HAYS Recruiting experts worldwide

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2014

28 August 2014

EXCELLENT 20%[1] GROWTH IN OPERATING PROFIT & STRONG CASH PERFORMANCE DRIVING INCREASED DIVIDEND

Year ended 30 June (In £'s million)	2014	2013	Actual growth	LFL[1] growth
Net fees	**724.9**	719.0	1%	5%
Operating profit	**140.3**	125.5	12%	20%
Cash generated by operations[2]	**175.6**	136.3	29%	
Profit before tax	**132.3**	118.5	12%	
Basic earnings per share	**6.13p**	5.14p	19%	
Dividend per share	**2.63p**	2.50p	5%	

Highlights

- Strong 12% headline growth in operating profit despite an £8.3m foreign exchange headwind
- Full year dividend increase of 5%
- Strong, broad-based net fee growth in UK & Ireland
    - Net fees up 11%[1], or £23.9m, generating £20.6m operating profit improvement; an 86% drop-through
    - Excellent operating leverage as a result of improved consultant productivity and overhead cost reductions
- Good 8%[1] net fee growth in Continental Europe & Rest of World, driving operating profit growth of 20%[1]
    - Good growth in key businesses with Germany net fees up 8%[1], France up 5%[1] and Canada up 5%[1]
    - 14 countries delivered net fee growth of over 10%[1], including Belgium, Poland and Switzerland
- Asia Pacific net fees down 6%[1]
    - Australia net fees down 13%[1], but business sequentially stable through H2
    - Excellent growth of 25%[1] in Asia with four countries delivering record net fee performances
- Consultant headcount up 6%, primarily in H2, as we selectively invested to capitalise on growth opportunities
- Strong cash performance, with 125% conversion of operating profit into operating cash flow
- Strong growth in Basic EPS of 19%, reflecting excellent growth in operating profit and lower effective tax rate

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

"This is a strong financial performance, and we are ahead of schedule in terms of our aspirations to broadly double the Group's operating profits by 2018. I am also pleased that our excellent earnings and cash performance has enabled us to increase the dividend by 5%.

We saw improved conditions in several key markets, notably in the UK, Asia, North America and many European countries, and took advantage by investing to drive growth. In the UK & Ireland, strong net fee growth and our focus on driving productivity improvements, combined with the on-going benefit of 2012's overhead cost reductions, meant we converted 86% of incremental net fees into operating profit. Elsewhere, 19 countries delivered record net fee performances and we made significant progress against our operational and strategic objectives, for example further expanding our global Oil & Gas business and making further good progress in rolling out our IT Contracting business into new markets.

I am confident that we enter the new year in a position of strength, with unrivalled breadth, scale and balance around the world and the best people and technology tools in our industry. Having outperformed during the downturn, we now have the ideal platform to capitalise on the many growth opportunities we see around the world. Our focus is on continuing to grow the business by leveraging that platform, driving further profit growth and building an ever-stronger leadership position in our industry."

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

(2) Excludes exceptional cash cost of £0.2 million in 2014 and £0.6 million in 2013.

(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.

(4) Exchange rate as at 26 August 2014: £1 / €1.2559; £1 / AUD1.7847.

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Results presentation & webcast

The results presentation will take place at the offices of UBS at 1 Finsbury Avenue, London, EC2M 2PP at 9:00am on 28 August 2014 and will also be available as a live webcast on our website, www.hays.com/investors/results-centre. A recording of the webcast will be available on our website from 1:00pm on 28 August 2014.

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

Reporting calendar

Interim Management Statement for quarter ending 30 September 2014	9 October 2014
Trading Update for quarter ending 31 December 2014	8 January 2015
Interim Results for six months ending 31 December 2014	25 February 2015
Interim Management Statement for quarter ending 31 March 2015	9 April 2015
Trading Update for quarter ending 30 June 2015	9 July 2015

Hays Group Overview

Hays has 8,237 employees in 237 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 66% of the Group's net fees as at 30 June 2014, compared with just over 20% 10 years ago.

Our 5,357 consultants work in a broad range of sectors with no sector specialism representing more than 17% of Group net fees. While Accountancy & Finance, Construction & Property and IT represent 49% 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, existing areas of expertise.

In addition to this international and sectoral diversification, the Group's net fees are generated 59% from temporary and 41% permanent placement markets, and this balance gives our business model relative resilience.

This well diversified business model continues to be a key driver of the Group's financial performance.

Introduction

We have delivered a strong Group financial performance for the year. Net fees increased by 5% on a like-for-like basis[1] and 1% on a headline basis. Operating profit increased by 20% on a like-for-like basis[1] and 12% on a headline basis and we converted 125% of operating profit into operating cash flow. Taking into account the strong financial performance of the Group this year and the good trading performance of the business as we start the new financial year, the Board proposes to increase the full year dividend by 5% to 2.63p, resulting in an increase to the final dividend of 8% to 1.80p.

