HALF YEAR REPORT
SIX MONTHS ENDED 31 DECEMBER 2009

25 February 2010

DIVIDEND MAINTAINED IN DIFFICULT MARKETS

6 months ended 31 December Unaudited (In £'s million)	**2009**	2008	Actual growth	LFL* growth
Net fees	**264.8**	383.7	(31)%	(35)%
Operating profit (before exceptional items)**	**35.1**	105.1	(67)%	(70)%
Cash generated by operations	**36.1**	137.6	(74)%	
Profit before tax (before exceptional items)**	**30.4**	100.8	(70)%	
Profit before tax	**3.4**	100.8	(97)%	
Basic earnings per share**	**1.38p**	5.15p	(73)%	
Dividend per share	**1.85p**	1.85p	-	

Highlights

- 54% of Group net fees and 82% of operating profits** generated from outside the UK
- Continued strong cash flow from operations of £36.1 million (103% of operating profit**)
- Net debt levels reduced to £38.4 million (2008: £54.6 million)
- Interim dividend maintained at 1.85p
- Modest sequential improvement in demand in Asia Pacific and parts of Continental Europe
- Selectively increasing headcount, predominantly in Asia Pacific

* LFL (like-for-like) growth represents organic growth of continuing activities at constant currency. There were the same number of trading days in 2009 and 2008.

** numbers are presented before the exceptional charge of £27 million in 2009 relating to the OFT fine that is currently under appeal. There were no exceptional items in 2008.

Commenting on these results, Alistair Cox, Chief Executive of Hays, said:

"These results illustrate the importance of our international business, which represents over three quarters of our worldwide profits. With operations in 27 countries outside the UK, Hays has the largest international specialist recruitment business in the industry. Throughout the recession we have protected the core of our international business and strengthened it by entering new geographies and sectors. At the same time as investing in this infrastructure around the world, we have defended our market leading position in the UK, rapidly adjusted our cost base and generated significant cash to allow us both to reduce net debt and maintain the dividend.

Currently we are seeing improved candidate and client confidence across the business in most of our private sector markets. Asia Pacific and parts of Continental Europe have continued to deliver modest rates of sequential improvement. Our remaining businesses continue to see overall stability in their markets and in the UK we expect our performance to be broadly similar in the second half. Our exposure to high potential overseas markets, our investment in technology, and the retention of our key people, position us extremely well to capitalise on the next phase of economic growth."

Enquiries

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Results presentation webcast

The Half Year Results presentation at 9.30am on 25 February 2010 will be available as a live webcast on our website, www.haysplc.com, and a recording will also be available on our website from 1:00pm.

Reporting calendar

Interim Management Statement for quarter ending 31 March 2010	8 April 2010
Investor Day (London)	29 April 2010
Trading Update for quarter ending 30 June 2010	8 July 2010
Preliminary results for the year ending 30 June 2010	2 September 2010
Interim Management Statement for quarter ending 30 September 2010	7 October 2010

Note to editors

Hays plc is the leading global specialist recruitment group. It is market leader in the UK and Australia, and one of the market leaders in Continental Europe. As at 31 December 2009, the Group employed 6,644 staff operating from 325 offices in 28 countries across 17 specialisms. For the year ended 30 June 2009:

– the Group had revenues of £2.4 billion, net fees of £670.8 million and operating profit of £158.0 million;

– the Group placed around 50,000 candidates into permanent jobs and around 270,000 people into temporary assignments;

– the temporary placement business represented 56% of net fees and the permanent placement business represented 44% of net fees;

– Hays operates in the following countries: Australia, Austria, Belgium, Brazil, Canada, China, the Czech Republic, Denmark, France, Germany, Hong Kong, Hungary, India, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Poland, Portugal, Russia, Singapore, Spain, Sweden, Switzerland, UAE and the United Kingdom.

Summary profit and loss statement

6 months ended 31 December (In £'s million)	2009	2008	growth Actual	growth LFL*
Turnover	**1,288.3**	1,278.7	1%	(5)%
Net fees				
Temporary	**157.3**	199.9	(21)%	(26)%
Permanent	**107.5**	183.8	(42)%	(45)%
Total	**264.8**	383.7	(31)%	(35)%
Operating profit**	**35.1**	105.1	(67)%	(70)%
Conversion rate	**13.3%**	27.4%		
Underlying temporary margin***	**15.5%**	17.0%		
Temporary fees as % of total	**59%**	52%		
Period end consultant headcount****	**4,047**	5,213	(22)%	(22)%

* LFL (like-for-like) growth represents organic growth of continuing activities at constant currency. There were the same number of trading days in 2009 and 2008.

** numbers are presented before the exceptional item of £27 million in 2009 relating to the OFT fine that is currently under appeal. There were no exceptional items in 2008.

*** the underlying temporary placement gross margin is calculated as temporary placement net fees divided by temporary placement 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.

**** the change in consultants is shown on a closing basis, comparing 31 December 2009 versus 31 December 2008.

The performance of the Group has been impacted by a significant reduction in demand levels compared to a year ago. As a result, Group turnover decreased by 5%*, net fees decreased by 31% (declining by 35% on a like-for-like basis*), and operating profit decreased by 67% (70% on a like-for-like basis*). The reduction in turnover* was considerably less than the reduction in net fees primarily due to the impact of the withdrawal of the staff hire concession in April 2009. Last year, only our net fees on temporary workers qualifying for the staff hire concession were accounted for in turnover. However, following the withdrawal of the staff hire concession, the full cost of the relevant temporary workers is recognised in turnover. The results benefited from exchange rate movements, principally the Australian Dollar and the Euro, which had a favourable impact increasing net fees by £25 million and operating profit by £10 million.

