HAYS Recruiting experts worldwide

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2010

2 September 2010

RETURN TO GROWTH IN SECOND HALF DRIVEN BY INTERNATIONAL BUSINESS

Year ended 30 June (In £'s million)	2010	2009	Actual growth	LFL* growth
Net fees	**557.7**	670.8	(17)%	(21)%
Operating profit (before exceptional items)**	**80.5**	158.0	(49)%	(53)%
Cash generated by operations***	**78.1**	260.9	(70)%	
Profit before tax (before exceptional items)**	**71.1**	151.0	(53)%	
Profit before tax	**29.7**	151.0	(80)%	
Basic earnings per share (before exceptional items)**	**3.25p**	7.72p	(58)%	
Basic earnings per share	**0.48p**	7.72p	(94)%	
Dividend per share	**5.80p**	5.80p	-	

All numbers are from continuing operations only.

Financial highlights

- Good profit protection against a difficult market environment, particularly in the first half
- Broad based recovery in the second half with sequential net fee growth of 8%* and operating profit** growth of 23%*, versus the first half
- Strong cash flow from operations*** of £78.1 million (representing 97% of operating profit**)
- Strong balance sheet and dividend maintained at 5.80p

Operational highlights

- Continued diversification of the business with 58% of Group net fees in the second half generated outside the UK
- Permanent placement markets recovering more rapidly than temporary placement in most geographies
- Major IT projects substantially complete and now focused on driving productivity and efficiency benefits
- Over 200 consultants added across the International business in the second half

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

"After a tough first half to the year, we returned to growth in the second half driven by excellent performances in Asia Pacific and Germany. In the fourth quarter, 20 countries across the Group delivered net fee growth of over 10%* as we added headcount to capitalise on the upturn.

The outlook across 90% of our markets, including the UK private sector, continues to improve. During the downturn we invested in building a stronger, more efficient and broader based business, and with our major investment programmes now substantially complete, this ideally positions us to capitalise on the significant growth opportunities that are increasingly present across our markets."

* LFL (like-for-like) growth represents organic growth of continuing activities at constant currency. There were the same number of trading days in 2010 and 2009.

** 2010 numbers are presented before exceptional charges of £41.4 million, comprising £29.0 million relating to the OFT fine that is currently under appeal and £12.4 million non-recurring restructuring costs relating principally to the United Kingdom back office automation project.

*** excludes cash impact of exceptional items of £4.1 million paid in the year.

**** the number of office locations has been restated to exclude a number of locations in which Hays' consultants are based at a clients premises. These locations had previously been included within the total number of offices for each division. This has resulted in the opening office number being reduced from 345 offices to 311 offices, with the closing number of offices reduced to 270 offices.

Enquiries

Hays plc		
Paul Venables	Finance Director	+ 44 (0) 20 7383 2266
Martin Abell / James Hilton	Investor Relations	+ 44 (0) 20 7383 2266
Maitland		
Neil Bennett / Liz Morley		+ 44 (0) 20 7379 5151

Results presentation webcast

The preliminary results presentation at 9.00am on 2 September 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 30 September 2010	7 October 2010
Trading Update for quarter ending 31 December 2010	6 January 2011
Half Year Report for 6 months ending 31 December 2010	28 February 2011
Interim Management Statement for quarter ending 31 March 2011	7 April 2011
Trading Update for quarter ending 30 June 2011	7 July 2011

Note to editors

Hays plc (the "Group") is the leading global professional recruiting group. The Group is the expert at recruiting qualified, professional and skilled people worldwide, being the market leader in the UK and Australia and one of the market leaders in Continental Europe. The Group operates across the private and public sectors, dealing in permanent positions, contract roles and temporary assignments. As at 30 June 2010, the Group employed 6,845 staff operating from 270 offices**** in 28 countries across 17 specialisms. For the year ended 30 June 2010:

- the Group reported net fees of £557.7 million and operating profit** of £80.5 million;
- the Group placed around 50,000 candidates into permanent jobs and around 180,000 people into temporary assignments;
- 26% of Group net fees were generated in Asia Pacific, 30% in Continental Europe & RoW and 44% in the United Kingdom & Ireland
- the temporary placement business represented 58% of net fees and the permanent placement business represented 42% 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 Income Statement

Year ended 30 June (In £'s million)	2010	2009	growth Actual	growth LFL*
Turnover	**2,691.1**	2,447.7	10%	5%
Net fees				
Temporary	**323.5**	373.4	(13)%	(18)%
Permanent	**234.2**	297.4	(21)%	(26)%
Total	**557.7**	670.8	(17)%	(21)%
Operating profit**	**80.5**	158.0	(49)%	(53)%
Conversion rate	**14.4%**	23.6%		
Underlying temporary margin****	**15.2%**	16.8%		
Temporary fees as % of total	**58%**	56%		
Period end consultant headcount*****	**4,508**	4,558	(1)%	

* LFL (like-for-like) growth represents organic growth of continuing activities at constant currency. There were the same number of trading days in 2010 and 2009.