Targeted investment to capitalise on stronger markets and deliver profitable fee growth

Throughout the year we saw clear opportunities for growth and better trading conditions across several key markets. We invested quickly where conditions were supportive, and controlled costs in a small number of more challenging markets. Targeting investment in this way ensures we maximise current and future growth opportunities by using productivity and efficiency to drive profitable fee growth around the world. We delivered improved productivity in the year, as net fees grew by 5%[1] and average consultant numbers were up 2% resulting in an improvement in net fees per consultant of 3%[1].

Movements in consultant headcount

Consultant headcount ended June at 5,357, up 4% versus December 2013 and up 6% year-on-year. In our Continental Europe & Rest of World (RoW) division we increased consultant headcount by 3% year-on-year, including Germany which was also up 3%. In Asia Pacific, consultant headcount was up 3%, within which Australia consultant headcount was down 6% year-on-year but up 2% in the second half. In Asia, consultant headcount increased by 16% after we invested aggressively in each of our businesses across that region. In the UK & Ireland consultant headcount was up 12%, primarily in the second half as we invested to capitalise on the clear opportunities for future growth which exist across that business.

Consultant headcount	**30 June 2014**	Net change	30 June 2013
Asia Pacific	**1,055**	31	1,024
Continental Europe & RoW	**2,145**	61	2,084
United Kingdom & Ireland	**2,157**	228	1,929
Group	**5,357**	320	5,037

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 develop our global Oil & Gas focused business and made further good progress in rolling out our IT Contracting business into new markets. During the year we opened a new office in Winnipeg, relocated from New Jersey to New York and closed offices in Mumbai, Arnhem and Auckland where we consolidated our business in the city into a single site.

Office network	30 June 2014	Net opened/ (closed)	30 June 2013
Asia Pacific	**47**	(1)	48
Continental Europe & RoW	**88**	(1)	89
United Kingdom & Ireland	**102**	-	102
Group	**237**	(2)	239

Investing in technology, responding to change and building intellectual property

We strongly believe that equipping our consultants with evolving technology tools improves their productivity by enabling them to find the ideal candidate for their client's roles more quickly and more effectively than the competition.

To build these tools, we have invested internally in our own resources, built our own proprietary systems and intellectual property and fostered unique relationships with a number of important players in the technology world including Google and LinkedIn. These investments are now paying off, for example allowing us to receive and process around 8 million CV's a year, take our brand to over 310 million professionals globally via the LinkedIn platform and enabling our consultants to perform complex searches of our proprietary OneTouch database in seconds.

In a world where speed of response and the quality of relationships are key to success, these tools, combined with the expertise of our consultants, are delivering us real competitive advantage and underpinning both our financial performance and the growth in our market share and leadership.

Good growth in both temp and perm businesses

Net fees in the Temp business, which represented 59% of Group net fees, increased by 5%(1). This comprised a volume increase of 7% partially offset by a decrease in mix/hours worked of 2%. Underlying Temp margins(3) were flat at 16.6% (2013: 16.6%).

Net fees in the Perm business increased by 5%(1), as volumes increased 7%, driven by improved client and candidate confidence in several key markets, most notably the UK and Asia as well as some European markets. This was partially offset by a reduction in the average fee per placement of 2%, largely as a result of business mix.

Asia Pacific

Australia tough but sequentially stable for the last six months; excellent performance in Asia

Year ended 30 June (In £'s million)	2014	2013	Growth Actual	Growth LFL[1]
Net fees	**173.9**	211.8	(18)%	(6)%
Operating profit	**49.7**	67.2	(26)%	(14)%
Conversion rate	**28.6%**	31.7%		
Period end consultant headcount	**1,055**	1,024	3%	

In Asia Pacific, net fees decreased by 18% (6% on a like-for-like basis[1]) to £173.9 million and operating profit decreased by 26% (14% on a like-for-like basis[1]) to £49.7 million, representing a conversion rate of 28.6% (2013: 31.7%). The difference between actual growth and like-for-like growth rates is primarily the result of the material depreciation in the rate of exchange between the Australian Dollar and Japanese Yen versus Sterling during the year, which reduced net fees in the division by £26.4 million and operating profits by £9.2 million. Prevailing rates of currency exchange continue to represent a significant sensitivity for the reported performance of the division.

In Australia, net fees decreased by 13%[1] as overall market conditions remained tough throughout the year. Temp net fees, which represented 70% of net fees, decreased by 9%[1] but were sequentially stable through the year. Perm net fees decreased by 24%[1] as candidate confidence remained subdued, and that market was challenging through the year although activity levels were broadly stable for the final six months. At a specialism level, whilst Accountancy & Finance remained tough and was down 21%[1], our largest specialism, Construction & Property, was flat[1]. We saw good net fee growth of 6%[1] in New Zealand.

In Asia, which accounted for 21% of the division's net fees, we delivered excellent net fee growth of 25%[1] and operating profits more than doubled[1] to £4.9 million. Four of the five Hays businesses in the region delivered record annual net fees and all five businesses delivered growth of over 15%[1]. Net fees in China grew 25%[1], Singapore 28%[1], Malaysia 29%[1] and Hong Kong 42%[1]. In Japan, net fees increased by 17%[1] and market conditions were strong throughout the year.

