues
- Financial performance
- Risk management

BOARD COMMITTEES
Specific review and oversight functions

AUDIT COMMITTEE
- Reviews and monitors financial statements
- Oversees external audit
- Reviews internal audit plans

REMUNERATION COMMITTEE
- Sets, reviews and recommends overall remuneration policy and strategy
- Reviews and approves remuneration arrangements for executive directors and senior management

NOMINATION COMMITTEE
- Makes recommendations to the Board on its composition and that of its Committees

MANAGEMENT BOARD
Day-to-day management of our business and operations, responsibility for monitoring detailed performance of all aspects of our business

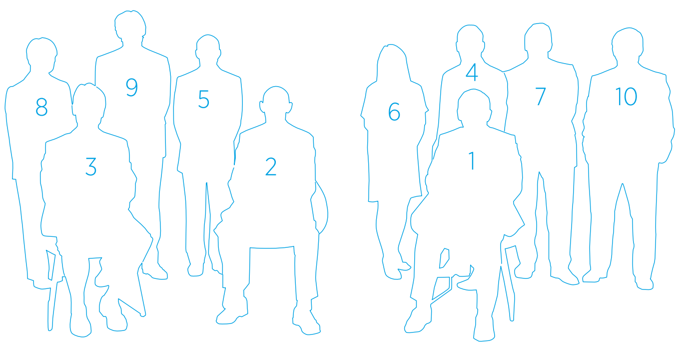
- Chief Executive
- Group Finance Director
- Company Secretary & General Counsel
- Group Technology Director
- Group HR Director
- Group Marketing Director
- Regional Managing Director, UK & Ireland and Chairman of APAC
- Regional Managing Director, Continental Europe & Rest of World
- President, North America and Head of Strategy & Business Development

OUR BOARD OF DIRECTORS

The effectiveness of the Board and its Committees is determined by the qualities and experience of individual directors.

Today's challenges require relevant perspectives and skills. In the rapidly changing business environment in which we operate, Board composition will remain a priority. Our aim is to build a high-performing Board that can draw on the diversity of its members' expertise and experience to create the world's pre-eminent specialist recruitment business.

During the year, your Board evaluated its make-up and appointed a new non-executive director. An experienced business leader, Torsten Kreindl, provides valuable strategic insight into the areas of digital media and European business, both of which are key to the growth of our business.



1. **ALAN THOMSON**
   Non-Executive Chairman

2. **ALISTAIR COX**
   Chief Executive

3. **PAUL VENABLES**
   Group Finance Director

4. **PAUL HARRISON**
   Senior Independent Non-Executive Director

5. **WILLIAM ECCLESHARE**
   Independent Non-Executive Director

6. **VICTORIA JARMAN**
   Independent Non-Executive Director

7. **RICHARD SMELT**
   Independent Non-Executive Director

8. **PIPPA WICKS**
   Independent Non-Executive Director

9. **TORSTEN KREINDL**
   Independent Non-Executive Director

10. **DOUG EVANS**
    Company Secretary & General Counsel

OUR BOARD OF DIRECTORS CONTINUED

1. ALAN THOMSON (66)

Non-Executive Chairman

Appointed: 1 October 2010 (and as Chairman on 10 November 2010)

Committees: Nomination (Chairman)

Skills and experience: A post-graduate of Glasgow University and a Chartered Accountant, Alan's early career was with Arthur Andersen and Price Waterhouse. This was followed by senior management roles with Rockwell International plc, Raychem Ltd and Courtaulds plc, after which he became Finance Director of Rugby Group plc and then Smiths Group plc. Alan is a former Non-Executive Director of Johnson Matthey plc and a past President of the Institute of Chartered Accountants of Scotland.

Other principal external appointments: Chairman of Bodycote plc; Non-executive Director of Alstom SA; Non-Executive Director of HSBC Bank plc.

2. ALISTAIR COX (52)

Chief Executive

Appointed: 1 September 2007

Skills and experience: A Chartered Engineer with an MBA from Stanford University, Alistair's early career was in various field engineering, management and research science roles with British Aerospace and then Schlumberger. Following his MBA, Alistair worked for McKinsey & Company before joining Blue Circle Industries, where he was the Group Strategy Director and then the Regional Director for Asia. Prior to joining Hays plc, Alistair was Chief Executive of Xansa plc.

Other principal external appointments: Non-Executive Director of 3i Group plc.

3. PAUL VENABLES (51)

Group Finance Director

Appointed: 2 May 2006

Skills and experience: A Chartered Accountant and also USA qualified, Paul started his career at Deloitte & Touche where he was a Senior Manager in its USA practice. This was followed by a 13-year career at Exel plc where he held a number of senior finance and operational roles including Deputy Group Finance Director and was a member of the Executive Board of Exel plc and Chairman of their Acquisitions and Project Review Board. Following the acquisition of Exel plc by Deutsche Post, Paul worked in its DHL Logistics division before joining Hays.

Other principal external appointments: Senior Independent Non-Executive Director of Wincanton plc.

4. PAUL HARRISON (49)

Senior Independent Non-Executive Director

Appointed: 8 May 2007 (and Senior Independent Director on 9 November 2011)

Committees: Remuneration (Chairman), Audit and Nomination

Skills and experience: Paul trained as a Chartered Accountant with Price Waterhouse. He joined The Sage Group plc as Financial Controller in 1997 and became Group Finance Director in 2000. In August 2013, Paul left The Sage Group plc to take up the role of Chief Financial Officer of WANdisco plc.

Other principal external appointments: Chief Financial Officer of WANdisco plc.

5. WILLIAM ECCLESHARE (57)

Independent Non-Executive Director

Appointed: 24 November 2004

Committees: Audit, Nomination and Remuneration

Skills and experience: A graduate of Cambridge University, William has had an extensive career in international marketing and advertising. He is a former partner of McKinsey & Company. He has held the positions of Chairman and Chief Executive Officer of each of Young & Rubicam EMEA, Wunderman EMEA and BBDO Europe. William is at present the Chief Executive Officer of Clear Channel Outdoor Holdings Inc., one of the world's largest outdoor media companies.

Other principal external appointments: Chief Executive Officer of Clear Channel Outdoor Holdings, Inc.

6. VICTORIA JARMAN (41)

Independent Non-Executive Director

Appointed: 1 October 2011

Committees: Audit (Chairman), Nomination and Remuneration

Skills and experience: An engineering graduate of the University of Leicester and a Chartered Accountant, Victoria started her career with KPMG before moving to Lazard Corporate Finance, where she was Chief Operating Officer of Lazard's London and Middle East operations and a member of its European Management Committee. Victoria is currently a Non-Executive Director of De La Rue plc where she is a member of its Audit, Ethics, Nomination and Remuneration Committees.

Other principal external appointments: Non-Executive Director of De La Rue plc.

7. RICHARD SMELT (56)

Independent Non-Executive Director

Appointed: 15 November 2007

Committees: Audit, Nomination and Remuneration

Skills and experience: A psychology graduate from Leeds University with an MBA from the London Business School, Richard is a Fellow of the Chartered Institute of Personnel and Development with a 30-year career in Human Resources. Richard has previously been the Human Resources Director for Carphone Warehouse Group plc and Northern Rock plc post nationalisation, and has also worked in private equity. Richard is presently HR Director of McCain Foods.

Other principal external appointments: HR Director of McCain Foods.

8. PIPPA WICKS (50)

Independent Non-Executive Director

Appointed: 1 January 2012

Committees: Audit, Nomination and Remuneration

Skills and experience: A post-graduate of Oxford University with a diploma in corporate finance from the London Business School, Pippa started her career with Bain & Company. She subsequently became Chief Financial Officer of Courtauld Textiles plc and then Chief Executive Officer of FT Knowledge, the corporate training division of Pearson plc. Her previous non-executive directorships have been with Ladbrokes plc, Hilton International plc and Arcadia plc. Pippa is presently Managing Director of AlixPartners UK LLP.

Other principal external appointments: Managing Director of AlixPartners UK LLP.

9. TORSTEN KREINDL (50)

Independent Non-Executive Director

Appointed: 1 June 2013

Committees: Audit, Nomination and Remuneration

Skills and experience: A graduate from Johannes Kepler University in Linz, Austria with a PhD in industrial engineering and technical chemistry, Torsten has a successful international career. He has held senior executive positions for Booz Allen Hamilton and Deutsche Telekom AG. He is a partner in Grazia Equity, a Munich-based capital firm and a member of the Swisscom AG board.

Other principal external appointments: Partner of Grazia Equity; Member of the Swisscom AG board.

10. DOUG EVANS (50)

Company Secretary & General Counsel

Appointed: 4 February 2013

Skills and experience: A law graduate from Rhodes University who began his career with Webber Wentzel in South Africa, specialising in corporate and commercial law before moving in-house. Doug has previously held the posts of Company Secretary & Corporate Legal Director at Exel plc and Group General Counsel at Royal Mail Limited. Prior to joining Hays, Doug was an Executive Director, Company Secretary & General Counsel at Mitchells & Butlers plc.

CORPORATE GOVERNANCE STATEMENT

STATEMENT OF COMPLIANCE

Hays plc is committed to the principles of corporate governance contained in the UK Corporate Governance Code (the Code) as issued by the Financial Reporting Council and publicly available at www.frc.org.uk. As a listed company, Hays is required to report on how it has complied with the principles of the Code and this is set out below. The Board is pleased to report that Hays has complied with all of the provisions of the Code throughout the year under review.

THE HAYS BOARD

Composition of the Board

The Board of Hays is currently made up of two executive directors and seven non-executive directors including the Chairman. Six of the non-executive directors served throughout the reporting period. Their biographies, including prior experience, are set out on pages 50 and 51.

Hays' Group policy is to hire the best candidates for all positions at all levels throughout the business, irrespective of gender, including candidates at Board level. With two female independent non-executive directors, namely Victoria Jarman and Pippa Wicks, 22% of the current Board is female. At present, the Board has not set any specific aspirations in respect of gender diversity at Board level. However, the Board recognises the benefits of gender diversity and will continue to ensure that this is taken into account when considering any particular appointment.

Board changes during the year

Board composition is routinely reviewed to ensure that the balance of skills, knowledge and experience of the Hays Board remains appropriate to its business. The composition of the Hays Board has evolved during the past year. Paul Stoneham retired from the Board at the 2012 Annual General Meeting and Torsten Kreindl joined the Board in June 2013. With the increasing importance of social media and digital communication to the Company's business, Torsten Kreindl's valuable experience in these fields is a welcome addition to the Board.

Re-election of Directors at the 2013 AGM

In accordance with the Company's Articles of Association, and the principles of the Code, all Directors of the Company will offer themselves for either election or re-election at the 2013 Annual General Meeting. Having received advice from the Nomination Committee, the Board is satisfied that each director is qualified for election or re-election by virtue of their skills, experience and commitment to the Board.

OPERATIONAL GOVERNANCE

The Management Board

The main executive committee within Hays' corporate governance framework is the Management Board. The Management Board is chaired by the Chief Executive, who is also a main Board director, and its main purpose is to assist him in running the business of the Company. The Management Board meets formally on a monthly basis though there is close collaboration by its members in between these meetings.

The Management Board includes the Group Finance Director, the Company Secretary & General Counsel, the Group HR Director, the Group Marketing Director, the Group Technology Director and the Managing Directors of the Group's main operating regions. Each Management Board member has a clearly defined remit, business objectives and financial budget within which they operate.

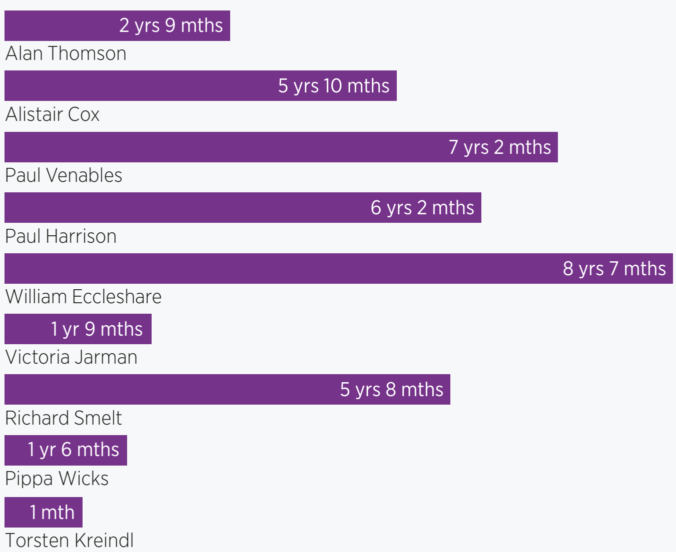
Hays' global business comprises three separate regions, namely UK & Ireland, Continental Europe & RoW and Asia Pacific (APAC). Regional Managing Directors operate their business through regional boards, which comprise key business and functional managers with specific responsibilities within those regions. Autonomy within the framework of the Group's delegated authorities and internal controls is afforded as far as practicable.

LEADERSHIP

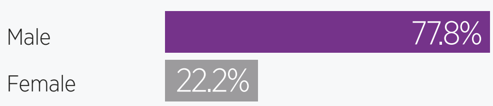
The role of the Board

The role of the Board is to provide leadership of the Company and direction for management. It is collectively responsible and accountable to the Company's shareholders for the long-term success of the Group. The Board sets the Company's strategic

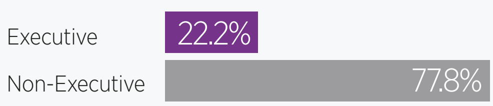
DIRECTORS' TENURE AS AT 30 JUNE 2013



MALE/FEMALE DIRECTORS



EXECUTIVE/NON-EXECUTIVE DIRECTORS



objectives and determines the significant risks that it is willing to take to meet those objectives. It ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews management's performance in regard to achieving those objectives.

Much of Hays' success is due to its entrepreneurial culture which the Board has tried to engender by establishing a core set of values which it adheres to and promotes throughout the Group. These are being Ambitious, being Passionate about People, being Expert at what they do and being Inquisitive about the world of work.

Role of the non-executive directors

Hays' non-executive directors have a mix of business skills, knowledge and experience acquired across sectors and the world. This allows them to provide a strong, independent and external perspective to Board discussions. In turn, this leads to a diversity of views being aired at Board meetings, robust and constructive debate and optimal decision-making. At the same time, it also reduces the likelihood of any one perspective from unduly prevailing.

A key role of the non-executive directors is to scrutinise the executive management in meeting agreed objectives and to monitor the reporting of performance. They also ensure that financial controls and systems of risk management are both rigorous and appropriate for the needs of the business.

The terms and conditions of appointment of non-executive directors, including the expected time commitment, are available for inspection at the Company's registered office.

During the year, the Board considered the independence of each of the non-executive directors, save for the Chairman who was deemed independent by the Board at the date of his appointment. In doing so, it took advice from the Nomination Committee and concluded that each non-executive director remained independent of management and free from any relationship that could interfere with the exercise of their independent judgement. All of Hays' directors are believed to act in the best interests of the Company.

Chairman and Chief Executive

Alan Thomson is the Chairman of Hays and Alistair Cox is its Chief Executive. Their partnership is a complementary and compatible one, based on mutual trust and regular contact. There is a clear division of responsibilities between their roles. The Chairman presides over the Board, whilst the Chief Executive has the ultimate executive responsibility for running the Company's business. This separation of roles enhances the independent oversight of executive management by the Board and more closely aligns the Board with shareholders. It also means that no one individual within the Company has unfettered powers of decision-making.

Senior Independent Director

Paul Harrison was appointed by the Board as its Senior Independent Director on 9 November 2011. His role is designed to give comfort to fellow directors and shareholders that there is a director on the Board to whom they can turn if ever they have concerns about the way the Board is being run which they cannot address with the Chairman. Whilst there were no requests from directors or shareholders for access to the Senior Independent Director during the year, the role serves as an important check and balance in Hays' governance process.

KEY ROLES AND RESPONSIBILITIES

CHAIRMAN
Alan Thomson
- Leadership and the effective operation of the Board.
- Chairing the Board and Nomination Committee.
- Setting the agenda, style and tone of Board discussions including promoting openness, debate and effective individual contribution.
- Ensuring that all directors receive clear and accurate information on a timely basis.
- Ensuring the effectiveness of the Board through induction, ongoing training and regular evaluations.
- Effective communications with shareholders.

CHIEF EXECUTIVE
Alistair Cox
- Day-to-day management of the Group's business.
- Formulating strategic business objectives for Board approval and implementing approved strategic objectives and policies.
- Managing and optimising the operational and financial performance of the business in conjunction with the Group Finance Director.
- Fostering a good working relationship with the Chairman.
- Chairing the Management Board and developing senior talent within the business for succession planning.

SENIOR INDEPENDENT DIRECTOR
Paul Harrison
- Acting as a sounding board for the Chairman.
- Serving as an alternative contact and intermediary for other directors and shareholders.
- Leading the Chairman's annual performance appraisal and ultimate succession.

COMPANY SECRETARY & GENERAL COUNSEL
Doug Evans
- Acting as Secretary to the Board, its Committees and the Management Board.
- Providing legal and governance support to the Board as a whole and directors individually.
- Ensuring that the Group complies with all relevant legal, regulatory and governance requirements.

CORPORATE GOVERNANCE STATEMENT CONTINUED

BOARD EFFECTIVENESS

Matters reserved for the Board

The decisions taken by the Board largely relate to matters of governance and business where independence from executive management is important. These decisions are detailed in a schedule of matters reserved for the Board, which can be found on the Company's website, and include the following:

- Approving financial results and other financial, corporate and governance matters;
- Approving material contracts;
- Approving Group strategy;
- Approving appointments to the Board;
- Approving and recommending dividends as appropriate and deciding dividend policy;
- Reviewing material litigation;
- Approving major capital projects, acquisitions and disposals;
- Reviewing annually the effectiveness of internal control and the nature and extent of significant risks identified by management and associated mitigation strategies; and
- Approving the annual budget.

Board decisions are usually by consensus at Board meetings. On occasion, decisions may be taken by a majority of Board members. In the case of an equality of votes, Hays' Articles of Association do not provide the Chairman with a second or casting vote.

Board commitment

The Board has established a policy permitting its executive directors to hold only one external non-executive directorship or FTSE Chairmanship, subject to any possible conflict of interest. This ensures that executive directors retain sufficient time for and focus on the Company's business, whilst allowing them to gain external Board exposure as part of their leadership development. Executive directors' are permitted to retain any fees paid for such services. Details of fees received by each of the executive directors for the year ended 31 March 2013 are shown below:

Director	Fee	External appointment
Alistair Cox	£65,000	3i plc
Paul Venables	£53,000	Wincanton plc

Whilst the Company does not have a similar policy for non-executive directors, their key external commitments are reviewed each year to ensure that they too have sufficient time commitment for the fulfilment of their Board responsibilities. Key external commitments of the Board are included within their biographies on pages 50 and 51.

Information and support

The formal schedule of matters reserved for the Board forms the basis of its agenda each year. The Board meets regularly throughout the year and agrees a forward calendar of matters that it wishes to discuss at each meeting. Standing items, including operational, functional and financial reviews, and Committee updates are considered at each scheduled Board meeting, with unplanned items such as commercial or property-related decisions being considered as and when required.

All Board directors have access to Doug Evans, the Company Secretary, who advises them on Board and governance matters. The Chairman and the Company Secretary work together to ensure that briefing papers submitted to the Board are clear, accurate and timely, and of sufficient quality to enable the Board to discharge its duties. As well as the support of the Company Secretary, there is a procedure in place for any director to take independent professional advice at the Company's expense in the furtherance of their duties, where considered necessary.

Board attendance

The Board met a total of eight times during the year. Seven of these times were at scheduled Board meetings and the eighth was at an annual Strategy Review with the Management Board being present. Five scheduled Board meetings were held in the UK and one in each of Belgium and Australia. No ad hoc Board meetings were held during the year under review.

Board and Committee attendance for scheduled meetings during the year under review are shown below.

BOARD ATTENDANCE

	Board	Audit Committee	Nomination Committee	Remuneration Committee
Alan Thomson	7 of 7	–	3 of 3	–
Alistair Cox	7 of 7	–	–	–
William Eccleshare(1)	6 of 7	3 of 4	2 of 3	5 of 5
Paul Harrison	7 of 7	4 of 4	3 of 3	5 of 5
Victoria Jarman	7 of 7	4 of 4	3 of 3	5 of 5
Richard Smelt	7 of 7	4 of 4	3 of 3	5 of 5
Paul Stoneham(2)	3 of 4	2 of 2	1 of 2	2 of 2
Paul Venables	7 of 7	–	–	–
Pippa Wicks(3)	7 of 7	3 of 4	3 of 3	5 of 5
Torsten Kreindl(4)	0 of 0	0 of 0	0 of 0	0 of 0

(1) William Eccleshare was unavailable for one Board meeting, one Audit Committee meeting and one Nomination Committee meeting during the year due to prior business obligations.
(2) Paul Stoneham was unavailable for one Board meeting and one Nomination Committee meeting held during the year prior to his resignation on 7 November 2012. This was due to prior business engagements.
(3) Pippa Wicks was unavailable for one Audit Committee meeting during the year due to prior business obligations.
(4) No Board meetings were held between the date of Torsten Kreindl's appointment to the Board on 1 June 2013 and the year end 30 June 2013.

Board induction and development

On appointment, each director takes part in a tailored induction programme which is designed to give him or her an understanding of the Company's business, governance and stakeholders. Elements of the programme include:

- Senior management briefings to provide a business overview, current trading conditions and strategic commercial issues;
- Meetings with the Company's key advisers and major shareholders, where necessary;
- Business site visits across regions;
- A legal and regulatory briefing on the duties of directors of listed companies;
- Details of the Group corporate structure, Board and Committee structures and arrangements and key policies and procedures; and
- The latest statutory financial reports and management accounts.

BOARD FOCUS DURING 2013 – WHAT THE BOARD HAS DONE IN THE YEAR

Developing a successful strategy
Regularly received reports on the Group's strategic performance.

Attended a Strategy Review, with the members of the Management Board, at which key strategic matters were reviewed.

Visited operations in Singapore, Australia and Belgium during which presentations were given by the senior management team on performance and opportunities.

Reviewed the operations and strategy plans for each of the Group's regions.

Ensuring appropriate financial management
Regularly received reports on the Group's financial performance.

Approved financial announcements for publication.

Approved the annual budget.

Approved dividend payments and recommendations as appropriate.

Engaging with advisers
Met with the Company's financial advisers and corporate brokers.

Implementing governance and ethics and monitoring risk
Performed the annual review of the effectiveness of internal control and the nature and extent of risks identified together with mitigation plans.

Reviewed regular reports on legal and compliance matters from the Company Secretary.

Reviewed Board and Committee effectiveness.

Reviewed and approved changes to the terms of reference of the Audit, Nomination and Remuneration Committees.

Reviewed the Company's compliance with the Code.

Motivating employees
Considered the results from TALKback, the Group's employee engagement survey.

Engaging with investors
Received regular updates on views and concerns from investors.

Considered the Company's investor relations strategy.

Building strong leaders
Considered the tools employed in the leadership and development strategy.

Reviewed the Group's succession plans and assessed risks and options.

Good governance requires directors to keep abreast of changes in the business and the legal and regulatory environment in which it operates. The Chairman, with aid from the Company Secretary, ensures that updates are incorporated into the annual agenda of the Board's activities. As well as an annual seminar conducted by the Company's main corporate lawyers and external auditor on latest developments in their fields, relevant update sessions are included in the Board's strategy meetings. The Company Secretary presents a regular corporate governance report to the Board, together with any relevant technical directives issued by the Company's auditor. In this way, each director keeps their skills and knowledge current so they remain competent in fulfilling their role both on the Board and on any Committee of which they are a member.

Board evaluation
During the 2013 financial year the Board assessed its own effectiveness through an external Board evaluation.

Additionally the Chairman held meetings with the non-executive directors to appraise their individual performance. In the same spirit, the Senior Independent Director met with his fellow non-executive directors without the Chairman being present to appraise the Chairman's performance.

The external Board evaluation exercise was conducted by Independent Audit Limited, a company which specialises in board effectiveness reviews and corporate governance; they have no other connection with Hays. Independent Audit Limited observed a Board meeting, reviewed Board papers and had in-depth individual discussions with all directors, members of the Management Board, the lead external audit partner and the adviser to the Remuneration Committee. They presented their findings to the Board at a scheduled meeting in August 2013.

The evaluation involved assessing the many different factors which influence the effectiveness of the Board and its work including the fit of its skills set with the business strategy and operations, the support from management, the quality of information provision, discussion of strategy issues, its approach to risk management, performance monitoring and the Chairman's performance. The evaluation included a review of the Committees.

Based on the Board evaluation report, the directors are satisfied that the Board works well and operates effectively in an environment where there is constructive challenge from the non-executive directors. They are also satisfied with the contribution made by their colleagues and that all the Committees operate properly and efficiently. The report noted in particular the executive directors' constructive and transparent approach to supporting the work of the Board; the quality of information provision; the commitment of the directors; the effectiveness of the Chairman and the steps taken to adjust the composition of the Board.