** 2010 numbers are presented before exceptional charges of £41.4 million, comprising £29.0 million relating to the OFT fine that is currently under appeal and £12.4 million non-recurring restructuring costs relating principally to the United Kingdom back office automation project.

*** excludes cash impact of exceptional items of £4.1 million paid in the year.

**** 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 30 June 2010 versus 30 June 2009. The number of consultants has been re-stated in 2009 and 2010 to include resource analysts in addition to front line consultants.

The performance of the Group during the year has been impacted by tough trading conditions although market conditions improved markedly in the second half of the year. Overall, Group turnover increased by 5%*, net fees decreased by 17% (declining by 21% on a like-for-like basis*), and operating profit decreased by 49% (53% on a like-for-like basis*). The results benefited from exchange rate movements, principally the Australian Dollar and the Euro, which had a favourable impact increasing net fees by £37.2 million and operating profit by £13.9 million. The increase in turnover was primarily due to significant corporate account wins, which include a high proportion of pass through third party supplier revenues, and the withdrawal of Staff Hire Concession.

The temporary placement business, representing 58% of Group net fees, was more resilient through the downturn than the permanent placement business, with net fees decreasing by 18%*. This reflected a volume decrease of 9% and a 160 basis point reduction in the underlying temporary margin to 15.2% (2009: 16.8%)****. Around 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 Australia, Germany and the UK. However, the margin remained broadly stable on a sequential basis across all markets in the second half of the year. On a sequential basis, Group temporary placement net fees increased by 4%* in the second half of the year driven by increased demand in our Australian, German and UK private sector businesses, and we continue to see improving trends in these markets.

Net fees in the permanent placement business, representing 42% of Group net fees, declined by 26%*, with permanent placement volumes decreasing by 19%. Average fees per placement decreased by 8%* compared to last year primarily due to a less favourable mix. Market conditions were very difficult across all countries at the start of the year, however in the second half of the year we saw improved levels of demand across nearly all our businesses, with particularly strong recovery in Asia Pacific. This drove sequential net fee growth of 15%* in our permanent placement business in the second half of the year with the momentum continuing into the current year.

The Group's cost base excluding exceptional items was 11%* lower than last year, principally due to the early actions taken at the start of the previous year to realign the cost base, including the reduction in consultant headcount by 29% from peak levels. However, lower placement volumes versus last year 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 23.6% in the last year to 14.4% this year. As the improvement in market conditions in the second half of the year led to an increase in consultant productivity levels, we achieved an improved conversion rate of 15.5% versus 13.3% in the first half.

Group consultant headcount***** at the year end was 1% below the position at the start of the year. This comprised an increase of 14% in Asia Pacific, as we rapidly invested to capitalise on the strong recovery in market conditions, offset by a 5% reduction in the United Kingdom & Ireland and a 3% reduction in Continental Europe & Rest of World, with most of these reductions being made near the start of the year.

Investment

Throughout the downturn we have remained committed to building a stronger, broader based and more efficient business. We have substantially completed the global roll-out of the new front office IT system, which provides us with a state-of-the-art operating platform. We are now focused on harnessing the capacity of this system to progressively improve our efficiency and service to our clients and candidates.

We have made good progress in signing multi-specialism contracts with a number of large corporates, such as Goodyear, JDSU, Reckitt Benckiser and Sony Pictures, where we have differentiated ourselves as an organisation that can serve our client's requirements across a broad range of expert skills, across a wide number of countries.

Our continued focus on enhancing client service levels has been reinforced by the global roll-out of our updated Hays brand which aims to differentiate Hays from the competition through communicating better our unique expertise to our clients. We are in an industry where the limiting factor on growth when economies are supportive is not capital but people capability. Accordingly, we have continued to invest in our people through our leadership training programmes and consultant academies. This has strengthened our business through the development of our managers at all levels, deepening the expertise of our consultants, and through the effective selection and training of new consultants.

We have maintained the geographical coverage of the business through the downturn and are now building scale in locations where market conditions are improving. In addition, we have also completed the groundwork for a number of new organic country openings in the next 12 months including Mexico and the US, where we will be opening offices in Mexico City and New Jersey, respectively.

Asia Pacific

Year ended 30 June (In £'s million)	**2010**	2009	growth Actual	 LFL*
Net fees	**146.3**	149.1	(2)%	(18)%
Operating profit	**52.0**	61.4	(15)%	(30)%
Conversion rate	**35.5%**	41.2%		
Period end consultant headcount*****	**881**	771	14%	

In Asia Pacific, net fees decreased by 2% (18% on a like-for-like basis*) to £146.3 million and operating profit decreased by 15% (30% on a like-for-like basis*) to £52.0 million. The division represents 65% of Group operating profit** making 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 35.5% for the year, with the second half conversion rate at 36.5%.

