Press Release

3 September 2009

Preliminary results

for the year ended 30 June 2009

Press Release

GOOD PERFORMANCE IN A DIFFICULT MARKET ENVIRONMENT

Year ended 30 June (In £'s million)	**2009**	2008	actual growth	LFL* growth
Net fees	**670.8**	786.8	(15)%	(18)%
Operating profit from continuing operations**	**158.0**	253.8	(38)%	(40)%
Cash generated by operations	**260.9**	256.0	2%	
Profit before tax	**151.0**	264.4	(43)%	
Basic earnings per share**	**7.72p**	12.59p	(39)%	
Dividend per share	**5.80p**	5.80p	-	

Financial highlights

- Difficult market conditions, particularly in the second half, resulted in a reduction in Group fees and profit
- Increase in cash generated by operations to £260.9 million, primarily due to unwind of working capital
- Strong balance sheet with net cash of £0.7 million (2008: net debt of £81.1 million)
- Dividend maintained at 5.80p

Operational highlights

- Temporary placement net fees down 7%* and permanent placement net fees down 29%*
- Advantage taken of opportunities in resilient markets particularly in the public sector and Germany
- 24% reduction in cost base in June 2009 versus June 2008 following early and continued action taken to protect profits
- Selective development of the International business, now representing 51% of Group net fees
- Investing for the long term including key IT efficiency projects and corporate account development

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

** continuing activities only. 2008 numbers are presented pre-exceptional items. There were no exceptional items in 2009.

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

"The recruitment markets in the past year have been the most challenging on record. However, Hays has performed creditably due to our scale, the strength of our market positions, our early action to address the cost base and our ability to redirect resources to more resilient sectors such as Education, Healthcare, Oil & Gas and Pharmaceutical. We are also continuing to gain market share across the world and are investing in new markets including India and Russia. In addition, we are very pleased to have signed a series of significant recruitment contracts with leading global companies drawing on the full range of our expertise.

Currently we are seeing initial signs of stability in the United Kingdom and Asia Pacific markets although no indications of recovery. The Continental European markets, which entered the downturn later than the other regions, are still experiencing deteriorating conditions. Whilst we anticipate that 2010 will be another tough year for our industry, we will continue to take advantage of the downturn to build market share and pursue our investment plans to strengthen our operations for the long term. We are managing the short term whilst investing for the long term."

Enquiries

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Results presentation webcast

The preliminary results presentation at 9:00am on 3 September 2009 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 2009	8 October 2009
Trading statement for quarter ending 31 December 2009	7 January 2010
Half Year Report for 6 months ending 31 December 2009	25 February 2010
Interim management statement for quarter ending 31 March 2010	8 April 2010
Trading statement for quarter ending 30 June 2010	8 July 2010

Note to editors

Hays plc (the "Group") 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. The Group employs 6,933 staff operating from 345 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; and

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

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Summary income statement

Year ended 30 June (In £'s million)	2009	2008	growth actual	growth LFL*
Turnover	**2,447.7**	2,540.0	(4)%	(8)%
Net fees				
Temporary	**373.4**	385.2	(3)%	(7)%
Permanent	**297.4**	401.6	(26)%	(29)%
Total	**670.8**	786.8	(15)%	(18)%
Operating profit**	**158.0**	253.8	(38)%	(40)%
Conversion rate	**23.6%**	32.3%		
Underlying temporary margin***	**16.8%**	16.9%		
Temporary fees as % of total net fees	**56%**	49%		
Period end consultant headcount****	**4,259**	5,749	(26)%	(26)%

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

** continuing activities only. 2008 numbers are presented pre-exceptional items. There were no exceptional items in 2009.

*** the temporary placement gross margin is calculated as temporary placement net fees divided by temporary placement gross revenue. We have presented the underlying temporary margin since the withdrawal of the staff hire concession has had the effect of reducing our headline gross margin, as the full cost of the relevant temporary worker is now required to be recognised in turnover whereas under the staff hire concession only our commission on these temporary workers was recognised within turnover.

**** the change in consultants is shown on a closing basis, comparing 30 June 2009 versus 30 June 2008. Consultant headcount is adjusted for the re-classification of 49 consultants within APAC to non-consultant employees as at 30 June 2008.

