PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2018

30 August 2018

RECORD INTERNATIONAL PROFITS AND RECORD £128.4m TOTAL DIVIDENDS

Year ended 30 June (In £'s million)	2018	2017	Actual growth	LFL growth
Net fees[1]	**1,072.8**	954.6	12%	12%
Operating profit	**243.4**	211.5	15%	15%
Cash generated by operations	**243.5**	217.0	12%	
Net cash	**122.9**	111.6	N/A	
Profit before tax	**238.5**	204.6	17%	
Basic earnings per share	**11.44p**	9.66p	18%	
Core dividend per share	**3.81p**	3.22p	18%	
Special dividend per share	**5.00p**	4.25p	18%	

Note: unless otherwise stated all growth rates discussed in this statement are LFL (like-for-like) year-on-year net fees and profits, representing organic growth of continuing operations at constant currency

- Operating profit up 15% to £243.4m, driven by strong growth in our International businesses. Group Conversion Rate up 50bps to 22.7%[2]
- **Australia & New Zealand (ANZ):** Strong net fee and operating profit growth of 14%, broad-based growth across all Australian regions and specialisms. Record numbers of Temp and Contracting workers
- **Germany:** Record net fees up 16%, with operating profit up 4% (c.17% and c.7% respectively on a trading day-adjusted basis, given three fewer working days[3]). Significant investment in people, offices and systems
- **UK & Ireland (UK&I):** 2% net fee growth, with operating profit up 13% on good cost control, helped by certain IT assets becoming fully depreciated. Market stable overall, despite ongoing economic uncertainty
- **Rest of World (RoW):** Strong net fee growth of 17%, with operating leverage driving excellent profit growth of 51%. 21 markets delivered record net fees including France, the USA, Belgium and China
- **Significant strategic investments:** During the year we continued to invest in our key markets via:
  - **Consultants**: headcount up 8%, driven by Germany and RoW both up 13% YoY as we seek to further capitalise on long-term structural growth opportunities. Canada, China and the USA all up over 20%
  - **Infrastructure**: Three new offices opened in Germany, four in RoW and c.20 office expansions across our global network. IT system enhancements, designed to deliver scale economies, completed in Germany & France
  - **Technology**: Strengthened partnerships with Xing, Google and Stack Overflow, which improve consultant data connectivity. Introduction of new candidate engagement tools, including Salesforce Marketing Cloud
- Closing net cash of £122.9m, with strong 100% conversion of operating profit into operating cash flow
- Proposed increase in full-year core dividend of 18%, in line with earnings, to 3.81p per share and special dividend of £72.9m (5.00p per share). Total FY18 dividends of £128.4m (2017: £108.2m)

Commenting on the results Alistair Cox, Chief Executive, said:

"2018 was a landmark year for the Group. We successfully completed our ambitious 2013 plan, passed £1 billion in net fees for the first time and 22 countries delivered all-time records. Our RoW business was the standout performer with excellent profit growth of 51%, despite significant investment. We further strengthened our leading positions in key markets like Australia and Germany, and our UK business delivered a good profit performance, despite macro uncertainty. Overall cash generation was excellent, enabling the Board to propose increasing the full year core dividend by 18% and propose the Group's second special dividend, of £72.9 million.

Looking ahead, conditions remain positive in virtually all of our markets. We are investing significantly in key growth markets where we see structural and market share opportunities, notably Germany, France and the USA. We continue to build on our scale and diversity and are focused on driving profitable, cash-generative growth. The sheer scale and diversity of our global platform combined with our highly experienced management teams means we are well-positioned to capitalise on the growth opportunities identified in our 2022 plan."

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

(2) Conversion Rate is the conversion of net fees into operating profit.

(3) The estimated working day impact is calculated on our Germany Temp & Contractor businesses only, we make no estimate of the impact on our Perm business. It represents an assumption based on recent trends of revenues / working day in our major Temp and Contractor businesses.

(4) The underlying Temp gross margin is calculated as Temp net fees divided by Temp gross revenue and relates solely to Temp 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 and arrangements where the Company provides major payrolling services.

(5) Represents percentage of Group net fees and operating profit.

Enquiries

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Results presentation & webcast

The results presentation will take place at the offices of UBS at 5 Broadgate, London, EC2M 2QS at 9:00am on 30 August 2018. This will also be available as a live webcast on our website, www.haysplc.com/investors/results-centre. A recording of the webcast will be posted on our website as soon as practicable.

A copy of this press release and presentation materials will also be made available on our website, www.haysplc.com/investors/results-centre.

Reporting calendar

Trading Update for the quarter ending 30 September 2018	11 October 2018
Trading Update for the quarter ending 31 December 2018	15 January 2019
Half-Year Report for the six months ending 31 December 2018	21 February 2019
Trading Update for the quarter ending 31 March 2019	16 April 2019

Hays Group Overview

Hays has 10,978 employees in 257 offices in 33 countries. In many of our global markets, the vast majority of professional and skilled recruitment is still done in-house, with minimal outsourcing to recruitment agencies, which presents substantial long-term structural growth opportunities. This has been a key driver of the rapid diversification and internationalisation of the Group, with the International business representing 76% of the Group's net fees as at 30 June 2018, compared with 25% in 2005.

Our 7,464 consultants work in a broad range of sectors, with no sector specialism representing more than 21% of Group net fees. While Accountancy & Finance, Construction & Property and IT represent 50% of Group net fees, our expertise across 20 professional and skilled recruitment specialisms gives us opportunities to rapidly develop newer markets by replicating these long-established areas of expertise.

In addition to this international and sectoral diversification, the Group's net fees are generated 58% from temporary and 42% permanent placement markets. This balance gives our business model relative resilience. Our diversified business model continues to be a key driver of the Group's financial performance.

Introduction & market backdrop

We have delivered a strong financial performance for the year. Net fees increased by 12% on both an actual and like-for-like basis. Operating profit was £243.4 million, up 15%, again on both an actual and like-for-like basis, and we converted 100% of operating profit into operating cash flow. Our industry-leading conversion rate(2) improved by 50bps to 22.7% (2017: 22.2%), driven by positive leverage in RoW. Our cash performance was strong, and we ended the year with net cash of £122.9 million.