In our market leading Australia & New Zealand business, net fees were down 21%* versus prior year. Net fees decreased by 18%* in the temporary placement business and by 25%* in the permanent placement business. Following a period of sequential net fee stability in the first quarter of the year we recorded three consecutive quarters of sequential net fee growth as we capitalised on the strong private sector recovery across all specialisms and states. The recovery was driven by the permanent placement business, which achieved 35%* sequential net fee growth in the second half, with a more modest recovery in temporary placement which achieved 4%* sequential net fee growth in the second half. The recovery has been broadly based across all specialisms, led by Financial Services and Resources & Mining with each of these specialisms achieving sequential net fee growth in excess of 30%* in the second half. In our public sector business, which accounts for 25% of net fees in Australia & New Zealand, net fees were sequentially stable through the year.

Our Asian business, which accounted for 12% of the division's net fees in the period, achieved net fee growth of 14%* versus prior year. Market conditions improved markedly through the year, driven by improved levels of demand across a broad range of specialisms, culminating in all-time record monthly net fee performances being achieved by Japan, China and Singapore during the year. We are aggressively pursuing our strategy of doubling the size of this business within the next two years and Asia is now operating at above its pre-downturn level.

Consultant headcount***** in Asia Pacific increased by 14% during the year with significant headcount investment in the second half. In Australia & New Zealand, consultant headcount increased by 12% in the second half with broad investment across all specialisms and regions. In Asia, consultant headcount was added aggressively and broadly in the second half, resulting in a 43% increase to 175 consultants which is 6% above the pre-downturn peak.

Continental Europe & Rest of World ('RoW')

Year ended 30 June (In £'s million)			growth	
	2010	2009	Actual	LFL*
Net fees	**167.5**	191.0	(12)%	(16)%
Operating profit**	**17.1**	33.1	(48)%	(50)%
Conversion rate	**10.2%**	17.3%		
Period end consultant headcount*****	**1,355**	1,400	(3)%	

In Continental Europe & RoW, net fees decreased by 12% (16% on a like-for-like basis*) to £167.5 million and operating profit** decreased by 48% (50% on a like-for-like basis*) to £17.1 million. This division now represents 21% 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 17.3% to 10.2% in 2010.

Our German business, representing 48% of the division's net fees and the majority of the division's profits, recorded a 12%* decrease in net fees versus prior year. Germany has been the Group's most resilient country through the downturn and, on a sequential basis, net fees in Germany showed a stable trend in the first half of the year before recording 8%* sequential net fee growth in the second half, driven by a broad based recovery of the temporary and permanent placement markets. 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 21% of total net fees in Germany (2005: 3%). Our market leading position and increasing diversification of the business place us in a strong position to benefit from the improving market conditions.

Our other businesses in this division, covering 19 countries, are focused principally on the permanent placement markets. After experiencing sequential net fee stability in the first half of the year, most countries returned to sequential growth in the second half as client and candidate confidence levels improved across our markets. Our businesses in Brazil, Portugal, Denmark and Hungary each achieved all-time record fee months during the fourth quarter of the year, with 14 countries across the region achieving net fee growth of over 10%* in this quarter. Our businesses in Southern and Eastern Europe, which currently contribute 11% of the division's net fees, have seen no impact from the sovereign debt issues.

Consultant headcount***** decreased by 3% during the year. This comprised a 9% reduction in the first half which was partially offset by a 6% increase in the second half, with increases in Germany and Brazil. We currently plan to add headcount more broadly across the region after the summer vacation period. During the downturn we protected the infrastructure in these businesses and as a result we are well positioned to capitalise on the significant structural and cyclical growth that we expect to see in the coming years.

United Kingdom & Ireland

Year ended 30 June (In £'s million)	**2010**	2009	growth Actual	growth LFL*
Net fees	**243.9**	330.7	(26)%	(26)%
Operating profit**	**11.4**	63.5	(82)%	(82)%
Conversion rate	**4.7%**	19.2%		
Period end consultant headcount*****	**2,272**	2,387	(5)%	

In the United Kingdom & Ireland, net fees declined by 26% to £243.9 million, and operating profit** declined by 82% to £11.4 million. Net fees decreased by 23%* in the temporary placement business and by 32%* in the permanent placement business. The conversion rate declined from 19.2% to 4.7% this year.

Overall, demand remained sequentially stable throughout the period with net fees in the second half of the year in line with the first half. In the private sector, net fees improved sequentially in the second half versus the first half with Pharma, Corporate Accounts and City-related recruitment all achieving particularly strong growth. As expected, performances in the public sector were mixed. In frontline service areas we continued to achieve growth, with net fees in our Healthcare and Education businesses up 29% and 4%, respectively, versus prior year. 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 currently represent 30% of our United Kingdom & Ireland net fees, decreased by 19% versus prior year, and are now more than a third below peak levels.

Consultant headcount in the United Kingdom & Ireland was reduced by 5% during the year with most of the reduction being undertaken near the start of the year. Throughout the year, we have supported growth in the private sector by redirecting resources from the public sector and we will continue to do this if current trends continue. As a result, we expect to broadly maintain headcount at current levels in the coming months.