The temporary placement business, representing 59% of Group net fees, was relatively more resilient than the permanent placement business with net fees decreasing by 26%*. This represented a volume decrease of 15% and a 150 basis point reduction in the underlying temporary margin to 15.5% (2008: 17.0%)***. Broadly half of the margin reduction was a result of the mix effect of a greater proportion of placements being made through large volume contracts, with the balance of the reduction resulting from modest pricing pressure impacting our major temporary placement markets, namely the United Kingdom, Australia and Germany. In recent months we have seen stability in demand in the temporary placement markets in the United Kingdom and modest sequential improvement in demand in Australia and Germany.

Net fees in the permanent business, representing 41% of Group net fees, declined by 45%*, with permanent placement volumes decreasing by 43%. The fall in permanent placement volumes compared to last year reflects the difficult market conditions. However, in recent months we have seen sequential stability in demand in the United Kingdom and Continental Europe divisions and modest sequential growth in Asia Pacific. Average fees per placement decreased by 4%* compared to last year primarily due to a less favourable mix.

As a result of the actions we took last year to reduce the cost base and protect profitability, the Group's operating cost base in the period was 21%* lower than prior year. However, the marked reduction in activity levels versus a year ago and the lower level of average consultant productivity achievable in a demand constrained market led to a reduction in the Group's conversion rate, which is the proportion of net fees converted into operating profit**, from 27.4% in the prior year to 13.3% this period.

After the large reduction in consultant headcount in the preceding year, consultant headcount was reduced by 5% over the six months ended 31 December 2009, with all this reduction taking place in the first quarter. Headcount is now being increased selectively where market trends are favourable, predominately in Asia Pacific.

Number of offices

	31 December 2009	closed (net)	30 June 2009
Asia Pacific	**49**	-	49
Continental Europe & RoW	**82**	(2)	84
United Kingdom & Ireland	**194**	(18)	212
Group	**325**	(20)	345

In the United Kingdom & Ireland we reduced our office network by a total of 18 offices over the period as we continued to drive efficiency savings by consolidating operations in selected cities. In Asia Pacific and Continental Europe & RoW we have maintained the office infrastructure in order to position the business for the substantial long term structural growth that we expect in the future. As economic conditions improve, we will continue the rollout of our office network, with a number of openings already planned for the next 12 months.

Asia Pacific

6 months ended 31 December (In £'s million)	**2009**	2008	growth Actual	growth LFL*
Net fees	**64.2**	88.3	(27)%	(39)%
Operating profit	**22.1**	38.9	(43)%	(52)%
Conversion rate	**34.4%**	44.1%		
Period end consultant headcount****	**753**	1,056	(29)%	(29)%

In Asia Pacific, net fees decreased by 27% (39% on a like-for-like basis*) to £64.2 million and operating profit decreased by 43% (52% on a like-for-like basis*) to £22.1 million. This equates to 63% of Group operating profit** and for the first time makes Asia Pacific the largest contributing division. The difference between actual growth and like-for-like growth was mainly due to the appreciation in the Australian dollar. The business achieved a strong conversion rate of 34.4% in the period although this was below the 44.1% achieved last year.

In our market leading Australia & New Zealand business, net fees were down 40%* versus prior year. Net fees decreased by 20%* in the temporary placement business and by 58%* in the permanent placement business. Both our permanent and temporary businesses saw sequential stability in net fees in the first quarter of the period and sequential growth in the second quarter. The smaller specialisms have been the best performing businesses, with Pharma and Education both recording year on year growth in recent months. Our public sector business, which accounts for 27% of net fees in Australia & New Zealand, faced difficult market conditions throughout the period with net fees decreasing by 17%* versus last year, mainly driven by decline in back office functions.

In Asia, which accounted for 12% of the division's net fees in the period, net fees decreased by 18%* versus prior year. However, market conditions improved markedly through the period, driven by improved levels of demand in Banking and Financial Services. Record monthly net fee performances were achieved by both our Japanese and Chinese businesses during the second quarter and since the period end Asia has returned to year on year growth.

Consultant headcount in Asia Pacific was broadly flat through the period with a modest reduction at the start of the period offset by selective investment in the second quarter as market conditions strengthened. As at 31 December 2009, consultant headcount was 29% below the prior year level. Assuming positive market trends continue, we expect to add headcount across the region in the second half.

Continental Europe & Rest of World ('RoW')

6 months ended 31 December (In £'s million)	**2009**	2008	growth Actual	growth LFL*
Net fees	**79.1**	102.8	(23)%	(29)%
Operating profit	**6.8**	20.6	(67)%	(70)%
Conversion rate	**8.6%**	20.0%		
Period end consultant headcount****	**1,068**	1,472	(27)%	(27)%

In Continental Europe & RoW, net fees decreased by 23% (29% on a like-for-like basis*) to £79.1 million and operating profit decreased by 67% (70% on a like-for-like basis*) to £6.8 million. This division now represents 19% of Group operating profit**. The difference between actual growth and like-for-like growth was mainly due to the appreciation in the Euro. The conversion rate declined from 20.0% to 8.6% this period.