Specific actions will be implemented during the 2014 financial year and those include:

- Further developing the Board's approach to helping the Chief Executive ensure that the long-term strategic development of the business is sound in the context of market and technological changes and the Company's extensive international operations;
- Increasing the directors' focus on talent management and succession planning; and
- An increased focus on the risk strategy and monitoring of risk exposures.

We will report progress in implementing the above action points in our next Annual Report.

Conflicts of interest
The Company's current procedure for authorising conflicts of interests involves:

i) Ad hoc notifications to the Company Secretary in respect of any new or changes to existing conflicts of interest or duties;

ii) New conflicts being put to the Board for review and, if appropriate, authorised at the Board meeting following disclosure;

iii) An annual review by the Company Secretarial department of the conflicts that have been disclosed to ensure any prior authorisations remain accurate;

iv) An annual declaration by each director that their notified conflicts and related authorisations have not operated against the Company's interests; and

v) An annual review by the Board as to how the arrangements have operated during the financial year.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Each director has reviewed the procedures for authorising conflicts as outlined above and each has confirmed that authorisations relating to them have not operated against the Company's interests during the financial year.

The Board considers these arrangements to be working effectively.

RELATIONS WITH SHAREHOLDERS

Engagement with investors

Responsibility for shareholder relations rests with the Chairman, Chief Executive and Group Finance Director. They ensure that there is effective communication with shareholders on matters such as governance and strategy, and are responsible for ensuring that the Board understands the views of major shareholders on matters such as governance and strategy.

The Company's investor relations programme is supported by a designated Investor Relations team, which acts as the primary point of contact with the investor community and is responsible for managing ongoing relations with investors and shareholders. The Board receives regular reports from the Investor Relations team. Feedback from meetings held between executive management, or the Investor Relations team, and institutional shareholders is also reported to the Board.

As a part of a comprehensive investor relations programme, formal meetings with investors are scheduled with investors and analysts to discuss the Group's interim and final results. In the intervening periods, Hays continues its dialogue with the investor community by meeting key investor representatives, holding investor roadshows and participating in conferences. Meetings with debt providers, principally the Company's banks, also take place on a regular basis. During the year, the executive directors and senior management met with 330 shareholders and potential shareholders around the world. Presentations to analysts are posted on the Company's website at hays.com.

As a reflection of the success of Hays' investor relations efforts, Hays came first in the 2013 Thomson Reuters Extel Survey 21 for best investor relations by a listed company in the European Support Services category. Hays' Group Finance Director, Paul Venables, was ranked first and the Chief Executive, Alistair Cox, was ranked second in a similar poll for best Chief Finance Officer and Chief Executive Officer respectively.

Annual General Meeting

The Board uses the Company's AGM to communicate with investors and welcomes their participation. All shareholders are entitled to attend the AGM at which the Board members are present. The Board views the AGM as a good opportunity to meet with its smaller, private shareholders. A summary presentation of results is given by the Chief Executive before the Chairman deals with the formal business. All shareholders present can question the Chairman, the Chairmen of the Committees and the rest of the Board both during the meeting and informally afterwards.

The Notice of the AGM and related papers are sent to shareholders at least 20 working days before the meeting. Voting on all resolutions at the AGM is on a poll. The proxy votes cast, including details of votes withheld, are disclosed to those in attendance at the meeting and the results are published on our website and announced via the Regulatory News Service.

ACCOUNTABILITY

Risk management and internal control

The Board has overall responsibility for the Group's internal control systems and for reviewing their effectiveness. This has been designed to assist the Board in making better, more risk-informed, strategic decisions with a view to creating and protecting shareholder value. In practice, the Board delegates the task of implementing the Board's policy on risk and control to management. Further support and assistance is provided by an independent Internal Audit function, details of which are provided in the Audit Committee Report.

The Management Board has implemented an enterprise risk management system which allows for a holistic, top-down and bottom-up view of key risks facing the business. These are recorded in a Group risk register, which is reviewed at least twice yearly by the Management Board and submitted to the Board thereafter to enable it to carry its risk oversight responsibility. This exercise involves a current and forward look at various risks affecting the business and prioritising them according to risk magnitude and likelihood. Risks covered include operational, business and compliance risks as well as financial risks. Mitigation procedures are put in place and monitoring of these takes place on an ongoing basis. The principal risks currently facing the business are detailed in the Performance section of this Report.

The Board reviews the Group strategy and approves a Group budget for the organisation each year. To ensure that performance of the business is in line with the plan, financial and operating reporting procedures are in place. Comprehensive annual budgets and forecasts are approved by the Management Board and business divisions. Monthly progress and variances are reported to the Management Board and subsequently to the Board at each meeting as part of the control process. Complementing these financial controls is a set of Group-wide policies and procedures addressing non-quantifiable risks. These include the Group's Code of Conduct and Ethics, Anti-Bribery and Corruption Policy, and Whistleblowing arrangements. The Board regularly receives management and Committee reports which also form part of the internal control system.

The Group's internal control procedures are subject to regular review and provide an ongoing process for identifying, evaluating and managing significant risks. This is in accordance with the Turnbull Guidance 'Internal Control – Guidance for Directors on the Combined Code'. The Board recognises that such a system has its limitations in that risk management requires independent judgement on the part of directors and executive management. Internal controls are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

In accordance with its regulatory obligations, the Board, with the assistance of the Audit Committee, carried out an annual assessment of the effectiveness of the Group's risk management and internal control system during the reporting period. During the course of its review, the Board did not identify or hear of any failings or weaknesses that it determined to be significant. A confirmation of any necessary actions is therefore not provided.

NOMINATION COMMITTEE REPORT

In today's global business environment, sustainable success is driven to a large degree by the talent, vision and leadership capabilities of the Board.

ROLE OF THE NOMINATION COMMITTEE

The role of the Nomination Committee is summarised below and detailed in full in its terms of reference, a copy of which is available on the Company's website hays.com under corporate governance.

The main responsibilities of the Committee are to:

- Review the structure, size and composition (including skills, knowledge, experience, diversity and balance of executive and non-executive directors) of the Board and its Committees and make recommendations to the Board with regard to any changes;
- Consider succession planning for directors and other senior executives;
- Identify and nominate for the approval of the Board, candidates to fill Board vacancies; and
- Keep under review the time commitment expected from the Chairman and the non-executive directors.

DEAR SHAREHOLDER

The work of the Nomination Committee in the past year has been focused on maintaining a balance of experienced directors and refreshing the Board to ensure a continuous infusion of new ideas.

The aim has been to ensure that the Board can serve the current and future needs of the business in the ever-changing environment in which it operates.

Our efforts in the past year have been concentrated on identifying candidates who understand the impact of technology on our business. The Nomination Committee identified and recommended the appointment of Torsten Kreindl as a new director for his experience in social media and digital communication. We are delighted in welcoming him to the Board.

In leading the search and recommendation of new directors, the Nomination Committee works on the key principle that Board appointments will be made on merit, in line with our current and future requirements. The Nomination Committee recognises the benefit of diversity and provided we remain true to our key principle, we will aim to build on our existing diverse composition in the future.

Further non-executive appointments to the Board remain under consideration.

ALAN THOMSON
Nomination Committee Chairman

29 August 2013

NOMINATION COMMITTEE REPORT CONTINUED

Nomination Committee members

The Nomination Committee is appointed by the Board. It is chaired by the Chairman of the Board and comprises the non-executive directors, all of whom are independent, save for the Chairman who was independent on appointment. The names and qualifications of the Committee's current members are set out in the directors' biographies on pages 50 and 51.

Paul Stoneham resigned as a member of the Nomination Committee at the same time as he retired from the Board on 7 November 2012. Torsten Kreindl was appointed to the Nomination Committee upon joining the main Board as a director on 1 June 2013.

Meetings

The Nomination Committee met three times during the year and attendance at those meetings is set out in the corporate governance section of this Report. Other regular attendees at Committee meetings include the Company Secretary and, on invitation, the Chief Executive and Group Finance Director.

MAIN NOMINATION COMMITTEE ACTIVITIES DURING THE FINANCIAL YEAR

- Led the process for the appointment of a new non-executive director;
- Reviewed the composition of the Board and its Committees; and
- Considered and recommended the election and re-election of each director as appropriate, at the AGM.

Non-executive director appointment process

Last year, it was reported to shareholders that the Nomination Committee had identified the need for greater technology and international business experience at Board level. With these criteria in mind, Hays secured the services of Torsten Kreindl as an independent non-executive director.

The search process for new non-executive directors involved the Nomination Committee determining appointment criteria in the first instance and then utilising the services of Egon Zehnder and Russell Reynolds, both reputable executive search firms, to identify potential candidates. A long list of potential appointees was considered and candidates were shortlisted for interview based upon their fulfilment of the appointment criteria. The Committee then recommended the appointment of three possible candidates to the Board for appointment. Torsten Kreindl emerged as the preferred candidate and was subsequently appointed by the Board. Care was taken to ensure that all proposed candidates had sufficient time available to devote to the role and did not have any conflicts of interest.

Succession planning

A key task of the Nomination Committee is to review the Company's succession plans for members of the Board. During the 2013 financial year the Committee has focused on the following matters:

- Executive succession planning, with particular focus on country-specific business leadership; and
- Board succession planning with a view to implementing a phased approach to refreshing the Board over the next two years, aimed at balancing Board evolution with stability.

Board appointment criteria are considered automatically as part of the Nomination Committee's approach on succession planning. The Nomination Committee believes that limited tenure and the subsequent enforced retirement of directors is not always appropriate for sound business leadership. Accordingly, matters of director tenure are viewed on a case-by-case basis.

At present, the Board has not set any specific aspirations in respect of gender diversity though it believes that refreshment of the Board should take into account the need to consider diversity in all forms.

Tenure of non-executive directors

Appointments to the Board are made on the basis of three-year terms and are ordinarily limited to three terms in office. Hays currently has three long-tenured non-executive directors, namely William Eccleshare, Paul Harrison and Richard Smelt. At the time of the 2013 AGM, these directors will have served on the Hays plc Board for more than six years. With this in mind, Board succession and composition remains a priority for the coming year as the Board executes its succession plan. Continuity at Board level is considered important during this time.

William Eccleshare has been an effective non-executive director of Hays for many years and is approaching his ninth anniversary of service on the Board. He continues to provide valuable leadership for Hays and his long ties with the Company provide useful context and corporate memory for the Board. On behalf of the Board, the Nomination Committee has used its judgement and discretion to determine that William Eccleshare remains fully independent of character and judgement notwithstanding his length of service, and has no material conflicts of interest that may interfere in his ability to act in the best interests of the Company.

Activities during the year

The biographical details of the current directors can be found on pages 50 and 51. Having reviewed their independence and contribution, the Nomination Committee confirms that the performance of each of the directors standing for election or re-election at the 2013 AGM, continues to be effective and demonstrates commitment to their roles, including independence of judgement, commitment of time for Board and Committee meetings and any other duties.

Accordingly, the Nomination Committee has recommended to the Board that all current directors of the Company be proposed for election or re-election, as appropriate, at the forthcoming AGM.

AUDIT COMMITTEE REPORT

Informed, diligent and probing, the Audit Committee remains focused on high-quality oversight.

DEAR SHAREHOLDER
Strong governance is a key feature of the way Hays manages its business and risks, with the Audit Committee playing a central role in the governance process.

The Audit Committee supports the Board in meeting its responsibilities in relation to the integrity of the Group's financial statements and the effectiveness of internal control systems. These primary objectives were met through consideration and review of the full year and half year results and through review of the work of Internal Audit and other assurance providers.

During the 2013 financial year, the Committee has, amongst other matters, focused on the continuous improvement of its enterprise risk management framework against the backdrop of Hays' growing international business and with the clear aim of embedding this at a country level. Hays is making sure it will be well placed to meet the challenges and opportunities it faces in an increasingly global environment.

VICTORIA JARMAN
Audit Committee Chairman

29 August 2013

ROLE OF THE AUDIT COMMITTEE
The remit of the Audit Committee is summarised below and is detailed in full in its terms of reference, a copy of which is available on the Company's website hays.com under corporate governance.

The key responsibilities of the Committee are to:

- Consider the appropriateness of the Company's financial statements and, other than quarterly trading statements, examine formal announcements relating to its financial performance including any significant judgements;
- Recommend to the Board for approval by shareholders, the appointment, reappointment or removal of the external Auditor;
- Monitor the relationship with the Company's external Auditor, including consideration of fees, audit scope and terms of engagement;
- Review the effectiveness and objectivity of the external audit and the Auditor's independence;
- On engagement of the external Auditor, review the policy for the provision of non-audit services and monitor compliance;
- Monitor and review the Company's internal control and risk management systems;
- Monitor and review the effectiveness of the Company's Internal Audit function; and
- Ensure compliance with laws, regulations, ethical and other issues, including that the Company maintains suitable arrangements for employees to raise concerns in confidence.

Audit Committee members

The Audit Committee is appointed by the Board from its independent non-executive directors, all of whom are financially literate. The names and qualifications of the Committee's current members are set out in the directors' biographies on pages 50 and 51.

The Chairman of the Audit Committee and its financial expert, Victoria Jarman, is a Chartered Accountant, who also currently sits on the Audit Committee of De la Rue plc. Paul Stoneham resigned as a member of the Audit Committee at the same time as he retired from the Board on 7 November 2012. Torsten Kreindl was appointed to the Audit Committee upon joining the main Board as a Director.

Meetings

The Audit Committee discharges its responsibilities through a series of scheduled meetings during the year, the agenda of which is linked to events in the financial calendar of the Company. The Audit Committee met four times during the financial year and attendance at those meetings is set out in the corporate governance section of this Report.

The Audit Committee commissions reports, either from external advisers, the Head of Internal Audit, or Group management, as required, to enable it to discharge its duties. The Group Finance Director and the Group Financial Controller attend its meetings, as do the external Auditor and the Head of Internal Audit, both of whom have the opportunity to meet privately with the Audit Committee Chairman, in the absence of Group management. The Chairman of the Board and the Chief Executive are also invited to attend Audit Committee meetings.

AUDIT COMMITTEE REPORT CONTINUED

MAIN AUDIT COMMITTEE ACTIVITIES DURING THE FINANCIAL YEAR

- Approved the annual Audit Committee programme;
- Reviewed financial results for publication;
- Considered the external audit plan and reviewed the results of the audit;
- Approved the Internal Audit plan and reviewed its findings;
- Reviewed the non-audit services provided by the external Auditor;
- Reviewed the risk management and controls framework and its effectiveness together with the Group's principal risks;
- Reviewed the performance and effectiveness of the external Auditor and considered its reappointment;
- Reviewed the performance and effectiveness of the Internal Audit function;
- Reviewed the Group's whistleblowing arrangements;
- Carried out a review of the Audit Committee's effectiveness and reviewed progress on matters arising from previous assessments;
- Reviewed the Committee's terms of reference;
- Recommended the 2013 Audit Committee Report for approval by the Board; and
- Held discussions with the external Auditor and the Head of Internal Audit without management being present.

Annual Report review

In addition to its work described above, the Audit Committee has reviewed the financial and narrative disclosures in this year's Report. It has advised the Board that, in its view, taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

External Auditor

Both the Audit Committee and the Board keep a close check on the external Auditor's independence and objectivity, particularly in regard to its reporting to shareholders. Deloitte has been the external Auditor of the Group since listing. Professional rules require that the Company's Audit Partner at Deloitte LLP be rotated every five years. Following meetings with the Committee Chairman and the Group Finance Director a new lead partner, Stephen Griggs, was last appointed following the 2011 year end results.

During the year, the Audit Committee has kept under review proposed regulatory and best practice developments in connection with the tendering of its independent external audit contract every 10 years. In line with the Financial Reporting Council's proposed transitional guidelines, the Audit Committee has resolved that a full tender of the Company's external audit contract will take place following the 2016 year end results, which is when the tenure of the current Audit Partner at Deloitte comes to an end. Any recommendation for the appointment of the external Auditor will continue to be the subject of rigorous review each year.

Auditor independence and non-audit services policy

The Audit Committee believes that the issue of non-audit services to Hays is closely related to external Auditor independence and objectivity. The Committee recognises that the independence of the external Auditor may reasonably be expected to be compromised if they also act as the Company's consultants and advisers. Having said that, the Audit Committee accepts that certain work of a non-audit nature is best undertaken by the external Auditor. To keep a check on this, the Audit Committee has adopted a policy to ensure that the provision of any non-audit services by Deloitte does not impair its independence or objectivity.

The key features of the non-audit services policy are as follows:

- The provision of non-audit services provided by the Company's external Auditor be limited to a value of one times the prior year's audit fee;
- Any non-audit project work which could impair the objectivity or independence of the external Auditor may not be awarded to the external Auditor; and
- Delegated authority by the Audit Committee for the approval of non-audit services by the external Auditor is as follows:

Authoriser	Value of services per non-audit project
Group Financial Controller	Up to £25,000
Group Finance Director	Up to £150,000
Audit Committee	Above £150,000

Deloitte LLP's fee in respect of its 2012 financial year audit of Hays was £0.8 million. Accordingly, the maximum value of non-audit services that Deloitte LLP could have been engaged by Hays to provide during the financial year 2013 was £0.8 million. The total audit fee for non-audit services provided by Deloitte during the 2013 financial year was £0.6 million (2012: £0.2 million). The main components of the £0.6 million non-audit services were as follows:

- Interim review: £0.1 million; and
- Taxation advice in three main areas: namely a global transfer pricing and documentation review: £0.1 million; simplifying the tax structure following the resolution of a series of legacy tax issues abroad: £0.1 million; and country tax advice in CE&RoW non-UK: £0.1 million.

No single non-audit project undertaken by Deloitte during the 2013 financial year exceeded £150,000. The Company did not pay any non-audit fees to Deloitte on a contingent basis. A summary of the fees paid to the external Auditor is set out in note 6 to the Consolidated Financial Statements.

Having reviewed Hays' non-audit services policy this year, the Audit Committee is satisfied that adequate procedures are in place to safeguard the external Auditor's objectivity and independence.

Effectiveness of the external Auditor

Under the guidance of the Audit Committee Chairman, a formal review of Deloitte's performance and effectiveness was conducted by the Audit Committee. This involved a formal paper-based appraisal, discussions with the Group Finance Director and Group Financial Controller, a review of Deloitte's independence and objectivity as previously described and an assessment of Deloitte's fulfilment of the agreed audit plan. Improvements in country-specific audits were noted. The Audit Committee concluded that Deloitte had carried out its obligations as external Auditor to the Group in an effective and appropriate manner. Following on from this review, the Audit Committee has recommended to the Board that Deloitte be reappointed as external Auditor to the Group.

Risk management and internal control

During the financial year, the Audit Committee reviewed the adequacy and effectiveness of the Group's internal control procedures and risk management systems. This was largely done through the work of the Internal Audit team. The Audit Committee considered the Group's risk assessment process which included coverage across the business and regions within which the Group operates, the effectiveness of the risk methodology employed and the risk mitigation measures implemented.

Internal Audit

The Audit Committee oversees the work of Internal Audit which reviews key controls throughout the Group on a rolling basis. The Head of Internal Audit has direct access to the Audit Committee, and meets regularly with both the Committee and its Chairman without the presence of management to consider the work of Internal Audit.

The Audit Committee approved the programme of internal audit work in respect of the 2013 financial year, aimed at addressing both financial and overall risk management objectives across the Group. 28 internal audit reviews were undertaken during the year, the findings of which were reported to the Management Board and Audit Committee thereafter. Implementation of Audit Committee recommendations were subsequently tracked and progress was reported back to the Audit Committee. No significant weaknesses were identified as a result of risk management and internal control reviews undertaken by Internal Audit during the reporting period.

The Audit Committee believes that the Group's enterprise risk management framework needs to evolve further in line with the growth of Hays' business around the world. Accordingly, throughout the financial year, the Internal Audit team has been working with Hays' operating companies across the globe to further enhance and embed the enterprise risk management framework at a local level.

Raising Concerns at Work

Throughout the year, a whistleblowing procedure titled 'Raising Concerns at Work' has been in place across the Group. This allows employees to confidentially raise any concerns about business practices through a third party. Disclosures under these arrangements are investigated promptly by Internal Audit and escalated to the Management Board and Audit Committee as appropriate, with follow-up action being taken as soon as practicable thereafter. As part of its overall review of the Group's system of internal control, the Audit Committee reviewed these procedures during the reporting period, and is satisfied that they are appropriate to the size and scale of the Group.

Anti-bribery and corruption

Hays has a zero tolerance approach to bribery and corruption. The Group Anti-Bribery and Corruption Policy (with specific reference to the Bribery Act) is issued to all employees, with training provided in the local language and concentrated in particular in high-risk countries in which Hays operates. The Committee reviewed the effectiveness of the policy during the year and concluded that it was sufficient for managing the anti-bribery and corruption risks faced by the Group.

Audit Committee effectiveness

The Audit Committee considered its effectiveness in discharging its duties during the year. The Committee looked at the work it had carried out during the year and considered that its performance during the year was effective when measured against its terms of reference and general audit committee best practice. Details of the main activities of the Audit Committee and its role and responsibilities have been detailed earlier in this Report.

The Chairman of the Audit Committee will be available at this year's AGM to answer any questions on the work of the Audit Committee.

DIRECTORS' REPORT

Hays is incorporated in the UK and registered as a public limited company in England and Wales. Its headquarters are in London and it is listed on the main market of the London Stock Exchange.

PRINCIPAL ACTIVITIES
Hays is the leading global expert in qualified, professional and skilled recruitment. Further details of the Group's activities are detailed in the Overview, Strategy and Performance sections of this Report.

The principal subsidiary and associated undertakings of Hays during the year are listed in note 14 on pages 117 and 118.

BUSINESS REVIEW
A review of the Group's business and developments during the year are set out in the Overview, Strategy and Performance sections of this Report.

An overview of the principal risks and uncertainties faced by the Group are provided in the Performance section of this Report.

The Statement of Compliance with the Code for the reporting period is contained in the Corporate Governance section.

Information on environmental, employee, social and community matters is detailed in the Corporate & Social Responsibility section.

Information relating to matters addressed by the Audit, Remuneration and Nomination Committees, which operate within clearly defined terms of reference, are set out within the Audit, Remuneration and Nomination Committee Reports.

All of the matters above are incorporated by reference in this Directors' Report.

The purpose of this Report is to provide information to the members of the Company, as a body. The Company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. This Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Report. Nothing in this Report should be construed as a profit forecast.

RELATED PARTY TRANSACTIONS
Details of the related party transactions undertaken during the reporting period are contained in note 30 to the Consolidated Financial Statements.

POST BALANCE SHEET EVENTS
There have been no significant events to report since the date of the balance sheet.

DIVIDENDS
An interim dividend of 0.83 pence (2012: 0.83 pence) per ordinary share was paid to shareholders on 15 April 2013. The Board recommends the payment of a final dividend of 1.67 pence (2012: 1.67 pence) per ordinary share, representing a total dividend of 2.50 pence (2012: 2.50 pence) for the financial year ended 30 June 2013. Subject to the shareholders of the Company approving this recommendation at the 2013 AGM, the final dividend will be paid on 15 November 2013 to those shareholders appearing on the register of members as at 11 October 2013. The ex-dividend date is 9 October 2013.

MATERIAL AGREEMENTS CONTAINING CHANGE OF CONTROL PROVISIONS
The Company has an unsecured borrowing facility which was refinanced during the year. This facility generally includes provisions that may require any outstanding borrowings to be repaid on the alteration or termination of the facilities upon the occurrence of a change of control of the Company.

The Company operates several share schemes for the benefit of its employees who are essential stakeholders in the Company's business. The rules of each share scheme contain provisions relating to the vesting of awards in the event of a change of control.

SIGNIFICANT AGREEMENTS
Individual companies in the Group have contractual and other arrangements with many third parties in support of the Group's business activities. Such contracts and arrangements may be deemed essential to one or more operating company but there are no contracts or arrangements considered to be essential to the Group as a whole.

FINANCIAL INSTRUMENTS
Details of the financial instruments used by the Group are set out in notes 17 to 19 of the Consolidated Financial Statements. A general outline of Hays' use of financial instruments is set out in the treasury management section on page 33 of the Financial Review of this Report.

CREDITOR PAYMENT POLICY
It is Hays Group policy that suppliers be paid in accordance with those terms and conditions agreed between the Company and the supplier, provided that all trading terms and conditions have been complied with. For the year ended 30 June 2013, the average payment period for trade creditors was 32 days (2012: 32 days).

DIRECTORS
Biographies of the serving directors of Hays are provided on pages 50 and 51 of this Report. They all served on the Board throughout the 2013 financial year, save for Paul Stoneham and Torsten Kreindl, who both served on the Board for only part of the year. As previously noted, Paul Stoneham retired from the Board at the AGM held on 7 November 2012 and Torsten Kreindl was appointed to the Board on 1 June 2013.

GENERAL POWERS OF DIRECTORS
The powers of the directors are contained in the Company's Articles of Association. These powers may be exercised by any meeting of the Board at which a quorum of three directors is present. The power of the Board to manage the business is subject to any limitations imposed by the Companies Act 2006, the Articles of Association (Articles) or any directions given by special resolution of the shareholders applicable at a relevant time.