As a result of the above, the Board proposes to increase the final core dividend by 22% to 2.75p per share, resulting in an increase to the full-year core dividend to 3.81p per share, up 18% on prior year and covered 3.0x by earnings. Additionally, the strong cash position delivered and our confidence in outlook enables the Board to propose a further special dividend of 5.00p per share, in line with our dividend policy.

During the year, overall market conditions remained strong, with many clear opportunities to grow, notably in Australia, Germany and RoW. Within RoW, our Asia and Americas growth accelerated throughout the year. In the UK, our markets remain uncertain but are stable overall.

Against this backdrop, we maintained our long-established balanced approach, investing quickly to capitalise on growth opportunities, whilst focusing on driving consultant productivity and overall cost control to maximise the Group's financial performance, profit and cash generation.

Foreign exchange

Overall, net currency movements versus Sterling were minimal in the year. Over the course of the year to 30 June 2018, exchange rate movements reduced net fees by £0.1 million, and increased operating profit by £1.0 million.

Fluctuations in the rates of the Group's key operating currencies versus Sterling continue to represent a significant sensitivity for the reported performance of our business. By way of illustration, each 1 cent movement in annual exchange rates of the Australian Dollar and Euro impacts net fees by £1.1 million and £3.8 million respectively per annum; and operating profits by £0.4 million and £1.2 million respectively per annum.

The rate of exchange between the Australian Dollar and Sterling over the year ended 30 June 2018 averaged AUD 1.7388 and closed at AUD 1.7847. As at 28 August 2018 the rate stood at AUD 1.7535. The rate of exchange between the Euro and Sterling over the year ended 30 June 2018 averaged €1.1290 and closed at €1.1307. As at 28 August 2018 the rate stood at €1.0996.

The impact of these movements in foreign exchange rates means that if we retranslate the Group's full-year operating profit of £243.4 million at current exchange rates, the actual reported result would increase by c.£3 million to c.£246 million.

Strong growth in International Temp and Perm

Net fees in Temp, which incorporates our Contracting business and represented 58% of Group net fees, increased by 10%. This comprised a volume increase of 13%, partially offset by underlying Temp margins(4) down 50bps at 15.9% (2017: 16.4%), primarily due to business mix and a reduction in Temp margin in our Australia, Germany and UK markets. Net fees in Perm increased by 16%, with volumes up 11% and our average Perm net fee up 5%. Perm growth in our International businesses was strong and broad-based, while Perm net fees grew by 1% in the UK.

Movements in consultant headcount

Consultant headcount ended June 2018 at 7,464, up 8% year-on-year. In ANZ, consultant headcount was up 10% year-on-year, led by Australia up 12%. Our Germany consultant headcount was up 13%. In the UK&I, the division's consultant headcount was down 2% in the year, through natural attrition. In RoW, consultant headcount increased by 13% year-on-year, including material investments in the USA, Canada and China, where headcount was up 21%, 23% and 23% respectively. Over the last six months, Group consultant headcount was flat (versus December 2017).

Consultant headcount	30 June 2018	Net change	30 June 2017	% change
Australia & New Zealand	1,000	89	911	10%
Germany	1,700	197	1,503	13%
United Kingdom & Ireland	1,917	(31)	1,948	(2%)
Rest of World	2,847	325	2,522	13%
Group total	7,464	580	6,884	8%

Office network changes & global specialism roll-out

Our focus through the year remained on building scale and critical mass across our existing platform of 33 countries. We continued to make further good progress in rolling out our IT Contracting business into markets such as Belgium, Canada and Switzerland. We opened three new offices in Germany and four in RoW. We expanded a further c.20 offices globally during the year.

Office network	30 June 2018	Net opened/ (closed)	30 June 2017
Australia & New Zealand	39	1	38
Germany	22	3	19
United Kingdom & Ireland	97	(1)	98
Rest of World	99	4	95
Group	257	7	250

Investing in technology, responding to change and enhancing intellectual property

We give our consultants a powerful range of technology tools which improves their productivity, enabling them to find the ideal candidate for their clients' roles more quickly and effectively than the competition. To build these tools we have invested substantially over many years in our own resources. We have constructed proprietary systems and fostered market-leading relationships with important players in the technology world including Google, LinkedIn, SEEK in Australia and Xing in Germany. These investments continue to pay off, allowing us to receive and process over 10.5 million CVs a year, and enabling our consultants to perform complex searches of our global OneTouch database in seconds. Our recently-launched Sales Planner tool gives us distinct and insightful information to help us predict client demands ahead of time and improve consultant productivity.

Technology is essential to the successful delivery of our "Find & Engage" recruitment marketing model, including our recently-developed "Approachability Index". The roll-out of Salesforce software will also help us with targeted engagement with our candidate pool. In a world where speed of response and quality of relationships are key to success, these tools, combined with the world-class expertise of our consultants, generate real competitive advantages. They also help grow our market share and leadership, and improve our financial performance. For example, in FY18 our average billings per consultant grew by 1% to c.£145k, in part driven by technology productivity gains. This 1% gain equates to c.£11 million in incremental FY18 Group net fees.

Australia & New Zealand (19%[5] net fees, 28%[5] operating profits)

Strong and broad-based performance, backed by investment

Year ended 30 June (In £'s million)	**2018**	2017	Growth Actual	Growth LFL
Net fees[1]	**199.4**	180.7	10%	14%
Operating profit	**69.1**	62.8	10%	14%
Conversion rate[2]	**34.7%**	34.8%		
Period-end consultant headcount	**1,000**	911	10%	

In Australia & New Zealand, net fees increased by 14% to £199.4 million and operating profit was up 14% to £69.1 million. This represented a conversion rate[2] of 34.7% (2017: 34.8%). The difference between actual and like-for-like growth rates was primarily the result of the depreciation in the average rate of exchange of the Australian Dollar versus Sterling during the year, which decreased net fees by £6.1 million and operating profits by £2.2 million.

Net fees in Perm grew strongly by 16%, while Temp, which represented 65% of ANZ net fees in the year, grew by 13%. The number of Temp and Contracting workers reached a new record in the year, at just under 21,000 per week.

In Australia, net fee growth accelerated to 16%. This was driven by private sector activity, which represented 65% of our net fees, up a strong 18%. Public sector net fees increased by 13%.