Our German business, representing 49% of the division's net fees and the majority of the division's profits, recorded a 21%* decrease in net fees versus prior year. Demand in Germany stabilised sequentially in the period with net fees posting a modest sequential increase in the second quarter. Although principally focused on the IT contracting market, our German business continues to diversify into a broader range of specialisms including Accountancy & Finance, Construction & Property, Sales & Marketing, Legal and Pharma, which now account for 19% of total net fees in Germany. Our market leading position and increasing diversification of the business each place us in a strong position to benefit from improving market conditions.

Our other businesses in this division, covering 19 countries, are focused principally on the permanent placement markets and hence have been more exposed to the impact of the recession. As a result, many of the smaller countries recorded losses during the period. However, we have seen a sequential stabilisation in demand in most of these countries.

Consultant headcount decreased by 9% during the period with all the reduction being made in July and August, primarily through natural attrition. As at 31 December 2009, the headcount was 27% below the prior year level. We have protected the infrastructure in these businesses since we believe they are positioned in markets with significant structural growth ahead of them. Most of these countries were achieving organic growth of more than 40% per annum before the recession and we believe we can achieve these levels again in the next cycle of growth. We plan to cautiously invest in headcount in the second half in countries where trends are improving.

United Kingdom & Ireland

6 months ended 31 December (In £'s million)	**2009**	2008	growth Actual	growth LFL*
Net fees	**121.5**	192.6	(37)%	(37)%
Operating profit	**6.2**	45.6	(86)%	(86)%
Conversion rate	**5.1%**	23.7%		
Period end consultant headcount****	**2,226**	2,685	(17)%	(17)%

In the United Kingdom & Ireland, net fees declined by 37% on an actual and like-for-like basis* to £121.5 million, with operating profit down 86% on an actual and like-for-like basis* to £6.2million. Net fees decreased by 29%* in the temporary placement business and by 47%* in the permanent placement business. The conversion rate declined from 23.7% to 5.1% this period.

Overall demand stabilised sequentially during the period. However, market conditions remain challenging. In the private sector trends improved towards the end of the period but there still remain only limited signs of recovery. In the public sector, trends are continuing to weaken.

By sector, Accountancy & Finance and IT achieved sequential stability through the half although demand continued to be fragile. Our Construction & Property business recorded modest sequential decline. Our Pharma and Financial Services specialisms were the best performing businesses in the private sector, with each showing good levels of growth. Performances in the public sector were mixed: Education and Healthcare achieved strong growth with record results. In contrast, the pressures on public finances impacted the remainder of our public sector business particularly in Construction & Property and back office functions. Overall public sector net fees, which represent 39% of our United Kingdom & Ireland net fees, decreased by 13% versus prior year and as a result we continue to reallocate resources from the public sector back to the private sector.

Consultant headcount in the United Kingdom & Ireland decreased by 4% during the period. This reduction was made in July and August with headcount being held broadly flat thereafter as trading stabilised. As at 31 December 2009 the headcount was 17% below the prior year level and 34% down from peak in March 2008, and we anticipate maintaining headcount at current levels in the second half. 18 offices were also closed in the period as we have continued to drive efficiency savings by consolidating operations in selected cities. We have made excellent progress on our key efficiency investment programmes, with our new front office system rolled out across the United Kingdom & Ireland and the back office automation project on track to complete in September 2010. We have also continued to strengthen our national corporate account management and recruitment outsource services and these investments have continued to yield important client wins, including IBM, BT and The Audit Commission, during the period.

In view of the pressures in the public sector and the unprecedented adverse weather conditions which reduced the number of temporary placement days worked in January, we expect our performance in the United Kingdom & Ireland in the second half to be broadly similar to the first half.

Net finance charge

The net finance charge for the period was £4.7 million (2008: £4.3 million). The average interest rate on gross debt during the period was 1.0% (2008: 5.2%), generating a net bank interest payable of £0.8 million (2008: £2.7 million). There was a net interest charge on the defined pension scheme obligations of £3.3 million (2008: £1.2 million) with the increase mainly due to the lower level of scheme assets reducing expected returns and lower liabilities more than offset by a higher discount rate, with the charge for the Pension Protection Fund levy of £0.6 million (2008: £0.4 million).

Overall the net finance charge for the period was £4.7 million. It is expected that the net finance charge for the year to 30 June 2010 will be around £11 million.

Taxation

Taxation for the period was £11.4 million, representing an effective tax rate of 37.5% (2008: 30.0%). The increase in the effective tax rate was due to the presence of unrelieved tax losses in some countries during the period and the change in geographical mix of profits. It is expected that the effective tax rate for the year to 30 June 2010 will remain at a similar level.

Earnings per share

Basic earnings per share before exceptional items** decreased 73% to 1.38 pence (2008: 5.15 pence). The fall in earnings per share reflects the reduction in operating profit, the higher net finance charge and the increase in the effective tax rate.

Cash flow and balance sheet

Cash flow in the period was strong with a 103% conversion of operating profit** into operating cash flow, driven by continued close control of working capital. This emphasises the importance placed by our management on disciplined cash management. Overall, net cash generated by operations was £36.1 million (2008: £137.6 million). Cash outflow from working capital was £6.4 million, resulting principally from the £20 million payment to other agencies at the start of the period which reversed the one-off cash inflow received in June 2009 relating to the withdrawal of the staff hire concession. This cash outflow was partially offset by an improvement in trade debtor days to 31 days (2008: 37 days). Tax paid was £3.5 million.