The Articles contain an express authority for the appointment of executive directors and provide the directors with the authority to delegate or confer upon such directors any of the powers exercisable by them upon such terms and conditions and with such restrictions as they see fit. The Articles contain additional authorities to delegate powers and discretions to committees and subcommittees.

DIRECTORS' POWERS TO ALLOT AND BUY BACK SHARES
The directors have the power to authorise the issue and buy-back of the Company's shares by the Company, subject to authority being given to the directors by the shareholders in general meeting, applicable legislation and the Articles.

APPOINTMENT AND REPLACEMENT OF DIRECTORS
Shareholders may appoint any person who is willing to act as a director by ordinary resolution and may remove any director by ordinary resolution. The Board may appoint any person to fill any vacancy or as an additional director, provided that they are submitted for re-election by the shareholders at the AGM following their appointment. Specific conditions apply to the vacation of office, including cases where a director becomes prohibited by law or regulation from holding office, or is persistently absent from directors' meetings, or if three-quarters of appointed directors request his or her resignation or in the case of mental incapacity or bankruptcy.

DIRECTORS' INTERESTS
Details of the interests of Hays' directors and their connected persons in the ordinary shares of the Company are outlined in the Remuneration Report.

DIRECTORS' INDEMNITIES
In accordance with the Company's Articles, the Company maintains third party directors' & officers' liability Insurance for the benefit of its directors. This provides insurance cover for any claim brought against directors or officers for wrongful acts in connection with their positions. The insurance provided does not extend to claims arising from fraud or dishonesty and it does not provide cover for civil or criminal fines or penalties provided by law.

SHARE CAPITAL
Hays has one class of Ordinary shares which carry no right to fixed income or control over the Company. These shares may be held in certificated or uncertificated form. On 30 June 2013, the Company had 1,464,096,566 fully paid Ordinary shares in issue, of which 65,248,313 Ordinary shares were held in treasury by the Company.

The rights and obligations attaching to the Company's Ordinary shares are contained in the Articles. In brief, the Ordinary shares allow holders to receive dividends and to exercise one vote on a poll per Ordinary share for every holder present in person or by proxy at general meetings of the Company. They also have the right to a return of capital on the winding up of the Company.

There are no restrictions on the size of holding or the transfer of shares, which are both governed by the general provisions of the Company's Articles and legislation. Under the Articles, the directors have the power to suspend voting rights and the right to receive dividends in respect of Ordinary shares and to refuse to register a transfer of Ordinary shares in circumstances where the holder of those shares fails to comply with a notice issued under Section 793 of the Companies Act 2006. The directors also have the power to refuse to register any transfer of certificated shares that does not satisfy the conditions set out in the Articles.

The Company is not aware of any agreements between shareholders that might result in the restriction of transfer of voting rights in relation to the shares held by such shareholders.

TREASURY SHARES
As Hays has only one class of share in issue, it may hold a maximum of 10% of its issued share capital in treasury. As at 30 June 2013, 4.46% of the Company's shares were held in treasury. Legislation restricts the exercise of rights on Ordinary shares held in treasury. The Company is not allowed to exercise voting rights conferred by the shares whilst they are held in treasury. It is prohibited from paying any dividend or making any distribution of assets on treasury shares.

Once in treasury, shares can only be sold for cash, transferred to an employee share scheme or cancelled. During the 2013 financial year, Hays transferred 9,352,672 shares out of treasury to satisfy the award of shares under the Company's employee share schemes.

SHARES HELD BY THE EMPLOYEE BENEFIT TRUST
The Hays plc Employee Share Trust (the Trust) is an employee benefit trust which holds Ordinary shares in the Company for employee share schemes purposes. The total number of shares held by the Trust as at the year end are detailed in note 28 to the Consolidated Financial Statements on page 108. The shares will be held in the Trust until such time as they may be transferred to participants of the various Group share schemes. No voting rights are exercised in relation to shares unallocated to individual beneficiaries.

DILUTION LIMITS IN RESPECT OF SHARE SCHEMES
The current Association of British Insurers (ABI) guidance on dilution limits provide that the overall dilution under all share plans operated by a company should not exceed 10% over a 10-year period in relation to the Company's share capital, with a further limitation of 5% in any 10-year period on executive plans. The Company's share plans operate within ABI recommended guidelines on dilution limits.

DIRECTORS' REPORT
CONTINUED

MAJOR SHAREHOLDERS

As at 30 June 2013, the following shareholders held an interest of 3% or more of the issued share capital:

	% of total voting rights
Vitrus Trust Limited	7.5%
Cedar Rock Capital Limited	6.8%
Franklin Resources	6.1%
Baillie Gifford & Co	5.6%
Sun Life Financial Group	4.3%
Capital Group	3.8%
Majedie Asset Management Limited	3.6%
Legal & General Group Plc	3.5%
Marathon Asset Management	3.5%
BlackRock Inc	3.1%
Heronbridge Investment Management LLP	3.0%

EMPLOYEES

Our goal at Hays is for our people to reach their full potential and to give of their best as individuals and in teams. In this context, we are committed to never discriminating on the grounds of race, colour, creed, disability, religion, ethnic origin, gender, sexual orientation or age. All Hays employees are required to abide by these principles which are set out in the Group's Equal Opportunities Policy and Code of Conduct.

Hays gives full consideration to applications for employment from disabled persons where they have the right skills and abilities for the role. Should an employee become disabled whilst working for the Group, Hays would make every effort to accommodate them, to assist them in any re-training or to find suitable alternative employment within the Group.

EMPLOYEE INVOLVEMENT

Ongoing communication forms the basis of the partnership between Hays' leadership and workforce. Employees receive business performance updates from Alistair Cox, the Chief Executive, and from their respective regional managing directors, by email on a four-weekly basis. These are posted on the Group's intranet, which acts as a source of reference for the Group's brand, values, policies and procedures.

Hays continues to provide tailored training to the people who are in the front line of delivering recruitment solutions as well as in management and leadership roles. These programmes take a number of different guises across the Group's regional businesses but all share the common goal of improving the service we provide to clients.

To ensure that Hays employees remain engaged in its business, an annual employee engagement survey, known as TALKback, is carried out each year. This allows employees to voice their views and opinions in all aspects of their workplace environment, training and development, work culture, leadership and client relations. The results, which indicate employee engagement levels and highlight any areas of concern, are presented to the Management Board and to the Board.

Hays believes that loyalty works and considers its employee incentive programme of commission schemes, performance-related cash bonuses and share schemes to be important factors in keeping its employees motivated. The employee share schemes have been running successfully since inception and provide many employees with an additional stake in the business.

CHARITABLE AND OTHER DONATIONS

Charitable donations for the year by the Hays Group in support of organisations involved in health, education and the community amounted to £182,300 (2012: £202,000). No contributions for political purposes were made.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Overview, Strategy and Performance sections of this Report. The financial position of the Group, its cash flows and liquidity position are described in the Performance section of this Report, with details of the Group's treasury activities, long-term funding arrangements and exposure to financial risk included in notes 18 and 19 to the Consolidated Financial Statements.

The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments and any proposed dividends. The Group is therefore well placed to manage its business risks, despite the current uncertain economic outlook.

After making enquiries, the directors have formed the judgement at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

ARTICLES OF ASSOCIATION

The Company's Articles may only be amended by special resolution of the shareholders.

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the directors who held office at the date of approval of this Report are aware, there is no relevant audit information of which the external Auditor is unaware and each director has taken all steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the external Auditor is aware of that information.

This confirmation should be interpreted in accordance with Section 418 of the Companies Act 2006.

2013 ANNUAL REPORT AND ACCOUNTS

On the recommendation of the Audit Committee and having considered all matters brought to the attention of the Board during the financial year, the Board is satisfied that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable. The Board believes that the disclosures set out in the Annual Report provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

ANNUAL GENERAL MEETING

The Notice of AGM, to be held at 12 noon on 13 November 2013 at the Royal College of Physicians, 11 St Andrews Place, Regent's Park, London NW1 4LE, is contained in a separate circular to shareholders which is being mailed or otherwise provided to shareholders at the same time as this Report.

The Notice of Meeting sets out the resolutions to be proposed at the AGM and gives details of the voting record date and proxy appointment deadline for that Meeting. Resolutions 1 to 14 comprise ordinary business and resolutions 15 to 19 special business.

AUDITOR

Resolutions 13 and 14 at the forthcoming AGM will respectively propose the reappointment of Deloitte LLP as Auditor of the Company and authorise the directors to determine its remuneration. These resolutions will be proposed as ordinary resolutions and shall have effect until the conclusion of the next general meeting of the Company at which accounts are laid.

POLITICAL DONATIONS

The Company made no political donations during the year and intends to maintain its policy of not making such payments. It will however as a precautionary measure to avoid inadvertent breach of the law, seek shareholder authority at the 2013 AGM to make limited donations or incur limited political expenditure, although it has no intention of using the authority.

Resolution 15 will be proposed as an ordinary resolution to seek authority to make political donations, and if passed, such authority shall expire at the conclusion of the 2014 AGM.

AUTHORITY TO ALLOT SHARES

At the 2012 AGM, shareholders authorised the directors, subject to the Companies Act 2006, to allot Ordinary shares or grant rights to subscribe for or grant rights to subscribe for or convert any securities into shares without the prior consent of shareholders. This authority expires at the conclusion of the 2013 AGM. Accordingly, Resolution 16 will be proposed as an ordinary resolution to renew this authority for a period expiring at the conclusion of the 2014 AGM. The directors have no present intention of exercising this authority.

DISAPPLICATION OF PRE-EMPTION RIGHTS

Also at last year's meeting, a special resolution was passed under the Companies Act 2006 empowering the directors to allot equity securities for cash without first being required to offer such shares to existing shareholders. Resolution 17 will seek to renew this authority. If approved, the resolution will authorise directors in accordance with the Articles to issue shares in connection with a rights issue and otherwise to issue shares for cash up to a specified maximum nominal amount which includes the sale on a non-pre-emptive basis of any shares held in treasury.

Resolution 17 will be proposed as a special resolution to renew this authority for a period expiring at the conclusion of the 2014 AGM.

AUTHORITY TO PURCHASE OWN SHARES

A special resolution was also passed at last year's meeting enabling the Company to purchase its own shares in the market. Resolution 18 will seek to renew this authority. The directors intend only to exercise this authority if to do so would, in their opinion, enhance shareholder value. The Company will have the option of holding, as treasury shares, any of its own shares that it purchases pursuant to the authority conferred by this resolution. This would give the Company the ability to sell treasury shares, providing the Company with flexibility in the management of its employee shares schemes. No dividends will be paid on shares whilst held in treasury and no voting rights will attach to the treasury shares.

The price paid for Ordinary shares will not be less than the nominal value of 1 pence per share and not more than the higher of 5% above the average of the middle market quotations of the Company's Ordinary shares as derived from the London Stock Exchange.

Resolution 18 will be proposed as a special resolution to renew this authority for a period expiring at the conclusion of the 2014 AGM.

NOTICE OF GENERAL MEETINGS

The notice period required by the Companies Act 2006 for general meetings of the Company is 21 days, unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days.

At last year's AGM, shareholders authorised the calling of general meetings other than an AGM on not less than 14 clear days' notice and Resolution 19 will be proposed as a special resolution and seeks to renew this authority. The authority granted by this resolution, if passed, will be for a period expiring at the conclusion of the 2014 AGM.

The flexibility offered by this resolution will be used where, taking into account the circumstances, the directors consider this appropriate in relation to the business to be considered at the meeting and in the interests of the Company and shareholders as a whole.

RECOMMENDATION

The directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

By order of the Board

DOUG EVANS
Company Secretary

29 August 2013

REMUNERATION REPORT

DEAR SHAREHOLDER

As the Chairman of the Remuneration Committee, I am pleased to present the report of the Board covering the remuneration policy and practice for the Company for the 2013 financial year.

During the 2013 financial year we have continued to see a focus on executive remuneration. As a Committee, we are fully aware of the changes to the governance and reporting of executive remuneration, which come into effect later this year, and our wider responsibilities around ensuring that Hays' remuneration policy supports the wider business strategy and continues to link reward and performance.

Whilst the new remuneration disclosure regulations introduced by the Department for Business, Innovation & Skills will apply to Hays' 2014 Remuneration Report, the Committee supports the principle of increased transparency and this report follows, to a large extent, the new disclosure requirements. As such, the report is split into three parts:

- The Annual Report on Remuneration sets out payments made to the directors and details the link between Company performance and remuneration for the 2013 financial year;
- The directors' Remuneration Policy report sets out the Company's remuneration policy for directors and the key factors that were taken into account in setting the policy. This policy will apply to the coming financial year; and
- An appendix containing details of share awards, as required under the 2008 Regulations*.

MARKET CONDITIONS

Given that the specialist recruitment industry is prone to rapid and material changes in market conditions, setting the short- and long-term incentive targets requires the Committee to exercise professional judgement to anticipate where financial performance could reasonably be expected to be in 12 months' time. Inevitably this requires the interpretation and extrapolation of both internal and external factors which can change very quickly within a relatively short time frame. Reviewing operational performance over the last two years clearly illustrates these challenges in relation to both the long- and short-term incentive schemes:

Short term incentive schemes

Financial year to June 2012

In setting the targets for the year to June 2012, the Committee took into account both the strong rebound in Group profitability achieved in the second half of the 2011 financial year and the improvement in the global economic backdrop apparent at that time. Having delivered £114.1 million operating profit (EPS: 5.19 pence) in the 2011 financial year, we set a challenging, but at the time appropriate target for the 2012 financial year of £150 million operating profit (target EPS: 6.93 pence with an entry level at 6.24 pence and a maximum level of 7.62 pence). However, the economic environment in many of the Group's major markets (notably the UK and several Eurozone countries) experienced a sharp downturn, impacting sentiment amongst clients and candidates and resulting in lower activity levels than expected. In response, management took fast and appropriate action to maximise Group profitability, delivering a good set of results, increasing operating profit by 12% to £128.1 million and EPS by 5% to 5.47 pence. This profit performance was ahead of consensus market expectations for the year and represented an outperformance versus the Group's UK quoted peers over the equivalent period. However, since this performance did not meet the initial targets that had been set at the beginning of the year, when conditions were more favourable, no incentive payments were made in relation to the Group's profit performance.

Financial year to June 2013

In setting the targets for the year to June 2013, the Committee again took into account the prevailing trading conditions and the fact that the Group was experiencing a lack of forward momentum in several key markets. At the time, there were also increasing concerns regarding the economic outlook in Australia, the Group's largest profit generator, and conditions remained challenging in key UK and Eurozone markets. In view of these factors, the Committee set an incentive target for the year of £114 million operating profit (target EPS: 4.45 pence with entry at 4.00 pence and maximum at 4.90 pence).

The executive directors again took fast and appropriate action to maximise Group profitability, delivering a resilient operating profit of £125.5 million (EPS: 5.15 pence). Critically, this included a return to profits in the UK as the Group delivered a £12.1 million improvement in operating profit in the year, despite the fact that the market remained challenging and net fees were down 1% year-on-year. The improved profit performance was the result of the successful delivery of significant cost savings and productivity improvements in the UK business. The Group also delivered significant growth in

* This Remuneration Report has been prepared in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and will be submitted to shareholders for their approval at the Annual General Meeting (AGM) of the Company to be held on 13 November 2013. In carrying out its functions, the Remuneration Committee (the Committee) has followed the provisions of Schedule A to the June 2010 UK Corporate Governance Code (the Code) which is published by the Financial Reporting Council. Further information on the Code can be found on the Financial Reporting Council's website, frc.org.uk.

markets such as Germany, Canada and Russia, as well as improving profitability in other key markets such as France. This profit performance was again ahead of consensus market expectations, and again represented an outperformance of the Group's UK quoted peers over the equivalent period. As performance exceeded the maximum target, the executive directors have this year received full payout under the profit element of the bonus.

Over the last two years, in what has been a volatile and overall challenging market backdrop, the Group has delivered a good profit performance, outperforming both market expectations and all quoted UK peers as a direct result of management actions. In this context, the Committee considers that the level of incentive payments made to the management team over the two-year period as a whole to be appropriate and fair.

Long-term incentive scheme

In 2010, the Committee set out long-term incentive plan measures designed to withstand a number of economic cycles. In determining the three-year targets, the first year was set with direct reference to prevailing market consensus expectations for profits for that year given the limited visibility of earnings, and limited forward-secured revenue streams which are typical of the industry. As such, the Committee considers that this external market view, which takes account of the views of around 20 research analysts, represents the most reasonable current expectation for year 1 performance. Years 2 and 3 targets are then based on a fixed rate of growth in Earnings per Share (EPS) with a threshold (or entry) growth rate of RPI +4% per annum and a maximum growth rate of RPI +12% per annum. The continued appropriateness of EPS as the most relevant performance measure was once again considered by the Committee during the year as part of our ongoing commitment to shareholder dialogue. This remains a key performance indicator in the management of the business. It was decided that EPS, together with relative TSR, continue to be the measures most appropriate and best aligned to the performance of the Group.

In developing this methodology, the Board actively sought and undertook extensive consultation with major shareholders in 2010, seeking their views on the most appropriate structure. We continue to believe that this methodology is the most appropriate to achieve these aims.

2013 PERFORMANCE AND REWARD

Bonuses for the executive directors for 2013 were 118% of salary (2012: 46% of salary) and are set out in more detail on page 68. Of the bonus awarded, 60% will be paid in cash and 40% will be deferred into shares for a three-year period. The Committee retains discretion to reduce the number of shares vesting if the underlying financial performance of the Company has not been satisfactory over the deferral period.

The performance period for the PSP awarded in September 2010 concluded on 30 June 2013. The relative TSR component failed to vest as the result was below the median for the comparator group, whilst 43.36% of the EPS component vested, giving an overall result of 21.68% of the shares being awarded.

REMUNERATION SUMMARY

The current remuneration policy and its application can be summarised as follows:

Package structure

The main elements of executive remuneration are:

- Base salary;
- Annual bonus plan with EPS, cash conversion and personal targets – 60% paid in cash and 40% deferred into shares for three years through the Deferred Annual Bonus plan (DAB); and
- Long-term incentive plan (Performance Share Plan or PSP) delivered in shares – 50% relative TSR and 50% cumulative EPS over the three-year period.

Pay for performance

- Key principle that there should be a strong link between reward and individual and Group performance to align the interests of senior executives with those of shareholders;
- Variable remuneration makes up a significant proportion of the remuneration package – 68%; and
- Stretching performance conditions directly aligned with Group strategy.

Highlights for 2013

- Base salary increase from 1 July 2013 of 2% in line with average base pay increase for other UK employees;
- Annual bonus payments in respect of 2013 are 118% of salary; and
- 2010 PSP award 21.68% vested reflecting the performance over the three-year period ending 30 June 2013.

The Committee welcomes feedback from shareholders and representative bodies. During the year, the Committee consulted with a number of shareholders on the renewal of the PSP and the introduction of malus provisions into the rules of the DAB and PSP.

The Committee will continue to consult with shareholders as and when appropriate and will ensure that the reward arrangements are compliant with the provisions of the Code.

The Committee unanimously recommends that shareholders vote to approve the Remuneration Report at the 2013 AGM.

PAUL HARRISON
Remuneration Committee Chairman

29 August 2013

REMUNERATION REPORT CONTINUED

ANNUAL REPORT ON REMUNERATION

In this section of the report, we have provided details of the payments made to directors in respect of the 2013 financial year.

SINGLE TOTAL FIGURE OF REMUNERATION (Audited)

Executive directors

The table below sets out the single total figure of remuneration and breakdown for each executive director in respect of the 2013 financial year. Comparative figures for the 2012 financial year have also been provided. Figures provided have been calculated in accordance with the new UK disclosure requirements: the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

	2013							2012						
(In £s thousand)	Salary	Taxable benefits	Pension benefits	Annual bonus	Subtotal	LTIP 2010	Total	Salary	Taxable benefits	Pension benefits	Annual bonus	Subtotal	LTIP 2009	Total
Chief Executive														
Alistair Cox	665	75	199	786	1,725	230	1,955	649	65	194	300	1,208	120	1,328
Group Finance Director														
Paul Venables	480	28	144	567	1,219	166	1,385	468	27	140	217	852	93	945

Notes

The non-cash elements of the emoluments are disclosed as benefits-in-kind in the table, and comprise car benefit (or equivalent) and insurance-based benefits.

Messrs Cox and Venables are required to compulsorily defer 40% (£314,450 and £226,718 respectively) of their 2013 annual bonuses into shares for a three-year restricted period.

The comparative data for 2012 for Messrs Cox and Venables, also based on 40% compulsory deferral, included bonus deferral into shares of £120,046 and £86,554 respectively.

Other than a cash payment in lieu of pension at the rate of 30% of base salary, there are no other pension arrangements for the directors.

Figures for LTIP 2009 are based on DAB match only as the PSP did not vest. Figures for LTIP 2010 are based on PSP only as 2009 was the last year that a match was available on the DAB.

The performance period for the PSP was 1 July 2010 to 30 June 2013. The performance conditions were based on TSR, relative to an international industry comparator group, and EPS growth relative to RPI. The two measures were independent and equally weighted. 994,138 shares were awarded to the Chief Executive and 716,774 to the Group Finance Director, 21.68% of the awarded shares vested and will be released on 27 September 2013 with the associated dividend equivalent shares, giving totals of 248,683 and 179,301 respectively. The value in the table is based on the average share price for the period April to June 2013 of 92.47 pence. The share price on award was 110.96 pence.

In relation to the 2009 DAB match which appears in the 2012 LTIP column, 25% of the bonus in respect of the 2009 financial year was deferred, which vested on 9 October 2012. 60.47% of the associated matching shares vested, based on 52.06% of the cumulative international net fees performance condition component (one-third of the award), 80.51% of the cumulative cash conversion performance condition component (one-third of the award) and 48.84% of the cumulative earnings per share performance condition component (one-third of the award). The maximum vesting for each performance measure was 33.3% of the award.

The number of matching shares awarded was 210,396 for the Chief Executive and 163,265 for the Group Finance Director, of which 60.47%, plus associated dividend equivalent shares vested. The value in the table is based on 150,600 and 116,863 shares respectively at a price of 79.625 pence. The share price at award was 106.0 pence.

Non-executive directors (Audited)

The table below sets out the single total figure of remuneration and breakdown for each non-executive director. There has been no increase in the fees paid to the non-executive directors in the year.(7)

	2013			2012			
(In £s thousand)	Fees	Taxable benefits	Total	Fees	Taxable benefits	Total	Comments
Alan Thomson	230	–	230	230	–	230	Chairman, Chairman of Nomination Committee
Paul Harrison	67	–	67	65(1)	–	65	SID and Chairman of Remuneration Committee
William Eccleshare	50	–	50	50	–	50	Independent non-executive director
Victoria Jarman	62	–	62	45(2)	–	45	Chairman of Audit Committee
Torsten Kreindl(3)	2	–	2	–	–	–	Independent non-executive director
Richard Smelt	50	–	50	50	–	50	Independent non-executive director
Paul Stoneham(4)	19	–	19	50	–	50	Independent non-executive director
Pippa Wicks	50	–	50	25(5)	–	25	Independent non-executive director

(In £s thousand)	2013 Fee	2012 Fee
Chairman	**230**	230
Senior Independent Director	**5**	5
Board fee	**50**	50
Chairman of Board Committee	**12(6)**	12
Member of Board Committee	**0**	0

(1) Figure prorated for the period appointed as Senior Independent Director from 9 November 2011.
(2) Figure prorated for the period appointed to the Board from 1 October 2011 and as Chairman of the Audit Committee from 9 November 2011.
(3) Appointed to the Board on 1 June 2013.
(4) Retired from the Board on 7 November 2012.
(5) Appointed to the Board on 1 January 2012.
(6) There is no additional Committee Chair fee for the Nomination Committee.
(7) Except as regards the Chairman, non-executive director fees increased by 2% with effect from 1 July 2013.

ADDITIONAL INFORMATION REGARDING SINGLE FIGURE TABLE

The Committee considers that performance conditions for all incentives are suitably demanding, having regard to the business strategy, shareholder expectations, cyclicality of the recruitment markets in which the Group operates and external advice. To the extent that any performance condition is not met, the relevant part of the award will lapse. There is no retesting of performance.

Bonus awards

In respect of the 2013 financial year, the bonus awards payable to executive directors were agreed by the Committee having reviewed the Company's results and the executive directors' performance against their personal objectives. Details of the targets used to determine bonuses in respect of the 2013 financial year and the extent to which they were satisfied are shown in the table below and discussed in detail on pages 66 and 67. These figures are included in the single figure table.

Performance condition	Weighting	Threshold performance required	Maximum performance required	Actual performance	Annual bonus value for meeting threshold and maximum performance (% salary)		Annual bonus value achieved (% salary/£'000s)	
					Alistair Cox	Paul Venables	Alistair Cox	Paul Venables
EPS	60%	4.00p	4.90p	5.01p	15%–75%	15%–75%	75.00%	75.00%
Cash conversion	20%	71%	101%	96.41%	5%–25%	5%–25%	21.94%	21.94%
Personal	20%				0%–25%	0%–25%	21.25%	21.25%
Total	100%						118.19%	118.19%
							£786	£567

* The performance levels between threshold, target and maximum were graduated on a straight-line basis.