In the year, 38 offices were closed as we have continued to drive efficiency savings by consolidating operations in selected cities. We have also made excellent progress on our key efficiency investment programmes this year. Our new front office system has been fully rolled out across the United Kingdom & Ireland business and we are now focused on leveraging this to increase consultant productivity and deliver enhanced client and candidate service. The back office automation project will complete in October 2010. As a result of this implementation, and the reduction in volumes during the downturn, our back office headcount will be reduced by around 50% from peak levels to around 300, of which a significant proportion will be based in India. We have also continued to strengthen our national corporate account management and recruitment outsource services. These investments have yielded several important client wins, including Bank of America, JP Morgan Chase, The Audit Commission and Northampton County Council, during the year. These wins have consolidated our market leading position, particularly in the City.

Exceptional costs

There is an exceptional cost of £41.4 million included in the Consolidated Income Statement in 2010. Of this, £29.0 million relates to The Office of Fair Trading's ('OFT's) decision, as disclosed in the Half Year Report, which found that Hays' Construction & Property business in the UK had breached competition law in the period October 2004 to November 2005. Hays co-operated fully with the OFT in its investigation under the leniency regime and was fined £30.4 million. The Group is appealing the decision and whilst in progress, the £30.4 million fine is being held on deposit by Hays. The remaining £12.4 million of the exceptional cost relates to a non-recurring restructuring cost which we disclosed in the fourth quarter trading update. This relates principally to the back office staff redundancy costs and non-cash asset write-downs following the near completion of the United Kingdom back-office automation project.

Net finance charge

The net finance charge for the year was £9.4 million (2009: £7.0 million). The average interest rate on gross debt during the year was 1.0% (2009: 3.2%), generating a net bank interest payable of £1.6 million (2009: £3.5 million). There was a non-cash net interest charge on the defined pension scheme obligations of £6.7 million (2009: £2.4 million) with the increase mainly due to the lower expected return on scheme assets, and a charge for the Pension Protection Fund levy of £1.1 million (2009: £1.1 million). It is expected that the net finance charge for the year ending 30 June 2011 will be at a similar level to 2010.

Taxation

Taxation before exceptional items** for the year was £26.6 million, representing an effective tax rate of 37.4% (2009: 29.9%). The increase in the effective tax rate was a result of the changing geographical mix of profits, the presence of unrelieved tax losses in a number of countries during the period and an increase in disallowable expenses. The Group also recognised a £3.5 million tax credit in respect of the exceptional restructuring cost incurred in the year, bringing the total tax charge in the year to £23.1 million. It is expected that the effective tax rate will reduce in 2011 to around 34% as a number of countries return to profitability and available tax losses are utilised.

Earnings per share

Basic earnings per share before exceptional items** decreased 58% to 3.25 pence (2009: 7.72 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. Basic earnings per share post exceptional items decreased 94% to 0.48 pence.

Cash flow and balance sheet

Cash flow in the year was strong with 97% conversion of operating profit** into operating cash flow***, driven by continued close control of working capital. Overall, net cash generated by operations*** was £78.1 million (2009: £260.9 million). Cash outflow from working capital was £21.4million, resulting principally from the £20 million payment to other agencies relating to the withdrawal of the staff hire concession at the start of the year which reversed the one-off cash inflow received in June 2009. Trade debtor days at 35 days remained in line with prior year (2009: 35 days). Tax paid was £22.1 million.

Net capital expenditure was £29.8 million, reflecting the additional expenditure on the Group's key IT projects. These IT projects are now substantially complete and therefore capital expenditure in the year to June 2011 will reduce to historic levels of around £15 million per annum. As a result of the expenditure on the IT projects, this year's depreciation and amortisation charge increased to £14.6 million from £11.6 million last year, and we expect this to increase to around £22 million next year. In respect of the James Harvard acquisition, £18.7 million was paid in the year representing the final deferred consideration payment following the very strong post-acquisition performance of this business. In the year, the James Harvard acquisition generated £11.4 million operating profit which compares to a total consideration paid of £48.3 million.

Dividends paid in the year totalled £79.5 million and £3.3 million was paid out in net interest. Principally due to the payment of the dividend, net debt increased from a net cash position of £0.7 million at the start of the year to net debt of £77.2 million at the end of the year. During the recession we have reduced net debt by around £40 million, whilst maintaining the payment of the Group's dividend, which demonstrates the consistency of the Group's operating cash flow and the robustness of Hays' business model.

The Group completed the re-financing of its revolving credit banking facility on 1 July 2010. The new facility of £300 million provides considerable headroom versus current and future expected levels of Group debt. The covenants in the new 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 2.5:1. 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. After taking account of the improving trading trends in the second half of the year, the Board's confidence in the outlook and the strength of the Group's balance sheet, the Board proposes to maintain the final dividend at last year's level of 3.95 pence per share, equating to £54.2 million. This would make a total dividend for the full year of 5.80 pence per share (2009: 5.80 pence). The recommended dividend payment date will be 19 November 2010 and will be paid to shareholders on the register at close of business on 22 October 2010.