The performance of the Group has been impacted by deteriorating conditions in all our markets, particularly in the second half of the year. Group turnover decreased by 4%, net fees decreased by 15% (declining by 18% on a like-for-like basis*), and operating profit decreased by 38% (40% on a like-for-like basis*). The results benefited from exchange rate movements, principally the Euro and Australian Dollar, which increased net fees by £34.7 million and operating profit by £9.5 million.

The Group experienced much tougher market conditions in the second half of the year compared to the first half. As a result, net fees fell from £383.7 million in the first half to £287.1 million in the second half and operating profit fell from £105.1 million to £52.9 million.

Net fees in the permanent business, representing 44% of Group net fees, declined by 29%*, with permanent placement volumes decreasing by 35% as a result of difficult market conditions across all of our permanent placement markets. Average fees per placement increased by 8%* compared to last year, due to a favourable change in mix.

The temporary placement business, representing 56% of Group net fees, was more resilient with net fees decreasing by 7%*. This represented a volume decrease of 6%, and a 10 basis point decrease in the underlying temporary margin to 16.8% (2008: 16.9%)***. The temporary placement business achieved growth in the first half of the year, but volumes fell in the second half as demand weakened. The relative resilience of the temporary placement business, against such a difficult economic backdrop, highlights the advantage of having leading positions in both permanent and temporary placement markets.

The reduction in net fees and the impact of tightening demand on productivity levels caused the Group's conversion rate, which is the proportion of net fees converted into operating profit, to decrease from 32.3% last year to 23.6% this year. The conversion rate decreased across the year as market conditions became tougher and, as a result, the conversion rate in the second half of the year was 18.4%. We responded rapidly to these worsening market conditions by cutting costs significantly, including reducing headcount by 26% in the year. We also closed a total of 48 offices (net of openings) in the year, principally in the United Kingdom & Ireland, reducing the total office network to 345 offices. Most of the cost reduction has been achieved through natural attrition, performance management and selectively exiting offices when leases expire. However, we have incurred some restructuring costs during the year totalling £8 million across the Group. These costs have been broadly offset by the release of long term incentive plan accruals following the reduction in profit levels.

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As a result of these cost measures, the Group's cost base at June 2009 versus June 2008 has been reduced by 24%, at constant currency, which represents an annualised cost saving of c.£140 million. Currently, we are continuing to maintain close control of the cost base, reducing it further where necessary. Our ability to deliver significant levels of profits in our main businesses, despite the tough trading environment, underlines the flexibility of our cost base, the calibre of our management and strength of the Group's operating model.

Number of offices

	30 June 2008	opened/(closed) (net)	**30 June 2009**
United Kingdom & Ireland	255	(43)	**212**
Asia Pacific	53	(4)	**49**
Continental Europe & RoW	85	(1)	**84**
Group	393	(48)	**345**

Investment

We have carefully balanced short term actions to protect current profitability with longer term investment to build our business. Whilst we have cut costs significantly, we have defended infrastructure in businesses that are at early stages of development, particularly in Continental Europe, and have continued to selectively invest internationally, starting operations in India and Russia. We have invested in more resilient sectors including Healthcare, Education, Pharmaceutical, Oil & Gas and the wider public sector. We have continued to roll out our new front office IT system worldwide which will give us the foundation with which to further enhance customer service and improve efficiency. We have also made good progress in signing multi-specialism contracts with an increasing number of large private and public sector organisations, further differentiating ourselves as an organisation that can service our clients' requirements across a wide range of expert skills. All of these investments are designed to protect and build our market leadership both in the current downturn and in the next cycle of growth.

United Kingdom & Ireland

Year ended 30 June (In £'s million)	**2009**	2008	growth actual and LFL*
Net fees			
Accountancy & Finance	**128.8**	178.0	(28)%
Construction & Property	**75.7**	118.6	(36)%
Information Technology	**28.4**	33.3	(15)%
Other Specialist Recruitment Activities	**97.8**	123.0	(20)%
Total	**330.7**	452.9	(27)%
Operating profit**			
Accountancy & Finance	**31.3**	65.6	(52)%
Construction & Property	**17.7**	41.0	(57)%
Information Technology	**4.9**	11.2	(57)%
Other Specialist Recruitment Activities	**9.6**	19.5	(51)%
Total	**63.5**	137.3	(54)%
Conversion rate	**19.2%**	30.3%	
Period end consultant headcount****	**2,315**	3,128	(26)%
Division as a % of Group net fees	*49%*	*58%*	

In the United Kingdom & Ireland, net fees declined by 27% to £330.7 million, with operating profit down 54% to £63.5 million. Permanent placement net fees decreased by 40% as market conditions deteriorated in our private sector markets. Temporary placement net fees decreased by 15%, with most of the decline in the second half of the year. The underlying temporary placement margin was broadly in line with last year. The conversion rate declined from 30.3% last year to 19.2%.