Of this amount, 40% will be compulsorily deferred into restricted shares for a period of three years, subject only to continued employment. There is no matching award.

The personal objectives for the Chief Executive included a number of objectives relating to the Group's strategy, the turnaround of the UK business and the implementation of the Group's social media and technology strategy. The personal objectives for the Group Finance Director included a number of objectives relating to the turnaround of the UK business, bank refinancing, cost control and back-office transition, synergies and efficiencies. Progress against all of these objectives has been good, but this element did not pay out in full for either executive.

The basic EPS targets and actual performance were measured at budget exchange rates and a fixed tax rate.

Cash conversion is the operating cash flow of the Company, after deducting net capital expenditure items for the financial year, stated as a percentage of operating profit before exceptional items.

The Committee has not exercised any discretion in relation to the bonus outcomes.

REMUNERATION REPORT CONTINUED

Performance Share Plan awards

Awards granted under the PSP in September 2010 are scheduled to vest in September 2013. The performance period relating to these awards ended on 30 June 2013. Details of the performance conditions and the extent to which they have been satisfied are set out below:

Performance condition	Weighting	Threshold performance required	Maximum performance required	PSP value for below threshold, threshold and maximum performance (% salary)	Actual performance	PSP value achieved (% salary)
				Alistair Cox and Paul Venables		
Relative TSR	50%	One quarter of the component will vest for achieving median of the comparator group	Upper quartile of the comparator group	0% – 21.875% – 87.5%	Below median	0%
EPS	50%	15.12p	17.69p	0% – 21.875% – 87.5%	15.75p	36.5%
Total	100%			0% – 43.75% – 175%		36.5%

The lower and upper EPS growth range for the first year of the performance period was based on the consensus forecast of 4.9 pence with a range of +/- 4%. The growth for the remaining two years required additional growth of between RPI +4% and RPI +12% per annum to achieve threshold and maximum vesting respectively. This equated to a range of 15.12 pence to 17.69 pence.

The relative TSR result was below the median and that portion did not vest. The EPS result was 15.75 pence and 43.36% of that component vested, giving an overall result of 21.68%.

The original award was 994,138 shares for the Chief Executive and 716,774 for the Group Finance Director of which 21.68% vested and will be released with the associated dividend equivalent shares, giving totals of 248,683 and 179,301 respectively. The value in the table is based on the average share price for the period 1 April to 30 June 2013 of 92.47 pence. The share price on award was 110.96 pence.

The figure of 36.5% in the above table is based on the PSP values shown in the single figure table as a percentage of the 2010 basic salaries i.e. £229,957/£630,000 for the Chief Executive and £165,799/£454,230 for the Group Finance Director.

The Committee has not exercised any discretion in relation to the PSP outcome. More detail relating to these awards is shown in the appendix.

Deferred Annual Bonus and matching awards

A significant proportion of bonus is deferred into shares subject to a three-year restricted period. Both Alistair Cox and Paul Venables are subject to a deferral requirement of 40% of annual bonus. The last bonus deferral to be eligible for a matching award was in relation to the 2009 financial year bonus.

The bonus deferred in 2010, relating to the bonus for the 2010 financial year, was subject to a three-year deferral period and will be released, subject to continued employment on 9 September 2013. The Committee has discretion to reduce the number of shares vesting if the underlying financial performance of the Company is not satisfactory over the three-year deferral period.

The number of shares deferred was 273,932 for the Chief Executive and 195,295 for the Group Finance Director. The total shares that will vest, including dividend equivalent shares, are 310,068 and 225,333 respectively. The value of the deferred shares, and the associated dividend equivalent shares, on 28 June 2013 was £292,268 for the Chief Executive and £208,365 for the Group Finance Director, based on the average market share price from 1 April to 30 June 2013 of 92.47 pence. The share price on the date of the award was 102.8 pence.

The performance conditions for all outstanding long-term incentive arrangements can be found in the appendix on page 77 of this Report.

PENSIONS ENTITLEMENTS AND CASH ALLOWANCES

A salary supplement of 30% of base salary is paid in lieu of pension contributions.

LONG-TERM INCENTIVES AWARDED IN 2013 (Audited)

The table below sets out the details of the long-term incentive awards granted in the 2013 financial year where vesting will be determined according to the achievement of performance conditions that will be tested in future reporting periods. More detail relating to these awards and the associated conditions can be found in the appendix.

	Award type	Basis on which award made	Face value of award	Percentage of award vesting at threshold performance	Maximum percentage of face value that could vest	Performance Period end data	Performance conditions
	PSP	Annual cycle of awards	Max number of shares x share price at grant				
Alistair Cox	PSP	Annual	£1,163,965	25%	100%	30 June 2015	Relative TSR & EPS equally weighted
Paul Venables	PSP	Annual	£839,217	25%	100%	30 June 2015	Relative TSR & EPS equally weighted

STATEMENT OF DIRECTORS' SHAREHOLDINGS (Audited)

Shareholding requirements in operation at Hays are currently 200% of base salary for the Chief Executive and 100% for the Group Finance Director. Both the Chief Executive and Group Finance Director are required to build up their shareholdings over a reasonable amount of time which would normally be five years.

The number of shares of the Company in which current directors had a beneficial interest and details of long-term incentive interests as at 30 June 2013 are set out in the table below.

				Shares held directly		Other shares held	
Director	Shareholding requirement (% salary)	Number of shares required to hold	Current shareholding (% salary)	Beneficially Owned	DAB interests not subject to performance conditions	PSP interests subject to performance conditions	Shareholding requirement met?
Alistair Cox	200%	1,494,658	329%	1,602,837	857,806	4,372,825	Yes
Paul Venables	100%	538,823	299%	992,314	619,262	3,152,803	Yes

* The share price of 88.95 pence as at 28 June 2013 has been taken for the purpose of calculating the current shareholding as a percentage of salary. Unvested PSP shares do not count towards satisfaction of the shareholding guidelines. Vested PSP shares and shares awarded under the DAB count towards the shareholding requirement.

Non-executive directors are not subject to a shareholding requirement. Details of their interests in shares are set out below:

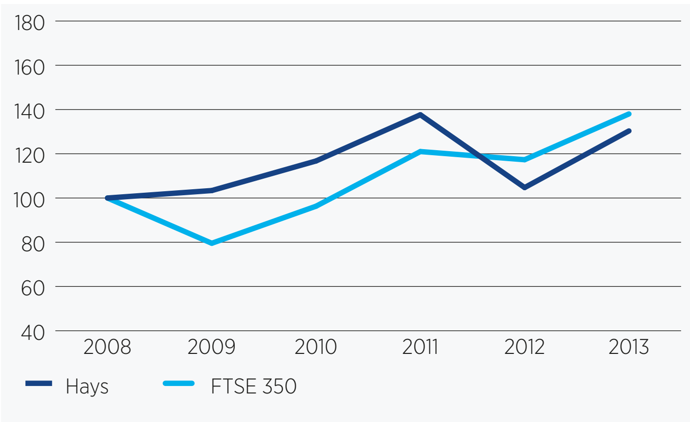
Director	**Shares held 30 June 2013**	Shares held 30 June 2012
Alan Thomson	**175,000**	125,000
Paul Harrison	**8,678**	8,678
William Eccleshare	**3,000**	3,000
Victoria Jarman	**14,000**	–
Torsten Kreindl(1)	**–**	–
Richard Smelt	**8,267**	8,267
Paul Stoneham(2)	**–**	–
Pippa Wicks	**–**	–

(1) Appointed to the Board on 1 June 2013.
(2) Retired from the Board on 7 November 2012.

COMPARISON OF OVERALL PERFORMANCE AND PAY (TSR GRAPH)

The graph below shows the value of £100 invested in the Company's shares compared to the FTSE 350 index over a five-year period. The graph shows the Total Shareholder Return generated by both the movement in share value and the reinvestment over the same period of dividend income. The Committee considers that the FTSE 350 is the appropriate index because the Company has been a member of this index throughout the period.

This graph has been calculated in accordance with the requirements of Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.



REMUNERATION REPORT CONTINUED

CHIEF EXECUTIVE HISTORIC REMUNERATION

The table below sets out the total remuneration delivered to the Chief Executive over the last five years, valued using the methodology applied to the single total figure of remuneration.

Chief Executive	2009	2010	2011	2012	**2013**
Total remuneration (£000s)	1,828	1,634	2,156	1,328	**1,955**
Annual bonus payment level achieved (% of maximum opportunity)	59%	89%	80%	37%	**95%**
PSP vesting level achieved (% of maximum opportunity)	N/A	0%	50%	0%	**22%**
DAB match vesting level achieved (% of maximum opportunity)	N/A	N/A	59%	60%	**N/A**

CHANGE IN CHIEF EXECUTIVE'S REMUNERATION COMPARED WITH UK EMPLOYEES

The following table sets out the change in the remuneration paid to the Chief Executive from 2011 to 2013 compared with the average percentage change for UK employees.

The Chief Executive's remuneration disclosed in the table below has been calculated to take into account base salary, taxable benefits, excluding his allowance in lieu of pension, and annual bonus (including any amount deferred).The UK employee pay (on which the average percentage change is based) is calculated using the increase in the earnings of UK-based full-time employees using P60 and P11d data from tax years 2011, 2012 and 2013. Part time employees have been excluded from the analysis as many will have experienced material changes in pay during the period due to their change of hours.

The employee analysis is done on a matched basis, that is the same individuals appear in the 2011, 2012 and 2013 populations.

The comparison figures are based on UK employees (as described above) as both executive directors and most of the Management Board are UK based and this is considered to be an appropriate comparison. We have provided analysis based over three years to demonstrate the cyclicality of the Chief Executive's remuneration.

(In £s thousand)	2011	2012	**2013**
Chief Executive	£1,306	£1,014	**£1,526**
Chief Executive increase on previous year		-22.4%	**50.5%**
Employee	£56,218	£61,945	**£64,339**
Employee increase on previous year		10.2%	**3.9%**

RELATIVE IMPORTANCE OF THE SPEND ON PAY

The table below sets out the relative importance of spend on pay in the 2013 financial year and 2012 financial year compared with other disbursements.

Tax and dividends represent significant costs to the Company. Together, the three elements shown reflect significant outgoings for the Company during the relevant financial years. All figures provided are based on the relevant Hays Annual Report & Accounts.

	Disbursements from profit in 2013 financial year (£m)	Disbursements from profit in 2012 financial year (£m)	% change
Profit distributed by way of dividend	**35.1**	34.6	1.4%
Overall spend on pay including directors	**428.1**	436.6	-1.9%
Tax paid for year	**46.8**	46.9	-0.2%

COMPOSITION AND TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The Board has delegated to the Committee, under agreed terms of reference, responsibility for the remuneration policy and for determining specific packages for the executive directors, the Chairman and other senior executives. The Company consults with key shareholders in respect of remuneration policy and the introduction of new incentive arrangements. The terms of reference for the Committee are available on the Company's website, hays.com, and from the Company Secretary at the registered office.

All members of the Committee are independent non-executive directors and were Committee members throughout the year. The Committee receives assistance from the Chairman, Group HR Director and Company Secretary, who attend meetings by invitation, except when issues relating to their own remuneration are being discussed. The Chief Executive and Group Finance Director also attended by invitation on occasions. The Committee met five times during the financial year ended 30 June 2013. Meeting attendance is shown on page 54 of this Report.

The Committee's activities for the 2013 financial year have included:

- A review of the basic pay, bonus and PSP awards of the executive directors, and other senior executives;
- Consideration of the appropriateness of the existing arrangements for the 2014 financial year including a review of the suitability of EPS as a performance measure;
- Consideration of the proposals put forward by the Department for Business, Innovation & Skills in relation to executive remuneration;
- A review of the reward strategy in the context of Group risk; and
- Consideration of the relationship between executive reward and the reward structures in place for other Group employees.

ADVISERS TO THE REMUNERATION COMMITTEE

The Committee continues to engage the services of PricewaterhouseCoopers LLP (PwC) as independent remuneration adviser. During the financial year, PwC advised the Committee on all aspects of remuneration policy for executive directors and members of the Management Board. PwC also provided advice to the Company in relation to corporate tax, indirect tax, legal services and tax administration and compliance matters relating to the operation of the Company's share schemes around the world.

The Committee is satisfied that advice received from PwC was objective and independent. PwC is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to remuneration committees.

Adviser	Fees in relation to remuneration advice (£000s)
PwC	83

SHAREHOLDER CONTEXT

The table below shows the advisory vote on the 2012 remuneration report at the Company's 2012 AGM. The Committee believes the 98.19% votes in favour of the Remuneration Report shows strong shareholder support for the Group's remuneration arrangements. The Committee consults with key investors prior to any major changes.

Votes for	%	Votes against	%	Abstentions	%
1,059,948,272	98.19	19,534,121	1.80	3,106,286	0.29

REMUNERATION POLICY

In this section of the Report we have provided details of the Company's remuneration policy for directors which will be applicable for the 2014 financial year and the key factors taken into account when setting this policy.

The Committee determines the remuneration policy for the executive directors, Chairman and other senior executives for current and future years and this is reviewed on an annual basis. The remuneration policy is designed to support the strategic objectives of the Company and to allow the business to attract, retain and motivate the quality of senior management needed to shape and execute strategy and deliver shareholder value.

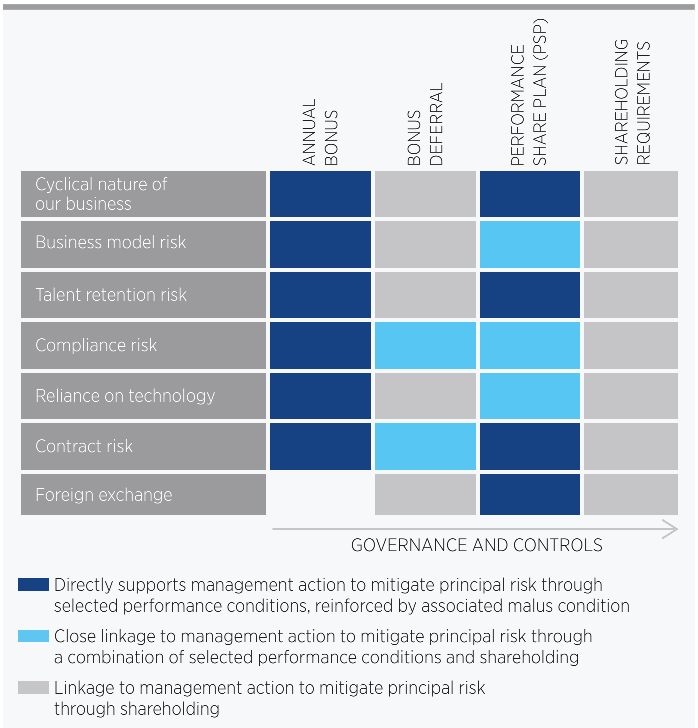
The policy is designed around the following key principles:

- Ensure a strong link between reward and individual and Company performance to align the interests of senior executives with those of shareholders;
- Maintain a competitive package against businesses of a comparable size in the FTSE and comparable peer group businesses in the recruitment sector with reference to the breadth of the role and experience the role holder brings to the Company;
- Operate a consistent reward and performance philosophy throughout the business;
- Encourage a material, personal stake in the business and a long-term focus on sustained growth through long-term shareholding;
- Provide a balanced package with a focus on variable pay; and
- Take into account the associated risks of each aspect of remuneration.

The ways in which these principles are reflected in the remuneration policy and its application are described on page 74 of this Report.

The Committee considers that a successful remuneration policy needs to be sufficiently flexible to take account of future changes in the Company's business environment and in remuneration practice.

The Committee has considered how the remuneration policy reflects Hays' principal risks (set out on pages 28 and 29) and, where appropriate, can mitigate these. In addition the Committee has incorporated malus provisions into the DAB and the PSP.



FIXED TO VARIABLE REMUNERATION

The remuneration packages for executive directors contain a significant variable element dependent on the level of performance of the business and the individual, as can be seen from the chart below. The package composition for each executive director reflects that applicable in the 2014 financial year. Variable remuneration includes potential maximum bonus awards (including the face value of awards made under the deferred bonus arrangements) and the face value of awards made under the PSP, as stated on pages 70 and 71. Fixed remuneration comprises salary, pension contribution and other benefits as stated in the table on page 76.

REMUNERATION REPORT CONTINUED

REMUNERATION STRUCTURE FOR 2014 (POLICY TABLE)

The table below sets out the key elements of the Company's remuneration policy for the executive directors for the 2014 financial year.

ELEMENTS OF EXECUTIVE DIRECTOR REMUNERATION PACKAGE FOR 2014 FINANCIAL YEAR

	Objective and link to the strategy	Operation	Maximum potential value	Performance conditions and assessment
Base salary	Base salary recognises individual contribution, changes in responsibilities and competitive market rates.	Base salary is set annually on 1 July. 2% increase for 2014. Pay and employment conditions of employees throughout the Group are taken into account when determining directors' remuneration. Alistair Cox: £678,425 Paul Venables: £489,144	Increases in line with the market and the average base pay increase for other employees in the UK.	N/A
				No change from 2013.
Annual bonus	To align reward to key objectives relating to the Group's financial performance and operational strength. The three-year deferral into shares assists with the retention of executive directors and aligns their interests with those of shareholders.	60% of bonus taken in cash and 40% deferred into shares for three years under the DAB. Malus provisions allow the Committee to reduce or eliminate share awards granted under DAB in cases of material misstatement of accounts. The Committee has discretion to reduce the number of shares vesting if the underlying financial performance of the Company is not satisfactory over the three-year deferral period. No match. Only the executive directors and other members of the Management Board currently participate in the Company's bonus deferral arrangements.	Maximum 125% of base salary.	Performance period of one financial year. Bonus performance conditions: • Earnings per share (60%); • Cash conversion (20%); and • Personal objectives (20%). Minimum level of performance earns 20% of salary based on achieving threshold EPS and cash conversion. Zero payment for below threshold performance.
				No change from 2013.
Performance Share Plan (PSP) award	To align executive director interests with those of shareholders and incentivise them to pursue superior results within the limits of the Group's risk appetite.	PSP awards are granted annually and vesting is dependent on the achievement of performance conditions measured over a three-year period. Malus provisions exist which enable the Committee to reduce or eliminate the number of shares subject to unvested awards in case of material misstatement of accounts. Reviewed annually to ensure that grant levels, performance criteria and other features remain appropriate to the Company's current circumstances, and to ensure that there are no features of the plans that could inadvertently motivate irresponsible behaviour.	175% for executive directors and 120% for other senior executives. Maximum and threshold vesting levels for both performance conditions are 100% and 25% respectively. Maximum vesting for relative TSR element is attained when upper quartile performance is achieved. Threshold vesting is attained when a median performance is achieved.	Performance period of three financial years. 50% based on total shareholder return relative to comparator group with vesting subject to satisfactory financial performance over the period, as determined by the Committee. 50% based on cumulative earnings per share. The EPS and relative TSR components will operate independently. There will be no payout for achieving less than threshold performance and vesting levels between threshold and maximum performance will be calculated on a straight-line basis. Minimum level of performance earns 43.75% of salary based on meeting threshold performance for relative TSR and EPS. Zero payment for below threshold.
				No change from 2013.

ELEMENTS OF EXECUTIVE DIRECTOR REMUNERATION PACKAGE FOR 2014 FINANCIAL YEAR

	Objective and link to the strategy	Operation	Maximum potential value	Performance conditions and assessment
Pension allowance	To provide a competitive retirement benefit.	Salary supplement of 30% of base salary in lieu of pension contributions.	N/A	N/A
Other benefits	To provide competitive employment benefits.	Benefits include: • Car benefit or equivalent; • Private medical insurance; • Permanent health insurance; and • Life assurance of four times base salary. The level of benefits provided is reviewed every year to ensure it remains market competitive.	Cost of providing a car benefit, life assurance and private medical/health insurance.	N/A
Shareholding policy	To ensure that executive directors' and other senior executives' interests are aligned with those of shareholders over a longer time horizon.	The Committee requires the Chief Executive to build and maintain a material shareholding in the Company of at least two times base salary and any other executive directors to build and maintain a shareholding of at least one times base salary over a reasonable time frame, which would normally be five years. Other Management Board members are actively encouraged to build a significant shareholding in the Company over a similar time frame.	N/A	N/A
				No change from 2013.
Non-executive director fees	To attract persons of a suitable calibre for a group of this size and to pay fees which are reflective of responsibilities, competitive with peer companies.	The remuneration of the non-executive directors is determined by the Board annually. The responsibility of the role and international nature of the Group are fully considered when setting the fee levels, along with external benchmarking market data on the chairmanship of, and participation in, Board committees. The non-executive directors' fees are non-pensionable and non-executive directors are not eligible to participate in any incentive plans. Except as regards the Chairman, 2% increase with effect from 1 July 2013.	The fees as at 1 July 2013 for the non-executive directors are paid at the annual rates as shown below: Role — Fees (£000s) Chairman — 230 Senior Independent Director — 5 Board fee — 51 Chairman of Board Committee — 12 Member of Board Committee — 0 In addition travel expenses are reimbursed.	None

Notes to the policy table:

1. In relation to the annual bonus:
   a. The earnings per share metric is a key performance measure aligned with shareholder interests.
   b. The cash conversion measure promotes free cash flow through working capital and capital expenditure control and is a key indicator of the efficiency of the business.
   c. Personal objectives are linked to the delivery of key projects designed to enhance the Group's operational strength and competitiveness in line with future strategy.
2. In relation to the PSP:
   a. The relative TSR metric measures the relative return from Hays shares against a basket of comparator companies, providing alignment with shareholders' interests.
   b. The EPS metric is also a key performance measure aligned with shareholders' interests.
3. In respect of the PSP, in the same way as for the previous year's awards, the Committee will set EPS targets using market consensus (reflecting the current point in any cycle) being a range of +/- 4% around the consensus forecast EPS for the first year of the three-year cycle, with a range of RPI +4% to RPI +12% per annum over the remaining two years of the cycle for threshold and maximum payment respectively. The Committee considers this range to remain appropriate over several cycles. For each new award granted, the Committee reviews the range to ensure it remains appropriate.
4. The intended constituents of the comparator group for the 2014 PSP awards are shown below:
   - Adecco SA
   - CDI Corporation
   - Kelly Services Inc
   - Manpower Inc
   - Michael Page International plc
   - Randstad Holdings NV
   - Robert Half International Inc
   - Robert Walters plc
   - SThree plc
   - USG People NV

   The peer group has been chosen to reflect most closely the mix of the Company's business.
5. In addition, the Company has continued to operate the Hays UK Sharesave Scheme (which is HMRC approved and is open to all eligible staff in the UK) and the Hays International Sharesave Scheme (which is open to staff in certain other key countries where the Group has operations). In the 2013 financial year, options over 2,729,708 shares at a price of 88 pence per share, representing a 10% discount to market value, were granted to 631 participants under both schemes. The overall participation rate for all current schemes remains good at 20.6 % of eligible employees.

REMUNERATION REPORT CONTINUED

SERVICE CONTRACTS

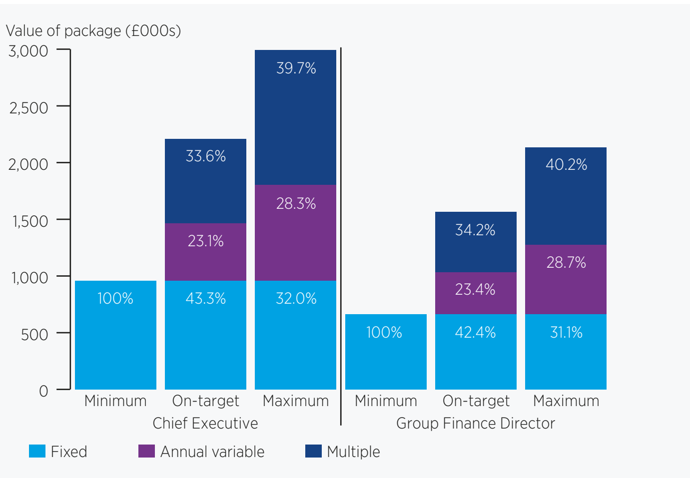
The Company's policy on service contracts is that executive directors' contracts should be terminable on not more than one year's notice. In the event of early termination of a director's service contract, the Company would be required to pay compensation reflecting the salary and benefits to which the director would have become entitled under the contract during the notice period. Alternatively, the Company may, at its discretion, pay a predetermined termination sum in lieu of notice. In the event of early termination, the Committee will give careful consideration to what compensation should be paid, taking into account the circumstances and the responsibility of the individual to mitigate loss.

	Current contract start date	Unexpired term	Notice period
A R Cox	September 2007	Indefinite	One year
P Venables	May 2006	Indefinite	One year

The non-executive directors do not have service contracts with the Company, but are appointed to the Board under letters of appointment for an initial three-year period. They have agreed to annual retirement and reappointment by shareholders at the Company's annual general meeting and appointments can be terminated immediately by the Company. Letters of appointment are available for review from the Company Secretary and a pro forma letter of appointment can be viewed on the Company's website hays.com.