Net capital expenditure was £16.6 million, reflecting the additional expenditure on the Group's key IT projects. These IT projects are scheduled to be substantially completed during the second half of the year, after which capital expenditure is expected to fall back to historical levels.

Dividends paid in the period totalled £54.2 million and £3.0 million was paid out in net interest. Principally due to the payment of the dividend, net debt increased from a cash position of £0.7 million at the start of the period to net debt of £38.4 million at the end of the period. The overall reduction in net debt levels during the recession of circa £75 million demonstrates the consistency of the Group's operating cash flow and the robustness of Hays' business model.

The Group has a £460 million unsecured revolving credit facility available, which expires in February 2011. The covenants in the facility require the Group's interest cover to be at least 4:1 and its leverage ratio (net debt to EBITDA) to be no greater than 3:1. The Group has significant headroom within these covenants.

Capital structure and dividend

The Board's current priorities for our free cash flow are to fund Group development, maintain the strength of the balance sheet and to support a sustainable dividend policy. The Board has no plans to buy back shares at the present time.

Reflecting the Board's confident outlook and the Group's balance sheet strength, the Board has decided to pay an interim dividend of 1.85 pence per share, which is in line with last year. The interim dividend payment date will be 1 April 2010 and will be paid to shareholders on the register on 5 March 2010.

Retirement benefits

The Group's pension liability under IAS 19 at 31 December 2009 of £101.3 million (£72.9 million net of deferred tax) decreased by £7.9 million compared to 30 June 2009 primarily due to the higher than expected asset returns and lower than expected level of scheme liabilities based on the updated membership data from the triennial valuation process, partially offset by a decrease in the discount rate. During the period, the Company contributed £2.7 million of cash into the defined benefit scheme, which included £0.6 million additional funding towards the pension deficit.

The defined benefit pension scheme is currently undergoing its triennial actuarial valuation as at 30 June 2009. It is expected that this valuation will lead to an increase in the actuarial deficit largely due to lower asset values and changes in the expected long term inflation rate assumptions. As a result and as referred to in the 2009 Annual Report, we expect Hays' deficit funding into the pension scheme to increase to between £10 million and £20 million per annum following the completion of the triennial actuarial valuation.

OFT investigation

On 30 September 2009, The Office of Fair Trading ('OFT') issued its decision finding that Hays' Construction & Property business in the UK had breached competition law in the period October 2004 to November 2005. Hays has co-operated fully with the OFT in its investigation under the leniency regime and has been fined £30.4 million. Whilst Hays takes the findings of the OFT's investigation seriously, we believe that the level of the fine is arbitrary and wholly disproportionate to the activities to which it relates, Hays' involvement in those activities and the way in which the OFT has dealt with other cases in the past. The Group is appealing the decision and whilst the appeal is in progress, the £30.4 million fine is being held on deposit by Hays. The Half Year Financial Statements include an exceptional charge of £27 million in the period in respect of the fine and the anticipated costs of the appeal.

Current trading

Currently we are seeing improved candidate and client confidence across the business in most of our private sector markets. Asia Pacific and parts of Continental Europe have continued to deliver modest rates of sequential improvement. Our remaining businesses continue to see overall stability in their markets and in the UK we expect our performance to be broadly similar in the second half. Our exposure to high potential overseas markets, our investment in technology, and the retention of our key people, position us extremely well to capitalise on the next phase of economic growth.

* LFL (like-for-like) growth represents organic growth of continuing activities at constant currency. There were the same number of trading days in 2009 and 2008.

** numbers are presented before the exceptional item of £27 million in 2009 relating to the OFT fine that is currently under appeal. There were no exceptional items in 2008.

*** the underlying temporary placement gross margin is calculated as temporary placement net fees divided by temporary placement 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.

**** the change in consultants is shown on a closing basis, comparing 31 December 2009 versus 31 December 2008.

Treasury management

The Group's treasury operations remain straight forward and uncomplicated with Group operations financed by retained earnings and bank borrowings. The Group has a £460 million revolving credit facility in place until February 2011 and it uses this facility to manage its day-to-day working capital requirements as appropriate. Based on positive feedback from initial discussions with the major syndicate lenders, management are confident that an appropriate replacement facility will be renewed in advance of February 2011. 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.

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

Principal risks facing the business

Hays plc operates an embedded risk management framework, which is monitored and reviewed by the Audit Committee. The principal risks and uncertainties faced by the Group for the remaining six months of the year are unchanged from those set out in the 2009 Annual Report. These are: macroeconomic environment, competitive environment, customer credit risk, contractual risk, people-related risks, technological risks, risks associated with regulatory and legislative changes, foreign exchange risks and the impact of pension scheme liabilities. See the 2009 Annual Report for a detailed explanation of the principal risks and uncertainties faced by the Group, a copy of which can be downloaded from www.haysplc.com/hays/investor/reports/.

Hays plc

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Responsibility Statement

We confirm that, to the best of our knowledge:

– the condensed set of financial statements has been presented in accordance with IAS 34 “Interim Financial Reporting” and gives a true and fair view of the assets, liabilities, financial position and profit for the Group;

– the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

– the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties’ transactions and changes therein).