Growth in Australia was broad-based across all regions and specialisms. Our largest regions of New South Wales and Victoria, which together accounted for 57% of Australia net fees, were up 11% and 22% respectively. Queensland delivered an excellent performance, with net fees up 21%. Elsewhere, South Australia and Western Australia both grew strongly, up 19% and 14% respectively. Net fees in ACT, which has higher public sector exposure, increased by 8%.

At the specialism level, Construction & Property, our largest specialism in Australia, delivered strong 16% growth. IT grew by 15%, Accountancy & Finance was up 9% and HR increased by an excellent 25%. New Zealand (6% of ANZ net fees) was down 9% after a tough second half of the year.

During the year we made significant expansions to four offices, and consultant headcount in the division increased by 10% year-on-year. Australia increased by 12%, while New Zealand decreased by 10%.

Germany (26%[5] net fees, 35%[5] operating profits)

Strong net fee growth, with significant investment in offices, systems and headcount

Year ended 30 June (In £'s million)	2018	2017	Growth Actual	Growth LFL
Net fees[1]	**276.0**	230.3	20%	16%
Operating profit	**86.0**	80.5	7%	4%
Conversion rate[2]	**31.2%**	35.0%		
Period-end consultant headcount	**1,700**	1,503	13%	

In Germany, our largest market, net fees grew strongly by 16% to £276.0 million, with operating profit up by 4% to £86.0 million. Sterling weakness versus the Euro led to a year-on-year increase in net fees of £7.2 million and operating profits of £2.5 million. Trading in the year was impacted by the loss of three working days versus prior year. We estimate this had a c.1% negative impact on net fees and a c.3% negative impact on operating profit. Therefore, adjusted for working days, underlying net fee growth was c.17%[3] and operating profit grew by c.7%[3].

Our Temp and Contracting business, which represented 85% of Germany fees, delivered strong growth of 14%. Within this, our largest business of Contracting was up 11%, while Temp growth was excellent at 22%, despite the negative working day impact. Our Perm business, which represented 15% of Germany fees, also delivered excellent growth of 34%.

IT, our largest specialism accounting for 41% of Germany net fees, grew by 13%. Our next largest area of Engineering also increased by 13%. We saw excellent growth in our newer specialisms, which now make up c.30% of Germany net fees, particularly Accountancy & Finance, up 42%, Sales & Marketing, 32%, and Legal, which grew by 74%.

As we set out at our 2017 Investor Day, there are significant long-term structural growth opportunities in Germany, on which we are determined to capitalise. In FY18 we invested in people, offices and systems. Consultant headcount was up 13% year-on-year to 1,700, in line with our five-year plan. To further support our growth, we opened three new offices (Essen, Walldorf and Augsburg) and completed five significant expansions (Mannheim, Stuttgart, Munich, Frankfurt and Cologne). We also upgraded our IT operational and back office systems.

These investments, coupled with three fewer working days in FY18, meant our conversion rate[2] declined 380bps to 31.2% (2017: 35.0%).

United Kingdom & Ireland (24%(5) net fees, 19%(5) operating profits)

Profit up 13% on good cost control. Macro conditions remain uncertain, but stable

Year ended 30 June (In £'s million)	2018	2017	Growth Actual	Growth LFL
Net fees(1)	**258.2**	252.9	2%	2%
Operating profit	**47.0**	41.5	13%	13%
Conversion rate(2)	**18.2%**	16.4%		
Period-end consultant headcount	**1,917**	1,948	(2%)	

In the United Kingdom & Ireland net fees increased 2% to £258.2 million, with operating profit up 13% to £47.0 million, representing a conversion rate(2) of 18.2% (2017: 16.4%). Although good cost control across the business was a driver of profit leverage, our performance also benefited from the conclusion of depreciation on major legacy IT investment programmes. The annual benefit to the division was £4.6 million in FY18.

Overall, the UK market remained uncertain but stable overall. Temp, which represented 56% of division net fees, grew by 3%, with our Perm business up 1%. Public sector markets remained tough and net fees declined 2%, although the rate of decline improved in H2 FY18, in part due to easier comparatives following the negative impact of IR35 changes in the public sector, implemented in April 2017. Our larger Private sector business, which represented 75% of net fees, grew by 3%.

All regions traded broadly in line with the overall UK business, with the exception of the South West & Wales, up 8%, Northern Ireland up 7%, East down 7% and the Midlands, down 6%. Our largest region of London, c.32% of UK&I net fees, grew by 3%. Ireland delivered strong net fee growth of 16%.

At the specialism level, Accountancy & Finance, our largest UK&I business, was flat, while Construction & Property, Office Support and IT were up by 3%, 7% and 1% respectively. Net fees in Education decreased by 10%, as the sector continued to be negatively impacted by declining public sector spending.

Consultant headcount in the year fell by 2% to 1,917, all by natural attrition, as we maintained focus on driving consultant productivity.

Rest of World (31%(5) net fees, 17%(5) operating profits)

Strong net fee growth with excellent profit leverage

Year ended 30 June (In £'s million)	2018	2017	Growth Actual	Growth LFL
Net fees(1)	**339.2**	290.7	17%	17%
Operating profit	**41.3**	26.7	55%	51%
Conversion rate(2)	**12.2%**	9.2%		
Period-end consultant headcount	**2,847**	2,522	13%	

Our Rest of World division, which comprises 28 countries, delivered strong net fee growth of 17% to £339.2 million. Operating profit grew by an excellent 51% to £41.3 million, with conversion rate(2) improving by 300bps to 12.2% (2017: 9.2%). Growth was broad-based, with 21 markets delivering all-time record net fees. Perm net fees, which represented 68% of RoW, were up by an excellent 21%, while Temp net fees rose 10%.

Sterling strength against the US Dollar, and some Asian currencies, was partially offset by weakness against the Euro, on a year-on-year basis. This resulted in a decrease in net fees of £1.5 million. As the majority of our profits are in Europe, we saw a modest increase in operating profit from currency of £0.6 million.

Europe ex-Germany delivered strong, broad-based net fee growth of 15% and excellent profit growth of 32%. 11 of our 17 countries grew by more than 15%, and 12 countries generated record net fees in the year. This included France, our largest RoW market, which increased net fees by 14%, representing a fourth consecutive year of double-digit net fee growth, led by strong growth in our largest French specialisms of Accountancy & Finance and Construction & Property, up 16% and 18% respectively. Banking also delivered excellent growth, up 45%. Belgium, our second largest business in the sub-region, delivered strong growth of 18%, as did Spain up 15%.