REMUNERATION SCENARIO GRAPHS FOR EXECUTIVE DIRECTORS

The chart below illustrates the remuneration that would be paid to each of the executive directors under three different performance scenarios: (i) Minimum; (ii) On-target; and (iii) Maximum. The elements of remuneration have been categorised into three components: (i) Fixed; (ii) Annual variable; and (iii) Multiple reporting period which, are set out in the future policy table below.



Each element of remuneration is defined in the table below:

Element	Description
Fixed	Total amount of salary, pension and benefits in respect of the 2014 financial year
Annual variable	Money or other assets received or receivable where performance measures relate to one financial year (i.e. annual bonus payments)
Multiple reporting variable	Money or other assets received or receivable where performance measures relate to more than one financial year (i.e. PSP payments)

Assumptions used in determining the level of payout under given scenarios are as follows:

- Minimum performance scenario assumes fixed pay only and no variable payments under annual bonus and Company's PSP;
- On-target performance scenario assumes performance in line with the Company's expectations, resulting in 109.4% base salary payout in respect of the PSP (62.5% of maximum award of 175% of base salary) and 75% base salary payout in respect of the annual bonus (60% of maximum bonus of 125%). There is no formal on-target figure for the PSP, 62.5% is midway between the 25% threshold and the maximum, based on an award of 175% of basic salary; and
- Maximum performance scenario assumes outstanding level of performance, resulting in 175% base salary payout in respect of the PSP and 125% base salary payout in respect of the annual bonus.

Share price appreciation is not allowed for.

STATEMENT OF CONDITIONS ELSEWHERE IN THE GROUP

Each year, prior to reviewing the remuneration of the executive directors and the members of the Management Board, the Remuneration Committee considers a report prepared by the Group HR Director detailing remuneration practice across the Group. The report provides a regional overview of how employee pay compares to the market, any material changes during the year and includes detailed analysis of basic pay and variable pay changes within the UK where all of the executive directors and most of the Management Board are based. While the Company does not directly consult with employees as part of the process of reviewing executive pay, the Company does receive an update and feedback from the broader employee population on an annual basis using an engagement survey which includes a number of questions relating to remuneration.

CONSIDERATION OF SHAREHOLDER VIEWS

The Committee remains committed to an open dialogue with its shareholders on executive remuneration and values the input provided.

During the 2013 financial year, following feedback provided as part of the consultation process on renewal of the PSP, the Committee reviewed the continued use of EPS as a performance condition in the PSP. This continues to be a key performance indicator in the management of the business. The conclusion reached was that this remains the most appropriate measure to be used and this has been communicated to those shareholders who had raised it as a query. More widely, views expressed during this process were reflected in the terms of the PSP put to, and approved by, shareholders at the 2012 AGM.

By Order of the Board

DOUG EVANS
Company Secretary

29 August 2013

APPENDIX

BONUS DEFERRAL ARRANGEMENTS (Audited)

The following tables set out the interests of the executive directors under bonus deferral arrangements. The detail of these interests is set out in the footnotes beneath each table and in the table on page 71.

BONUS DEFERRAL LINKED TO MATCHING AWARDS

			Matching awards						
	Date of award	Purchased shares underpinning matching awards	1 July 2012	Awarded	Vested	Lapsed	**30 June 2013**	Dividend equivalent shares released	Vesting date
Alistair Cox	9 Oct 2009(1)	124,133	210,396(2)	–	127,226	83,170	**–**	23,374(3)	9 Oct 2012
Paul Venables	9 Oct 2009(1)	96,326	163,265(2)	–	98,726	64,539	**–**	18,137(3)	9 Oct 2012

(1) The directors were required to defer 70% of their bonuses for the 2008/09 financial year into shares subject to a three-year restricted period. The award in respect of 45% of the bonus earned was deferred on a pre-tax basis and is addressed in the table below. Messrs Cox and Venables elected to defer 25% of the bonus on a post-tax basis under the Deferred Annual Bonus plan for a three-year period. Matching shares were awarded in respect of this element, which are subject to the satisfaction of performance conditions over a three-year period ending on 30 June 2012. Dividend equivalent shares will be transferred to the directors in respect of any matching shares that vest. Matching shares were awarded to the directors, subject to the satisfaction of performance conditions over a three-year period ending on 30 June 2012. The number of matching shares was determined by reference to the pre-tax amount of deferred bonus. At the end of the restricted period on 9 October 2012, the post-tax awards were released. The market price per share on the original date of award was 106.000 pence and on the date of release was 79.625 pence.

(2) The matching awards vested on 9 October 2012 as to 60.47% of shares under the award, calculated as 52.06% of the cumulative international net fees performance condition (one-third of the award), 80.51% of the cumulative cash conversion performance condition (one-third of the award) and 48.84% of the cumulative earnings per share performance condition (one-third of the award). Cumulative international net fees is the net fees of the Company excluding UK and Ireland, Australia and New Zealand for each financial year cumulative over the performance period. International net fees arising from any acquisition made from the start of the relevant performance period are excluded from the cumulative international net fees calculation. The market prices per share on the date of the award was 106.000 pence and on the date of vesting was 79.625 pence.

(3) Dividend equivalent shares were transferred to the directors in respect of the matching share awards that vested and were also released on 9 October 2012 and the market price was 79.625 pence per share.

BONUS DEFERRALS NOT LINKED TO MATCHING AWARDS

	Date of award	1 July 2012	Awarded	Vested	Lapsed	**30 June 2013**	Vesting date
Alistair Cox	9 Oct 2009(1)	378,713	–	378,713	–	**–**	9 Oct 2012
	9 Sep 2010(2)	273,932	–	–	–	**273,932**	9 Sep 2013
	8 Sep 2011(3)	339,828		–	–	**339,828**	8 Sep 2014
	7 Sep 2012(3)		164,334	–	–	**164,334**	7 Sep 2015
Paul Venables	9 Oct 2009(1)	293,878	–	293,878	–	**–**	9 Oct 2012
	9 Sep 2010(2)	195,295	–	–	–	**195,295**	9 Sep 2013
	8 Sep 2011(3)	248,060		–	–	**248,060**	8 Sep 2014
	7 Sep 2012(3)		118,485	–	–	**118,485**	7 Sep 2015

(1) The directors were required to defer 70% of their bonuses for the 2009 financial year into shares subject to a three-year restricted period. 45% of the bonus earned was deferred on a pre-tax basis and Messrs Cox and Venables were awarded a conditional right to receive shares at the end of a three-year period, subject only to remaining in employment. The balancing 25% of the bonuses were deferred on a post-tax basis and will potentially attract matching shares and are stated in the previous table. Dividend equivalent shares will be transferred to the directors in respect of any matching shares that vest.

(2) The directors were required to defer 40% of their bonuses for the 2010 and 2011 financial years on a pre-tax basis into shares subject to a three-year restricted period. Messrs Cox and Venables were awarded a conditional right to receive shares at the end of a three-year period, subject only to remaining in employment. Dividend equivalent shares will be transferred to the directors in respect of any shares that vest.

(3) The directors were required to defer 40% of their bonuses for the 2012 financial year on a pre-tax basis into shares subject to a three-year restricted period. Messrs Cox and Venables were awarded a conditional right to receive shares at the end of a three-year period, subject only to remaining in employment. Dividend equivalent shares will be transferred to the directors in respect of any shares that vest. The market price per share on the date of award was 73.05 pence.

REMUNERATION REPORT
CONTINUED

PERFORMANCE SHARE PLAN (Audited)

The following table sets out the interests of the executive directors in the PSP. Details of these awards are set out in the footnote below and in the table on page 70.

	Date of award	1 July 2012	Awarded	Vested	Lapsed	**30 June 2013**	Dividend equivalent shares released	Vesting date
Alistair Cox	9 Oct 2009(1)	1,040,094	–	-	1,040,094	**–**	–	9 Oct 2012
	27 Sep 2010	994,138	–	-	–	**994,138**	–	27 Sep 2013
	23 Sep 2011	1,601,657		-	–	**1,601,657**	–	23 Sep 2014
	8 Nov 2012(2)	–	1,427,302	-	–	**1,427,302**	–	8 Nov 2015
Paul Venables	9 Oct 2009(1)	749, 908	–	-	749,908	**–**	–	9 Oct 2012
	27 Sep 2010	716,774	–	-	–	**716,774**	–	27 Sep 2013
	23 Sep 2011	1,154,795		-	–	**1,154,795**	–	23 Sep 2014
	8 Nov 2012(2)	–	1,029,082	-	–	**1,029,082**	–	8 Nov 2015

(1) The awards lapsed in full on 9 October 2012. The performance condition attached to the awards was based on the Company's total shareholder return against a comparator group of 10 companies measured over the performance period 1 July 2009 to 30 June 2012, which was not met.
(2) The market price per share on the date of award was 81.55 pence.

SHARE OPTIONS (Audited)

Both executive directors participate in the UK Sharesave Scheme on the same terms as other eligible employees. The following are options over Ordinary shares held by directors during the year ended 30 June 2013:

	Scheme	1 July 2012	Exercised	Granted	Lapsed	**30 June 2013**	Option price	Date from which exercisable	Expiry date
Alistair Cox	UK Sharesave 30 March 2011	8,058	–	–	–	**8,058**	112.00p	1 May 2014	31 Oct 2014
Paul Venables	UK Sharesave 26 March 2010	3,903	–	–	–	**3,903**	93.00p	1 May 2013	31 Oct 2013
	UK Sharesave 30 March 2011	4,834	–	–	–	**4,834**	112.00p	1 May 2014	31 Oct 2014
	UK Sharesave 28 March 2013		–	4,090	–	**4,090**	88.00p	1 May 2016	31 Oct 2016

The market price at 28 June 2013, being the final trading day of the financial year, was 88.95 pence per share. During the year the shares traded in the range 66 pence to 102.5 pence per share (prices at mid-market close).

LONG-TERM INCENTIVE PERFORMANCE AWARDS (Audited)

Details of the performance periods for the Company's 2010, 2011 and 2012 Long-Term Incentive Plans are shown below:

Date of award	Performance period
September 2010	1 July 2010–30 June 2013
September 2011	1 July 2011–30 June 2014
November 2012	1 July 2012–30 June 2015

The performance conditions for all three are the same and are detailed below:

	Performance	RPI+	Vesting percentage
Cumulative earnings per share(2)(3)	Maximum	12.0% p.a.	100%
(50% of award)	Threshold	4.0% p.a.	25%

	Performance	Percentage conversion	Vesting percentage
Total shareholder return(1)	Maximum	Upper quartile	100%
(50% of award)	Threshold	Median	25%

Performance levels between threshold, target (where relevant) and maximum are graduated on a straight-line basis.

Notes:
(1) For the purpose of ranking the performance of Hays shares against a sector group of comparator companies, TSR for each company is the difference between the average market values (in sterling terms) of a notional shareholding in that company on all dealing days for the three-month periods prior to the start and the end of the performance period divided by the average market values (in sterling terms) of a notional shareholding in that company on all dealing days for the three-month period prior to the start of the performance period. The TSR for Hays shares is ranked against the respective TSR performances of Adecco SA, CDI Corporation (2010 award onwards), Kelly Services Inc, Manpower Inc, Michael Page International plc, MPS Group Inc (2009 award only as subsequently acquired by Adecco SA and replaced by CDI Corporation within the comparator group for later awards), Randstad Holdings NV, Robert Half International Inc, Robert Walters plc, SThree plc and USG People NV. Vesting will be subject to satisfactory financial performance over the performance period as determined by the Committee.
(2) Cumulative earnings per share is the consolidated basic earnings per share of the Company calculated in accordance with IAS 33 for each financial year cumulative over the performance period. Goodwill impairments arising from acquisitions prior to 30 June 2006 are excluded from the earnings per share calculation. Cumulative cash conversion is the operating cash flow of the Company, after deducting net capital expenditure (excluding capital expenditure incurred on the Group's strategic IT projects), stated as a percentage of operating profit before exceptional items, for each financial year cumulative over the performance period. The Committee may make adjustments to the calculations of cumulative earnings per share and cumulative cash conversion, including taking account of unusual or non-recurring items that do not reflect underlying performance.
(3) The lower and upper earnings per share growth range for the first year of the performance period was based on consensus forecast for that year (being a range of +/- 4% around the consensus forecast earnings per share, being 4.9 pence per share for the 2010 awards, 6.22 pence per share for the 2011 awards and 4.86 pence for the 2012 awards). The earnings per ehare growth for the remaining two years requires additional growth of between RPI +4% and RPI +12% per annum to achieve threshold and maximum vesting respectively.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and they have elected to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent Company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Consolidated Financial Statements, International Accounting Standard 1 requires that directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT

The Board confirms to the best of its knowledge that:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The management report, which is incorporated into the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

DISCLOSURE OF INFORMATION TO THE AUDITOR

As required by Section 418 of the Companies Act, each of the directors as at 29 August 2013 confirms that:

(a) So far as the director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and

(b) The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Words and phrases used in this confirmation should be interpreted in accordance with Section 418 of the Companies Act.

By order of the Board

ALISTAIR COX
Chief Executive

PAUL VENABLES
Group Finance Director

29 August 2013

FINANCIAL STATEMENTS

IN THIS SECTION

Since Hays entered the Australian market in 1976, we have organically grown a clear market-leading position, with a leadership across every state and every specialism in which we operate.

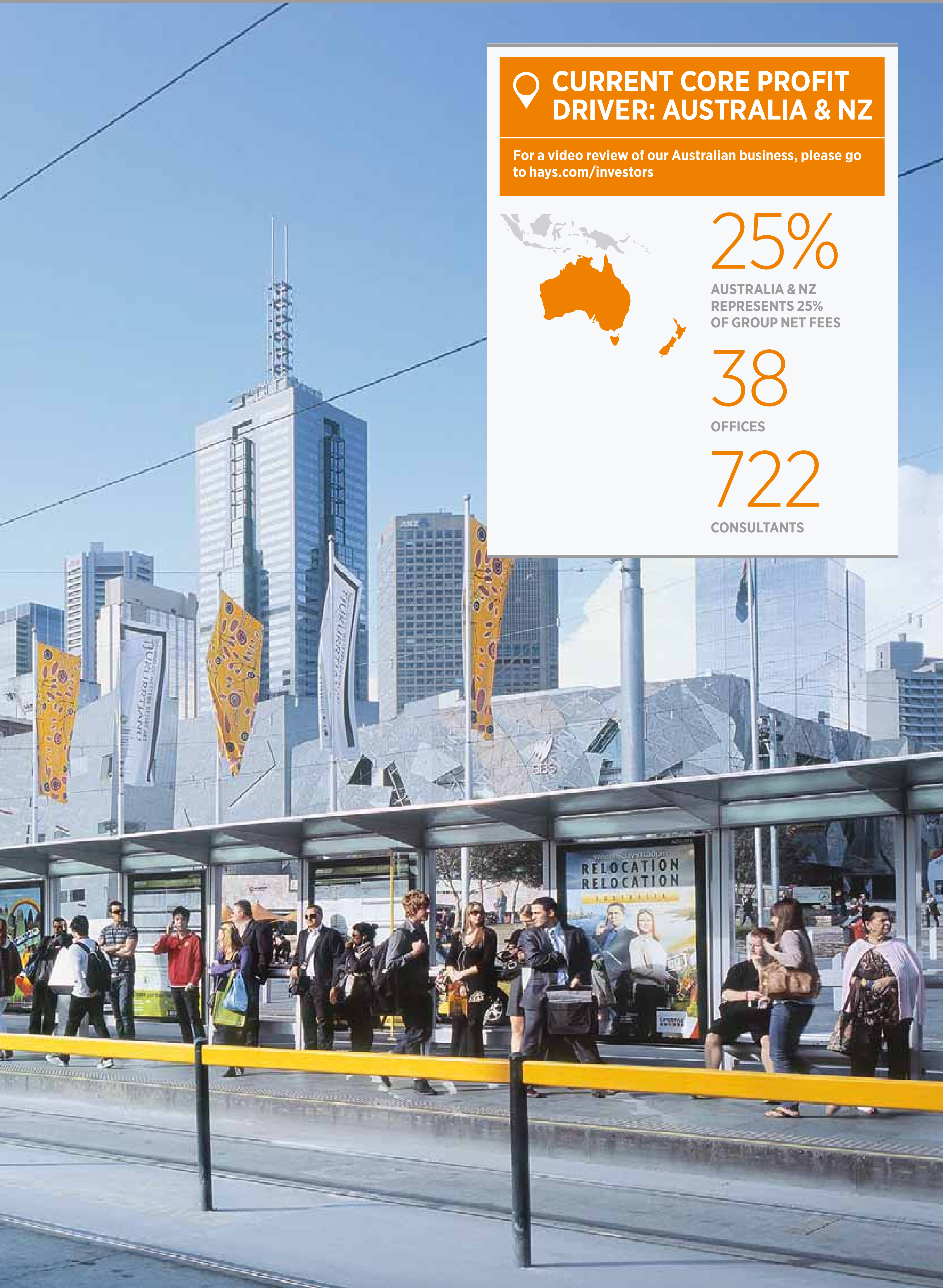
CURRENT CORE PROFIT DRIVER: AUSTRALIA & NZ

For a video review of our Australian business, please go to hays.com/investors

25%
AUSTRALIA & NZ REPRESENTS 25% OF GROUP NET FEES

38
OFFICES

722
CONSULTANTS



INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAYS PLC

We have audited the financial statements of Hays plc for the year ended 30 June 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes 1 to 32. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2013 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, contained within the Directors' Report – Other Statutory Information, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

STEPHEN GRIGGS (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF DELOITTE LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

29 August 2013

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE

(In £s million)	Note	**2013**	2012
Turnover			
Continuing operations		**3,696.9**	3,654.6
Net fees[1]			
Continuing operations	4	**719.0**	734.0
Operating profit from continuing operations	4	**125.5**	128.1
Finance income	8	**0.7**	0.9
Finance cost	8	**(7.7)**	(6.6)
Profit before tax		**118.5**	122.4
Tax	9	**(46.8)**	(46.9)
Profit from continuing operations after tax		**71.7**	75.5
Profit from discontinued operations	10	**–**	11.0
Profit attributable to equity holders of the parent Company		**71.7**	86.5
Earnings per share from continuing operations			
– Basic	12	**5.14p**	5.47p
– Diluted	12	**5.06p**	5.37p
Earnings per share from continuing and discontinued operations			
– Basic	12	**5.14p**	6.26p
– Diluted	12	**5.06p**	6.16p

(1) Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE

(In £s million)	**2013**	2012
Profit for the year	**71.7**	86.5
Items that will not be reclassified subsequently to profit or loss:		
Actuarial loss on defined benefit pension schemes	**(28.8)**	(24.6)
Currency translation adjustments	**1.2**	(16.1)
Tax relating to components of other comprehensive income	**4.1**	2.4
	(23.5)	(38.3)
Items that may be reclassified subsequently to profit or loss:		
Mark to market valuation of derivative financial instruments	**0.6**	(0.4)
Other comprehensive income for the year net of tax	**(22.9)**	(38.7)
Total comprehensive income for the year	**48.8**	47.8
Attributable to equity shareholders of the parent Company	**48.8**	47.8

CONSOLIDATED BALANCE SHEET
AT 30 JUNE

(In £s million)	Note	2013	2012
Non-current assets			
Goodwill	13	**177.3**	177.2
Other intangible assets	14	**44.4**	55.5
Property, plant and equipment	15	**22.3**	24.2
Deferred tax assets	16	**34.2**	28.3
		278.2	285.2
Current assets			
Trade and other receivables	17	**565.9**	538.6
Cash and cash equivalents	18	**40.0**	38.7
		605.9	577.3
Total assets		**884.1**	862.5
Current liabilities			
Trade and other payables	20	**(433.4)**	(429.0)
Current tax liabilities		**(33.0)**	(29.2)
Bank loans and overdrafts	19	**(0.2)**	(1.6)
Provisions	22	**(4.2)**	(2.7)
Derivative financial instruments		**(0.5)**	(1.1)
		(471.3)	(463.6)
Non-current liabilities			
Bank loans	19	**(145.0)**	(170.0)
Retirement benefit obligations	21	**(33.0)**	(15.4)
Provisions	22	**(18.4)**	(22.9)
		(196.4)	(208.3)
Total liabilities		**(667.7)**	(671.9)
Net assets		**216.4**	190.6
Equity			
Called up share capital	23	**14.7**	14.7
Share premium	24	**369.6**	369.6
Capital redemption reserve	25	**2.7**	2.7
Retained earnings	26	**(244.3)**	(270.5)
Cumulative translation reserve	27	**54.8**	53.6
Other reserves	28	**18.9**	20.5
Total shareholders' equity		**216.4**	190.6

The Consolidated Financial Statements of Hays plc, registered number 2150950, were approved by the Board of Directors and authorised for issue on 29 August 2013.

Signed on behalf of the Board of Directors

A R COX **P VENABLES**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

(In £s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Other reserves	Total
At 1 July 2012	14.7	369.6	2.7	(270.5)	53.6	20.5	190.6
Currency translation adjustments	–	–	–	–	1.2	–	1.2
Mark to market valuation of derivative financial instruments	–	–	–	–	–	0.6	0.6
Actuarial loss on defined benefit pension schemes	–	–	–	(28.8)	–	–	(28.8)
Tax relating to components of other comprehensive income	–	–	–	4.1	–	–	4.1
Net (expense)/income recognised in other comprehensive income	–	–	–	(24.7)	1.2	0.6	(22.9)
Profit for the year	–	–	–	71.7	–	–	71.7
Total comprehensive income for the year	–	–	–	47.0	1.2	0.6	48.8
Dividends paid	–	–	–	(34.8)	–	–	(34.8)
Share-based payments	–	–	–	13.9	–	(3.8)	10.1
Deferred tax on share-based payment transactions	–	–	–	0.1	–	–	0.1
Other share movements	–	–	–	–	–	1.6	1.6
At 30 June 2013	**14.7**	**369.6**	**2.7**	**(244.3)**	**54.8**	**18.9**	**216.4**

FOR THE YEAR ENDED 30 JUNE 2012

(In £s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Other reserves	Total
At 1 July 2011	14.7	369.6	2.7	(275.6)	69.7	15.3	196.4
Currency translation adjustments	–	–	–	–	(16.1)	–	(16.1)
Mark to market valuation of derivative financial instruments	–	–	–	–	–	(0.4)	(0.4)
Actuarial loss on defined benefit pension schemes	–	–	–	(24.6)	–	–	(24.6)
Tax relating to components of other comprehensive income	–	–	–	2.4	–	–	2.4
Net expense recognised in other comprehensive income	–	–	–	(22.2)	(16.1)	(0.4)	(38.7)
Profit for the year	–	–	–	86.5	–	–	86.5
Total comprehensive income for the year	–	–	–	64.3	(16.1)	(0.4)	47.8
Dividends paid	–	–	–	(65.8)	–	–	(65.8)
Share-based payments	–	–	–	6.6	–	4.4	11.0
Other share movements	–	–	–	–	–	1.2	1.2
At 30 June 2012	14.7	369.6	2.7	(270.5)	53.6	20.5	190.6

Details of the Other reserves are explained in note 28.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE

(In £s million)	Note	**2013**	Restated[(2)] 2012
Operating profit from continuing operations		**125.5**	128.1
Adjustments for:			
Exceptional items[(1)]		**(0.6)**	(7.0)
Depreciation of property, plant and equipment		**11.0**	9.7
Amortisation of intangible fixed assets		**12.6**	13.5
(Profit)/loss on disposal of property, plant and equipment		**(0.1)**	0.9
Net movements in provisions and other items		**(2.4)**	(5.4)
Share-based payments		**10.2**	12.2
		30.7	23.9
Operating cash flow before movement in working capital		**156.2**	152.0
Movement in working capital:			
Increase in receivables		**(25.1)**	(26.7)
Increase in payables		**4.6**	29.9
		(20.5)	3.2
Cash generated by operations		**135.7**	155.2
Pension scheme deficit funding[(2)]		**(12.8)**	(12.4)
Income taxes paid		**(45.2)**	(44.2)
Net cash inflow from operating activities		**77.7**	98.6
Investing activities			
Purchase of property, plant and equipment		**(9.3)**	(12.7)
Proceeds from sales of business and related assets		**0.2**	0.1
Purchase of intangible assets		**(1.4)**	(6.1)
Cash paid in respect of acquisitions made in previous years		**(0.8)**	(1.0)
Interest received		**0.7**	0.9
Net cash used in investing activities		**(10.6)**	(18.8)
Financing activities			
Interest paid		**(9.0)**	(7.1)
Equity dividends paid		**(34.8)**	(65.8)
Purchase of own shares		**–**	(0.7)
Proceeds from exercise of share options		**1.6**	2.1
Decrease in bank loans and overdrafts		**(26.4)**	(18.3)
Net cash used in financing activities		**(68.6)**	(89.8)
Net decrease in cash and cash equivalents		**(1.5)**	(10.0)
Cash and cash equivalents at beginning of year	32	**38.7**	55.1
Effect of foreign exchange rate movements		**2.8**	(6.4)
Cash and cash equivalents at end of year	32	**40.0**	38.7

(1) The adjustment to the Cash Flow Statement in the year to 30 June 2013 of £0.6 million and in the year to 30 June 2012 of £7.0 million relates to cash paid in respect of exceptional items which were recognised in the financial years ended 30 June 2010 and 30 June 2011.