This Half Year Report was approved by the Board of Directors and authorised for issue on 24 February 2009.

Alistair Cox
Chief Executive

Paul Venables
Group Finance Director

Cautionary statement

This Half Year Report has been prepared solely in compliance with the Disclosure Rules and Transparency Rules of the UK Financial Services Authority and is not audited. 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 should not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. 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 should 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 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. 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. Nothing in this Report shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

Independent Review Report to Hays plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2009 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and related notes 1 to 12. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and Registered Auditors

London, United Kingdom

24 February 2010

Condensed Consolidated Income Statement

(In £'s million)	Notes	Six months to 31 December 2009 (Unaudited)	Six months to 31 December 2008 (Unaudited)	Year to 30 June 2009
Turnover				
Continuing operations	2	**1,288.3**	1,278.7	2,447.7
Net fees *				
Continuing operations	2	**264.8**	383.7	670.8
Operating profit from continuing operations before exceptional items	2	**35.1**	105.1	158.0
Exceptional items	3	**(27.0)**	-	-
Operating profit from continuing operations	2	**8.1**	105.1	158.0
Finance income		**0.3**	1.3	1.9
Finance cost		**(5.0)**	(5.6)	(8.9)
	4	**(4.7)**	(4.3)	(7.0)
Profit before tax		**3.4**	100.8	151.0
Tax	5	**(11.4)**	(30.2)	(45.2)
(Loss)/profit from continuing operations after tax		**(8.0)**	70.6	105.8
(Loss)/profit attributable to equity holders of the parent company		**(8.0)**	70.6	105.8
Earnings per share from continuing operations before exceptional items				
– Basic	7	**1.38p**	5.15p	7.72p
– Diluted	7	**1.37p**	5.15p	7.71p
Earnings per share from continuing operations				
– Basic	7	**(0.58)p**	5.15p	7.72p
– Diluted	7	**(0.58)p**	5.15p	7.71p

* Net fees are equal to turnover less remuneration of temporary workers.

Condensed Consolidated Statement of Comprehensive Income

(In £'s million)	Six months to 31 December 2009 (Unaudited)	Six months to 31 December 2008 (Unaudited)	Year to 30 June 2009
(Loss)/profit for the period	**(8.0)**	70.6	105.8
Currency translation adjustments	**11.2**	38.6	15.9
Gain on sale of own shares taken to equity	**-**	-	5.4
Actuarial gains/(losses) on defined benefit pension scheme	**10.2**	(9.4)	(21.2)
Tax on items taken directly to reserves	**(2.8)**	2.6	5.2
Net income recognised directly in equity	**18.6**	31.8	5.3
Total recognised income and expense for the period	**10.6**	102.4	111.1
Attributable to equity shareholders of the parent company	**10.6**	102.4	111.1

Condensed Consolidated Balance Sheet

(In £'s million)	Notes	**31 December 2009 (Unaudited)**	31 December 2008 (Unaudited)	30 June 2009
Non-current assets				
Goodwill		**186.1**	193.0	174.9
Other intangible assets		**55.2**	18.7	38.6
Property, plant & equipment		**26.9**	32.9	29.1
Deferred tax assets		**41.7**	39.8	42.9
		309.9	284.4	285.5
Current assets				
Trade and other receivables		**365.9**	436.6	352.4
Cash and cash equivalents		**119.2**	53.6	55.0
		485.1	490.2	407.4
Total assets		**795.0**	774.6	692.9
Current liabilities				
Trade and other payables		**(356.5)**	(319.3)	(312.5)
Current tax liabilities		**(24.1)**	(20.5)	(16.3)
		(380.6)	(339.8)	(328.8)
Non-current liabilities				
Bank loans and overdrafts		**(157.6)**	(108.2)	(54.3)
Trade and other payables		**-**	(13.6)	-
Retirement benefit obligations	8	**(101.3)**	(96.6)	(109.2)
Provisions	9	**(41.3)**	(45.0)	(46.2)
		(300.2)	(263.4)	(209.7)
Total liabilities		**(680.8)**	(603.2)	(538.5)
Net assets		**114.2**	171.4	154.4
Equity				
Called up share capital		**14.7**	14.7	14.7
Share premium account		**369.6**	369.6	369.6
Capital redemption reserve		**2.7**	2.7	2.7
Retained earnings		**(330.4)**	(293.7)	(282.6)
Other reserves		**57.6**	78.1	50.0
Total shareholders' equity		**114.2**	171.4	154.4