Across all our specialisms, activity in the private sector was impacted considerably by reduced client and candidate confidence, and net fees declined by 37% versus prior year. Our public sector businesses, which represented 33% of the United Kingdom & Ireland net fees, achieved growth of 5% in the year, although fees declined in the second half. This performance resulted from our decision taken 18 months ago to redirect resources towards the public sector, increase our focus on leveraging our nationwide coverage and public sector expertise, in order to take share in this part of the market.

We have continued to take action to address the falls in demand. We have reduced our headcount by 26% over the past 12 months and have closed a total of 43 offices in the year as we have sought to consolidate office space. We have made excellent progress on our investment programmes with over 80% of our temporary workers now paid online (versus 25% at the end of last year) and our back office automation project remains on track to complete by June 2010. We have successfully rolled out our new front office system into half of our United Kingdom & Ireland businesses. We have enhanced our market offering, both in our national corporate accounts and recruitment outsource services, and these investments have yielded several important client wins, particularly in the public sector and financial services sector. These actions are designed to ensure that the business is in the strongest possible position to deal with current market conditions and to take advantage when markets recover.

As we stated in our Half Year Report, HM Revenue & Customs withdrew the staff hire concession from 1 April 2009. This change has made the cost of temporary workers more expensive for a number of our clients who are unable to reclaim VAT and we estimate that, to date, this has resulted in a reduction of around 800 temporary workers hired through Hays or around £5 million in net fees per annum. This represents less than 2% of total United Kingdom & Ireland net fees.

Asia Pacific

Year ended 30 June (In £'s million)	2009	2008	growth actual	growth LFL*
Net fees	**149.1**	176.2	(15)%	(20)%
Operating profit	**61.4**	83.4	(26)%	(29)%
Conversion rate	**41.2%**	47.3%		
Period end consultant headcount****	**771**	1,206	(36)%	(36)%
Division as % of Group net fees	*22%*	*22%*		

In Asia Pacific, net fees decreased by 15% (20% on a like-for-like basis*) to £149.1 million and operating profit decreased by 26% (29% on a like-for-like basis*) to £61.4 million. The difference between actual growth and like-for-like growth was mainly due to the appreciation in the Australian Dollar. The business again achieved a strong conversion rate of 41.2% in the year, although this was lower than the 47.3% achieved last year.

In our market leading Australia & New Zealand business there were contrasting performances between the permanent and temporary placement businesses. Temporary placement net fees decreased by 3%* in the year following a good first half and resilient second half performance. The permanent placement business saw much tougher market conditions with net fees down 35%*. Overall, total net fees in Australia & New Zealand decreased by 20%* in the year. The public sector accounts for 23% of net fees in Australia & New Zealand and provided good growth, increasing net fees by 4%* versus last year, although this market weakened towards the end of the year. IT remained the most resilient sector, with net fees down 10%*, whereas Accountancy & Finance, Construction & Property and Resources & Mining were each impacted significantly by the economy. After a strong start to the year, our businesses in Asia saw fees decrease by 17%* in the year, with Singapore proving to be the most resilient business with fees increasing by 13%*. The Asian markets represent an excellent source of long term opportunity for Hays and hence we remain committed to maintaining our office network in the region.

We have responded quickly to changes in market conditions across the region by reducing headcount by 36% in the year. As part of our strategy of continuing to selectively expand our geographical footprint, we started operations in the Northern Territory in Australia with an office opening in Darwin.

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Continental Europe & Rest of World ('RoW')

Year ended 30 June (In £'s million)	2009	2008	growth actual	growth LFL*
Net fees	**191.0**	157.7	21%	5%
Operating profit	**33.1**	33.1	0%	(16)%
Conversion rate	**17.3%**	21.0%		
Period end consultant headcount****	**1,173**	1,415	(17)%	(17)%
Division as % of Group net fees	*29%*	*20%*		

In Continental Europe & RoW, net fees increased by 21% (5% on a like-for-like basis*) to £191.0 million and operating profit remained flat (but decreased by 16% on a like-for-like basis*) at £33.1 million. The difference between actual growth and like-for-like growth was predominately due to the appreciation in the Euro.