(2) The Pension scheme deficit funding payments of £12.8 million have been reclassified from Financing activities to Operating activities in the current year. Accordingly, the 2012 Cash Flow Statement has been restated to conform with the current year presentation resulting in £12.4 million moving from Financing activities to Operating activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Hays plc is a Company incorporated in the United Kingdom and registered in England and Wales and its registered office is 250 Euston Road, London NW1 2AF.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretation Committee interpretations (IFRICs) as adopted by the European Union and therefore comply with Article 4 of the European Union International Accounting Standard (IAS) Regulation.

New standards and interpretations

The Consolidated Financial Statements have been prepared on the basis of the accounting policies and methods of computation applicable for the year ended 30 June 2013. These accounting policies are consistent with those applied in the preparation of the accounts for the year ended 30 June 2012 with the exception of the following new accounting standards, amendments and interpretations which were mandatory for accounting periods beginning on or after 1 January 2012.

IAS 1 (amendment)	Presentation of Items of Other Comprehensive Income (effective 1 July 2012)
IAS 12 (amendment)	Deferred Tax: Recovery of Underlying Assets (effective 1 January 2012)

There have been no alterations made to the accounting policies as a result of considering all other IFRS and IFRIC amendments and interpretations that became effective during the financial year, as these were either not material to the Group's operation, or were not relevant.

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but which are only effective for our accounting periods beginning on or after 1 January 2013. These new pronouncements are listed below:

IFRS 9	Financial Instruments (effective 1 January 2015)
IFRS 10	Consolidated Financial Statements (effective 1 January 2013)
IFRS 10, IFRS 12 and IAS 27 (amendment)	Investment Entities (effective 1 January 2013)
IFRS 11	Joint Arrangements (effective 1 January 2013)
IFRS 12	Disclosure of Interests in Other Entities (effective 1 January 2013)
IFRS 13	Fair Value Measurement (effective 1 January 2013)
IAS 19 (revised)	Employee Benefits (effective 1 January 2013)
IAS 27 (revised)	Separate Financial Statements (effective 1 January 2013)
IAS 28 (revised)	Investments in Associates and Joint Ventures (effective 1 January 2013)
Improvements to IFRSs 2009–2011	(effective 1 January 2013)
IFRS 7 (amendment)	Disclosures – Offsetting Financial Assets and Financial Liabilities (effective 1 January 2013)
IAS 32 (amendment)	Presentation – Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014)

The directors are currently evaluating the impact of the adoption of these standards, amendments and interpretations. The directors estimate that the impact of IAS 19 (revised) will be to modestly increase the net finance charge for the year ending 30 June 2014. The increase is a non-cash item.

The Group's principal accounting policies adopted in the presentation of these financial statements are set out below and have been consistently applied to all the periods presented.

2 SIGNIFICANT ACCOUNTING POLICIES

a Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with IFRSs adopted for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The Consolidated Financial Statements have been prepared on the historical cost basis with the exception of financial instruments. Financial instruments have been recorded on a fair-value basis.

b Going concern

The Group's business activities, together with the factors likely to effect its future development, performance and position are set out in the Strategic Review on pages 18 to 29. The financial position of the Group, its cash flows and liquidity position are described in the Financial Review on pages 30 to 33. In addition, notes 18 to 19 to the Consolidated Financial Statements include details of the Group's treasury activities, long-term funding arrangements and exposure to financial risk.

The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments and any proposed dividends. Therefore the Group is well placed to manage its business risks, despite the current uncertain economic outlook.

After making enquiries the directors have formed the judgement that at the time of approving the Consolidated Financial Statements there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

c Basis of consolidation

Subsidiaries are fully consolidated from the date on which power to control is transferred to the Group. They are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group whereby the identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. The financial statements consolidate the accounts of Hays plc and all of its subsidiaries. The results of subsidiaries acquired or disposed during the year are included from the effective date of acquisition or up to the effective date of disposal as appropriate.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

d Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Turnover arising from the placement of permanent candidates is recognised at the time the candidate commences full-time employment. Provision is made for the expected cost of meeting obligations where employees do not work for the specified contractual period.

Turnover arising from temporary placements is recognised over the period that temporary workers are provided. Where the Group is acting as a principal, turnover represents the amounts billed for the services of the temporary workers, including the remuneration costs of the temporary workers.

Where Hays acts as principal in arrangements that invoice on behalf of other recruitment agencies, turnover represents amounts invoiced and collected on behalf of other recruitment agencies, including arrangements where no commission is directly receivable by the Group.

Where the Group is acting as an agent, turnover represents commission receivable relating to the supply of temporary workers and does not include the remuneration costs of the temporary workers.

e Net fees

Net fees represent turnover less the remuneration costs of temporary workers for temporary assignments and remuneration of other recruitment agencies. For the placement of permanent candidates, net fees are equal to turnover.

f Exceptional items

Exceptional items as disclosed on the face of the Consolidated Income Statement are items which due to their size and non-recurring nature have been classified separately in order to draw them to the attention of the reader of the financial statements and to show the underlying profits of the Group.

g Foreign currencies

On consolidation, the tangible and intangible assets and liabilities of subsidiaries denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Income and expense items are translated into sterling at average rates of exchange for the period. Any exchange differences which have arisen from an entity's investment in a foreign subsidiary, including long-term loans, are recognised as a separate component of equity and are included in the Group's translation reserve.

On disposal of a subsidiary, any amounts transferred to the translation reserve are included in the calculation of profit and loss on disposal. All other translation differences are dealt with in the Consolidated Income Statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

h Retirement benefit costs

The cost of defined benefit pension schemes and other post-retirement employee benefits is determined using the projected-unit credit method and charged to the Consolidated Income Statement as an expense, based on actuarial assumptions reflecting market conditions at the beginning of the financial year. Actuarial gains and losses are recognised in full in the Consolidated Statement of Comprehensive Income in the period in which they occur. Past service costs/curtailments are recognised immediately to the extent that benefits have vested or, if not vested, on a straight-line basis over the period until the benefits vest.

The Group has chosen under IFRS 1 to recognise in retained earnings all cumulative actuarial gains and losses as at 1 July 2004, the date of transition to IFRS. The Group has chosen to recognise all actuarial gains and losses arising subsequent to 1 July 2004 in the Consolidated Statement of Comprehensive Income.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contribution to the scheme.

Payments to defined contribution schemes are charged as an expense as they fall due.

i Share-based payments

The fair value of all share-based remuneration that is assessed upon market-based performance criteria is determined at the date of grant and recognised as an expense in the Consolidated Income Statement on a straight-line basis over the vesting period, taking account of the estimated number of shares that will vest.

The fair value of all share-based remuneration that is assessed upon non-market-based performance criteria is determined at the date of the grant and recognised as an expense in the Consolidated Income Statement over the vesting period, based on the number of shares that are expected to vest. The number of shares that are expected to vest is adjusted accordingly to the satisfaction of the performance criteria at each period end.

The fair values are determined by use of the relevant valuation models. All share-based remuneration is equity settled.

j Borrowing costs

Interest costs are recognised as an expense in the Consolidated Income Statement in the period in which they are incurred. Arrangement fees incurred in respect of borrowings are amortised over the term of the agreement.

k Taxation

The tax expense comprises both current and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on all temporary differences, at rates that are enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which to offset the deductible temporary differences.

Temporary differences arise where there is a difference between the accounting carrying value in the Consolidated Balance Sheet and the amount attributed to that asset or liability for tax purposes.

Deferred tax is provided on unremitted earnings of subsidiaries and associates where the Group is unable to control the timing of the distribution, and it is probable that the temporary difference will reverse in the future.

l Goodwill

Goodwill arising on consolidation represents the excess of purchase consideration less the fair value of the identifiable tangible and intangible assets and liabilities acquired.

Goodwill is recognised as an asset and reviewed for impairment at least annually. For the purpose of impairment testing, assets are grouped at the lowest level for which there are separately identifiable cash flows, known as cash-generating units (CGUs). Any impairment is recognised immediately in the Consolidated Income Statement and is not subsequently reversed.

On disposal of a business the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS (1 July 2004) has been retained at the previous UK GAAP amounts, subject to being tested for impairment at that date. Goodwill arising on acquisitions prior to 1 July 1998 was written off direct to reserves under UK GAAP. This goodwill has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

m Intangible assets

Intangible assets acquired as part of a business combination are stated in the Consolidated Balance Sheet at their fair value as at the date of acquisition less accumulated amortisation and any provision for impairment. The directors review intangible assets for indications of impairment annually.

Internally generated intangible assets are stated in the Consolidated Balance Sheet at the directly attributable cost of creation of the asset, less accumulated amortisation. Intangible assets are amortised on a straight-line basis over their estimated useful lives up to a maximum of ten years. Software incorporated into major ERP implementations that support the recruitment process and financial reporting process is amortised over a life of up to seven years. Other software is amortised between three and five years.

n Property, plant and equipment

Property, plant and equipment is recorded at cost, net of depreciation and any provision for impairment. Depreciation is provided on a straight-line basis over the anticipated useful working lives of the assets, after they have been brought into use, at the following rates:

Freehold land	– No depreciation is provided
Freehold buildings	– At rates varying between 2% and 10%
Leasehold properties	– The cost is written off over the unexpired term of the lease
Plant and machinery	– At rates varying between 5% and 33%
Fixtures and fittings	– At rates varying between 10% and 25%

o Trade and other receivables

Trade and other receivables are measured at fair value after appropriate allowances for estimated irrecoverable amounts have been recognised in the Consolidated Income Statement where there is objective evidence that the asset is impaired.

p Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

q Trade payables

Trade payables are measured at fair value.

r Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of the proceeds received, net of direct-issue costs.

Finance charges, including premiums payable on settlement or redemption and direct-issue costs, are accounted for on an accrual basis in the Consolidated Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

s Derivative financial instruments and hedge accounting

The Group uses certain derivative financial instruments to reduce its exposure to interest rate movements. The Group does not hold or use derivative financial instruments for speculative purposes.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and any ineffective portion is recognised immediately in the Consolidated Income Statement.

The Group uses a range of 80% to 125% for hedge effectiveness, in accordance with IAS 39, and any relationship which has effectiveness outside this range is deemed to be ineffective and hedge accounting is suspended.

The fair values of interest rate swaps represent the replacement costs calculated using observable market rates of interest and exchange. The fair value of long-term borrowing is calculated by discounting expected future cash flows at observable market rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Amounts deferred in equity are recognised in the Consolidated Income Statement in the same period in which the hedged item affects net income.

Cash flow hedge accounting is discontinued when a hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time any cumulative gain or loss on the hedging instrument recognised in equity is either retained in equity until the firm commitment or forecasted transaction occurs, or where a hedge transaction is no longer expected to occur, is immediately credited or expensed in the Consolidated Income Statement.

t Leases

Leases where a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases by the lessee.

Rentals payable under operating leases are charged to the Consolidated Income Statement on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to enter into an operating lease are recognised on a straight-line basis over the lease term.

u Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Retirement benefit obligations

Under IAS 19 'Employee Benefits', the Group has recognised a pension deficit of £33.0 million (2012: £15.4 million). A number of assumptions have been made in determining the pension deficit and these are described in note 21 to the Consolidated Financial Statements.

Goodwill impairment

Goodwill is tested for impairment at least annually. In performing these tests assumptions are made in respect of future growth rates and the discount rate to be applied to the future cash flows of income-generating units. These assumptions are set out in note 13 to the Consolidated Financial Statements.

Provisions in respect of disposed businesses

As described in note 22, provisions in respect of disposed businesses have been made. In assessing the adequacy of these provisions estimates are made of probable cash outflows in the future.

Provisions in respect of recoverability of trade receivables

As described in note 17, provisions for impairment of trade receivables have been made. In reviewing the appropriateness of these provisions, consideration has been given to the ageing of the debt and the potential likelihood of default, taking into account current economic conditions.

4 SEGMENTAL INFORMATION

IFRS 8 Operating Segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segment and to assess their performance.

As a result, the Group continues to segment the business into three regions, Asia Pacific, Continental Europe & Rest of World, and United Kingdom & Ireland. There is no material difference between the segmentation of the Group's turnover by geographic origin and destination.

The Group's continuing operations comprise one class of business, that of qualified, professional and skilled recruitment.

Net fees and operating profit from continuing operations

The Group's Management Board, which is regarded as the chief operating decision maker, uses net fees by segment as its measure of revenue in internal reports, rather than use turnover. This is because net fees exclude the remuneration of temporary workers, and payments to other recruitment agencies where the Group acts as principal, which are not considered relevant in allocating resources to segments. The Group's Management Board considers net fees for the purpose of making decisions about allocating resources. The Group does not report items below operating profit by segment in its internal management reporting. The full detail of these items can be found in the Group Consolidated Income Statement on page 83. The reconciliation of turnover to net fees can be found in note 5.

(In £s million)	**2013**	2012
Net fees from continuing operations		
Asia Pacific	**211.8**	242.2
Continental Europe & Rest of World	**285.2**	266.5
United Kingdom & Ireland	**222.0**	225.3
	719.0	734.0

(In £s million)	**2013**	2012
Operating profit from continuing operations		
Asia Pacific	**67.2**	90.9
Continental Europe & Rest of World	**52.7**	43.7
United Kingdom & Ireland	**5.6**	(6.5)
	125.5	128.1

Net trade receivables

For the purpose of monitoring performance and allocating resources from a balance sheet perspective, the Group's Management Board monitors trade receivables net of provisions for impairments only on a segment by segment basis. These are monitored on a constant currency basis for comparability through the year. These are shown below and reconciled to the totals as shown in note 17.

(In £s million)	As reported internally	Foreign exchange	**2013**	As reported internally	Foreign exchange	2012
Net trade receivables						
Asia Pacific	68.2	(4.7)	**63.5**	76.1	(1.7)	74.4
Continental Europe & Rest of World	147.2	9.4	**156.6**	157.3	(17.4)	139.9
United Kingdom & Ireland	152.0	0.4	**152.4**	137.7	(0.6)	137.1
	367.4	5.1	**372.5**	371.1	(19.7)	351.4

Major customers

In the current year there was no one customer that exceeded 10% of the Group's turnover. Included in turnover in the prior year was an amount of approximately £587 million which arose from sales to the Group's largest customer, and was generated in the United Kingdom & Ireland. This was the only customer to exceed 10% of the Group's turnover, however as it included a significant element of remuneration of temporary workers and other recruitment agencies, it represented less than 1% of the Group's net fees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

5 OPERATING PROFIT FROM CONTINUING OPERATIONS

The following costs are deducted from turnover to determine net fees from continuing operations:

(In £s million)	2013	2012
Turnover	**3,696.9**	3,654.6
Remuneration of temporary workers	**(2,685.9)**	(2,421.3)
Remuneration of other recruitment agencies	**(292.0)**	(499.3)
Net fees	**719.0**	734.0

Profit from operations is stated after charging the following items to net fees of £719.0 million (2012: £734.0 million):

(In £s million)	2013	2012
Staff costs (note 7)	**428.1**	436.6
Depreciation of property, plant and equipment	**11.0**	9.7
Amortisation of intangible assets	**12.6**	13.5
Operating lease rentals payable (note 31)	**31.2**	30.6
Impairment loss on trade receivables	**2.5**	3.8
Auditor remuneration (note 6)		
– for statutory audit services	**0.8**	0.8
– for other services	**0.6**	0.2
Other external charges	**106.7**	110.7
	593.5	605.9

In the prior year, included within staff costs was a £6.0 million credit in respect of the curtailment gain arising from the closure of the UK defined benefit pension scheme to the accrual of future benefits (note 21).

Set against this was a series of non-recurring UK costs amounting to £5.8 million, of which £2.5 million was included within staff costs, and £3.3 million within other external charges. The net UK impact of these items was a £0.2 million credit to the Consolidated Income Statement.

6 AUDITOR REMUNERATION

(In £s million)	2013	2012
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	**0.2**	0.2
Fees payable to the Company's Auditor and their associates for other services to the Group:		
The audit of the Company's subsidiaries pursuant to legislation	**0.6**	0.6
Total audit fees	**0.8**	0.8
Half year review pursuant to legislation	**0.1**	0.1
Tax and other services	**0.5**	0.1
Total non-audit fees	**0.6**	0.2

Other services, principally relating to technical accounting advice, totalled £61,000 (2012: £17,000). No services were performed pursuant to contingent fee arrangements.

7 STAFF COSTS

The aggregate staff remuneration (including executive directors) was as follows:

(In £s million)	**2013**	2012
Wages and salaries	**358.5**	368.6
Social security costs	**45.8**	46.6
Other pension costs	**13.6**	9.2
Share-based payments	**10.2**	12.2
	428.1	436.6

Average number of persons employed (including executive directors):

(Number)	**2013**	2012
Continuing operations		
Asia Pacific	**1,458**	1,522
Continental Europe & Rest of World	**3,013**	2,727
United Kingdom & Ireland	**3,391**	3,623
	7,862	7,872

Closing number of persons employed (including executive directors):

(Number)	**2013**	2012
Continuing operations		
Asia Pacific	**1,418**	1,505
Continental Europe & Rest of World	**3,032**	2,799
United Kingdom & Ireland	**3,390**	3,496
	7,840	7,800

8 FINANCE INCOME AND FINANCE COST

Finance income

(In £s million)	**2013**	2012
Interest on bank deposits	**0.7**	0.9

Finance cost

(In £s million)	**2013**	2012
Interest payable on bank loans and overdrafts	**(7.7)**	(8.0)
Pension Protection Fund levy	**0.4**	(0.9)
Net interest on pension obligations	**(0.4)**	2.3
	(7.7)	(6.6)
Net finance cost	**(7.0)**	(5.7)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

9 INCOME TAXES RELATING TO CONTINUING OPERATIONS

The tax (expense)/credit for the year is comprised of the following:

Current tax

(In £s million)	2013	2012
Current tax expense in respect of the current year	**(43.9)**	(43.8)
Adjustments recognised in the current year in relation to the current tax of prior years	**(5.0)**	(0.8)
	(48.9)	(44.6)

Deferred tax

(In £s million)	2013	2012
Deferred tax credit/(expense) in respect of the current year	**2.7**	(3.2)
Adjustments to deferred tax attributable to changes in tax rates and laws	**(0.9)**	(0.7)
Adjustments to deferred tax in relation to prior years	**0.3**	1.6
	2.1	(2.3)
Total income tax expense recognised in the current year relating to continuing operations	**(46.8)**	(46.9)

The income tax expense for the year can be reconciled to the accounting profit as follows:

(In £s million)	2013	2012
Profit before tax from continuing operations	**118.5**	122.4
Income tax expense calculated at 23.75% (2012: 25.50%)	**(28.1)**	(31.2)
Effect of expenses that are not deductible in determining taxable profit	**(0.7)**	(0.1)
Deductible pension contribution in respect of prior periods	**–**	2.5
Effect of unused tax losses not recognised as deferred tax assets	**(1.8)**	(7.9)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(10.9)**	(9.4)
Effect on deferred tax balances due to the change in income tax rate from 24.0% to 23.0% (effective March 2013)	**(0.9)**	(0.7)
Effect of share-based payment charges and share options	**0.3**	(0.9)
	(42.1)	(47.7)
Adjustments recognised in the current year in relation to the current tax of prior years	**(5.0)**	(0.8)
Adjustments to deferred tax in relation to prior years	**0.3**	1.6
Income tax expense recognised in the Consolidated Income Statement (relating to continuing operations)	**(46.8)**	(46.9)
Effective tax rate for the year on continuing operations	**39.5%**	38.3%

The tax rate used for the 2013 and 2012 reconciliations above is the corporate tax rate of 23.75% (2012: 25.50%) payable by corporate entities in the United Kingdom on taxable profits under tax law in that jurisdiction.

10 DISCONTINUED OPERATIONS

The results of the discontinued operations which have been included in the Consolidated Income Statement were as follows:

(In £s million)	**2013**	2012
Profit from discontinued operations	–	10.1
Profit before tax	–	10.1
Tax credit	–	0.9
Profit from discontinued operations after tax	–	11.0

There was no profit from discontinued operations in the current year. In the prior year a profit of £11.0 million arose primarily from the write-back of provisions that were established when the Group completed the disposal of its non-core activities between March 2003 and November 2004 which in the light of subsequent events were no longer required.

Cash inflows generated from discontinued operations were the following:

(In £s million)	**2013**	2012
Investing activities	–	0.1

11 DIVIDENDS

The following dividends were paid by the Group and have been recognised as distributions to equity shareholders in the year:

	2013 pence per share	**2013 £s million**	2012 pence per share	2012 £s million
Previous year final dividend	1.67	**23.2**	3.95	54.3
Current year interim dividend	0.83	**11.6**	0.83	11.5
		34.8		65.8

The following dividends are proposed by the Group in respect of the accounting year presented:

	2013 pence per share	**2013 £s million**	2012 pence per share	2012 £s million
Interim dividend	0.83	**11.6**	0.83	11.5
Final dividend (proposed)	1.67	**23.5**	1.67	23.1
	2.50	**35.1**	2.50	34.6

The final dividend for 2013 of 1.67 pence per share (£23.5 million) will be proposed at the Annual General Meeting on 13 November 2013 and has not been included as a liability as at 30 June 2013. If approved, the final dividend will be paid on 15 November 2013 to shareholders on the register at the close of business on 11 October 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

12 EARNINGS PER SHARE

For the year ended 30 June 2013	Earnings (£s million)	Weighted average number of shares (million)	Per share amount (pence)
Continuing operations:			
Basic earnings per share from continuing operations	**71.7**	**1,393.8**	**5.14**
Dilution effect of share options	**–**	**23.4**	**(0.08)**
Diluted earnings per share from continuing operations	**71.7**	**1,417.2**	**5.06**

There were no discontinued operations in the current year.

For the year ended 30 June 2012	Earnings (£s million)	Weighted average number of shares (million)	Per share amount (pence)
Continuing operations:			
Basic earnings per share from continuing operations	75.5	1,381.4	5.47
Dilution effect of share options	–	23.4	(0.10)
Diluted earnings per share from continuing operations	75.5	1,404.8	5.37
Discontinued operations:			
Basic earnings per share from discontinued operations	11.0	1,381.4	0.80
Dilution effect of share options	–	23.4	(0.02)
Diluted earnings per share from discontinued operations	11.0	1,404.8	0.78
Continuing and discontinued operations:			
Basic earnings per share from continuing and discontinued operations	86.5	1,381.4	6.26
Dilution effect of share options	–	23.4	(0.10)
Diluted earnings per share from continuing and discontinued operations	86.5	1,404.8	6.16

The weighted average number of shares in issue for both years exclude shares held in treasury and shares held by the Hays plc Employee Share Trust.

13 GOODWILL

(In £s million)	2013	2012
Cost		
At 1 July	**177.2**	183.5
Exchange adjustments	**0.1**	(6.3)
At 30 June	**177.3**	177.2

Goodwill arising on business combinations is reviewed and tested on an annual basis or more frequently if there is indication that goodwill might be impaired. Goodwill has been tested for impairment by comparing the carrying amount of each cash-generating unit (CGU), including goodwill, with the recoverable amount. The recoverable amounts of the CGUs are determined from value-in-use calculations.

The key assumptions for the value-in-use calculations are as follows:

Assumption	How determined
Operating profit	The operating profit is based on the latest one-year forecasts for the CGUs approved by the Group's Management Board which are compiled using expectations of fee growth, consultant productivity and operating costs. The Group prepares cash flow forecasts derived from the most recent financial forecasts approved by management and extrapolates cash flows in perpetuity based on the long-term growth rates and expected cash conversion rates.
Discount rates	The pre-tax rate used to discount the forecast cash flows is 12.5% (2012: 12.5%) reflecting current market assessments of the time value of money and the risks specific to the relevant CGUs. The discount rate applied to the cash flows of each of the Group's operations is generally based on the weighted average cost of capital ("WACC") adjusted for the risk free rate for ten year bonds issued by the government in the respective market. Where government bond rates contain a material component of credit risk, high-quality local corporate bond rates may be used. These rates are adjusted for a risk premium to reflect the increased risk of investing in equities and where appropriate, the systematic risk of the specific Group operating company. In making this adjustment, inputs required are the equity market risk premium (that is the increased return required over and above a risk free rate by an investor who is investing in the market as a whole) and the risk adjustment, beta, applied to reflect the risk of the specific Group operating company relative to the market as a whole.
Growth rates	The long-term growth rates are based on management forecasts, which are consistent with external sources of an average estimated growth rate of 2.0% (2012: 3.0%), reflecting a combination of GDP expectations and long-term wage inflation driving fee growth. GDP growth is a key driver of the business, and is therefore a key consideration in developing long-term forecasts. Wage inflation is also an important driver of net fees as net fees are derived directly from the salary level of candidates placed into employment. Based on past experience a combination of these two factors is considered to be an appropriate basis for assessing long-term growth rates.