Consultant headcount in the Asia Pacific division increased by 3% year-on-year, weighted towards additions made in the second half. In Australia & New Zealand, consultant headcount decreased by 2% year-on-year but was up 3% through the second half. In Asia, we ended the year with over 350 consultants and consultant headcount increased by 16% as we invested to drive growth and capitalise on supportive market conditions across the region.

Continental Europe & Rest of World

Germany growth good; significant market improvement and material £7.7 million profit increase in rest of the division

Year ended 30 June (In £'s million)	2014	2013	Growth Actual	Growth LFL[1]
Net fees	**305.0**	285.2	7%	8%
Operating profit	**64.4**	52.7	22%	20%
Conversion rate	**21.1%**	18.5%		
Period end consultant headcount	**2,145**	2,084	3%	

In Continental Europe & RoW, we delivered good net fee growth of 7% (8% on a like-for-like basis[1]) to £305.0 million, driving excellent operating profit growth of 22% (20% on a like-for-like basis[1]) to £64.4 million. The difference between actual growth and like-for-like growth rates in net fees and operating profit was due to the varying, often material fluctuations in the rates of the various operating currencies of the division versus Sterling, notably the appreciation of the Euro offset by the depreciation of the Brazilian Real and Canadian Dollar. The conversion rate of the division increased to 21.1% (2013: 18.5%) driven by good net fee growth and strong drop through of incremental net fees into operating profits, notably across several Continental European markets.

Germany, which represented 54% of the division's net fees, delivered good net fee growth of 8%[1]. We saw growth across Contracting and Temp, which together grew by 7%[1], and Perm which grew by 10%[1]. We saw strong growth in our newer specialisms, which now represent 27% of Germany net fees, particularly Accountancy & Finance, Legal and Sales & Marketing all of which grew by 20%[1] or more. Net fees in IT, which represents 41% of Germany business, grew by 8%[1] whilst net fees in Engineering increased by 2%[1]. September's general election and subsequent coalition negotiations have created a degree of uncertainty regarding future regulations governing Temp and Contractor markets, which has impacted recruitment decision making in certain client segments. However, the long-term structural growth opportunity in Germany remains unchanged, and we are ideally positioned to continue to benefit from the increasing demand for specialist recruitment services.

Across the rest of the division, net fees were up 8%[1] with significant drop-through into operating profit, up £7.7 million. We saw improved market conditions overall and materially improved our financial performance as a result of increased productivity of our consultants as well as our continued focus on tight cost control. France, our second largest country in the division, delivered record annual net fees with growth of 5%[1], a good performance against the backdrop of a market which remained subdued throughout the year. Elsewhere, 13 other countries delivered record annual net fee performances, including Switzerland, Belgium, Russia and Poland.

In Latin America, Chile, Colombia and Mexico all continued to perform well, although Brazil remained tough and net fees were down 32%[1]. In North America, Canada delivered solid net fee growth of 5%[1] and our business in the USA continued to perform well, increasing net fees by 73%[1].

Within the division, 14 countries delivered net fee growth of 10%[1] or more while three countries saw net fees decline[1] in the year.

Consultant headcount in the division increased by 3% year-on-year. In Germany, consultant headcount increased by 3%, and was broadly flat through the second half. We invested in markets which demonstrated clear growth opportunities, many of which showed sustained recovery after having been challenging for some time, such as Spain where consultant headcount was up 9%, Benelux up 8% and the UAE up 29%.

United Kingdom & Ireland

Strong, broad-based growth across all regions and most specialisms; excellent operating profit leverage

Year ended 30 June (In £'s million)	2014	2013	Growth Actual	Growth LFL[1]
Net fees	**246.0**	222.0	11%	11%
Operating profit	**26.2**	5.6	368%	368%
Conversion rate	**10.7%**	2.5%		
Period end consultant headcount	**2,157**	1,929	12%	

The United Kingdom & Ireland delivered strong net fee growth of 11%[1] to £246.0 million and generated material improvement of operating profit to £26.2 million (2013: £5.6 million). Our Temp business delivered good growth of 7%[1], whilst our Perm business delivered strong growth of 16%[1] as candidate confidence improved through the year.

Activity levels were strong and broad-based, with all regions delivering net fee growth. We saw stand out performances from Scotland & Northern Ireland, Midlands, North West, East and South of England, each of which grew by more than 10%. In Ireland our business delivered excellent net fee growth of 27%[1].

At the specialism level, Construction & Property delivered excellent growth of 21%[1], IT performed strongly and was up 15%[1], whilst net fees in our largest specialism of Accountancy & Finance grew by 11%[1], within which our Senior Finance business grew by 12%[1]. Activity levels in our Banking business remained more subdued, declining by 3%[1].