The **Americas** grew net fees by an excellent 21%, including four of our six countries with all-time records. We continued to invest significantly in the region, particularly in Canada and the USA, where headcount rose by 23% and 21% respectively. Net fees in the USA grew by 28%, with an acceleration in H2, and Canada grew by 16%. In Latin America, Brazil delivered strong net fee growth of 16%, although Mexico was tougher and declined by 2%. In absolute terms, operating profit in the Americas rose £2.5 million, a strong result given our investments.

Asia delivered an excellent performance, with net fees up 23% and operating profit 72%. Five of our six businesses in the region delivered record net fee performances. Within this, Hong Kong, our third largest market, delivered the highest growth with net fees up 57%. Japan and China, our largest and second largest markets, grew by 13% and 29% respectively. Japan, Hong Kong and China were the largest absolute profit growth contributors.

During the year we opened four new offices in RoW, and significantly expanded 10 others. Consultant headcount in the division was up by 13% year-on-year to 2,847. Within this, headcount in Europe ex-Germany was up 11%, Asia up 17%, and in the Americas up 15%.

Current trading

Strong conditions in the vast majority of our International markets. UK remains uncertain, but stable

We continue to see strong overall net fee growth across our International businesses. We will therefore continue to invest in a targeted way to capitalise on these opportunities. Conditions in the UK are stable overall.

Movements in the rates of exchange of the Group's key currencies, notably the Australian Dollar and the Euro, remain a material sensitivity to our reported financial performance. If we re-translate the Group's full-year operating profit of £243.4 million at current exchange rates, the actual reported result would increase by c.£3 million to c.£246 million.

We expect Group headcount growth in Q1 FY19 to be up c.3-5% sequentially, including the impact of our normal seasonal graduate intake. This will be primarily driven by our International businesses, particularly North America, Asia and Europe, including Germany and France.

Importantly, moving into FY19, we increasingly overlap tough growth comparators from the prior year, especially in Australia and Europe.

Australia & New Zealand

We continue to see good activity levels in Australia across all states and most specialisms, although we start to overlap increasingly tough growth comparatives in Q1 FY19.

Germany

In Germany, growth remains strong overall, despite tough comparators.

United Kingdom & Ireland

In the UK conditions remain uncertain but stable.

RoW

Conditions remain strong across Europe, Asia and the Americas.

FINANCIAL REVIEW

Summary Income Statement

Year ended 30 June (In £'s million)	2018	2017	Growth Actual	Growth LFL
Turnover	**5,753.3**	5,081.0	13%	13%
Net fees[1]				
Temporary	**619.2**	560.7	10%	10%
Permanent	**453.6**	393.9	15%	16%
Total	**1,072.8**	954.6	12%	12%
Operating profit	**243.4**	211.5	15%	15%
Conversion rate[2]	**22.7%**	22.2%		
Underlying temporary margin [3]	**15.9%**	16.4%		
Temporary fees as % of total	**58%**	59%		
Period-end consultant headcount	**7,464**	6,884	8%	

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

(2) Conversion Rate is the conversion of net fees into operating profit.

(3) The underlying Temp gross margin is calculated as Temp net fees divided by Temp gross revenue and relates solely to Temp 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 and arrangements where the Company provides major payrolling services.

Turnover for the year to 30 June 2018 was up 13% on both an actual and like-for-like basis. Operating costs were 12% higher than prior year, primarily due to 11% growth in average Group headcount and a rise in commission payments in line with the increase in net fees. Given our investment in new offices and expansions, Group property costs increased by c.£4 million, with a further c.£6 million expected in FY19.

Operating profit increased by 15%, again on both an actual and like-for-like basis. Exchange rate movements reduced net fees by £0.1 million, but increased operating profit by £1.0 million.

The Group's conversion rate[2] improved by 50bps to 22.7% (2017: 22.2%), with our RoW division in particular driving positive operational leverage.

Consultant headcount at the end of June 2018 was 7,464, up 8% year-on-year and flat versus December 2017, as we invested significantly in the first half of the year to ensure we capitalised on stronger markets and clear structural growth opportunities. In our International business we increased consultant headcount by 12% year-on-year, as we invested to capitalise on supportive markets, including year-on-year increases of 13% in Germany, 12% in Australia and 21% in the USA. In our UK&I business, consultant headcount fell by 2% year-on-year as we focused on driving consultant productivity.

Net finance charge

The net finance charge for the year was £4.9 million (2017: £6.9 million). The average interest rate on gross debt during the period was 2.0% (2017: 2.2%), generating net bank interest payable including amortisation of arrangement fees of £1.6 million (2017: £2.1 million). The net interest charge on defined benefit pension scheme obligations was £2.1 million (2017: £2.4 million). The Pension Protection Fund levy was £0.3 million (2017: £0.5 million) and the interest unwind on the deferred acquisition liability related to the Veredus transaction was £0.6 million (2017: £1.1 million). We expect the net finance charge for the year ending 30 June 2019 to be around £3 million.

Taxation

Taxation for the year was £72.7 million (2017: £65.5 million), representing an effective tax rate of 30.5% (2017: 32.0%). The effective tax rate reflects the Group's geographical mix of profits, with the decrease year-on-year primarily due to increased profit in lower tax jurisdictions, and a reduction in UK tax rate. The Group's effective tax rate for the year to June 2019 will be driven by the mix of profits generated during the year. We currently expect the rate to be broadly unchanged at 30.5%.

Earnings per share

Basic earnings per share increased by 18% to 11.44 pence (2017: 9.66 pence), reflecting the Group's higher operating profit, lower net finance charge and lower effective tax rate.

Cash flow and balance sheet

Strong underlying cash performance with 100% conversion of operating profit into operating cash flow (2017: 103%). This was a result of good working capital management throughout the year, particularly considering the strong growth in our International Temp and Contracting businesses, which are relatively working capital intensive. Trade debtor days were unchanged at 39 days (2017: 39 days).

Net capital expenditure was £25.0 million (2017: £21.4 million), with the increase primarily due to investments in IT front and back office operational systems, cyber security and property. We expect capital expenditure to be c.£30 million for the year to June 2019.