Impairment reviews were performed at the year end by comparing the carrying value of goodwill with the recoverable amount of the CGUs to which goodwill has been allocated.

Management has determined that there has been no impairment to any of the CGUs and in respect of these a sensitivity analysis has been performed in assessing recoverable amounts of goodwill. This has been based on changes in key assumptions considered to be possible by Management. This included a change in the discount rate of up to 1% and changes in the long-term growth rate from Year 2 onwards between 0% and 2% in absolute terms.

The sensitivity analysis shows no impairment would arise under each scenario for any of the CGUs.

Goodwill acquired in a business combination is allocated, at acquisition, to the groups of CGUs that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

(In £s million)	2013	2012
Asia Pacific	**21.5**	25.4
Continental Europe & Rest of World	**62.7**	58.7
United Kingdom & Ireland	**93.1**	93.1
	177.3	177.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

14 OTHER INTANGIBLE ASSETS

(In £s million)	2013	2012
Cost		
At 1 July	**86.2**	87.1
Exchange adjustments	**0.2**	(0.5)
Additions	**1.4**	6.1
Disposals	**(0.1)**	(6.5)
At 30 June	**87.7**	86.2
Amortisation		
At 1 July	**30.7**	24.2
Exchange adjustments	**0.1**	(0.5)
Charge for the year	**12.6**	13.5
Disposals	**(0.1)**	(6.5)
At 30 June	**43.3**	30.7
Net book value		
At 30 June	**44.4**	55.5
At 1 July	**55.5**	62.9

All other intangible assets relate to computer software.

There were no additions to other intangible assets in the current year in relation to internally generated assets (2012: £2.6 million).

The estimated average useful life of the intangible assets is seven years (2012: seven years). Software incorporated into major ERP implementations is amortised on a straight-line basis over a life of up to seven years. Other software is amortised on a straight-line basis between three and five years.

There were no capital commitments at the year end (2012: nil).

15 PROPERTY, PLANT AND EQUIPMENT

(In £s million)	Freehold properties	Leasehold properties (short)	Plant and machinery	Fixtures and fittings	Total
Cost					
At 1 July 2012	1.5	11.6	29.3	28.0	70.4
Exchange adjustments	0.1	(0.7)	(0.3)	0.5	(0.4)
Capital expenditure	0.3	2.0	4.6	2.4	9.3
Disposals	–	(0.4)	(1.5)	(0.8)	(2.7)
At 30 June 2013	**1.9**	**12.5**	**32.1**	**30.1**	**76.6**
Accumulated depreciation					
At 1 July 2012	0.9	8.6	16.9	19.8	46.2
Exchange adjustments	–	(0.5)	(0.1)	0.3	(0.3)
Charge for the year	0.1	1.7	5.8	3.4	11.0
Disposals	–	(0.4)	(1.5)	(0.7)	(2.6)
At 30 June 2013	**1.0**	**9.4**	**21.1**	**22.8**	**54.3**
Net book value					
At 30 June 2013	**0.9**	**3.1**	**11.0**	**7.3**	**22.3**
At 1 July 2012	0.6	3.0	12.4	8.2	24.2

There were no capital commitments as was the case in the prior year.

(In £s million)	Freehold properties	Leasehold properties (short)	Plant and machinery	Fixtures and fittings	Total
Cost					
At 1 July 2011	1.5	10.7	33.2	26.1	71.5
Exchange adjustments	(0.2)	(0.5)	(0.9)	(1.3)	(2.9)
Capital expenditure	0.2	1.5	6.3	4.7	12.7
Disposals	–	(0.1)	(9.3)	(1.5)	(10.9)
At 30 June 2012	1.5	11.6	29.3	28.0	70.4
Accumulated depreciation					
At 1 July 2011	1.0	7.6	22.6	16.9	48.1
Exchange adjustments	(0.2)	(0.3)	(0.7)	(0.8)	(2.0)
Charge for the year	0.1	1.4	3.9	4.3	9.7
Disposals	–	(0.1)	(8.9)	(0.6)	(9.6)
At 30 June 2012	0.9	8.6	16.9	19.8	46.2
Net book value					
At 30 June 2012	0.6	3.0	12.4	8.2	24.2
At 1 July 2011	0.5	3.1	10.6	9.2	23.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

16 DEFERRED TAX

Deferred tax assets in relation to:

(In £s million)	1 July 2012	(Charge)/credit to Consolidated Income Statement	(Charge)/credit to other comprehensive income	(Charge)/credit to equity	Exchange difference	**30 June 2013**
Accelerated tax depreciation	13.4	3.7	–	–	(0.4)	**16.7**
Retirement benefit obligation	5.0	(0.8)	4.1	–	–	**8.3**
Share-based payments	3.3	(0.1)	–	0.1	–	**3.3**
Provisions	2.9	(0.4)	–	–	–	**2.5**
Other short-term timing differences	3.7	(0.3)	–	–	–	**3.4**
	28.3	2.1	4.1	0.1	(0.4)	**34.2**

(In £s million)	1 July 2011	(Charge)/credit to Consolidated Income Statement	(Charge)/credit to other comprehensive income	(Charge)/credit to equity	Exchange difference	30 June 2012
Accelerated tax depreciation	4.7	9.3	–	–	(0.6)	13.4
Retirement benefit obligation	5.1	(3.5)	3.4	–	–	5.0
Share-based payments	4.5	(0.2)	(1.0)	–	–	3.3
Provisions	3.5	(0.6)	–	–	–	2.9
Tax losses	8.1	(7.9)	–	–	(0.2)	–
Other short-term timing differences	3.3	0.6	–	–	(0.2)	3.7
	29.2	(2.3)	2.4	–	(1.0)	28.3

The UK deferred tax asset of £27.8 million (2012: £21.4 million) is recognised on the basis of the UK business performance in the year and the forecast approved by management.

The United Kingdom Government has announced that the rate of corporation tax will reduce from 23% to 21% with effect from 1 April 2014 and a further reduction to 20% with effect from 1 April 2015. If these changes had been substantively enacted at 30 June 2013, the Group's deferred tax asset would have been reduced by £3.5 million, with £1.0 million charged directly to other comprehensive income, and £2.5 million charged to the Consolidated Income Statement.

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

(In £s million)	**2013**	2012
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Tax losses (revenue in nature)	**46.7**	39.4
Tax losses (capital in nature)	**5.3**	5.3
Deductible temporary differences	**0.2**	0.2
	52.2	44.9

Unrecognised taxable temporary differences associated with investments and interests

(In £s million)	**2013**	2012
Taxable temporary differences in relation to investments in subsidiaries, for which deferred tax liabilities have not been recognised are attributable to the following:		
Foreign subsidiaries	**0.1**	0.3

17 TRADE AND OTHER RECEIVABLES

(In £s million)	**2013**	2012
Trade receivables	**389.4**	371.6
Less provision for impairment	**(16.9)**	(20.2)
Net trade receivables	**372.5**	351.4
Prepayments and accrued income	**193.4**	187.2
	565.9	538.6

The directors consider that the carrying amount of trade receivables approximates to their fair value. The average credit period taken is 37 days (2012: 35 days).

The ageing analysis of the trade receivables not impaired is as follows:

(In £s million)	**2013**	2012
Not yet due	**278.5**	250.8
Up to one month past due	**77.9**	82.6
One to three months past due	**16.1**	18.0
	372.5	351.4

The Group's exposure to foreign currency translation is primarily in respect of the Euro and the Australian Dollar. The sensitivity of a one cent change in the year end closing exchange rates in respect of the Euro and Australian Dollar would result in a £1.2 million and £0.3 million movement in trade receivables respectively.

The movement on the provision for impairment of trade receivables is as follows:

(In £s million)	**2013**	2012
At 1 July	**20.2**	18.0
Exchange movement	**0.1**	(0.5)
Charge for the year	**2.5**	3.8
Uncollectable amounts written off	**(5.9)**	(1.1)
At 30 June	**16.9**	20.2

The ageing of impaired trade receivables relates primarily to trade receivables over three months past due.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the Consolidated Balance Sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a likely reduction in the recoverability of the cash flows. The Group reduces risk through its credit control process and by contractual arrangements with other recruitment agencies in situations where the Group invoices on their behalf. The Group's exposure is spread over a large number of customers.

The risk disclosures contained on pages 28 and 29 within the Directors' Report form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

18 CASH AND CASH EQUIVALENTS

(In £s million)	2013	2012
Cash at bank and in hand	**40.0**	38.7

The effective interest rate on short-term deposits was 0.9% (2012: 1.1%). The average maturity of short-term deposits was one day (2012: one day).

Credit risk

Counterparty credit risk on liquid funds is closely monitored using the credit ratings assigned by international credit rating agencies to financial institutions. A credit limit is applied to each bank and deposits held are monitored against those limits.

Interest rate risk profile of cash and cash equivalents

Cash and cash equivalents carry interest at floating rates based on local money market rates.

19 BANK LOANS AND OVERDRAFTS

(In £s million)	2013	2012
Bank loans	**145.0**	170.0
Overdrafts	**0.2**	1.6
	145.2	171.6

Risk management

A description of the Group's treasury policy and controls is included in the Financial Review on page 33.

Interest rate risk

The Group is exposed to cash flow interest rate risk on floating rate bank loans and overdrafts. At 30 June 2013 the Group had drawn down £145 million (2012: £170 million) from its unsecured revolving credit facility. In 2011 the Group entered into interest rate derivatives to partially hedge this risk. The fair value of these derivatives at 30 June 2013 was £(0.5) million (2012: £(1.1) million).

The interest rate profile of bank loans and overdrafts is as follows:

(In £s million)	2013	2012
Floating rate – sterling	**145.2**	171.6

The floating rate liabilities comprise bank loans and unsecured overdrafts bearing interest at rates based on local market rates.

Committed facilities

The Group completed the refinancing of a five-year £300 million unsecured revolving credit facility on 2 October 2012 which expires in October 2017. The financial covenants, which are unchanged from the Group's previous facility, require the Group's interest cover ratio to be at least 4:1 and its leverage ratio (net debt to EBITDA) to be no greater than 2.5:1. The interest rate of the facility is based on a ratchet mechanism with a margin payable over LIBOR in the range of 1.85% to 2.40%.

At 30 June 2013, £155 million of the committed facility was un-drawn.

Interest rates

The weighted average interest rates paid were as follows:

	2013	2012
Bank borrowings	**2.8%**	2.8%

For each ten basis point fall or rise in the average LIBOR rate in the year there would be a reduction or increase in profit before tax by approximately £0.2 million.

Maturities of bank loans and overdrafts

The maturities of borrowings are as follows:

(In £s million)	2013	2012
Within one year	**0.2**	1.6
More than one year	**145.0**	170.0
	145.2	171.6

Fair values of financial assets and bank loans and overdrafts

The fair value of financial assets and bank loans and overdrafts is not materially different to their book value due to the short-term maturity of the instruments, which are based on floating rates.

Capital management

The Board's priorities for free cash flow are to fund the Group's investment and development, maintain a strong balance sheet and deliver a sustainable dividend at a level that is affordable and appropriate. The Board targets a dividend cover range of 2.0x to 3.0x, and remains committed to paying a sustainable and progressive dividend. Further details can be found in the Financial Review on page 32.

The capital structure of the Group consists of net debt, which is represented by cash and cash equivalents (note 18), bank loans and overdrafts (note 19) and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in notes 23 to 28.

The Group is not restricted to any externally imposed capital requirements.

Foreign currency risk

The Group did not have a material income statement exposure to foreign exchange gains or losses on monetary assets and liabilities denominated in foreign currencies at 30 June 2013.

The Group does not use derivatives to hedge balance sheet and income statement translation exposure.

The Group's operating profit exposure to foreign currency translation is primarily in respect of the Euro and the Australian Dollar. The sensitivity of a one cent change in the average exchange rates for the year in respect of the Euro and Australian Dollar would result in a £0.6 million and £0.4 million change in operating profit respectively.

20 TRADE AND OTHER PAYABLES

(In £s million)	2013	2012
Current		
Trade creditors	**115.5**	116.9
Other tax and social security	**54.6**	57.7
Other creditors	**32.1**	26.9
Accruals	**230.9**	226.5
Acquisition liabilities	**0.3**	1.0
	433.4	429.0

The directors consider that the carrying amount of trade payables approximates to their fair value. The average credit period taken for trade purchases is 32 days (2012: 32 days).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

21 RETIREMENT BENEFIT OBLIGATIONS

Within the UK the Group operates one defined contribution scheme and two defined benefit schemes. The majority of overseas arrangements are either defined contribution or government-sponsored schemes and these arrangements are not material in the context of the Group results.

a UK Defined Contribution Scheme

The Hays Group Personal Pension Plan is funded via an employee salary sacrifice arrangement and, for eligible employees, additional employer contributions. Employer contributions are in the range of 2% to 18% of pensionable salary depending on the level of employee contribution and seniority.

The total cost charged to the Consolidated Income Statement of £5.1 million (2012: £3.4 million) represents employer's contributions payable to the money purchase arrangements. Contributions of £0.4 million (2012: £0.3 million) were outstanding at the end of the year. The assets of the money purchase arrangements are held separately from those of the Group.

b UK Defined Benefit Schemes

(i) The Hays Pension Scheme is a defined benefit scheme where the benefits are based on employees' length of service and final pensionable pay. It is a funded approved defined benefit scheme which is funded through a legally separate trustee administered fund.

(ii) The Hays Supplementary Pension Scheme is a supplementary unfunded unapproved retirement benefit scheme for employees who were subject to HMRC's earnings cap on pensionable salary.

On 30 June 2012 the Group closed its UK defined benefit pension schemes to the accrual of future benefits. The closure resulted in a curtailment gain of £6.0 million which was recognised in the Consolidated Income Statement in the prior year (see note 5). Employees in these schemes became eligible to join the Hays Group Personal Pension Plan.

A formal actuarial valuation of the Hays Pension Scheme is carried out every three years. The last formal actuarial valuation of the Hays Pension Scheme was performed at 30 June 2012. Following this valuation, the deficit was £150 million and a revised deficit funding schedule was agreed with effect from 1 July 2012 which maintained the annual contribution at £12.8 million, subject to a 3% per annum fixed uplift over a recovery period reduced to just under ten years. During the year the Group made a contribution of £12.8 million to the Hays Pension Scheme (2012: £12.4 million) in accordance with the agreed deficit funding schedule.

A roll forward of the actuarial valuation of the Hays Pension Scheme to 30 June 2013 and a valuation of the Hays Supplementary Pension Scheme have been performed by an independent actuary, who is an employee of Hymans Robertson LLP. The key assumptions used at 30 June 2013 are listed below.

IAS 19 accounting valuation

Hays plc has applied the accounting requirements of IAS 19 as follows:

- scheme assets are measured at fair value at the balance sheet date;
- scheme liabilities are measured using a projected-unit credit method and discounted at the current rate of return on high-quality corporate bonds of equivalent term to the liability; and
- actuarial gains and losses are recognised in full in the period in which they occur, outside the Consolidated Income Statement, in retained earnings and presented in the Consolidated Statement of Comprehensive Income.

The principal long-term assumptions are as follows:

%	**2013**	2012
Discount rate	**4.8**	5.0
RPI inflation	**3.4**	3.3
CPI inflation	**2.4**	2.6
Rate of increase of pensions in payment	**3.4**	3.3
Rate of increase of pensions in deferment	**2.4**	2.6

The discount rate has been constructed as a gilt yield plus a credit spread on high-quality debt instruments.

The RPI inflation assumption is equivalent to valuing the liabilities on the government debt implied inflation curve published by the Bank of England.

The life expectancy assumptions have been calculated using Club Vita base tables and future improvements in line with the CMI 2011 model with a long-term improvement rate of 1.25% per annum. On this basis a 65-year-old current pensioner has a life expectancy of 24 years and 25 years for males and females respectively.

The amounts recognised in the Consolidated Income Statement for the defined benefit schemes are as follows:

(In £s million)	**2013**	2012
Expected return on pension scheme assets	**23.8**	26.9
Interest on pension liabilities	**(24.2)**	(24.6)
Net financial(cost)/return	**(0.4)**	2.3
Past service cost/curtailment	**–**	6.0
Current service cost	**(1.2)**	(2.7)
Total amount (charged)/credited to the Consolidated Income Statement	**(1.6)**	5.6

The actuarial gains and losses have been recognised in the Consolidated Statement of Comprehensive Income as follows:

(In £s million)	**2013**	2012
Actuarial gain on scheme assets	**29.4**	7.1
Actuarial (loss)/gain due to scheme experience	**(9.1)**	0.2
Impact of changes in assumptions relating to the present value of scheme liabilities	**(49.1)**	(31.9)
Net loss recognised directly in the Consolidated Statement of Comprehensive Income	**(28.8)**	(24.6)

(In £s million)	**2013**	2012
Deficit in the scheme brought forward	**(15.4)**	(11.9)
Past service cost/curtailment	**–**	6.0
Current service cost	**(1.2)**	(2.7)
Contributions	**12.8**	15.5
Net financial (cost)/return	**(0.4)**	2.3
Actuarial loss	**(28.8)**	(24.6)
Deficit in the scheme carried forward	**(33.0)**	(15.4)

The amount included in the Consolidated Balance Sheet arising from the Group's obligations in respect of its defined benefit pension schemes is as follows:

(In £s million)	**2013**	2012
Present value of defined benefit obligations	**(560.2)**	(491.5)
Fair value of scheme assets	**527.2**	476.1
Defined benefit scheme deficit	**(33.0)**	(15.4)
Liability recognised in the Consolidated Balance Sheet	**(33.0)**	(15.4)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

21 RETIREMENT BENEFIT OBLIGATIONS CONTINUED

Changes in the present value of defined benefit obligations are as follows:

(In £s million)	2013	2012
Change in benefit obligation		
Benefit obligation at 1 July	**(491.5)**	(452.4)
Past service cost/curtailment	**–**	6.0
Current service cost	**(1.2)**	(2.7)
Interest cost	**(24.2)**	(24.6)
Member contributions	**–**	(0.9)
Actuarial (loss)/gain due to scheme experience	**(9.1)**	0.2
Changes in assumptions	**(49.1)**	(31.9)
Benefits and expenses paid	**14.9**	14.8
Benefit obligation at 30 June	**(560.2)**	(491.5)
Analysis of defined benefit obligation		
Plans that are wholly or partly funded	**(550.5)**	(482.5)
Plans that are wholly unfunded	**(9.7)**	(9.0)
Total	**(560.2)**	(491.5)
Change in the fair value of scheme assets		
Fair value of plan assets at 1 July	**476.1**	440.5
Expected return on plan assets	**23.8**	26.9
Actuarial gain	**29.4**	7.1
Employer contributions	**12.8**	15.5
Member contributions	**–**	0.9
Benefits and expenses paid	**(14.9)**	(14.8)
Fair value of plan assets at 30 June	**527.2**	476.1

The change in the deficit is mainly attributable to a decrease in the discount rate and changes to assumptions following the triennial actuarial valuation, partially offset by higher than expected asset returns and company contributions.

The major categories of scheme assets as a percentage of total scheme assets at the Consolidated Balance Sheet date was as follows:

	2013 Fair value £s million	2013 Total scheme assets %	2012 Fair value £s million	2012 Total scheme assets %
Equities	**147.6**	**28%**	176.2	37%
Bonds and gilts	**226.7**	**43%**	166.6	35%
Absolute return funds	**73.8**	**14%**	42.8	9%
Cash and LDI funds	**52.7**	**10%**	71.5	15%
Real estate	**26.4**	**5%**	19.0	4%
	527.2	**100%**	476.1	100%

The five-year history of experience adjustments is as follows:

(In £s million)	2013	2012	2011	2010	2009
Present value of defined benefit obligations	**(560.2)**	(491.5)	(452.4)	(445.3)	(439.1)
Fair value of scheme assets	**527.2**	476.1	440.5	378.2	329.9
Deficit in the scheme	**(33.0)**	(15.4)	(11.9)	(67.1)	(109.2)
Experience adjustments on scheme liabilities					
Amount (£s million)	**(9.1)**	0.2	(0.5)	52.2	(12.4)
Percentage of scheme liabilities (%)	**(2%)**	–	–	12%	(3%)
Experience adjustments on scheme assets					
Amounts (£s million)	**29.4**	7.1	36.8	37.2	(78.2)
Percentage of scheme assets (%)	**6%**	1%	8%	10%	(24%)

The amount of deficit funding contributions which are expected to be paid to the scheme during the financial year to 30 June 2014 is £13.2 million. Future service contributions are no longer payable.

22 PROVISIONS

(In £s million)	Property	Other	Total
At 1 July 2012	13.0	12.6	25.6
Exchange adjustments	–	0.1	0.1
Utilised	(2.2)	(0.9)	(3.1)
At 30 June 2013	**10.8**	**11.8**	**22.6**

(In £s million)	2013	2012
Current	**4.2**	2.7
Non-current	**18.4**	22.9
	22.6	25.6

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 2015 and the amounts will be paid over this period.

Other provisions include potential warranty claim liabilities arising as a result of the business disposals that were concluded in 2004, deferred employee benefit provisions, and restructuring provisions. Of these provisions, £4.2 million is expected to be paid in the next 12 months and it is not possible to estimate the timing of the payments for the other items.

23 CALLED UP SHARE CAPITAL

Called up, allotted and fully paid share capital of 1 pence each

	Share capital number (thousand)	Share capital £s million
At 1 July 2012 and 30 June 2013	**1,464,097**	**14.7**

In accordance with the Companies Act 2006, the Company no longer has an authorised share capital.

Under part 18 of the Companies Act 2006, the Company is allowed to hold 10% of issued share capital in treasury.

As at 30 June 2013, the Company held 65.2 million (2012: 74.6 million) Hays plc shares in treasury.

24 SHARE PREMIUM ACCOUNT

(In £s million)	2013	2012
At 30 June	**369.6**	369.6

25 CAPITAL REDEMPTION RESERVE

(In £s million)	2013	2012
At 30 June	**2.7**	2.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

26 RETAINED EARNINGS

(In £s million)	2013	2012
At 1 July	**(270.5)**	(275.6)
Actuarial loss on defined benefit pension schemes	**(28.8)**	(24.6)
Tax on items taken directly to reserves	**4.1**	2.4
Profit for the year	**71.7**	86.5
Dividends paid	**(34.8)**	(65.8)
Share-based payments	**14.0**	6.6
At 30 June	**(244.3)**	(270.5)

27 CUMULATIVE TRANSLATION RESERVE

(In £s million)	2013	2012
At 1 July	**53.6**	69.7
Currency translation adjustments	**1.2**	(16.1)
At 30 June	**54.8**	53.6

28 OTHER RESERVES

(In £s million)	2013	2012
Own shares	**(0.6)**	(2.2)
Equity reserve	**20.0**	23.8
Hedging reserve	**(0.5)**	(1.1)
	18.9	20.5

Other reserves – own shares

(In £s million)	2013	2012
At 1 July	**(2.2)**	(3.4)
Movement in own shares	**1.6**	1.2
At 30 June	**(0.6)**	(2.2)

Investments in ‘own shares’ are held by an employee benefit trust to satisfy share awards made to employees. Dividends in respect of ‘own shares’ have been waived other than shares held as bare nominee for employees in respect of post-tax share awards. The number of shares held at 30 June 2013 was 1,317,065 (2012: 4,757,883).

The ‘own shares’ reserve does not include the shares held in treasury as a result of the share buy-back programme. The share buy-back purchases are deducted from retained earnings.

Other reserves – equity reserve

(In £s million)	2013	2012
At 1 July	**23.8**	19.4
Share-based payments	**(3.8)**	4.4
At 30 June	**20.0**	23.8

The equity reserve is generated as a result of IFRS 2 (Share-based payments).

Other reserves – hedging reserve

(In £s million)	2013	2012
At 1 July	**(1.1)**	(0.7)
Mark to market valuation of derivative financial instruments	**0.6**	(0.4)
At 30 June	**(0.5)**	(1.1)

The Group has entered into six interest rate swaps which exchange a fixed payment for a floating rate receipt on a total debt value of £40 million with an equal mix of two-year and three-year maturities. Each of the interest rate swaps commenced in October 2011. These instruments are classified as Level 2 in the IFRS 7 fair value hierarchy.

29 SHARE-BASED PAYMENTS

During the year, £10.2 million (2012: £12.2 million) was charged to the Consolidated Income Statement in relation to equity-settled share-based payments.

Share options

At 30 June 2013 the following options had been granted and remained outstanding in respect of the Company's Ordinary shares of 1 pence each under the Company's share option schemes:

	Number of shares	Nominal value of shares £	Subscription price pence/share	Date normally exercisable
Hays UK Sharesave Scheme	455,846	4,558	93	2013
	483,844	4,838	112	2014
	2,680,296	26,803	78	2015
	1,764,881	17,649	88	2016
	5,384,867	53,848		
Hays International Sharesave Scheme	98,531	985	93	2013
	376,740	3,767	112	2014
	1,111,114	11,111	78	2015
	884,723	8,847	88	2016
Hays International Sharesave Scheme	2,471,108	24,710		
Total Sharesave options outstanding	7,855,975	78,558		

The Hays International Sharesave Scheme is available to employees in Australia, New Zealand, Germany, the Republic of Ireland, Canada, Hong Kong, Singapore and the United Arab Emirates.