The division experienced a significant weakening in its markets in the second half of the year which was reflected in the net fee growth rate of 27%* in the first half falling to a 13%* decline in the second half, versus the same period last year. We responded rapidly by reducing consultant headcount by 17% during the year. The conversion rate decreased to 17.3% (2008: 21.0%) as a result of the marked fall in net fees in the second half.

Our German business, representing 46% of the division's net fees and nearly all the region's profit in the year, achieved a strong performance increasing net fees by 19%*. This business focuses predominantly on the IT contracting market which has been relatively resilient in the downturn so far, although demand was falling in the final quarter. Our strategy to diversify Germany into a broader range of specialisms, including Accountancy & Finance, Construction & Property, Legal and Pharmaceutical, also contributed to this excellent result and these newer specialisms now account for 16% of total net fees in Germany.

Our other businesses in this division, covering 19 countries, are focused principally on the permanent placement markets and, hence, were more exposed to the impact of the economic downturn. We responded to falling demand by reducing the consultant headcount collectively in these countries by 24% in the second half of the year.

We view our International businesses as central to our strategy of positioning Hays to capitalise on the substantial long term structural growth opportunities that exist in these markets, cognisant of the fact that most of these businesses were achieving annualised organic growth rates of in excess of 40%* before the economic downturn. Consequently, we will be very cautious about reducing the cost base further in countries where our operations are at an early stage of development.

Net finance charge

The average interest rate paid during the year ended 30 June 2009 was 3.2% (2008: 6.1%), generating a net interest payable on bank balances of £3.5 million (2008: £7.2 million). There was a net interest charge on pension obligations of £2.4 million (2008: £3.0 million credit), mainly due to the lower return on scheme assets, and a charge for the Pension Protection Fund Levy of £1.1 million (2008: £0.5 million). Overall, the net finance charge for the year was £7.0 million (2008: £4.7 million). It is expected that the net finance charge in 2010 will increase to around £15 million mainly due to a lower expected return on scheme assets increasing the net interest charge on the pension obligations and an expected increase in net interest charge on bank balances.

Taxation

Tax on continuing operations for the year was £45.2 million, representing an effective tax rate of 29.9% (2008: 29.0%). The increase in the effective tax rate versus 2008 was mainly a result of the changing geographical mix of profits. It is anticipated that the effective tax rate will increase further in 2010.

Earnings per share

Basic earnings per share from continuing activities decreased 39% to 7.72 pence (2008: 12.59 pence**). The fall in earnings per share resulted from the reduction in profit after tax, being 44% below last year's result, partially offset by the favourable annualised impact of the accretion from the prior year's share buy-back programme.

Cash flow and balance sheet

Net cash generated by operations was £260.9 million (2008: £256.0 million), representing a 165% conversion of operating profit into operating cash. This strong cash flow performance represents the highly cash generative nature of our business model, the unwind of working capital and the emphasis that our management places on strong cash management. Cash inflow from working capital was £90 million, largely resulting from the fall in temp fees in the second half of the year, and an improvement in trade debtor days to 35 days (2008: 39 days), which was an excellent performance given the deteriorating economic backdrop. In addition, the Group received a one-off cash inflow in June 2009 of £20 million following the withdrawal of the staff hire concession, which has subsequently been paid out to other agencies after year end. Tax paid in the year was £56.5 million. Net capital expenditure was higher at £37.0 million, reflecting the expenditure on the Group's key IT projects. As these projects complete, capital expenditure is expected to reduce to £25 million this year, before falling back to historical levels in the following year. £79.3 million was paid out in dividends, £2.7 million was paid out in net interest, and £2.1 million was used to buy back shares in the first quarter. Net debt decreased from £81.1 million at the start of the year to a net cash position of £0.7 million at the end of the year. Following the payment of the proposed final dividend the Group will return to a net debt position.

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. In the first quarter, we purchased 1.7 million shares at a total cost of £1.4 million before suspending the share buy back programme.

The Board is proposing to pay a final dividend of 3.95 pence per share, equating to £54 million, which is in line with last year and, if approved at the Annual General Meeting, will make a total of 5.80 pence per share for the full year (2008: 5.80 pence). The recommended dividend will be paid on 20 November 2009 to shareholders on the register at the close of business on 23 October 2009.