Dividends paid in the year totalled £109.7 million and pension deficit contributions were £15.3 million. Net interest paid was £2.0 million and the cash tax payment was £65.7 million.

Having eliminated net debt in 2016 and paid a £61.6 million special dividend during the year, we ended June 2018 with a net cash position of £122.9 million.

Retirement benefits

The Group's pension position under IAS19 at 30 June 2018 has resulted in a surplus of £75.9 million, compared to a deficit of £0.2 million at 30 June 2017. The surplus was primarily due to favourable changes in both demographics and financial assumptions (an increase in the discount rate and a decrease in the inflation rate), together with an increase in asset values.

In respect of IFRIC 14, the Schemes Definitive Deed and Rules is considered to provide Hays with an unconditional right to a refund of surplus assets and therefore the recognition of a net defined benefit scheme asset is not restricted. Agreements to make funding contributions do not give rise to any additional liabilities in respect of the scheme.

During the year the Company contributed £15.3 million of cash to the defined benefit scheme (2017: £14.8 million), in line with the agreed deficit recovery plan. The 2015 triennial valuation quantified the actuarial deficit at c.£95 million and the recovery plan comprises an annual payment of £14.0 million from July 2015, with a fixed 3% uplift per year, over a period of just under 10 years. The scheme was closed to new entrants in 2001 and to future accrual in June 2012. The formal actuarial valuation as at 30 June 2018 is currently being performed by the actuary and will be completed during FY19.

On 6 August 2018, Hays Pension Trustee Limited, in agreement with Hays plc, entered into a bulk purchase annuity policy (buy-in) contract with Canada Life Limited for a premium of £270.6 million in respect of insuring all future payments to the existing pensioners of the Hays defined benefit scheme as at 31 December 2017. The pension buy-in transaction was funded through the existing investment assets held by the Trustee on behalf of the pension scheme.

This material balance sheet de-risking exercise is in line with Hays' long-term strategy to reduce future volatility of the Group's defined benefit schemes, and their financial impact on the Group.

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 core dividend at a level which is both affordable and appropriate.

Our strategy is to maintain dividend cover at the top end of 2.0x to 3.0x full-year earnings, and to match increases in core dividend with full-year earnings growth. Assuming a positive economic outlook, it remains our intention that any excess free cash flow generated over and above £50 million, which is not needed for the priorities outlined above, will then be distributed to shareholders via special dividends to supplement the core dividend at year-end.

With reference to the above, and taking into account the good financial performance of the Group this year, the Board proposes to increase the final core dividend by 22% to 2.75p per share resulting in an increase to the full year dividend to 3.81p per share, up 18% on prior year. As such, the full-year dividend will be covered 3.0x by earnings. Additionally, in line with the above policy on uses of excess cash, the Board recommends the payment of a special dividend of £72.9 million, equivalent to 5.00p per share, up 18% on prior year.

The final dividend and the special dividend will be paid, subject to shareholder approval, on 16 November 2018 to shareholders on the register on 5 October 2018.

Treasury management

The Group's operations are financed by retained earnings and bank borrowings. The Group has in place a £210 million revolving credit facility, maturing in April 2020, which provides considerable headroom versus current and future Group funding requirements. The covenants within the facility require the Group's interest cover ratio to be at least 4:1 (ratio as at June 2018: 123:1) and its leverage ratio (net debt to EBITDA) to be no greater than 2.5:1 (as at 30 June 2018 the Group held a net cash position). The interest rate of the facility is on a ratchet mechanism with a margin payable over LIBOR in the range 0.90% to 1.55%.

The Group's UK-based treasury function manages the Group's treasury risks in accordance with policies and procedures set by the Board, and is responsible for day-to-day cash management; the arrangement of external borrowing facilities; the investment of surplus funds; and the management of the Group's interest rate and foreign exchange risks. The Treasury function does not engage in speculative transactions and does not operate as a profit centre, and the Group does not hold or use derivative financial instruments for speculative purposes.

The Group's cash management policy is to minimise interest payments by closely managing Group cash balances and external borrowings. Euro-denominated cash positions are managed centrally using a cash concentration arrangement which provides visibility over participating country bank balances on a daily basis. Any Group surplus balance is used to repay any maturing loans under the Group's revolving credit facility or is invested in overnight money market funds. As the Group holds a Sterling denominated debt facility and generates significant foreign currency cash flows, the Board considers it appropriate in certain cases to use derivative financial instruments as part of its day-to-day cash management. The Group does not use derivatives to hedge balance sheet and income statement translation exposure.

The Group is exposed to interest rate risk on floating rate bank loans and overdrafts. It is the Group's policy to limit its exposure to interest rates by selectively hedging interest rate risk using derivative financial instruments. However there were no interest rate swaps held by the Group during the current or prior year.

Counterparty credit risk arises primarily from the investment of surplus funds. Risks are closely monitored using credit ratings assigned to financial institutions by international credit rating agencies. The Group restricts transactions to banks and money market funds that have an acceptable credit profile and limits its exposure to each institution accordingly.

Board changes

On 23 July 2018, we announced with great sadness the passing of our Chairman, Alan Thomson, after a rapid deterioration of a medical condition. Alan provided the Board with immense support and leadership for eight years, and is sadly missed.

Andrew Martin, Senior Independent Director, was appointed Non-executive Chairman of the Board on an interim basis on 23 July 2018, and confirmed in the role on a permanent basis with effect from 28 August 2018.

Victoria Jarman, Non-Executive Director, will not be offering herself for re-election at the Company's Annual General Meeting in November 2018 after serving on the Board for seven years and will step down from the Board at that time. It is proposed that following the Company's 2018 AGM Peter Williams will succeed Victoria as Chair of the Company's Audit Committee.

Principal risks facing the business

Hays plc operates an embedded risk management framework, which is monitored and reviewed by the Board. There are a number of potential risks and uncertainties that could have a material impact on the Group’s financial performance and position. These include risks relating to the cyclical nature of our business, business model, talent recruitment and retention, compliance, reliance on technology, cyber security, data protection and contracts. These risks and our mitigating actions remain as set out in the 2017 Annual Report.