Details of the share options outstanding during the year are as follows:

	2013 Number of share options (thousand)	**2013 Weighted average exercise price (pence)**	2012 Number of share options (thousand)	2012 Weighted average exercise price (pence)
Share options (excluding Sharesave)				
Outstanding at the beginning of the year	**854**	**104**	2,858	115
Expired during the year	**(854)**	**104**	(2,004)	120
Outstanding at the end of the year	**–**	**–**	854	104
Exercisable at the end of the year	**–**	**–**	854	104

During the year to 30 June 2013, the remaining options expired. There were no options exercised or granted during the year.

	2013 Number of share options (thousand)	**2013 Weighted average exercise price (pence)**	2012 Number of share options (thousand)	2012 Weighted average exercise price (pence)
Sharesave				
Outstanding at the beginning of the year	**9,445**	**80**	10,414	80
Granted during the year	**2,730**	**88**	4,657	78
Forfeited/cancelled during the year	**(1,807)**	**80**	(826)	86
Exercised during the year	**(2,374)**	**70**	(3,059)	69
Expired during the year	**(138)**	**86**	(1,741)	91
Outstanding at the end of the year	**7,856**	**86**	9,445	80
Exercisable at the end of the year	**554**	**93**	3,029	69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

29 SHARE-BASED PAYMENTS CONTINUED

On 28 March 2013, 2.7 million Sharesave options were granted. The aggregate of the estimated fair values of the options granted on that date is £0.6 million. In the prior year, 4.7 million Sharesave options were granted. The aggregate of the estimated fair values of the options granted in the prior year was £0.9 million.

The inputs into the valuation model (a binomial valuation model) are as follows:

Share price at grant	98 pence
Exercise price	88 pence
Expected volatility	33.7%
Expected life	3.4 years
Risk-free rate	0.40%
Expected dividends	2.50%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years.

Performance Share Plan (PSP) and Deferred Annual Bonus (DAB)

The PSP is designed to link reward to the key long-term value drivers of the business and to align the interests of the executive directors and approximately 320 of the global senior management population with the long-term interests of shareholders. PSP awards are discretionary and vesting is dependent upon the achievement of performance conditions measured over either a three-year period or a one-year period with a two-year holding period.

Only the executive directors and other members of the Management Board participate in the DAB which promotes a stronger link between short-term and long-term performance through the deferral of annual bonuses into shares for a three-year period.

Further details of the schemes for the executive directors can be found in the Remuneration Report on pages 66 to 78.

Details of the share awards outstanding during the year are as follows:

	2013 Number of share options (thousand)	**2013 Weighted average fair value at grant (pence)**	2012 Number of share options (thousand)	2012 Weighted average fair value at grant (pence)
Performance Share Plan				
Outstanding at the beginning of the year	**35,950**	**81**	27,451	88
Granted during the year	**12,998**	**75**	16,584	66
Exercised during the year	**(6,983)**	**106**	(4,679)	72
Lapsed during the year	**(7,767)**	**62**	(3,406)	83
Outstanding at the end of the year	**34,198**	**78**	35,950	81

	2013 Number of share options (thousand)	**2013 Weighted average fair value at grant (pence)**	2012 Number of share options (thousand)	2012 Weighted average fair value at grant (pence)
Deferred Annual Bonus				
Outstanding at the beginning of the year	**3,053**	**91**	2,228	96
Granted during the year	**709**	**73**	1,367	75
Exercised during the year	**(408)**	**106**	–	–
Lapsed during the year	**(431)**	**96**	(542)	72
Outstanding at the end of the year	**2,923**	**84**	3,053	91

30 RELATED PARTIES

Remuneration of key management personnel

The remuneration of the Management Board, who are key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures' and represents the total compensation costs incurred by the Group in respect of remuneration, not the benefit to the individuals. Further information about the remuneration of executive directors is provided in the directors' Remuneration Report on pages 66 to 78.

(In £s million)	**2013**	2012
Short-term employee benefits	**8.0**	5.9
Post-employment benefits	**0.1**	0.1
Share-based payments	**4.0**	4.7
	12.1	10.7

Information relating to pension fund arrangements is disclosed in note 21.

31 OPERATING LEASE ARRANGEMENTS

The Group as lessee

(In £s million)	**2013**	2012
Lease payments under operating leases recognised as an expense for the year	**31.2**	30.6

At 30 June 2013, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

(In £s million)	**2013**	2012
Within one year	**33.1**	33.7
Between two and five years	**61.2**	65.6
After five years	**7.2**	8.9
	101.5	108.2

32 MOVEMENT IN NET DEBT

(In £s million)	1 July 2012	Cash flow	Exchange movement	**30 June 2013**
Cash and cash equivalents	38.7	(1.5)	2.8	**40.0**
Bank loans and overdrafts	(171.6)	26.4	–	**(145.2)**
Net debt	(132.9)	24.9	2.8	**(105.2)**

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

HAYS PLC COMPANY BALANCE SHEET
AT 30 JUNE

(In £s million)	Note	Company 2013	Company 2012
Fixed assets			
Tangible assets	4	**0.4**	0.2
Investments	5	**910.4**	910.4
		910.8	910.6
Current assets			
Debtors due within one year	6	**6.5**	10.2
Debtors due after more than one year	7	**330.6**	328.2
		337.1	338.4
Creditors: amounts falling due within one year	8	**(520.6)**	(481.7)
Net current liabilities		**(183.5)**	(143.3)
Total assets less current liabilities		**727.3**	767.3
Creditors: amounts falling due after more than one year	9	**(24.7)**	(10.4)
Provisions	11	**(8.1)**	(8.9)
Net assets		**694.5**	748.0
Capital and reserves			
Called up share capital	12,13	**14.7**	14.7
Share premium account	13	**369.6**	369.6
Capital redemption reserve	13	**2.7**	2.7
Profit and loss account	13	**308.1**	363.2
Own shares	13	**(0.6)**	(2.2)
Equity shareholders' interests		**694.5**	748.0

The financial statements of Hays plc, registered number 2150950, were approved by the Board of Directors and authorised for issue on 29 August 2013.

Signed on behalf of the Board of Directors

A R COX **P VENABLES**

NOTES TO THE HAYS PLC COMPANY FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

a Accounting basis

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and Law.

As permitted by Section 408 of the Companies Act 2006, the Company's profit and loss account has not been presented.

The Company's principal accounting policies adopted in the presentation of these financial statements are set out below and have been consistently applied to all periods presented.

b Cash flow statement and related party disclosures

The results, assets and liabilities of the Company are included in the Consolidated Financial Statements of Hays plc, which are publicly available. Consequently, the Company has taken exemption from preparing a cash flow statement under the terms of FRS 1 (revised) 'Cash Flow Statements'. The Company is also exempt under the terms of FRS 8 'Related Party Disclosures' from disclosing related party transactions with entities that are part of the Group.

c Investments

Shares in subsidiaries are valued at cost less provision for impairment.

d Property, plant and equipment

Property, plant and equipment is recorded at cost, net of depreciation and any provision for impairment. Depreciation is provided on a straight-line basis over the anticipated useful working lives of the assets, after they have been brought into use, at the following rates:

Plant and machinery – At rates varying between 5% and 33%

Fixture and fittings – At rates varying between 10% and 25%

e Deferred taxation

Deferred tax is provided in full on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

f Pension costs

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs/curtailments are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the Statement of Total Recognised Gains and Losses.

The main defined benefit scheme is funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the Company Balance Sheet.

g Employee share option schemes

The Company operates a number of employee share option schemes. All equity-settled, share-based payments are measured at fair value at the date of grant and are recorded in the Balance Sheet within total equity shareholders' interests in accordance with FRS 20, 'Share-based Payments'.

h Dividends

Dividends are recognised in the period that they are declared and approved.

2 EMPLOYEE INFORMATION

Details of directors' emoluments and interests are included in the Remuneration Report on pages 66 to 78 of the Annual Report.

3 LOSS/PROFIT FOR THE YEAR

Hays plc has not presented its own profit and loss account and related notes as permitted by Section 408 of the Companies Act 2006. The loss for the financial year in the Hays plc Company Financial Statements is £2.5 million (2012: profit £162.5 million).

NOTES TO THE HAYS PLC COMPANY FINANCIAL STATEMENTS CONTINUED

4 TANGIBLE FIXED ASSETS

(In £s million)	Plant and machinery	Fixtures and fittings	Total
Cost			
At 1 July 2012	0.4	1.0	1.4
Inter company transfer	0.8	–	0.8
At 30 June 2013	**1.2**	**1.0**	**2.2**
Depreciation			
At 1 July 2012	0.3	0.9	1.2
Inter company transfer	0.2	–	0.2
Charge for the year	0.3	0.1	0.4
At 30 June 2013	**0.8**	**1.0**	**1.8**
Net book value			
At 30 June 2013	**0.4**	**–**	**0.4**
At 1 July 2012	0.1	0.1	0.2

5 INVESTMENTS

(In £s million)	Shares in subsidiary undertakings
Cost	
At 1 July 2012 and 30 June 2013	**910.4**
Provision for impairment	
At 1 July 2012 and 30 June 2013	**–**
Total	
At 30 June 2012 and 30 June 2013	**910.4**

The principal subsidiary undertakings of the Group are listed in note 14.

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

(In £s million)	**2013**	2012
Corporation tax debtor	**5.6**	8.5
Prepayments	**0.9**	1.7
	6.5	10.2

7 DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

(In £s million)	**2013**	2012
Prepayments	**2.2**	–
Amounts owed by subsidiary undertakings	**327.6**	327.3
Deferred tax	**0.8**	0.9
	330.6	328.2

The Company charges interest on amounts owed by subsidiary undertakings at a rate of three-month LIBOR plus 1%.

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

(In £s million)	**2013**	2012
Overdrafts	**1.0**	5.8
Accruals	**22.9**	21.7
Amounts owed to subsidiary undertakings	**496.7**	454.2
	520.6	481.7

Amounts owed to subsidiary undertakings are repayable on demand. The Company is charged interest on amounts owed to subsidiary undertakings at a rate of three-month LIBOR less 1%.

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

(In £s million)	**2013**	2012
Retirement benefit obligations (note 10)	**24.7**	10.4

10 RETIREMENT BENEFIT OBLIGATIONS

The Company is the sponsoring employer for all of the Hays defined benefit pension schemes and recognises the full liability on its Balance Sheet. Under FRS 17 the actual cost of providing pensions to the Company is charged to the profit and loss account as incurred during the year, net of costs paid by subsidiary companies. The Hays defined benefit pension schemes were closed to the accrual of future benefits on 30 June 2012 at which time active members became deferred members of the schemes.

The current year service charge in the Company's profit and loss account is £1.2 million.The prior year pension credit included in the Company's profit and loss account of £5.2 million comprises a past service cost/curtailment credit of £6.0 million relating to the closure of the pension scheme on 30 June 2012 less the service cost charge of £0.8 million.

The life expectancy assumptions have been calculated using Club Vita base tables and future improvements in line with the CMI 2011 model with a long term improvement rate of 1.25% per annum. On this basis a 65-year-old current pensioner has a life expectancy of 24 years and 25 years for males and females respectively.

The movement in the Group pension deficit during the year is analysed below:

(In £s million)	**2013**	2012
Deficit in the scheme brought forward	**(15.4)**	(11.9)
Current service cost	**(1.2)**	(2.7)
Past service cost/curtailment	**–**	6.0
Contributions	**12.8**	15.5
Net financial (cost)/return	**(0.4)**	2.3
Actuarial loss	**(28.8)**	(24.6)
Deficit in the scheme carried forward	**(33.0)**	(15.4)

Based on actuarial advice, the financial assumptions used in calculating the scheme's liabilities under FRS 17 are:

	2013	2012	2011	2010	2009
Discount rate	**4.8%**	5.0%	5.5%	5.4%	6.4%
RPI inflation	**3.4%**	3.3%	3.6%	3.4%	3.7%
CPI inflation	**2.4%**	2.6%	2.9%	–	–
Rate of increase of pensions in payment	**3.4%**	3.3%	3.6%	3.4%	3.7%
Rate of increase of pensions in deferment	**2.4%**	2.6%	2.9%	–	–

The major categories of scheme assets as a percentage of total scheme assets are as below:

	2013	2012	2011	2010	2009
Equities	**28.0%**	37.0%	51.0%	52.0%	51.7%
Bonds and gilts	**43.0%**	35.0%	45.0%	44.0%	47.8%
Other assets	**29.0%**	28.0%	4.0%	4.0%	0.5%

The assets and liabilities of the defined benefit schemes operated by the Group are shown below:

(In £s million)	**2013**	2012	2011	2010	2009
Equities	**147.6**	176.2	224.7	196.7	170.5
Bonds and gilts	**226.7**	166.6	198.2	166.4	157.7
Other assets	**152.9**	133.3	17.6	15.1	1.7
Fair value of scheme assets	**527.2**	476.1	440.5	378.2	329.9
Present value of defined benefit obligations	**(560.2)**	(491.5)	(452.4)	(445.3)	(439.1)
Defined benefit scheme deficit	**(33.0)**	(15.4)	(11.9)	(67.1)	(109.2)
Related deferred tax asset	**8.3**	5.0	5.1	18.8	30.6
Net pension liability under FRS 17	**(24.7)**	(10.4)	(6.8)	(48.3)	(78.6)

NOTES TO THE HAYS PLC COMPANY FINANCIAL STATEMENTS CONTINUED

10 RETIREMENT BENEFIT OBLIGATIONS CONTINUED

The five-year history of experience adjustments is as follows:

(In £s million)	**2013**	2012	2011	2010	2009
Present value of defined benefit obligations	**(560.2)**	(491.5)	(452.4)	(445.3)	(439.1)
Fair value of scheme assets	**527.2**	476.1	440.5	378.2	329.9
Deficit in the scheme	**(33.0)**	(15.4)	(11.9)	(67.1)	(109.2)
Experience adjustments on scheme liabilities					
Amount (£s million)	**(9.1)**	0.2	(0.5)	52.2	(12.4)
Percentage of scheme liabilities	**(2%)**	–	–	12%	(3%)
Experience adjustments on scheme assets					
Amounts (£s million)	**29.4**	7.1	36.8	37.2	(78.2)
Percentage of scheme assets	**6%**	1%	8%	10%	(24%)

Future profile of Hays Pension Scheme

The Hays Pension Scheme was closed on 30 June 2012. The Group has considered the impact of the FRS 17 deficit in respect of the Group, its employees and pensioners. In the context of the prudent funding structure of the Group, the Company is in a strong position to manage this long-term liability to the satisfaction and benefit of all stakeholders.

The amount of deficit funding contributions which are expected to be paid to the scheme during the financial year to 30 June 2014 is £13.2 million.

11 PROVISIONS

(In £s million)	Total
At 1 July 2012	8.9
Utilised	(0.8)
At 30 June 2013	**8.1**

Provisions include liabilities arising as a result of the business disposals that were concluded in 2004. It is not possible to estimate the timing of payments against the remaining provisions.

12 CALLED UP SHARE CAPITAL

Called up, allotted and fully paid share capital of 1 pence each

	Share capital number (thousands)	Share capital £s million
At 1 July 2012 and 30 June 2013	**1,464,097**	**14.7**

In accordance with the Companies Act 2006, the Company no longer has an authorised share capital.

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

(In £s million)	Share capital	Share premium	Capital redemption reserve	Profit and loss account	Own shares	Total
At 1 July 2012	14.7	369.6	2.7	363.2	(2.2)	748.0
Total recognised gains and losses	–	–	–	(30.5)	–	(30.5)
Other share movements	–	–	–	–	1.6	1.6
Share-based payments	–	–	–	10.2	–	10.2
Dividends paid	–	–	–	(34.8)	–	(34.8)
At 30 June 2013	**14.7**	**369.6**	**2.7**	**308.1**	**(0.6)**	**694.5**

Investments in 'own shares' are held by an employee benefit trust to satisfy share awards made to employees. Dividends in respect of 'own shares' have been waived other than shares held as bare nominee for employees in respect of post-tax share awards. The number of shares held at 30 June 2013 was 1,317,065 (2012: 4,757,883).

14 PRINCIPAL SUBSIDIARIES

		Country of registration
	Holding companies	
*	Hays Holdings Limited	England & Wales
*	Hays International Holdings Limited	England & Wales
*	Hays Overseas Holdings Limited	England & Wales
*	Hays Specialist Recruitment (Holdings) Limited	England & Wales
	Hays France SAS	France
	Hays Specialist Recruitment Hong Kong Limited	Hong Kong SAR
	Hays Specialist Recruitment Holdings Sdn. Bhd.	Malaysia
	Hays, S.A. de C.V.	Mexico
	Hays Holdings B.V.	Netherlands
	Hays Overseas (Portugal) SGPS LDA	Portugal
	Hays Holding Corporation	United States of America
	Trading companies	
	Hays Specialist Recruitment (Australia) Pty Limited	Australia
	Hays Österreich GmbH Personnel Services	Austria
	Hays NV	Belgium
	Hays Services NV	Belgium
	Hays Recruitment and Selection Ltda	Brazil
	Hays Specialist Recruitment (Canada) Inc.	Canada
	Hays Especialistas En Reclutamiento Limitada	Chile
	Hays Specialist Recruitment (Shanghai) Co. Limited	China
	Hays Colombia SAS	Colombia
	Hays Czech Republic, s.r.o	Czech Republic
	Hays Specialist Recruitment (Denmark) A/S	Denmark
	Hays Healthcare Limited	England & Wales
	Hays Social Care Limited	England & Wales
	Hays Specialist Recruitment Limited	England & Wales
	Hays BTP & Immobilier SASU	France
	Hays Executive SASU	France
	Hays Finance SASU	France
	Hays Ile de France SASU	France
	Hays IT Services SASU	France
	Hays Nord Est SASU	France
	Hays Ouest SASU	France
	Hays Paris SASU	France
	Hays Pharma SASU	France
	Hays Pharma Services SASU	France
	Hays Sud Est SASU	France
	Hays Sud Ouest SASU	France
	Hays Travail Temporaire SASU	France
	Hays AG	Germany
	Hays Finance GmbH	Germany
	Hays Temp GmbH	Germany
	Hays Hong Kong Limited	Hong Kong SAR
	Hays Hungary Kft.	Hungary
	Hays Specialist Recruitment Private Limited	India
	Hays Business Services Ireland Limited	Ireland
	Hays Specialist Recruitment (Ireland) Limited	Ireland
	Hays S.r.l	Italy
	Hays Resource Management Japan K.K.	Japan
	Hays Specialist Recruitment Japan K.K.	Japan
	Hays S.a.r.l	Luxembourg

NOTES TO THE HAYS PLC COMPANY FINANCIAL STATEMENTS CONTINUED

14 PRINCIPAL SUBSIDIARIES CONTINUED

	Country of registration
Trading companies	
Hays Specialist Recruitment (Malaysia) Sdn. Bhd.	Malaysia
Hays Servicios, S.A. de C.V.	Mexico
Hays B.V.	Netherlands
Hays Temp B.V.	Netherlands
Hays Poland Sp. z o.o.	Poland
HaysP – Recrutamento, Seleccao e Empresa de Trabalho Temporario, Unipessoal, LDA	Portugal
Hays Specialist Recruitment Limited Liability Company	Russia
Hays Specialist Recruitment Pte. Limited	Singapore
Hays Personnel Espana Empresa de Trabajo Temporal SA	Spain
Hays Personnel Services Espana SA	Spain
Hays Specialist Recruitment AB	Sweden
Hays (Schweiz) AG	Switzerland
Hays FZ-LLC	United Arab Emirates
Hays Specialist Recruitment LLC	United States of America

At 30 June 2013, Hays plc and/or a subsidiary or subsidiaries in aggregate owned 100% of each class of the issued shares of each of these companies (except Hays Specialist Recruitment (Shanghai) Co. Limited in China which is 70% owned and Hays Specialist Recruitment (Malaysia) Sdn. Bhd. in Malaysia which is 49% owned). Shares in companies marked with an asterisk (*) were owned directly by Hays plc and companies not so marked were owned by a subsidiary or subsidiaries of Hays plc.

The list of companies includes holding companies and those that had a material effect on the consolidated results to 30 June 2013. Information on the other United Kingdom companies in the Group will be included in the relevant annual returns.

15 RELATED PARTIES

Hays plc has taken advantage of the exemption granted under FRS 8 'Related Party Disclosure' not to disclose transactions with entities that are part of the Hays plc Group.

16 SUBSEQUENT EVENTS

The final dividend for 2013 of 1.67 pence per share (£23.5 million) will be proposed at the Annual General Meeting on 13 November 2013 and has not been included as a liability as at 30 June 2013. The final dividend will be paid on 15 November 2013 to shareholders on the register at close of business on 11 October 2013.

SHAREHOLDER INFORMATION

REGISTRAR

The company's registrar is:

Equiniti Limited, Aspect House,
Spencer Road, Lancing, West Sussex BN99 6DA
www.shareview.co.uk

Telephone: 0871 384 2483*
International: +44 121 415 7047
Textphone: 0871 384 2255

EQUINITI PROVIDES A RANGE OF SERVICES FOR SHAREHOLDERS

Service	What it offers	How to participate
Shareholder service	You can access details of your shareholding and a range of other shareholder services.	You can register at www.shareview.co.uk.
Enquiries relating to your shareholding	You can inform Equiniti of lost share certificates, dividend warrants or tax vouchers, change of address or if you would like to transfer shares to another person.	Please contact Equiniti.
Dividend payments	Dividends may be paid directly into your bank or building society account. Tax vouchers will continue to be sent to the shareholder's registered address.	Complete a dividend bank mandate instruction form which can be downloaded from www.shareview.co.uk or by telephoning Equiniti.
Dividend payment direct to bank account for overseas shareholders	Equiniti can convert your dividend into your local currency and send it directly to your bank account.	For more details please visit www.shareview.co.uk or contact Equiniti.
Dividend Reinvestment Plan (DRIP)	The Company has a DRIP to allow shareholders to reinvest the cash dividend that they receive in Hays plc shares on competitive dealing terms.	Further information is available from the Share Dividend team on 0871 384 2268 or visit www.shareview.co.uk.
Amalgamation of accounts	If you receive more than one copy of the Annual Report & Financial Statements, it could be because you have more than one record on the register. Equiniti can amalgamate your accounts into one record.	Please contact Equiniti.
Share dealing service**	Equiniti offers Shareview Dealing, a service which allows you to sell your Hays plc shares or add to your holding if you are a UK resident. If you wish to deal, you will need your account/shareholder reference number which appears on your share certificate. Alternatively, if you hold a share certificate, you can also use any bank, building society or stockbroker offering share dealing facilities to buy or sell shares.**	You can deal in your shares on the internet or by phone. For more information about this service and for details of their rates, log on to shareview.co.uk/dealing or telephone them on 0845 603 7037 between 8.00am and 4.30pm, Monday to Friday.
Individual Savings Accounts (ISAs)**	Investors in Hays plc Ordinary shares may take advantage of a low-cost individual savings account (ISA) and/or an investment account where they can hold their Hays plc shares electronically. The ISA and investment account are operated by Equiniti Financial Services Limited. Subject to standard dealing commission rates.	For further information or to apply for an ISA or investment account, visit Equiniti's website at shareview.co.uk/dealing or telephone them on 0845 300 0430.

* Calls charged at 8 pence per minute plus network extras. The helpline is open Monday to Friday 8.30am to 5.30pm, excluding bank holidays.
** The provision of share dealing services is not intended to be an invitation or inducement to engage in an investment activity. Advice on share dealing should be obtained from a professional independent financial adviser.

ID FRAUD AND UNSOLICITED MAIL

Share-related fraud and identity theft affects shareholders of many companies and we urge you to be vigilant. If you receive any unsolicited mail offering advice, you should inform Equiniti immediately.

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, 70 Margaret Street, DMA Health, London W1W 8SS. Telephone: 0845 703 4599 or 020 7291 3310. Website: mpsonline.org.uk.

SHAREGIFT

ShareGift is a charity share donation scheme for shareholders and is administered by the Orr Mackintosh Foundation. It is especially useful for those shareholders who wish to dispose of a small number of shares whose value makes it uneconomic to sell on a normal commission basis. Further information can be obtained from sharegift.org or from Equiniti.

WEBSITE

The Company has a corporate website that holds, amongst other information, a copy of our latest Annual Report & Financial Statements and copies of all announcements made over the last 12 months.

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FINANCIAL CALENDAR

2013

10 OCT	Interim Management Statement for quarter ending 30/09/13
7 NOV	Investor Day
13 NOV	Annual General Meeting
15 NOV	Payment of final dividend

2014

9 JAN	Trading Update for quarter ending 31/12/13
26 FEB	Half Year Report for six months ending 31/12/13
10 APR	Interim Management Statement for quarter ending 31/03/14
APR	Payment of interim dividend
10 JUL	Trading Update for quarter ending 30/06/14

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