

Interim Management Statement

for quarter ended 30 September 2008

Commenting on trading for the quarter ended 30 September 2008, Alistair Cox, Chief Executive of Hays plc, said:

“10% net fee growth (4% on a like-for-like basis*) represents a solid start to the year in an increasingly difficult economic environment. Our International business, now representing 49% of the Group’s net fees, and the UK public sector business both achieved strong performances, offsetting further weakness in the UK private sector market.

Currently, in the United Kingdom demand for temporary placements remains stable, except in Construction & Property and demand for permanent placements continues to fall. In Australia, we are still seeing good growth in demand for temporary placements but demand for permanent placements has started to fall. In most of the other countries in which we operate, we are still seeing strong growth in demand for our services.

Whilst there is no doubt that many of our markets are getting tougher, the experience of our management team, the flexibility of our cost base, the increased diversification of the Group, and the strength of our balance sheet positions us well to deal with these market conditions. In the last two quarters we have continued to take action to reduce our cost base in those markets already affected by the wider economic issues and going forward we will continue to keep a tight control on costs, focus on cash generation and react rapidly to changing market conditions.”

Group

Growth in net fees for the quarter ended 30 September 2008
(versus the same period last year)

	Growth	
	Actual	LFL*
By region		
United Kingdom & Ireland	(8)%	(8)%
Asia Pacific	27%	13%
Continental Europe & Rest of World	54%	32%
Total	10%	4%
By segment		
Permanent	7%	1%
Temporary	14%	8%
Total	10%	4%

* LFL is like-for-like growth, which represents organic growth of continuing activities at constant currency. No adjustment is made for the one additional trading day in the quarter ended 30 September 2008 versus the same period last year.

In the quarter ended 30 September 2008, Hays plc, the leading global specialist recruitment group, grew net fees by 10% (4% on a like-for-like basis*) over the same period last year. The difference between the headline and like-for-like growth rate is due to the more favourable Euro and Australian dollar exchange rates in this period versus the

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same period last year. During the quarter, headcount reduced by 2% with reductions in the United Kingdom & Ireland and Asia Pacific partially offset by investment in Continental Europe & Rest of World.

Net fees from the permanent placement business increased by 1% on a like-for-like basis as market conditions continued to deteriorate in the United Kingdom & Ireland and Australia & New Zealand. Net fees from the temporary placement business increased by 8%*, benefiting from a particularly strong performance in Germany. The overall Group like-for-like net fee growth rate slowed across the quarter and by the end of the quarter it was broadly flat.

United Kingdom & Ireland

In the United Kingdom & Ireland, net fees fell by 8%* versus the same period last year. Accountancy & Finance net fees were lower than the same period last year due to declining client and candidate confidence, particularly at the lower end of the market. Construction & Property had a difficult quarter reflecting tough market conditions in the private sector across all regions. The Information Technology business achieved modest growth. Among the Other Specialist Recruitment Activities there were mixed performances. City related activities and Legal were impacted by a significant reduction in demand, whilst Education, Healthcare, Retail and Purchasing continued to perform strongly. Last year, we shifted resources towards our public sector clients and this has yielded 15% growth in our public sector net fees in the quarter.

In view of the difficult market conditions, we continue to focus on cost control and productivity. Following the 7% reduction in headcount in the second half of last year, we have reduced the headcount in the United Kingdom & Ireland business by a further 5% during the first quarter.

Asia Pacific

In Asia Pacific, net fees increased by 13%*. In Australia & New Zealand, strong performances in Resources & Mining, Information Technology and most of the newer specialisms offset weaker performances in Accountancy & Finance, Legal and Financial Services related activities. During the period we started operations in the Northern Territory in Australia with an office opening in Darwin. In Asia, our businesses continued their strong progress across the region, with Japan, Hong Kong and Singapore performing particularly well.

Continental Europe & Rest of World ('RoW')

In Continental Europe & RoW, net fees increased by 32%*. This outstanding growth stems from our investment in the region, the impact of deregulation in key markets, and an increasing awareness and willingness by both candidates and clients to use specialist recruitment consultants. The performance was led by continued excellent growth in Germany, whilst our newer businesses in Italy, United Arab Emirates, Brazil and Poland also performed very strongly. During the period we opened new offices in Dortmund (Germany), Montreal (Canada) and Krakow (Poland).

Share buy-back

The priorities for our free cash flow are to fund the Group's development, support a sustainable dividend and to buy back shares when appropriate. During the quarter, we purchased 1.7 million shares at a cost of £1.4 million. As stated in our preliminary results announcement, the level of buy back this year will be significantly lower than last year.

Cash flow and balance sheet

Cash generation was good in the quarter and the balance sheet remains strong.

Current Trading

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Enquiries

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Conference call

Paul Venables and Martin Abell of Hays plc will conduct a conference call for analysts and investors at 9:00am United Kingdom time on Thursday 9 October 2008. The dial in details are as follows:

Dial-in number +44 (0) 1452 541 077

The call will be recorded and available for playback for seven days as follows:

Replay dial-in number +44 (0) 1452 550 000
Access code 67455615#

Reporting calendar

Trading statement for quarter ending 31 December 2008	8 January 2009
Interim results for 6 months ending 31 December 2008	26 February 2009
Trading statement for quarter ending 31 March 2009	9 April 2009
Trading statement for quarter ending 30 June 2009	9 July 2009
Preliminary results for 12 months ending 30 June 2009	3 September 2009

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 30 June 2008, the Group employed 8,872 staff operating from 393 offices in 27 countries across 17 specialisms. For the year ended 30 June 2008:

- the Group had revenues of £2.5 billion, net fees of £786.8 million and operating profit before exceptional items of £253.8 million;
- the Group placed around 80,000 candidates into permanent jobs and around 300,000 people into temporary assignments;
- the temporary placement business represented 49% of net fees and the permanent placement business represented 51% of net fees.

Important notice

Certain statements in this announcement are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.

All information shown for the quarter ended 30 September 2008 is unaudited.