Condensed Consolidated Cash Flow Statement

(In £'s million)	Notes	**Six months to 31 December 2009 (Unaudited)**	Six months to 31 December 2008 (Unaudited)	Year to 30 June 2009
Operating profit from continuing operations		**8.1**	105.1	158.0
Adjustments for:				
Exceptional items		**27.0**	-	-
Depreciation of property, plant and equipment		**4.5**	4.6	10.4
Amortisation of intangible fixed assets		**0.7**	0.3	1.2
Loss on disposal of property, plant and equipment		**-**	-	0.8
Movements in provisions, employee benefits and other items		**2.2**	3.3	0.5
		34.4	8.2	12.9
Operating cash flow before movement in working capital		**42.5**	113.3	170.9
Changes in working capital		**(6.4)**	24.3	90.0
Cash generated by operations		**36.1**	137.6	260.9
Income taxes paid		**(3.5)**	(36.0)	(56.5)
Net cash from operating activities		**32.6**	101.6	204.4
Investing activities				
Purchase of tangible and intangible assets		**(16.6)**	(17.0)	(37.0)
Cash paid in respect of acquisitions made in previous years		**-**	-	(5.4)
Interest received		**0.3**	1.3	1.9
Net cash used in investing activities		**(16.3)**	(15.7)	(40.5)
Financing activities				
Interest paid		**(3.3)**	(3.9)	(4.6)
Equity dividends paid		**(54.2)**	(54.0)	(79.3)
Cash outflow in respect of share buy-back		**-**	(2.0)	(2.1)
Additional pension scheme funding		**(0.6)**	(2.1)	(2.7)
Proceeds from sale of own shares		**-**	-	5.4
Purchase of own shares		**(0.4)**	-	-
(Repayment)/issue of loan notes		**(0.8)**	(0.2)	0.6
Increase/(decrease) in bank overdrafts & repayment of borrowings		**103.3**	(30.5)	(82.7)
Net cash from/(used) in financing activities		**44.0**	(92.7)	(165.4)
Net increase/(decrease) in cash & cash equivalents	10	**60.3**	(6.8)	(1.5)
Cash and cash equivalents at beginning of period		**55.0**	54.0	54.0
Effect of foreign exchange rate movements		**3.9**	6.4	2.5
Cash and cash equivalents at end of period		**119.2**	53.6	55.0

(In £'s million)	Notes			
Bank loans and overdrafts at beginning of period		**(54.3)**	(135.1)	(135.1)
(Increase)/decrease in period		**(103.3)**	26.9	80.8
Bank loans and overdrafts at end of period		**(157.6)**	(108.2)	(54.3)
Net (debt)/cash at end of period	10	**(38.4)**	(54.6)	0.7

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2009

(In £'s million)	Share capital	Capital redemption reserve	Share premium account	Retained earnings	Other reserves	Total
Balance at 1 July 2009	**14.7**	**2.7**	**369.6**	**(282.6)**	**50.0**	**154.4**
Currency translation adjustments	-	-	-	-	11.2	11.2
Actuarial gains on defined benefit pension scheme	-	-	-	10.2	-	10.2
Tax on items taken directly to reserves	-	-	-	(2.8)	-	(2.8)
Net income recognised directly in equity	-	-	-	7.4	11.2	18.6
Loss for the period	-	-	-	(8.0)	-	(8.0)
Total recognised (expense)/income for the period	-	-	-	(0.6)	11.2	10.6
Dividends paid	-	-	-	(54.2)	-	(54.2)
Share-based payment schemes	-	-	-	7.0	(3.6)	3.4
Balance at 31 December 2009	**14.7**	**2.7**	**369.6**	**(330.4)**	**57.6**	**114.2**

For the six months ended 31 December 2008

(In £'s million)	Share capital	Capital redemption reserve	Share premium account	Retained earnings	Other reserves	Total
Balance at 1 July 2008	14.7	2.7	369.6	(307.0)	43.0	123.0
Currency translation adjustments	-	-	-	-	38.6	38.6
Actuarial losses on defined benefit pension scheme	-	-	-	(9.4)	-	(9.4)
Tax on items taken directly to reserves	-	-	-	2.6	-	2.6
Net (expense)/income recognised directly in equity	-	-	-	(6.8)	38.6	31.8
Profit for the period	-	-	-	70.6	-	70.6
Total recognised income for the period	-	-	-	63.8	38.6	102.4
Dividends paid	-	-	-	(54.0)	-	(54.0)
Share-based payment schemes	-	-	-	4.9	(3.5)	1.4
Share buy-back	-	-	-	(1.4)	-	(1.4)
Balance at 31 December 2008	14.7	2.7	369.6	(293.7)	78.1	171.4

For the year ended 30 June 2009

(In £'s million)	Share capital	Capital redemption reserve	Share premium account	Retained earnings	Other reserves	Total
Balance at 1 July 2008	14.7	2.7	369.6	(307.0)	43.0	123.0
Currency translation adjustments	-	-	-	-	15.9	15.9
Actuarial profits on defined benefit pension scheme	-	-	-	(21.2)	-	(21.2)
Tax on items taken directly to reserves	-	-	-	5.2	-	5.2
Net (expense)/income recognised directly in equity	-	-	-	(16.0)	15.9	(0.1)
Profit for the period	-	-	-	105.8	-	105.8
Total recognised income for the period	-	-	-	89.8	15.9	105.7
Dividends paid	-	-	-	(79.3)	-	(79.3)
Share-based payment schemes	-	-	-	4.5	(4.9)	(0.4)
Gain on sale of own shares taken to reserves	-	-	-	5.4	-	5.4
Purchase of own shares	-	-	-		(4.0)	(4.0)
Other share movements	-	-	-	5.4	-	5.4
Share buy-back	-	-	-	(1.4)	-	(1.4)
Balance at 30 June 2009	14.7	2.7	369.6	(282.6)	50.0	154.4

Condensed Consolidated Statement of Changes in Equity – Other Reserves

For the six months ended 31 December 2009

(In £'s million)	Own shares	Equity reserve	Cumulative translation	Total
Balance at 1 July 2009	**(5.5)**	**12.0**	**43.5**	**50.0**
Currency translation adjustments	**-**	**-**	**11.2**	**11.2**
Total recognised expense for the period	**-**	**-**	**11.2**	**11.2**
Share-based payment schemes	**(0.1)**	**(3.5)**	**-**	**(3.6)**
Balance at 31 December 2009	**(5.6)**	**8.5**	**54.7**	**57.6**