Retirement benefits

The Group's pension liability under IAS 19 at 30 June 2010 of £67.1million (£48.3 million net of deferred tax) decreased by £42.1 million compared to 30 June 2009, primarily due to the greater than expected return from the scheme's assets and the lower than expected level of underlying scheme liabilities, partially offset by a decrease in the discount rate. During the year, the Company contributed £5.5 million of cash into the defined benefit scheme, which included £1.2 million additional funding towards the pension deficit.

To address the pension deficit, Hays has agreed in principal with the Trustees of the pension scheme to increase its deficit funding into the scheme to £12 million per annum (£9 million net of tax), increasing thereafter by 3% per annum, with effect from the 2011 financial year. This revised level of annual payments towards the deficit funding is at the lower end of the guidance previously given of between £10 million and £20 million per annum.

Board change

As announced on 15 July 2010, Bob Lawson, the present Chairman, is due to retire from the Board on 10 November 2010 and will be replaced by Alan Thomson. Alan brings a wealth and depth of international experience both from his current roles as Chairman of Bodycote plc, Senior Independent Director and Audit Committee Chairman of Johnson Matthey plc, non-executive director of Alstom SA, and from his previous role as Group Finance Director of Smiths Group plc. The Board would like to thank Bob for his considerable contribution over his 12 years with the Group. Bob oversaw the transformation of Hays from a conglomerate into a pure-play professional recruitment business and has also been instrumental in developing our recruitment business from being a principally UK business into an international group which now operates in 28 countries and generates the majority of its fees from outside the UK. The Board wishes him every success in the future.

Current trading

The outlook across 90% of our markets continues to improve, including the UK private sector. The agility and flexibility of our business, combined with the investments we have made during the downturn, ideally position us to capitalise on the significant growth opportunities that are increasingly present across our markets.

Treasury management

The Group's treasury operations remain straight forward and uncomplicated with Group operations financed by retained earnings and bank borrowings. On 1 July 2010 the Group completed the renewal of its reduced £300 million revolving credit facility, in place until January 2014, and it uses this facility to manage its day-to-day working capital requirements as appropriate. 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 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. 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, competitive environment, candidate due-diligence, reliance on technology, talent, contract risk, changing legal and regulatory environment and foreign exchange. A full description of these risks and our mitigating actions will be provided in the 2010 Annual Report.

Hays plc
250 Euston Road
London
NW1 2AF

Cautionary statement

The preliminary results (the "Report") have been prepared in accordance with the Disclosure Rules and Transparency Rules of the UK Financial Services Authority and are 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.

Consolidated Income Statement for the year ended 30 June

(In £'s million)	Note	2010 Before exceptional items	2010 Exceptional items (note 4) & discontinued operations	2010	2009
Turnover					
Continuing operations		2,691.1	-	**2,691.1**	2,447.7
Net Fees					
Continuing operations	3	557.7	-	**557.7**	670.8
Operating profit from continuing operations	3	80.5	(41.4)	**39.1**	158.0
Finance income	6	0.7	-	**0.7**	1.9
Finance cost	6	(10.1)	-	**(10.1)**	(8.9)
Profit before tax		71.1	(41.4)	**29.7**	151.0
Tax	7	(26.6)	3.5	**(23.1)**	(45.2)
Profit from continuing operations after tax		44.5	(37.9)	**6.6**	105.8
Profit from discontinued operations		-	2.7	**2.7**	-
Profit attributable to equity holders of the parent		44.5	(35.2)	**9.3**	105.8
Earnings per share from continuing operations					
– Basic	9	3.25p	(2.77)p	**0.48p**	7.72p
– Diluted	9	3.21p	(2.73)p	**0.48p**	7.71p
Earnings per share from continuing and discontinued operations					
– Basic	9	3.25p	(2.57)p	**0.68p**	7.72p
– Diluted	9	3.21p	(2.54)p	**0.67p**	7.71p

Consolidated Statement of Comprehensive Income
for the year ended 30 June

(In £'s million)	2010	2009
Profit for the financial year	**9.3**	105.8
Currency translation adjustments taken to equity	**6.8**	15.9
Gain on sale of own shares taken to equity	**-**	5.4
Actuarial gain/(loss) on defined benefit pension scheme	**47.4**	(21.2)
Tax on items taken directly to equity	**(13.3)**	5.2
Net income recognised directly in equity	**40.9**	5.3
Total recognised income and expense for the year	**50.2**	111.1
Attributable to equity shareholders of the parent	**50.2**	111.1