Retirement benefits

The Group's pension liability under IAS 19 as at 30 June 2009 of £109.2 million (£78.6 million net of deferred tax) increased by £21.1 million compared to 30 June 2008, primarily due to the lower than expected return on scheme assets, partially offset by an increase in the discount rate. During the year, the Group made a cash contribution of £7.0 million into the defined benefit scheme, which included £2.7 million additional funding towards the pension deficit.

During the current financial year the defined benefit pension scheme will undergo its triennial actuarial valuation as at 30 June 2009. It is expected that this valuation will lead to an increase in the actuarial pension deficit largely due to lower asset values and changes in the expected long term inflation rate assumptions. As a result, Hays' deficit funding into the pension scheme is expected to increase to between £10 million and £20 million per annum.

Management changes

On 14 October 2008, Tim Cook was appointed Managing Director of the United Kingdom & Ireland business, taking over from Alistair Cox, Group Chief Executive, who had been acting Managing Director since February 2008. Tim has held a number of roles during his 21 year career at Hays, most recently as Managing Director of the Construction & Property business in the United Kingdom & Ireland.

Current trading

Currently we are seeing initial signs of stability in the United Kingdom and Asia Pacific markets although no indications of recovery. The Continental European markets, which entered the downturn later than the other regions, are still experiencing deteriorating conditions. Whilst we anticipate that 2010 will be another tough year for our industry, we will continue to take advantage of the downturn to build market share and pursue our investment plans to strengthen our operations for the long term. We are managing the short term whilst investing for the long term.

Notes

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

** continuing activities only. 2008 numbers are presented pre-exceptional items. There were no exceptional items in 2009.

*** the temporary placement gross margin is calculated as temporary placement net fees divided by temporary placement gross revenue. We have presented the underlying temporary margin since the withdrawal of the staff hire concession has had the effect of reducing our headline gross margin, as the full cost of the relevant temporary worker is now required to be recognised in turnover whereas under the staff hire concession only our commission on these temporary workers was recognised within turnover.

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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. 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
There are a number of potential risks and uncertainties that could have a material impact on the Group's performance and could cause actual results to differ materially from expected and historical rates. These risks include the following:

Macro economic environment
The performance of the Group has a very close relationship and dependence on the underlying growth of the economies of the countries in which it operates. This is mitigated in part by maintaining:

- a balance of temporary and permanent recruitment in both the public and private sectors;
- a broad exposure across multiple countries and sectors;
- a flexible cost base which enables us to react swiftly to changes in market conditions by increasing or reducing costs as appropriate; and
- a strong balance sheet with manageable debt levels.

A key part of the Group's strategy is to continue to grow the size of its International businesses to reduce the Group's reliance on any one specific economy.

Competitive environment
The Group continues to face competitor risk in the markets where the provision of permanent and temporary recruitment is most competitive and fragmented: the UK & Ireland and Australia & New Zealand. There is strong competition for clients and candidates, and we face pricing and margin pressures in our temporary business across our major specialist activities. The Group's strategy is to continue to grow its International businesses in the less developed markets of Asia Pacific and Continental Europe & Rest of the World, whilst also improving the efficiency and operations of our businesses throughout the organisation.

Customer credit risk
The Group benefits from close commercial relationships with key clients in both the public and private sectors. The Group is not reliant on any single key client in the private sector. However, the Group is always subject to the risk that a large customer might default on its payments, which might materially impact the Group's results.

Contractual risk
Clients increasingly require more complex levels of compliance in their contractual arrangements. In response to this, contracts may either be allocated to dedicated teams, with audits performed to reduce the risk of non-compliance or form part of periodic review by Hays' compliance and/or internal audit teams. The Group also has clear guidance on the approval of contractual terms and monitors the application thereof, especially any exceptions to our standard liability position and insurance protection, which require approval of the Group Finance Director. The placing of temporary workers generally brings greater risk for the organisation than permanent placements. Wherever possible, our contracts include provisions placing the responsibility for supervision and control of the temporary worker with the client, excluding any consequential loss and limiting the Group's aggregate liability under the contract.

People
The business is reliant on the ability to recruit, train and develop people to meet the Group's growth strategy. At the same time, the Group's business model demands flexibility to consolidate or expand, depending on the economic environment. In response to this, the Group is focused on engaging with and developing its leaders in each market. The Group is committed to providing competitive pay and benefits structures that are linked to performance. Through training and development, it seeks to provide individuals with the leadership, sales and key customer management skills that support expansion needs, whilst providing a rewarding career.