Cautionary statement

This Preliminary Results statement (the “Report”) has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority and is not audited. No representation or warranty, express or implied, is or will be made in relation to the accuracy, fairness or completeness of the information or opinions contained in this Report. Statements in this Report reflect the knowledge and information available at the time of its preparation. Certain statements included or incorporated by reference within this Report may constitute “forward-looking statements” in respect of the Group’s operations, performance, prospects and/or financial condition. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance shall not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities shall not be taken as a representation that such trends or activities will continue in the future. The information contained in this Report is subject to change without notice and no responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this Report shall be construed as a profit forecast. This Report does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase or subscribe for any shares in the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares of the Company or any invitation or inducement to engage in investment activity under section 21 of the Financial Services and Markets Act 2000. Past performance cannot be relied upon as a guide to future performance. Liability arising from anything in this Report shall be governed by English Law, and neither the Company nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this Report or its contents or otherwise arising in connection with this Report. Nothing in this Report shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

This announcement contains inside information.

LEI code: 213800QC8AWD4BO8TH08

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE

(In £s million)	Note	2018	2017
Turnover			
Continuing operations		**5,753.3**	5,081.0
Net fees [(1)]			
Continuing operations	3	**1,072.8**	954.6
Operating profit from continuing operations	3	**243.4**	211.5
Net finance charge	5	**(4.9)**	(6.9)
Profit before tax		**238.5**	204.6
Tax	6	**(72.7)**	(65.5)
Profit from continuing operations after tax		**165.8**	139.1
Profit attributable to equity holders of the parent company		**165.8**	139.1
Earnings per share from continuing operations			
- Basic	8	**11.44p**	9.66p
- Diluted	8	**11.30p**	9.54p

(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)	2018	2017
Profit for the year	**165.8**	139.1
Items that will not be reclassified subsequently to profit or loss:		
Actuarial remeasurement of defined benefit pension schemes	**62.9**	1.7
Tax relating to components of other comprehensive income	**(11.9)**	1.4
	51.0	3.1
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustments	**(5.1)**	17.4
Tax relating to components of other comprehensive income	**-**	(1.8)
Other comprehensive income for the year net of tax	**45.9**	18.7
Total comprehensive income for the year	**211.7**	157.8
Attributable to equity shareholders of the parent company	**211.7**	157.8

CONSOLIDATED BALANCE SHEET

AT 30 JUNE

(In £s million)	Note	2018	2017
Non-current assets			
Goodwill		**223.2**	223.3
Other intangible assets		**23.8**	18.6
Property, plant and equipment		**29.3**	24.0
Deferred tax assets		**23.2**	23.3
Retirement benefit surplus	9	**75.9**	-
		375.4	289.2
Current assets			
Trade and other receivables		**1,010.4**	908.2
Cash and cash equivalents		**122.9**	112.0
		1,133.3	1,020.2
Total assets		**1,508.7**	1,309.4
Current liabilities			
Trade and other payables		**(758.0)**	(676.5)
Current tax liabilities		**(25.4)**	(23.5)
Bank loans and overdrafts		**-**	(0.4)
Derivative financial instruments		**(0.1)**	-
Acquisition liabilities		**-**	(13.6)
Provisions	10	**(1.2)**	(2.6)
		(784.7)	(716.6)
Non-current liabilities			
Deferred tax liabilities		**(17.3)**	-
Retirement benefit obligations	9	**-**	(0.2)
Provisions	10	**(6.2)**	(6.2)
		(23.5)	(6.4)
Total liabilities		**(808.2)**	(723.0)
Net assets		**700.5**	586.4
Equity			
Called up share capital		**14.7**	14.7
Share premium		**369.6**	369.6
Capital redemption reserve		**2.7**	2.7
Retained earnings		**213.0**	94.1
Cumulative translation reserve		**78.7**	83.8
Equity reserve		**21.8**	21.5
Total equity		**700.5**	586.4

The Consolidated Financial Statements of Hays plc, registered number 2150950, were approved by the Board of Directors and authorised for issue on 29 August 2018.

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 2018

(In £s million)	Called up share capital	Share premium	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve	Total equity
At 1 July 2017	14.7	369.6	2.7	94.1	83.8	21.5	586.4
Currency translation adjustments	-	-	-	-	(5.1)	-	(5.1)
Remeasurement of defined benefit pension schemes	-	-	-	62.9	-	-	62.9
Tax relating to components of other comprehensive income	-	-	-	(11.9)	-	-	(11.9)
Net income recognised in other comprehensive income	-	-	-	51.0	(5.1)	-	45.9
Profit for the year	-	-	-	165.8	-	-	165.8
Total comprehensive income for the year	-	-	-	216.8	(5.1)	-	211.7
Dividends paid	-	-	-	(109.7)	-	-	(109.7)
Share-based payments	-	-	-	11.9	-	0.3	12.2
Tax on share-based payment transactions	-	-	-	(0.1)	-	-	(0.1)
At 30 June 2018	**14.7**	**369.6**	**2.7**	**213.0**	**78.7**	**21.8**	**700.5**

FOR THE YEAR ENDED 30 JUNE 2017

(In £s million)	Called up share capital	Share premium	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve	Total equity
At 1 July 2016	14.7	369.6	2.7	(15.8)	66.4	20.2	457.8
Currency translation adjustments	-	-	-	-	17.4	-	17.4
Remeasurement of defined benefit pension schemes	-	-	-	1.7	-	-	1.7
Tax relating to components of other comprehensive income	-	-	-	(0.4)	-	-	(0.4)
Net income recognised in other comprehensive income	-	-	-	1.3	17.4	-	18.7
Profit for the year	-	-	-	139.1	-	-	139.1
Total comprehensive income for the year	-	-	-	140.4	17.4	-	157.8
Dividends paid	-	-	-	(42.6)	-	-	(42.6)
Share-based payments	-	-	-	11.3	-	1.3	12.6
Tax on share-based payment transactions	-	-	-	0.8	-	-	0.8
At 30 June 2017	14.7	369.6	2.7	94.1	83.8	21.5	586.4

The equity reserve is generated as a result of IFRS 2 'Share-based payments'.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE

(In £s million)	Note	2018	2017
Operating profit from continuing operations		**243.4**	211.5
Adjustments for:			
Depreciation of property, plant and equipment		**9.2**	8.9
Amortisation of intangible assets		**6.3**	12.8
Profit on disposal of business assets		**(0.6)**	(0.5)
Net movements in provisions		**(1.4)**	(0.5)
Share-based payments		**12.4**	13.0
		25.9	33.7
Operating cash flow before movement in working capital		**269.3**	245.2
Movement in working capital:			
Increase in receivables		**(107.9)**	(111.4)
Increase in payables		**82.1**	83.2
		(25.8)	(28.2)
Cash generated by operations		**243.5**	217.0
Pension scheme deficit funding		**(15.3)**	(14.8)
Income taxes paid		**(65.7)**	(68.2)
Net cash inflow from operating activities		**162.5**	134.0
Investing activities			
Purchase of property, plant and equipment		**(15.1)**	(12.9)
Proceeds from sales of business assets		**1.5**	0.6
Purchase of intangible assets		**(11.4)**	(9.1)
Cash paid in respect of Veredus acquisition made in previous years		**(13.7)**	-
Interest received		**0.6**	0.6
Net cash used in investing activities		**(38.1)**	(20.8)
Financing activities			
Interest paid		**(2.6)**	(2.5)
Equity dividends paid		**(109.7)**	(42.6)
Proceeds from exercise of share options		**1.3**	1.0
Decrease in bank loans and overdrafts		**(0.4)**	(25.8)
Net cash used in financing activities		**(111.4)**	(69.9)
Net increase in cash and cash equivalents		**13.0**	43.3
Cash and cash equivalents at beginning of year	11	**112.0**	62.9
Effect of foreign exchange rate movements		**(2.1)**	5.8
Cash and cash equivalents at end of year	11	**122.9**	112.0

(In £s million)	Note		
Bank loans and overdrafts at beginning of year		**(0.4)**	(26.1)
Decrease in year		**0.4**	25.8
Effect of foreign exchange rate movements		**-**	(0.1)
Bank loans and overdrafts at end of year		**-**	(0.4)
Net cash at end of year	11	**122.9**	111.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 STATEMENT UNDER S435 - PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information set out in this preliminary announcement does not constitute statutory accounts for the years ended 30 June 2018 or 2017, for the purpose of the Companies Act 2006, but is derived from those accounts. The statutory accounts for 2017 have been delivered to the Registrar of Companies and those for 2018 will be delivered following the Company's Annual General Meeting. The Group's Auditor has reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

2 BASIS OF PREPARATION

Whilst the financial information included in this preliminary announcement has been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted for use in the European Union and as issued by the International Accounting Standards Board, this announcement does not itself contain sufficient information to comply with IFRS. The accounting policies applied in preparing this financial information are consistent with the Group's financial statements for the year ended June 2017 with the exception of the following new accounting standards and amendments which were mandatory for accounting periods beginning on or after 1 January 2017, none of which had any material impact on the Group's results or financial position.

- IAS 7 (amendments) Statement on Cashflows on Disclosure Initiative (effective from 1 January 2017)
- IAS 12 (amendments) Income Taxes (effective from 1 January 2017)
- IFRS 12 (Annual Improvements to IFRSs 2016) Disclosure of Interests in Other Entities (effective 1 January 2017)

Going Concern

The Group's business activities, together with the factors likely to effect its future development, performance and financial position, including its cash flows and liquidity position are described in this preliminary results announcement for the year ended 30 June 2018. The directors have formed the judgment that there is reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As a result the directors continue to adopt the going concern basis in the preparation of the financial statements.

3 SEGMENTAL INFORMATION

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 now segments the business into four regions, Australia & New Zealand, Germany, United Kingdom & Ireland and Rest of World. Therefore the comparative segment reporting has been restated accordingly. In the prior year, the business was reported as 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.

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 reconciliation of turnover to net fees can be found in note 4.

3 SEGMENTAL INFORMATION continued

(In £s million)	2018	2017
Net fees from continuing operations		
Australia & New Zealand	**199.4**	180.7
Germany	**276.0**	230.3
United Kingdom & Ireland	**258.2**	252.9
Rest of World	**339.2**	290.7
	1,072.8	954.6

(In £s million)	2018	2017
Operating profit from continuing operations		
Australia & New Zealand	**69.1**	62.8
Germany	**86.0**	80.5
United Kingdom & Ireland	**47.0**	41.5
Rest of World	**41.3**	26.7
	243.4	211.5

4 OPERATING PROFIT FROM CONTINUING OPERATIONS

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

(In £s million)	2018	2017
Turnover	**5,753.3**	5,081.0
Remuneration of temporary workers	**(4,425.2)**	(3,930.6)
Remuneration of other recruitment agencies	**(255.3)**	(195.8)
Net fees	**1,072.8**	954.6

Operating profit is stated after charging the following items to net fees of £1,072.8 million (2017: £954.6 million):

(In £s million)	2018	2017
Staff costs	**635.2**	563.0
Depreciation of property, plant and equipment	**9.2**	8.9
Amortisation of intangible assets	**6.3**	12.8
Operating lease rentals payable	**45.3**	42.1
Impairment loss on trade receivables	**3.6**	3.2
Auditors remuneration		
- for statutory audit services	**1.2**	1.1
- for other services	**0.5**	0.7
Other external charges	**128.1**	111.3
	829.4	743.1

5 NET FINANCE CHARGE

(In £s million)	2018	2017
Interest received on bank deposits	**0.6**	0.6
Interest payable on bank loans and overdrafts	**(2.2)**	(2.7)
Other interest payable	**(0.3)**	(0.8)
Interest unwind on acquisition liability	**(0.6)**	(1.1)
Pension Protection Fund levy	**(0.3)**	(0.5)
Net interest on pension obligations	**(2.1)**	(2.4)
Net finance charge	**(4.9)**	(6.9)

6 TAX

The income tax expense for the year can be reconciled to the accounting profit as follows:

(In £s million)	**2018**	2017
Profit before tax from continuing operations	**238.5**	204.6
Income tax expense calculated at 19.00% (2017: 19.75%)	**(45.3)**	(40.4)
Net effect of items that are non-taxable/(non-deductible) in determining taxable profit	**(5.8)**	(4.2)
Effect of unused tax losses not recognised as deferred tax assets	**(1.6)**	(1.0)
Effect of tax losses not recognised as deferred tax utilised in the year	**1.4**	0.9
Effect of other timing differences not recognised as deferred tax assets	**(0.2)**	(0.8)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(21.8)**	(19.3)
Effect of share-based payment charges and share options	**(0.4)**	0.1
	(73.7)	(64.7)
Adjustments recognised in the current year in relation to the current tax of prior years	**0.7**	1.3
Adjustments to deferred tax in relation to prior years	**0.3**	(2.1)
Income tax expense recognised in the Consolidated Income Statement relating to continuing operations	**(72.7)**	(65.5)
Effective tax rate for the year on continuing operations	**30.5%**	32.0%

The tax rate used for the 2018 reconciliations above is the corporate tax rate of 19.00% (2017: 19.75%) payable by corporate entities in the United Kingdom on taxable profits under tax law in that jurisdiction.