Consolidated Balance Sheet
at 30 June

(In £'s million)	Note	2010	2009
Non-current assets			
Goodwill		**185.6**	174.9
Other intangible assets		**62.1**	38.6
Property, plant and equipment		**23.8**	29.1
Deferred tax assets		**29.0**	42.9
		300.5	285.5
Current assets			
Trade and other receivables		**407.2**	352.4
Cash and cash equivalents		**74.7**	55.0
		481.9	407.4
Total assets		**782.4**	692.9
Current liabilities			
Trade and other payables		**(371.9)**	(312.5)
Current tax liabilities		**(14.6)**	(16.3)
Bank loans and overdrafts		**(151.9)**	-
Provisions		**(7.9)**	-
		(546.3)	(328.8)
Non-current liabilities			
Bank loans and overdrafts		**-**	(54.3)
Retirement benefit obligations	10	**(67.1)**	(109.2)
Provisions		**(36.7)**	(46.2)
		(103.8)	(209.7)
Total liabilities		**(650.1)**	(538.5)
Net assets		**132.3**	154.4
Equity			
Called up share capital		**14.7**	14.7
Share premium account		**369.6**	369.6
Capital redemption reserve		**2.7**	2.7
Retained earnings		**(313.0)**	(282.6)
Other reserves		**58.3**	50.0
Total shareholders' equity		**132.3**	154.4

The financial statements were approved by the Board of Directors and authorised for issue on 1 September 2010.

Signed on behalf of the Board of Directors

R A Lawson **P Venables**

Consolidated Statement of Changes in Equity
for the year ended 30 June 2010

(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	-	-	-	-	6.8	6.8
Actuarial gains on defined benefit pension scheme	-	-	-	47.4	-	47.4
Tax on items taken directly to reserves	-	-	-	(13.3)	-	(13.3)
Net income recognised directly in equity	-	-	-	34.1	6.8	40.9
Profit for the year	-	-	-	9.3	-	9.3
Total recognised income for the year	-	-	-	43.4	6.8	50.2
Dividends paid	-	-	-	(79.5)	-	(79.5)
Share-based payment schemes	-	-	-	6.5	0.7	7.2
Other share movements	-	-	-	(0.8)	0.8	-
Balance at 30 June 2010	**14.7**	**2.7**	**369.6**	**(313.0)**	**58.3**	**132.3**

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 year	-	-	-	105.8	-	105.8
Total recognised income for the year	-	-	-	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

Consolidated Cash Flow Statement
for the year ended 30 June

(In £'s million)	Note	2010	2009
Operating profit from continuing operations		**39.1**	158.0
Adjustments for:			
Exceptional items	4	**37.3**	-
Depreciation of property, plant and equipment		**11.8**	10.4
Amortisation of intangible fixed assets		**2.8**	1.2
Loss on disposal of property, plant and equipment		**0.1**	0.8
Net movement in provisions		**(4.2)**	0.1
Movement in employee benefits and other items		**8.5**	0.4
		56.3	12.9
Operating cash flows before movement in working capital		**95.4**	170.9
Changes in working capital			
(Increase)/decrease in receivables		**(50.6)**	99.0
Increase(decrease) in payables		**29.2**	(9.0)
		(21.4)	90.0
Cash generated by operations		**74.0**	260.9
Income taxes paid		**(22.1)**	(56.5)
Net cash from operating activities		**51.9**	204.4
Investing activities			
Purchases of property, plant and equipment		**(6.7)**	(8.2)
Proceeds from sales of business and related assets		**1.1**	-
Purchase of intangible assets		**(23.1)**	(28.8)
Cash paid in respect of acquisitions made in previous years		**(17.9)**	(5.4)
Interest received		**0.7**	1.9
Net cash used in investing activities		**(45.9)**	(40.5)
Financing activities			
Interest paid		**(4.0)**	(4.6)
Equity dividends paid		**(79.5)**	(79.3)
Cash outflow in respect of share buy-back		**-**	(2.1)
Purchase of own shares		**(0.4)**	-
Proceeds from share option exercises		**0.2**	-
Proceeds from sale of own shares		**-**	5.4
(Repayment)/issue of loan notes		**(0.8)**	0.6
Increase/(decrease) in bank loans and overdrafts		**98.4**	(82.7)
Additional pension scheme funding		**(1.2)**	(2.7)
Net cash from/(used) in financing activities		**12.7**	(165.4)
Net increase/(decrease) in cash and cash equivalents		**18.7**	(1.5)
Cash and cash equivalents at beginning of year	11	**55.0**	54.0
Effect of foreign exchange rate changes		**1.0**	2.5
Cash and cash equivalents at end of year	11	**74.7**	55.0

Notes to the Consolidated Financial Statements

1 Statement under s498 – publication of non-statutory accounts

The financial information set out in this preliminary announcement does not constitute statutory financial statements for the years ended 30 June 2010 or 2009, for the purpose of the Companies Act 2006, but is derived from those statements. Statutory financial statements for 2010, on which the Group's auditors have given an unqualified report which does not contain statements under Section 498(2) or (3) of the Companies Act 2006, will be filed with the Registrar of Companies prior to the Group's next annual general meeting. Statutory financial statements for 2009 have been filed with the Registrar of Companies. The Group's auditors have reported on those accounts; their reports were unqualified 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 2009 with the exception of intangible assets, where software incorporated into major ERP implementations that support the recruitment process and financial reporting is amortised over a life of up to seven years, and the following new accounting standards and amendments which were mandatory for accounting periods beginning 1 January 2009, none of which had any material impact on the Group's results or financial position.