Technology
The Group is increasingly reliant on delivering its service to clients through a number of technology systems. These are housed in various datacentres and the Group has capacity to cope with a datacentre loss as a result of a significant event through the establishment of disaster recovery sites that are physically based in separate locations to the ongoing

operations. The Group is also reliant upon a number of important suppliers that provide critical information technology infrastructure. It continually monitors the performance and robustness of these suppliers to ensure business critical processes are safeguarded as far as is practicably possible. The Group is in the process of replacing certain key operational and financial systems. Such changes have an element of inherent risk. The Group has taken steps to mitigate these risks by putting in place clear governance structures to review project status, ensuring the necessary specialist resources are available and by following a clear project management process.

Regulatory environment and legislative changes

The recruitment industry is governed by an increasing level of compliance, which varies from country to country and market to market. The Group takes its responsibilities seriously, is committed to meeting all of its regulatory responsibilities and continues to strengthen its internal controls and processes with respect to legal obligations. As employment laws are changed and harmonised in certain geographies, they bring with them new risks and opportunities. The temporary market is more heavily regulated and changes in legislation (e.g. the removal of the staff hire concession and changes to temporary worker rights) may impact the Group's profitability. The Group ensures that its policies, processes and systems reflect best practice, where possible, and meet the legal requirements of the markets in which it operates.

Foreign exchange

The Group has significant operations outside the UK and is therefore exposed to movements in exchange rates. As profits from the Australian and Euro-based markets increase in proportion to the Group's total profits, the foreign exchange risk also increases. The Group does not actively manage foreign exchange risk through the use of financial instruments but will continue to monitor its policies in this area.

Pension scheme liabilities

The Group operates a Defined Benefit pension scheme, which is now closed to new members. The Scheme currently has an accounting deficit of £109.2 million as at 30 June 2009. During the current financial year the Scheme will undergo its triennial actuarial valuation, which is expected to lead to an increase in the actuarial pension deficit and, therefore, the annual cash contribution from the Group to reduce that deficit.

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Cautionary statement

The preliminary results ("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 decision 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.

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CONSOLIDATED INCOME STATEMENT
for the year ended 30 June

(In £'s million)	Note	2009	2008
TURNOVER			
Continuing operations	3	2,447.7	2,540.0
NET FEES			
Continuing operations	3	670.8	786.8
Operating profit from continuing operations before exceptional items		158.0	253.8
Exceptional items	4	-	15.3
OPERATING PROFIT FROM CONTINUING OPERATIONS	3	158.0	269.1
Finance income	5	1.9	3.2
Finance cost	5	(8.9)	(7.9)
		(7.0)	(4.7)
PROFIT BEFORE TAX		151.0	264.4
Tax	6	(45.2)	(76.6)
PROFIT FROM CONTINUING OPERATIONS AFTER TAX		105.8	187.8
PROFIT FROM DISCONTINUED OPERATIONS		-	0.4
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		105.8	188.2
Earnings per share from continuing operations before exceptional items			
- Basic	8	7.72p	12.59p
- Diluted	8	7.71p	12.53p
Earnings per share from continuing operations			
- Basic	8	7.72p	13.37p
- Diluted	8	7.71p	13.30p
Earnings per share from continuing and discontinued operations			
- Basic	8	7.72p	13.40p
- Diluted	8	7.71p	13.33p

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the year ended 30 June

(In £'s million)	2009	2008
Profit for the financial year	105.8	188.2
Currency translation adjustments taken to equity	15.9	25.4
Gain on sale of own shares taken to equity	5.4	-
Actuarial losses on defined benefit pension scheme	(21.2)	(71.2)
Tax on items taken directly to equity	5.2	19.9
Net income/(expense) recognised directly in equity	5.3	(25.9)
Total recognised income and expense for the year	111.1	162.3
Attributable to equity shareholders of the parent	111.1	162.3