For the six months ended 31 December 2008

(In £'s million)	Own shares	Equity reserve	Cumulative translation	Total
Balance at 1 July 2008	(1.5)	16.9	27.6	43.0
Currency translation adjustments	-	-	38.6	38.6
Total recognised expense for the period	-	-	38.6	38.6
Share-based payment schemes	1.1	(4.6)	-	(3.5)
Balance at 31 December 2008	(0.4)	12.3	66.2	78.1

For the year ended 30 June 2009

(In £'s million)	Own shares	Equity reserve	Cumulative translation	Total
Balance at 1 July 2008	(1.5)	16.9	27.6	43.0
Currency translation adjustments	-	-	15.9	15.9
Total recognised income for the period	-	-	15.9	15.9
Share-based payment schemes	-	(4.9)	-	(4.9)
Purchase of own shares	(4.0)	-	-	(4.0)
Balance at 30 June 2009	(5.5)	12.0	43.5	50.0

1. Basis of preparation

The condensed consolidated interim financial statements are the results for the six months ended 31 December 2009. The condensed consolidated interim financial statements ("interim financial statements") have been prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union, in accordance with International Accounting Standard 34 'Interim Financial Reporting' and the Disclosure and Transparency Rules of the Financial Services Authority. It is unaudited but has been reviewed by the auditors and their report is attached.

The interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 as they do not include all of the information required for full statutory accounts. The interim financial statements should be read in conjunction with the statutory accounts for the year ended 30 June 2009, which were prepared in accordance with IFRS as adopted by the European Union and have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Accounting policies

The interim financial statements have been prepared on the basis of the accounting policies and methods of computation applicable for the year ending 30 June 2009. These accounting policies are consistent with those applied in the preparation of the accounts for the year ended 30 June 2009 with the exception of the following new accounting standards, amendments and interpretations which were mandatory for accounting periods beginning 1 January 2009.

IAS 1 (revised) Presentation of Financial Statements

On adoption there were no changes to the disclosure previously provided except for the following:

- The statement of recognised income and expenditure has been renamed the statement of comprehensive income.
- The reconciliation of movements in equity has been renamed the statement of changes in equity.

IFRS 8 Operating Segments.

The standard defines operating segments as components of the Group about which separate financial information is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance. On adoption, there were no significant changes to the Group's reportable segments or financial measures.

All other new standards, amendments to standards and interpretations mandatory for the first time for the accounting periods beginning 1 January 2009 do not currently have an impact on the Group.

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 the Interim Management Report.

The Group has a £460 million revolving credit facility in place until February 2011 and uses this facility to manage its day-to-day working capital requirements as appropriate. Based on positive feedback from initial discussions with the major syndicate lenders management are confident that an appropriate replacement facility will be renewed in advance of February 2011.

The Group's facility, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including contractual and commercial commitments, future growth and any proposed dividends.

The directors have formed the judgment, at the time of approving the condensed set of financial statements, that there is reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

2. Segmental information

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

Turnover, net fees and profit from continuing operations

(In £'s million)	**Six months to 31 December 2009 (Unaudited)**	Six months to 31 December 2008 (Unaudited)	Year to 30 June 2009
Turnover			
United Kingdom & Ireland	**776.5**	720.3	1,395.7
Continental Europe & Rest of World	**277.9**	301.2	587.9
Asia Pacific	**233.9**	257.2	464.1
	1,288.3	1,278.7	2,447.7
Net fees			
United Kingdom & Ireland	**121.5**	192.6	330.7
Continental Europe & Rest of World	**79.1**	102.8	191.0
Asia Pacific	**64.2**	88.3	149.1
	264.8	383.7	670.8
Operating profit from continuing operations before exceptional items			
United Kingdom & Ireland	**6.2**	45.6	63.5
Continental Europe & Rest of World	**6.8**	20.6	33.1
Asia Pacific	**22.1**	38.9	61.4
	35.1	105.1	158.0
Operating profit from continuing operations			
United Kingdom & Ireland			
Operating profit from continuing operations before exceptional items	**6.2**	45.6	63.5
Exceptional items	**(27.0)**	-	-
United Kingdom & Ireland	**(20.8)**	45.6	63.5
Continental Europe & Rest of World	**6.8**	20.6	33.1
Asia Pacific	**22.1**	38.9	61.4
	8.1	105.1	158.0

3. Exceptional Items

On the 30 September 2009, The Office of Fair Trading ('OFT') issued its decision finding that Hays' Construction & Property business in the UK had breached competition law in the period October 2004 to November 2005. Hays has co-operated fully with the OFT in its investigation under the leniency regime and has been fined £30.4million which is currently under appeal.

The effect of this fine and the legal costs associated with the appeal has been recognised in the Income Statement as an exceptional charge of £27.0 million. In agreement with the OFT, the fine is currently held on deposit pending the appeal and a current liability of £30.4 million is held on the balance sheet within trade and other payables.