IAS 1 (revised 2007)	Presentation of Financial Statements
IFRS 8	Operating Segments
IFRS 2 (amendment)	Share-Based Payment – Vesting Conditions and Cancellations

3 Segmental information

The Group's continuing operations comprise one class of business, that of specialist recruitment.

(In £'s million)	2010	2009
Net fees from continuing operations		
Asia Pacific	**146.3**	149.1
Continental Europe & Rest of World	**167.5**	191.0
United Kingdom & Ireland	**243.9**	330.7
	557.7	670.8

(In £'s million)	2010 Before exceptional items	2010 Exceptional items	2010	2009
Operating profit from continuing operations				
Asia Pacific	52.0	-	**52.0**	61.4
Continental Europe & Rest of World	17.1	(1.4)	**15.7**	33.1
United Kingdom & Ireland	11.4	(40.0)	**(28.6)**	63.5
	80.5	(41.4)	**39.1**	158.0

4 Exceptional items

During the year the Group incurred an exceptional charge of £41.4 million in relation to the following 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 £30.4 million which is currently under appeal. The effect of this fine and legal costs associated with the appeal has been recognised in the Income Statement as an exceptional charge of £29.0 million. The fine has not yet been paid and a current liability of £30.4 million is held on the balance sheet within trade and other payables, pending the outcome of the appeal.

The Group incurred a non-recurring restructuring cost of £12.4 million which principally relates to back office staff redundancy costs of £7.9 million, onerous property leases of £2.5 million and non-cash fixed asset write down of £2.0 million following the near completion of the United Kingdom back-office automation project. The exceptional charge generated a tax credit of £3.5 million.

The cash impact from the exceptional items as at the balance sheet date was £4.1 million with a further £35.3 million cash outflow expected in the future, primarily during the financial year to 30 June 2011.

In the prior year, non-recurring net costs of £0.3 million included within operating costs have not been restated (note 5).

5 Operating profit from continuing operations

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

(In £'s million)	**2010**	2009
Turnover	**2,691.1**	2,447.7
Remuneration of temporary workers	**(1,811.8)**	(1,672.4)
Remuneration of other recruitment agencies	**(321.6)**	(104.5)
Net fees	**557.7**	670.8

Profit from operations is stated after charging/(crediting) the following items to net fees of £557.7 million (2009 - £670.8 million):

(In £'s million)	2010 Before exceptional items	2010 Exceptional items	**2010**	2009
Staff costs	345.0	7.9	**352.9**	371.3
Depreciation of property, plant & equipment	11.8	2.0	**13.8**	10.4
Amortisation of intangible assets	2.8	-	**2.8**	1.2
Auditors' remuneration	1.2	-	**1.2**	1.2
Other external charges	116.4	31.5	**147.9**	128.7
	477.2	41.4	**518.6**	512.8

The operating costs in the prior year include restructuring costs of £8.0 million and a release of £7.7 million in respect of prior years share based payment charges as a result of the change in performance (net £0.3 million).

6 Finance income and finance costs

Finance income

(In £'s million)	**2010**	2009
Interest on bank deposits	**0.7**	1.9

Finance costs

(In £'s million)	**2010**	2009
Interest payable on bank overdrafts and loans	**(2.3)**	(5.4)
Pension Protection Fund levy	**(1.1)**	(1.1)
Net interest on pension obligations	**(6.7)**	(2.4)
	(10.1)	(8.9)
Net finance charge	**(9.4)**	(7.0)

7 Tax

Factors affecting the tax charge for the year

The current tax charge for the year differs from the standard rate of corporation tax in the UK of 28.0% (2009 – 28.0%). The differences are explained below:

(In £'s million)	2010 Before exceptional items	2010 Exceptional items	2010	2009
Profit before tax from continuing operations	71.1	(41.4)	**29.7**	151.0
Tax at the standard rate of UK corporation tax of 28.0% (2009 – 28.0%)	(19.9)	11.6	**(8.3)**	(42.2)
Factors affecting charge for year:				
Tax effect of expenses that are not deductible in determining taxable profit	(2.9)	(8.1)	**(11.0)**	(1.1)
Adjustment in respect of foreign tax rates	(2.9)	-	**(2.9)**	(2.4)
Prior year adjustments	1.8	-	**1.8**	3.8
Unrelieved overseas losses	(1.5)	-	**(1.5)**	(2.7)
Impact of share-based payment charges and share options	(1.2)	-	**(1.2)**	(0.6)
Tax on continuing operations	(26.6)	3.5	**(23.1)**	(45.2)
Effective tax rate for the year on continuing operations	37.4%	8.5%	**77.8%**	29.9%