Preliminary results

CONSOLIDATED BALANCE SHEET
at 30 June

(In £'s million)	Note	2009	2008
NON-CURRENT ASSETS			
Goodwill		174.9	168.9
Other intangible assets		38.6	5.4
Property, plant and equipment		29.1	32.2
Deferred tax assets		42.9	38.7
		285.5	245.2
CURRENT ASSETS			
Trade and other receivables		352.4	442.3
Cash and cash equivalents		55.0	54.0
		407.4	496.3
TOTAL ASSETS		692.9	741.5
CURRENT LIABILITIES			
Trade and other payables		(312.5)	(306.5)
Current tax liabilities		(16.3)	(29.7)
		(328.8)	(336.2)
NON-CURRENT LIABILITIES			
Bank loans and overdrafts		(54.3)	(135.1)
Trade and other payables		-	(13.6)
Retirement benefit obligations	9	(109.2)	(88.1)
Provisions		(46.2)	(45.5)
		(209.7)	(282.3)
TOTAL LIABILITIES		(538.5)	(618.5)
NET ASSETS		154.4	123.0
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		(282.6)	(307.0)
Other reserves		50.0	43.0
TOTAL SHAREHOLDERS' EQUITY		154.4	123.0

The financial statements were approved by the Board of Directors and authorised for issue on 2 September 2009.

Signed on behalf of the Board of Directors

R A Lawson P Venables

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June

(In £'s million)	Note	2009	2008
OPERATING PROFIT FROM CONTINUING OPERATIONS		158.0	269.1
Adjustments for:			
Exceptional items – non cash	4	-	(15.3)
Depreciation of property, plant and equipment		10.4	9.6
Amortisation of intangible fixed assets		1.2	1.7
Loss on disposal of property, plant and equipment		0.8	-
Net movement in provisions		0.1	(5.9)
Movement in employee benefits and other items		0.4	11.9
		12.9	2.0
OPERATING CASH FLOWS BEFORE MOVEMENT IN WORKING CAPITAL		170.9	271.1
Changes in working capital			
Decrease/(increase) in receivables		99.0	(42.6)
(Decrease)/increase in payables		(9.0)	27.5
		90.0	(15.1)
CASH GENERATED BY OPERATIONS		**260.9**	**256.0**
Income taxes paid		(56.5)	(74.1)
NET CASH FROM OPERATING ACTIVITIES		**204.4**	**181.9**
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(8.2)	(14.8)
Proceeds from sale of property, plant and equipment		-	0.1
Purchase of intangible assets		(28.8)	(6.7)
Cash paid in respect of acquisitions made in previous years		(5.4)	-
Sale of businesses and related assets - discontinued		-	0.6
Interest received		1.9	3.2
NET CASH USED IN INVESTING ACTIVITIES		**(40.5)**	**(17.6)**
FINANCING ACTIVITIES			
Interest paid		(4.6)	(10.4)
Equity dividends paid		(79.3)	(74.0)
Cash outflow in respect of share buy-back		(2.1)	(91.1)
Purchase of own shares		-	(0.7)
Proceeds from share option exercises		-	2.8
Proceeds from sale of own shares		5.4	-
Issue/(repayment) of loan notes		0.6	(0.8)
Decrease in bank overdrafts		(82.7)	(8.7)
Additional pension scheme funding		(2.7)	(2.5)
NET CASH USED IN FINANCING ACTIVITIES		**(165.4)**	**(185.4)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1.5)	(21.1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11	**54.0**	**68.4**
Effect of foreign exchange rate changes		2.5	6.7
CASH AND CASH EQUIVALENTS AT END OF YEAR	11	**55.0**	**54.0**

NOTES TO THE ACCOUNTS

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 2009 or 2008, for the purpose of the Companies Act 2006, but is derived from those statements. Statutory financial statements for 2009, 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 2008 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 237(2) or (3) of the Companies Act 1985.

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 2008.

3 SEGMENTAL INFORMATION

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

TURNOVER AND PROFIT FROM OPERATIONS

(In £'s million)	2009	2008
TURNOVER FROM CONTINUING OPERATIONS		
United Kingdom & Ireland	1,395.7	1,571.5
Continental Europe & Rest of World	587.9	482.2
Asia Pacific	464.1	486.3
	2,447.7	2,540.0
NET FEES FROM CONTINUING OPERATIONS		
United Kingdom & Ireland	330.7	452.9
Continental Europe & Rest of World	191.0	157.7
Asia Pacific	149.1	176.2
	670.8	786.8
OPERATING PROFIT FROM CONTINUING OPERATIONS		
United Kingdom & Ireland		
Operating profit from continuing operations before exceptional items	63.5	137.3
Exceptional items	-	15.3
United Kingdom & Ireland	63.5	152.6
Continental Europe & Rest of World	33.1	33.1
Asia Pacific	61.4	83.4
	158.0	269.1

4 EXCEPTIONAL ITEMS

There have been no items in the current year which have been classified as exceptional.