Our private sector business, which represented 71% of the division's net fees, delivered good net fee growth of 9%[1] and our public sector business delivered strong net fee growth of 16%[1], driven by particularly good performances in Education and Healthcare.

The strong improvement in profitability in the UK & Ireland business was the result of meaningful net fee growth of 11% and average consultant headcount growth of only 7%, as we improved the productivity of our consultants and also the positive impact of the range of cost reduction measures we announced in February 2012. These factors combined generated the excellent 86% drop-through of incremental net fee growth into operating profits. We believe our UK & Ireland business is well-placed to take full advantage of the current market opportunity, as well as any further market improvement. Going forward we anticipate a drop-through of incremental net fee growth into operating profits of c.60%.

Consultant headcount in the division was up 12% year-on-year, primarily in the second half, as we invested with the aim of growing market share and taking full advantage of those market segments which present clear growth opportunities going forward.

Current trading

Strong growth in the UK and many other key parts of the Group; Australia sequentially stable; continued good growth in Germany

We continue to see good overall levels of net fee growth, and in several key markets growth remains strong.

We will continue to invest quickly to capitalise on the many clear growth opportunities that exist, whilst acting if necessary to control or reduce costs in any businesses that remain, or become challenging.

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.

Asia Pacific

Conditions in Australia remain tough, but have shown broad-based sequential stability for the last eight months. The Temp market, which represented 70% of our Australian net fees in FY14, has been sequentially stable for twelve months. In the Perm market, candidate confidence remains subdued although activity levels remain sequentially stable. New Zealand continues to demonstrate good growth and in our Asia businesses, growth remains strong.

Based on the prevailing conditions across the division, we expect headcount to increase selectively through the first half of the year as we invest to support opportunities for growth.

Continental Europe & RoW

In Continental Europe & RoW, levels of growth remain good overall. In Germany we continue to see good year-on-year growth. In the rest of the division, conditions in most areas are good. Canada is strong, France remains challenging though our business there continues to perform well and although Brazil remains tough, it is broadly sequentially stable.

Overall, we expect headcount in the division to increase on a selective basis in the first half of the year with Germany remaining broadly stable and investments to support growth in the rest of the division.

United Kingdom & Ireland

In the UK & Ireland we continue to see strong growth, especially in the Perm market, with broad-based growth across all regions and most specialisms. Candidate and client confidence remains strong.

Whilst we remain focused on driving consultant productivity and the efficiency of our UK operations, we expect to increase headcount in the first half of the year to continue to capitalise on strong market conditions.

FINANCIAL REVIEW

Summary Income Statement

Year ended 30 June (In £'s million)	2014	2013	Growth Actual	Growth LFL[1]
Turnover	**3,678.5**	**3,696.9**	0%	3%
Net fees				
Temporary	**429.9**	**423.1**	2%	5%
Permanent	**295.0**	**295.9**	0%	5%
Total	**724.9**	**719.0**	1%	5%
Operating profit from continuing operations	**140.3**	**125.5**	12%	20%
Conversion rate	**19.4%**	**17.5%**		
Underlying temporary margin [3]	**16.6%**	**16.6%**		
Temporary fees as % of total	**59%**	**59%**		
Period end consultant headcount	**5,357**	**5,037**	6%	

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

(2) Excludes exceptional cash cost of £0.2 million in 2014 and £0.6 million in 2013.

(3) 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 and arrangements where the Company provides major payrolling services.

(4) Exchange rate as at 26 August 2014: £1 / €1.2559; £1 / AUD1.7847.

Turnover for the year to 30 June 2014 was flat (but increased by 3% on a like-for-like basis[(1)]) and net fees increased by 1% (5% on a like-for-like basis[(1)]). Operating profit increased by 12% (20% on a like-for-like basis[(1)]). Exchange rate movements decreased net fees and operating profit by £27.9 million and £8.3 million respectively, primarily as a result of depreciation in the rate of exchange of Sterling versus the major currencies to which the Group has exposure, most notably the Australian Dollar and the Japanese Yen which were only partially offset by appreciation 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, looking forward, a one cent change in the average exchange rates of these currencies to Sterling per annum has a respective operating profit impact of £0.2 million and £0.7 million per annum.

Operating costs were 1% lower than prior year (2% higher on a like-for-like basis[(1)]), as a rise in commission payments in line with net fees and costs associated with the 6% increase in Group consultant headcount (primarily in the second half) were offset by reductions in our overhead cost base, notably in the UK.

The Group's conversion rate, which is the proportion of net fees converted into operating profit, improved to 19.4% (2013: 17.5%) as a result of this continued strong control of operating costs, largely focused on Back Office and overheads, combined with improved consultant productivity and net fee growth.

Consultant headcount at the end of June 2014 was 5,357, up 6% year-on-year and also up 4% versus December 2013, reflecting 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. In our International business, we increased consultant headcount by 3% year-on-year, with increases in Asia and Continental Europe & RoW more than offsetting reductions in Australia.