7 DIVIDENDS

The following dividends were paid by the Group and have been recognised as distributions to equity shareholders in the year:

	2018 pence per share	**2018 £s million**	2017 pence per share	2017 £s million
Previous year final dividend	**2.26**	**32.7**	1.99	28.7
Previous year special dividend	**4.25**	**61.6**	-	-
Current year interim dividend	**1.06**	**15.4**	0.96	13.9
	7.57	**109.7**	2.95	42.6

The following dividends have been paid/proposed by the Group in respect of the accounting year presented:

	2018 pence per share	**2018 £s million**	2017 pence per share	2017 £s million
Interim dividend (paid)	**1.06**	**15.4**	0.96	13.9
Final dividend (proposed)	**2.75**	**40.1**	2.26	32.7
Special dividend (proposed)	**5.00**	**72.9**	4.25	61.6
	8.81	**128.4**	7.47	108.2

The final dividend for 2018 of 2.75 pence per share (£40.1 million) along with a special dividend of 5.00 pence per share (£72.9 million) will be proposed at the Annual General Meeting on 14 November 2018 and has not been included as a liability as at 30 June 2018. If approved, the final and special dividend will be paid on 16 November 2018 to shareholders on the register at the close of business on 5 October 2018.

8 EARNINGS PER SHARE

For the year ended 30 June 2018	**Earnings (£s million)**	**Weighted average number of shares (million)**	**Per share amount (pence)**
Continuing operations:			
Basic earnings per share from continuing operations	**165.8**	**1,448.6**	**11.44**
Dilution effect of share options	**-**	**18.3**	**(0.14)**
Diluted earnings per share from continuing operations	**165.8**	**1,466.9**	**11.30**

For the year ended 30 June 2017	Earnings (£s million)	Weighted average number of shares (million)	Per share amount (pence)
Continuing operations:			
Basic earnings per share from continuing operations	139.1	1,440.7	9.66
Dilution effect of share options	-	18.1	(0.12)
Diluted earnings per share from continuing operations	139.1	1,458.8	9.54

The weighted average number of shares in issue for both years exclude shares held in treasury.

9 RETIREMENT BENEFIT SURPLUS/OBLIGATIONS

(In £s million)	**2018**	2017
Deficit in the scheme brought forward	**(0.2)**	(14.3)
Administration costs	**(2.3)**	(2.2)
Employer contributions (towards funded and unfunded schemes)	**15.3**	14.8
Net interest credit/(expense)	**0.2**	(0.2)
Remeasurement of the net defined benefit liability	**62.9**	1.7
Surplus/(deficit) in the scheme carried forward	**75.9**	(0.2)

10 PROVISIONS

(In £s million)	Discontinued	Continuing	Total
At 1 July 2017	6.6	2.2	8.8
Credited to income statement	-	(1.1)	(1.1)
Utilised	(0.3)	-	(0.3)
At 30 June 2018	**6.3**	**1.1**	**7.4**

(In £s million)	**2018**	2017
Current	**1.2**	2.6
Non-current	**6.2**	6.2
	7.4	8.8

Discontinued provisions comprise potential exposures arising as a result of the business disposals that were completed in 2004, together with deferred employee benefits relating to former employees.

Of the continuing and discontinued provisions that remain, £1.2 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.

11 MOVEMENT IN NET CASH/(DEBT)

(In £s million)	1 July 2017	Cash flow	Exchange movement	**30 June 2018**
Cash and cash equivalents	112.0	13.0	(2.1)	**122.9**
Bank loans and overdrafts	(0.4)	0.4	-	**-**
Net cash	111.6	13.4	(2.1)	**122.9**

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

The Group has a £210 million unsecured revolving credit facility which expires in April 2020. The financial covenants 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 0.90% to 1.55%.

At 30 June 2018, £210 million of the committed facility was undrawn.

12 LIKE-FOR-LIKE RESULTS

Like-for-like results represent organic growth of continuing activities at constant currency. For the year ended 30 June 2018 these are calculated as follows:

(In £'s million)	Year to 30 June 2017	Foreign exchange impact	30 June 2017 at constant currency	Organic growth	**Year to 30 June 2018**
Net Fees					
Australia & New Zealand	180.7	(6.1)	174.6	24.8	**199.4**
Germany	230.3	7.2	237.5	38.5	**276.0**
United Kingdom & Ireland	252.9	0.3	253.2	5.0	**258.2**
Rest of World	290.7	(1.5)	289.2	50.0	**339.2**
Group net fees	954.6	(0.1)	954.5	118.3	**1,072.8**
Operating Profit					
Australia & New Zealand	62.8	(2.2)	60.6	8.5	**69.1**
Germany	80.5	2.5	83.0	3.0	**86.0**
United Kingdom & Ireland	41.5	0.1	41.6	5.4	**47.0**
Rest of World	26.7	0.6	27.3	14.0	**41.3**
Group profit from operations	211.5	1.0	212.5	30.9	**243.4**

13 LIKE-FOR-LIKE QUARTERLY RESULTS ANALYSIS BY DIVISION

Net fee growth/(decline) versus same period last year:

	Q1 2018	**Q2 2018**	**Q3 2018**	**Q4 2018**	**FY 2018**
Australia & New Zealand	13%	14%	12%	14%	**14%**
Germany	15%	19%	16%	16%	**16%**
UK & Ireland	1%	1%	(2%)	5%	**2%**
Rest of World	12%	17%	15%	23%	**17%**
Group	10%	13%	10%	15%	**12%**