8 Dividends

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

	2010 pence per share	**2010 £ million**	2009 pence per share	2009 £ million
Previous year final dividend	**3.95**	**54.2**	3.95	54.0
Current year interim dividend	**1.85**	**25.3**	1.85	25.3
		79.5		79.3

The following dividends are proposed by the Group in respect of the accounting year presented:

	2010 pence per share	**2010 £ million**	2009 pence per share	2009 £ million
Interim dividend	**1.85**	**25.3**	1.85	25.3
Final dividend (proposed)	**3.95**	**54.2**	3.95	54.0
	5.80	**79.5**	5.80	79.3

The final dividend for 2010 of 3.95 pence per share (£54.2 million) will be proposed at the AGM on 10 November 2010 and has not been included as a liability as at 30 June 2010. If approved, the final dividend will be paid on 19 November 2010 to shareholders on the register at the close of business on 22 October 2010.

9 Earnings per share

for the year ended 30 June 2010	Earnings (£'s million)	Weighted average number of shares (million)	Per share amount (pence)
Continuing operations before exceptional items:			
Basic earnings per share from continuing operations	44.5	1,371.1	3.25
Dilution effect of share options	-	15.0	(0.04)
Diluted earnings per share from continuing operations	44.5	1,386.1	3.21
Continuing operations after exceptional items:			
Basic earnings per share from continuing operations	6.6	1,371.1	0.48
Dilution effect of share options	-	15.0	-
Diluted earnings per share from continuing operations	6.6	1,386.1	0.48
Discontinued operations:			
Basic earnings per share from discontinued operations	2.7	1,371.1	0.20
Dilution effect of share options	-	15.0	(0.01)
Diluted earnings per share from discontinued operations	2.7	1,386.1	0.19
Continuing and discontinued operations:			
Basic earnings per share from continuing and discontinued operations	9.3	1,371.1	0.68
Dilution effect of share options	-	15.0	(0.01)
Diluted earnings per share from continuing and discontinued operations	9.3	1,386.1	0.67

Reconciliation of earnings

(In £'s million)	Earnings
Continuing operations before exceptional items	44.5
Exceptional items (note 4)	(41.4)
Tax credit on exceptions items (note 7)	3.5
Continuing operations	6.6

for the year ended 30 June 2009	Earnings (£'s million)	Weighted average number of shares (million)	Per share amount (pence)
Continuing operations before and after exceptional items:			
Basic earnings per share from continuing operations	105.8	1,370.5	7.72
Dilution effect of share options	-	1.1	(0.01)
Diluted earnings per share from continuing operations	105.8	1,371.6	7.71

There were 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 Employee Share Trust (Jersey) Limited.

10 Retirement benefit obligations

(In £'s million)	2010	2009
Deficit in the scheme brought forward	(109.2)	(88.1)
Current service cost	(4.1)	(4.5)
Contributions	5.5	7.0
Net financial return	(6.7)	(2.4)
Actuarial gain/(loss)	47.4	(21.2)
Deficit in the scheme carried forward	(67.1)	(109.2)

11 Movement in net (debt)/cash

(In £'s million)	1 July 2009	Cash flow	Exchange movement	**30 June 2010**
Cash and cash equivalents	55.0	18.7	1.0	**74.7**
Bank loans and overdrafts	(54.3)	(97.6)	-	**(151.9)**
	0.7	(78.9)	1.0	**(77.2)**

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

12 Subsequent events

On the 1 July 2010 the Group renewed its unsecured revolving credit facility in the process reduced the facility from £460 million to £300 million. The new facility expires in January 2014. The financial covenants under the renewed 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 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 1.75% to 2.25%.

13 Like-for-like results

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

For the year ended 30 June 2010 this is calculated as follows:

(In £'s million)	
Net fees for the year ended 30 June 2009	670.8
Foreign exchange impact	37.2
Net fees for the year 30 June 2009 at constant currency	708.0
Fee reduction resulting from organic decline	(150.3)
Net fees for the year ended 30 June 2010	**557.7**
Profit from operations for the year ended 30 June 2009	158.0
Foreign exchange impact	13.9
Profit from operations for the year ended 30 June 2009 at constant currency	171.9
Profit from operations reduction resulting from organic decline	(91.4)
Profit from operations for the year ended 30 June 2010	**80.5**

14 Like-for-like H1 v H2 analysis by division

Net fee growth versus same period last year	Q1 2010	Q2 2010	**H1 2010**	Q3 2010	Q4 2010	**H2 2010**	**FY 2010**
Asia Pacific	(45%)	(32%)	**(39%)**	3%	28%	**11%**	**(18%)**
Continental Europe & Rest of World	(32%)	(27%)	**(29%)**	(7%)	16%	**1%**	**(16%)**
United Kingdom & Ireland	(41%)	(30%)	**(37%)**	(18%)	(6%)	**(11%)**	**(26%)**
Group	(40%)	(30%)	**(35%)**	(10%)	8%	**(2%)**	**(21%)**

H1 10 is the period from 1 July 2009 to 31 December 2009. H2 10 is the period from 1 January 2010 to 30 June 2010.