Net finance charge

The net finance charge for the year was £8.0 million (2013: £7.0 million). The average interest rate on gross debt during the period was 2.8% (2013: 2.8%), generating net bank interest payable including amortisation of arrangement fees of £5.0 million (2013: £7.0 million) with the reduction largely due to the lower levels of average net debt compared to the prior year. The net interest charge on the defined benefit pension scheme obligations was £2.6 million (2013: £0.4 million) with the increase (which is a non-cash item) being primarily due the adoption of IAS 19(R). The Pension Protection Fund levy was a £0.4 million charge (2013: £0.4 million credit). We expect the net finance charge for the year ending 30 June 2015 to be around £7.5 million.

Taxation

Taxation for the year was £46.3 million (2013: £46.8 million), representing an effective tax rate of 35.0% (2013: 39.5%). The effective tax rate reflects the Group's geographical mix of profits, with the reduction in the rate due to the material improvement of profitability in the UK. We expect the Group's effective tax rate to be 33.5% for the year to June 2015.

Earnings per share

Basic earnings per share increased by 19% to 6.13 pence (2013: 5.14 pence). The movement reflects the Group's higher operating profit and lower effective tax rate, partially offset by the higher net finance charge.

Cash flow and balance sheet

Cash flow in the year was good with 125% conversion of operating profit into operating cash flow. This was higher than the prior year (2013: 109%) as a result of good working capital management throughout the year.

Net capital expenditure was £11.8 million (2013: £10.7 million). We expect capital expenditure to be around £15 million for the year to June 2015.

Dividends paid in the year totalled £35.1 million and pension deficit contributions were £13.5 million. Net interest paid was £7.9 million and the cash tax payment was £59.3 million which included a one-off £10.8 million payment on legacy tax issues.

Net debt reduced from £105.2 million at the start of the year to £62.7 million at the end of the year. We expect a further material reduction in net debt in the year to June 2015.

Retirement benefits

The Group's pension liability under IAS19(R) at 30 June 2014 of £43.9 million increased by £10.9 million compared to 30 June 2013 due primarily to a decrease in the discount rate, partially offset by company contributions and an increase in asset values.

During the year the Company contributed £13.5 million of cash to the defined benefit scheme (2013: £12.8 million) mainly in relation to deficit recovery plan funding. The 2012 triennial valuation quantified the actuarial deficit at c.£150 million and the recovery plan comprises an annual payment of £12.8 million from July 2012 with a fixed 3% uplift per year, over a period of just under 10 years. The scheme was closed to future accrual in June 2012.

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.

We target a core dividend cover range of 2.0x to 3.0x earnings and have been clear that we would consider dividend growth when dividend cover sustainably reached c.2.5x earnings, or approximately £140 million of operating profit. Taking into account the strong financial performance of the Group this year and the good trading performance of the business as we start the new financial year, the Board proposes to increase the full year core dividend by 5% to 2.63p, resulting in an increase to the final dividend of 8% to 1.80p. As such, the full year dividend will be covered 2.3x by earnings.

The Board remains committed to this sustainable and progressive dividend policy and will continue to review the core dividend level in line with our stated dividend cover policy. Additionally, we are setting out our policy regarding the uses of excess free cash flow as follows. Once we have built a net cash position in the region of £50 million and assuming a positive outlook, it is our intention that any excess free cash flow generated over-and-above this net cash position, that is not needed for the priorities outlined above, will then be distributed to shareholders via special dividends, or other appropriate methods, to supplement the core dividend.

The final dividend will be paid, subject to shareholder approval, on 14 November 2014 to shareholders on the register on 10 October 2014.

Treasury management

The Group's operations are financed by retained earnings and bank borrowings. The Group has a £300 million revolving credit facility which provides considerable headroom versus current and future expected levels of Group debt and matures in October 2017. The 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 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 four interest rate swaps which exchange a fixed payment for floating rate receipt on a total debt value of £30 million and have maturities of up to two years. The Group does not hold or use derivative financial instruments for speculative purposes.

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

Board changes

At our forthcoming Annual General Meeting William Eccleshare will retire as a non-executive Director. William was appointed to the Board in November 2004 and his international marketing and brand knowledge, coupled with his business experience and insight, has allowed him to make an immense contribution to the Company and the Board throughout his tenure. He takes with him the Group's best wishes for the future.

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, data governance, contracts and foreign exchange. These risks and our mitigating actions remain as set out in the 2013 Annual Report.