4. Finance income and finance costs

Finance income

(In £'s million)	**Six months to 31 December 2009 (Unaudited)**	Six months to 31 December 2008 (Unaudited)	Year to 30 June 2009
Interest on bank deposits	**0.3**	1.3	1.9

Finance costs

(In £'s million)	**Six months to 31 December 2009 (Unaudited)**	Six months to 31 December 2008 (Unaudited)	Year to 30 June 2009
Interest payable on bank overdrafts and loans	**(1.1)**	(4.0)	(5.4)
Pension Protection Fund levy	**(0.6)**	(0.4)	(1.1)
Net interest on pension obligations	**(3.3)**	(1.2)	(2.4)
	(5.0)	(5.6)	(8.9)
Net finance charge	**(4.7)**	(4.3)	(7.0)

5. Taxation on ordinary activities

The Group's consolidated effective tax rate in respect of continuing operations for the six months to 31 December 2009 is based on the estimated effective tax rate for the full year of 37.5% (31 December 2008: 30.0%, 30 June 2009: 29.9%).

6. Dividends

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

(In £'s million)	**Six months to 31 December 2009 (Unaudited)**	Six months to 31 December 2008 (Unaudited)	Year to 30 June 2009
Final dividend for the year ended 30 June 2008 of 3.95 pence per share	**-**	54.0	54.0
Interim dividend for the period to 31 December 2008 of 1.85 pence per share	**-**	-	25.3
Final dividend for the year ended 30 June 2009 of 3.95 pence per share	**54.2**	-	-
	54.2	54.0	79.3

The interim dividend for the period ended 31 December 2009 of 1.85 pence per share is not included as a liability in the balance sheet as at 31 December 2009.

7. Earnings per share

(In £'s million)	**Six months to 31 December 2009 (Unaudited)**	Six months to 31 December 2008 (Unaudited)	Year to 30 June 2009
Earnings from continuing operations before exceptional items	**30.4**	100.8	151.0
Tax on earnings from continuing operations before exceptional items	**(11.4)**	(30.2)	(45.2)
Basic earnings before exceptional items	**19.0**	70.6	105.8
Earnings from continuing operations after exceptional items	**3.4**	100.8	151.0
Tax on earnings from continuing operations after exceptional items	**(11.4)**	(30.2)	(45.2)
Basic earnings after exceptional items	**(8.0)**	70.6	105.8
Number of shares (million):			
Weighted average number of shares	**1,376.7**	1,370.3	1,370.5
Dilution effect of share options	**9.5**	1.6	1.1
Weighted average number of shares used for diluted EPS	**1,386.2**	1,371.9	1,371.6
From continuing operations:			
Basic earnings per share before exceptional items	**1.38p**	5.15p	7.72p
Basic earnings per share	**(0.58)p**	5.15p	7.72p
Diluted earnings per share before exceptional items	**1.37p**	5.15p	7.71p
Diluted earnings per share	**(0.58)p**	5.15p	7.71p

8. Retirement benefit obligations

(In £'s million)	Six months to 31 December 2009 (Unaudited)	Six months to 31 December 2008 (Unaudited)	Year to 30 June 2009
Deficit in scheme brought forward	**(109.2)**	(88.1)	(88.1)
Current service cost	**(1.7)**	(2.3)	(4.5)
Contributions	**2.7**	4.4	7.0
Net financial return	**(3.3)**	(1.2)	(2.4)
Actuarial gain/(loss)	**10.2**	(9.4)	(21.2)
Deficit in scheme carried forward	**(101.3)**	(96.6)	(109.2)

9. Provisions

(In £'s million)	Property	Other	Total
Balance at 1 July 2009	20.0	26.2	46.2
Utilised	(1.9)	(3.3)	(5.2)
Exchange adjustments	0.1	0.2	0.3
Balance as at 31 December 2009	**18.2**	**23.1**	**41.3**

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 2013. Other provisions include liabilities arising as a result of business disposals and the Group transformation that concluded in 2004, including provisions relating to possible warranty and environmental claims.

10. Movement in net debt

(In £'s million)	1 July 2009	Cash flow	Exchange movement	31 December 2009
Cash & cash equivalents	55.0	60.3	3.9	119.2
Bank loans & overdrafts	(54.3)	(102.5)	(0.8)	(157.6)
Net debt	**0.7**	**(42.2)**	**3.1**	**(38.4)**

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

The Group has a £460 million unsecured revolving credit facility available, which expires in February 2011. The covenants in the facility require the Group's interest cover to be at least 4:1 and its leverage ratio (net debt to EBITDA) to be no greater than 3:1. The interest rate on the facility is based upon a ratchet mechanism with a margin payable over LIBOR in the range 0.375% to 0.525%.

As at 31 December 2009, £307.2 million of the committed facility was un-drawn.

11. Events after the balance sheet date

There are no significant events after the balance sheet date to report.

12. Like-for-like results

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

For the six months ended 31 December 2009 this is calculated as follows:

	(In £'s million)
Net fees for the six months ended 31 December 2008	383.7
Foreign exchange impact	25.4
Net fees for the six months ended 31 December 2008 at constant currency	409.1
Fee reduction resulting from organic decline	(144.3)
Net fees for the six months ended 31 December 2009	**264.8**
Profit from operations for the six months ended 31 December 2008	105.1
Foreign exchange impact	9.6
Profit from operations for the six months ended 31 December 2008 at constant currency	114.7
Profit from operations reduction resulting from organic decline	(79.6)
Profit from operations for the six months ended 31 December 2009	**35.1**