Cautionary statement

This Preliminary Results report (the "Report") has been prepared in accordance with the Disclosure Rules 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.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE

(In £s million)	Note	2014	2013
Turnover			
Continuing operations		**3,678.5**	3,696.9
Net fees [1]			
Continuing operations	3	**724.9**	719.0
Operating profit from continuing operations	3	**140.3**	125.5
Finance income	5	**0.5**	0.7
Finance cost	5	**(8.5)**	(7.7)
Profit before tax		**132.3**	118.5
Tax	6	**(46.3)**	(46.8)
Profit from continuing operations after tax		**86.0**	71.7
Profit from discontinued operations		**4.9**	-
Profit attributable to equity holders of the parent Company		**90.9**	71.7
Earnings per share from continuing operations			
- Basic	8	**6.13p**	5.14p
- Diluted	8	**6.00p**	5.06p
Earnings per share from continuing and discontinued operations			
- Basic	8	**6.47p**	5.14p
- Diluted	8	**6.34p**	5.06p

[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)	2014	2013
Profit for the year	**90.9**	71.7
Items that will not be reclassified subsequently to profit or loss:		
Actuarial remeasurement of defined benefit pension schemes	**(21.8)**	(28.8)
Tax relating to components of other comprehensive income	**1.2**	4.1
	(20.6)	(24.7)
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustments	**(21.4)**	1.2
Mark to market valuation of derivative financial instruments	**0.4**	0.6
Other comprehensive income for the year net of tax	**(41.6)**	(22.9)
Total comprehensive income for the year	**49.3**	48.8
Attributable to equity shareholders of the parent Company	**49.3**	48.8

CONSOLIDATED BALANCE SHEET

AT 30 JUNE

(In £s million)	Note	2014	2013
Non-current assets			
Goodwill		**170.6**	177.3
Other intangible assets		**36.5**	44.4
Property, plant and equipment		**17.6**	22.3
Deferred tax assets		**35.1**	34.2
		259.8	278.2
Current assets			
Trade and other receivables		**579.3**	565.9
Cash and cash equivalents		**48.0**	40.0
		627.3	605.9
Total assets		**887.1**	884.1
Current liabilities			
Trade and other payables		**(457.7)**	(433.4)
Current tax liabilities		**(18.6)**	(33.0)
Bank loans and overdrafts		**(0.7)**	(0.2)
Provisions	10	**(3.4)**	(4.2)
Derivative financial instruments		**(0.1)**	(0.5)
		(480.5)	(471.3)
Non-current liabilities			
Bank loans		**(110.0)**	(145.0)
Retirement benefit obligations	9	**(43.9)**	(33.0)
Provisions	10	**(12.0)**	(18.4)
		(165.9)	(196.4)
Total liabilities		**(646.4)**	(667.7)
Net assets		**240.7**	216.4
Equity			
Called up share capital		**14.7**	14.7
Share premium		**369.6**	369.6
Capital redemption reserve		**2.7**	2.7
Retained earnings		**(197.7)**	(244.3)
Cumulative translation reserve		**33.4**	54.8
Other reserves		**18.0**	18.9
Total shareholders' equity		**240.7**	216.4

The Consolidated Financial Statements of Hays plc, registered number 2150950, were approved by the Board of Directors and authorised for issue on 28 August 2014.

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 2014

(In £s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Other reserves	Total
At 1 July 2013	14.7	369.6	2.7	(244.3)	54.8	18.9	216.4
Currency translation adjustments	-	-	-	-	(21.4)	-	(21.4)
Mark to market valuation of derivative financial instruments	-	-	-	-	-	0.4	0.4
Remeasurement of defined benefit pension schemes	-	-	-	(21.8)	-	-	(21.8)
Tax relating to components of other comprehensive income	-	-	-	1.2	-	-	1.2
Net expense recognised in other comprehensive income	-	-	-	(20.6)	(21.4)	0.4	(41.6)
Profit for the year	-	-	-	90.9	-	-	90.9
Total comprehensive income for the year	-	-	-	70.3	(21.4)	0.4	49.3
Dividends paid	-	-	-	(35.1)	-	-	(35.1)
Share-based payments	-	-	-	10.1	-	(1.7)	8.4
Deferred tax on share-based payment transactions	-	-	-	1.3	-	-	1.3
Other share movements	-	-	-	-	-	0.4	0.4
At 30 June 2014	**14.7**	**369.6**	**2.7**	**(197.7)**	**33.4**	**18.0**	**240.7**

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
Remeasurement of defined benefit pension schemes	-	-	-	(28.8)	-	-	(28.8)
Tax relating to components of other comprehensive income	-	-	-	4.1	-	-	4.1
Net expense 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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE

(In £s million)	Note	2014	2013
Operating profit from continuing operations		**140.3**	125.5
Adjustments for:			
Exceptional items[1]		**(0.2)**	(0.6)
Depreciation of property, plant and equipment		**9.2**	11.0
Amortisation of intangible fixed assets		**12.9**	12.6
Loss/(profit) on disposal of property, plant and equipment		**0.5**	(0.1)
Net movements in provisions and other items		**(2.0)**	(2.4)
Share-based payments		**8.7**	10.2
		29.1	30.7
Operating cash flow before movement in working capital		**169.4**	156.2
Movement in working capital			
Increase in receivables		**(32.6)**	(25.1)
Increase in payables		**38.6**	4.6
		6.0	(20.5)
Cash generated by operations		**175.4**	135.7
Pension scheme deficit funding		**(13.5)**	(12.8)
Income taxes paid		**(59.3)**	(45.2)
Net cash inflow from operating activities		**102.6**	77.7
Investing activities			
Purchase of property, plant and equipment		**(5.7)**	(9.3)
Proceeds from sales of business and related assets		**0.1**	0.2
Purchase of intangible assets		**(6.1)**	(1.4)
Cash paid in respect of acquisitions made in previous years		**(0.3)**	(0.8)
Interest received		**0.5**	0.7
Net cash used in investing activities		**(11.5)**	(10.6)
Financing activities			
Interest paid		**(8.4)**	(9.0)
Equity dividends paid		**(35.1)**	(34.8)
Proceeds from exercise of share options		**0.6**	1.6
Decrease in bank loans and overdrafts		**(34.5)**	(26.4)
Net cash used in financing activities		**(77.4)**	(68.6)
Net increase/(decrease) in cash and cash equivalents		**13.7**	(1.5)
Cash and cash equivalents at beginning of year	11	**40.0**	38.7
Effect of foreign exchange rate movements		**(5.7)**	2.8
Cash and cash equivalents at end of year	11	**48.0**	40.0

(1) The adjustment to the Cash Flow Statement in the year to 30 June 2014 of £0.2 million and in the year to 30 June 2013 of £0.6 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.

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 2014 or 2013, for the purpose of the Companies Act 2006, but is derived from those accounts. The statutory accounts for 2013 have been delivered to the Registrar of Companies and those for 2014 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 2013 with the exception of the following new accounting standards and amendments which were mandatory for accounting periods beginning on or after 1 January 2013, none of which had any material impact on the Group's results or financial position.

- IFRS 7 (amendment) Disclosures – Offsetting Financial Assets and Financial Liabilities (effective 1 January 2013)
- IFRS 13 Fair Value Measurement (effective 1 January 2013)
- IAS 19 (revised) Employee Benefits (effective 1 January 2013)
- Annual Improvements to IFRSs 2011 (effective 1 January 2013)

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 2014. The directors have formed the judgement 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

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.

(In £s million)	**2014**	2013
Net fees from continuing operations		
Asia Pacific	**173.9**	211.8
Continental Europe & Rest of World	**305.0**	285.2
United Kingdom & Ireland	**246.0**	222.0
	724.9	719.0

(In £s million)	**2014**	2013
Operating profit from continuing operations		
Asia Pacific	**49.7**	67.2
Continental Europe & Rest of World	**64.4**	52.7
United Kingdom & Ireland	**26.2**	5.6
	140.3	125.5

4 OPERATING PROFIT FROM CONTINUING OPERATIONS

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

(In £s million)	**2014**	2013
Turnover	**3,678.5**	3,696.9
Remuneration of temporary workers	**(2,805.8)**	(2,685.9)
Remuneration of other recruitment agencies	**(147.8)**	(292.0)
Net fees	**724.9**	719.0

Operating profit is stated after charging the following items to net fees of £724.9 million (2013: £719.0 million):

(In £s million)	**2014**	2013
Staff costs	**424.4**	428.1
Depreciation of property, plant and equipment	**9.2**	11.0
Amortisation of intangible assets	**12.9**	12.6
Operating lease rentals payable	**31.2**	31.2
Impairment loss on trade receivables	**3.4**	2.5
Auditor remuneration		
- for statutory audit services	**0.9**	0.8
- for other services	**0.3**	0.6
Other external charges	**102.3**	106.7
	584.6	593.5

5 FINANCE INCOME AND FINANCE COST

Finance income

(In £s million)	**2014**	2013
Interest on bank deposits	**0.5**	0.7

Finance cost

(In £s million)	**2014**	2013
Interest payable on bank loans and overdrafts	**(5.5)**	(7.7)
Pension Protection Fund levy	**(0.4)**	0.4
Net interest on pension obligations	**(2.6)**	(0.4)
	(8.5)	(7.7)
Net finance charge	**(8.0)**	(7.0)

6 INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

(In £s million)	**2014**	2013
Profit before tax from continuing operations	**132.3**	118.5
Income tax expense calculated at 22.50% (2013: 23.75%)	**(29.8)**	(28.1)
Net effect of items that are non-taxable/(non-deductible) in determining taxable profit	**1.3**	(0.7)
Effect of unused tax losses not recognised as deferred tax assets	**(1.5)**	(1.8)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(11.6)**	(10.9)
Effect on deferred tax balances due to the changes in income tax rates	**(1.8)**	(0.9)
Effect of share-based payment charges and share options	**(0.1)**	0.3
	(43.5)	(42.1)
Adjustments recognised in the current year in relation to the current tax of prior years	**(2.8)**	(5.0)
Adjustments to deferred tax in relation to prior years	**-**	0.3
Income tax expense recognised in the Consolidated Income Statement (relating to continuing operations)	**(46.3)**	(46.8)
Effective tax rate for the year on continuing operations	**35.0%**	39.5%

The tax rate used for the 2014 and 2013 reconciliations above is the corporate tax rate of 22.50% (2013: 23.75%) 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:

	2014 pence per share	**2014 £s million**	2013 pence per share	2013 £s million
Previous year final dividend	**1.67**	**23.5**	1.67	23.2
Current year interim dividend	**0.83**	**11.6**	0.83	11.6
		35.1		34.8

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

	2014 pence per share	**2014 £s million**	2013 pence per share	2013 £s million
Interim dividend (paid)	**0.83**	**11.6**	0.83	11.6
Final dividend (proposed)	**1.80**	**25.6**	1.67	23.5
	2.63	**37.2**	2.50	35.1

The final dividend for 2014 of 1.80 pence per share (£25.6 million) will be proposed at the Annual General Meeting on 12 November 2014 and has not been included as a liability as at 30 June 2014. If approved, the final dividend will be paid on 14 November 2014 to shareholders on the register at the close of business on 10 October 2014.

8 EARNINGS PER SHARE

For the year ended 30 June 2014	**Earnings (£s million)**	**Weighted average number of shares (million)**	**Per share amount (pence)**
Continuing operations:			
Basic earnings per share from continuing operations	**86.0**	**1,403.9**	**6.13**
Dilution effect of share options	**-**	**30.0**	**(0.13)**
Diluted earnings per share from continuing operations	**86.0**	**1,433.9**	**6.00**
Discontinued operations:			
Basic earnings per share from discontinued operations	**4.9**	**1,403.9**	**0.35**
Dilution effect of share options	**-**	**30.0**	**(0.01)**
Diluted earnings per share from discontinued operations	**4.9**	**1,433.9**	**0.34**
Continuing and discontinued operations:			
Basic earnings per share from continuing and discontinued operations	**90.9**	**1,403.9**	**6.47**
Dilution effect of share options	**-**	**30.0**	**(0.13)**
Diluted earnings per share from continuing and discontinued operations	**90.9**	**1,433.9**	**6.34**

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 are no discontinued operations in the prior year.

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.

9 RETIREMENT BENEFIT OBLIGATIONS

(In £s million)	**2014**	2013
Deficit in the scheme brought forward	**(33.0)**	(15.4)
Current service cost	**(1.3)**	(1.2)
Employer contributions	**13.5**	12.8
Net interest expense	**(1.3)**	(0.4)
Remeasurement of the net defined benefit liability	**(21.8)**	(28.8)
Deficit in the scheme carried forward	**(43.9)**	(33.0)

10 PROVISIONS

(In £s million)	Property	Other	Total
At 1 July 2013	10.8	11.8	22.6
Exchange adjustments	-	(0.1)	(0.1)
Credited to income statement	(3.2)	(1.8)	(5.0)
Utilised	(2.3)	0.2	(2.1)
At 30 June 2014	**5.3**	**10.1**	**15.4**

(In £s million)	**2014**	2013
Current	**3.4**	4.2
Non-current	**12.0**	18.4
	15.4	22.6

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, £3.4 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 DEBT

(In £s million)	1 July 2013	Cash flow	Exchange movement	**30 June 2014**
Cash and cash equivalents	40.0	13.7	(5.7)	**48.0**
Bank loans and overdrafts	(145.2)	34.5	-	**(110.7)**
Net debt	(105.2)	48.2	(5.7)	**(62.7)**

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.

The Group has a £300 million unsecured revolving credit facility which expires in October 2017. 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 1.85% to 2.40%.

At 30 June 2014, £190 million of the committed facility was un-drawn.

12 LIKE-FOR-LIKE RESULTS

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

For the year ended 30 June 2014 these are calculated as follows:
(In £s million)

Net fees for the year ended 30 June 2013	719.0
Foreign exchange impact	(27.9)
Net fees for the year ended 30 June 2013 at constant currency	691.1
Net fee increase resulting from organic growth	33.8
Net fees for the year ended 30 June 2014	**724.9**
Profit from operations for the year ended 30 June 2013	125.5
Foreign exchange impact	(8.3)
Profit from operations for the year ended 30 June 2013 at constant currency	117.2
Profit from operations increase resulting from organic growth	23.1
Profit from operations for the year ended 30 June 2014	**140.3**

13 LIKE-FOR-LIKE RESULTS H1 V H2 ANALYSIS BY DIVISION

Net fee growth/(decline) versus same period last year	**Q1 2014**	**Q2 2014**	**H1 2014**	**Q3 2014**	**Q4 2014**	**H2 2014**	**FY 2014**
Asia Pacific	(12%)	(9%)	**(10%)**	(4%)	0%	**(2%)**	**(6%)**
Continental Europe & Rest of World	6%	5%	**6%**	11%	7%	**9%**	**8%**
United Kingdom & Ireland	8%	10%	**9%**	14%	11%	**13%**	**11%**
Group	2%	3%	**2%**	8%	7%	**8%**	**5%**

H1 2014 is the period from 1 July 2013 to 31 December 2013. H2 2014 is the period from 1 January 2014 to 30 June 2014.