During the prior year the Group amended the terms of its defined benefit pension scheme. This amendment restricts the annual increase in pensionable pay / qualifying earnings to the lower of inflation or 5%. The effect of this change was a curtailment benefit that was recognised in the Income Statement as an exceptional credit of £22.0 million. Also during the prior year, the Group initiated a Group-wide project to transform its IT infrastructure, software and business operations. This led the directors to conclude that the carrying value of certain intangible and tangible assets that were previously used in its operations were impaired and they were written down by £6.7 million. The exceptional credit generated a tax charge of £4.3 million.

There was no cash impact from the exceptional items arising in the prior year.

5 FINANCE INCOME AND FINANCE COSTS

Finance income

(In £'s million)	2009	2008
Interest on bank deposits	1.9	3.2

Finance costs

(In £'s million)	2009	2008
Interest payable on bank overdrafts and loans	(5.4)	(10.4)
Pension Protection Fund levy	(1.1)	(0.5)
Net interest on pension obligations	(2.4)	3.0
	(8.9)	(7.9)
Net finance charge	(7.0)	(4.7)

6 TAX

The tax charge for the year was based on the following:

(In £'s million)	2009 Total	2008 Continuing	2008 Discontinued	2008 Total
Current tax	43.8	71.8	0.2	72.0
Deferred tax	1.4	4.8	-	4.8
	45.2	76.6	0.2	76.8

7 DIVIDENDS

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

	2009		2008	
	pence per share	£ million	pence per share	£ million
Previous year final dividend	3.95	54.0	3.40	48.2
Current year interim dividend	1.85	25.3	1.85	25.8
		79.3		74.0

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

	2009		2008	
	pence per share	£ million	pence per share	£ million
Interim dividend	1.85	25.3	1.85	25.8
Final dividend (proposed)	3.95	54.0	3.95	54.4
	5.80	79.3	5.80	80.2

The final dividend for 2009 of 3.95 pence per share (£54.0 million) will be proposed at the AGM on 11 November 2009 and has not been included as a liability as at 30 June 2009. If approved, the final dividend will be paid on 20 November 2009 to shareholders on the register at close of business on 23 October 2009.

8 EARNINGS PER SHARE

For the year ended 30 June 2009	Earnings (£'s million)	Weighted average number of shares (million)	Per share amount (pence)
Continuing operations before & 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 are no discontinued operations in the current year.
The weighted average number of shares in issue excludes shares held in treasury and shares held by the Hays Employee Share Trust (Jersey) Limited.

For the year ended 30 June 2008	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	176.8	1,404.1	12.59
Dilution effect of share options	-	7.4	(0.06)
Diluted earnings per share from continuing operations	176.8	1,411.5	12.53
Continuing operations after exceptional items:			
Basic earnings per share from continuing operations	187.8	1,404.1	13.37
Dilution effect of share options	-	7.4	(0.07)
Diluted earnings per share from continuing operations	187.8	1,411.5	13.30
Discontinued operations:			
Basic earnings per share from discontinued operations	0.4	1,404.1	0.03
Dilution effect of share options	-	7.4	-
Diluted earnings per share from discontinued operations	0.4	1,411.5	0.03
Continuing and discontinued operations:			
Basic earnings per share from continuing and discontinued operations	188.2	1,404.1	13.40
Dilution effect of share options	-	7.4	(0.07)
Diluted earnings per share from continuing and discontinued operations	188.2	1,411.5	13.33

The weighted average number of shares in issue excludes shares held in treasury and shares held by the Hays Employee Share Trust (Jersey) Limited and the Hays plc Qualifying Employee Share Ownership Trust.

Reconciliation of earnings

(In £'s million)	Earnings
Continuing operations before exceptional items	176.8
Exceptional items (note 4)	15.3
Tax on exceptional items (note 4)	(4.3)
Continuing operations	187.8

9 RETIREMENT BENEFIT OBLIGATIONS

(In £'s million)	2009	2008
Deficit in the scheme brought forward	(88.1)	(43.5)
Current service cost	(4.5)	(5.7)
Past service costs/curtailments (note 4)	-	22.0
Contributions	7.0	7.3
Net financial return	(2.4)	3.0
Actuarial loss	(21.2)	(71.2)
Deficit in the scheme carried forward	(109.2)	(88.1)

10 CONTINGENT LIABILITIES

In June 2006, Hays was visited by the UK Office of Fair Trading ('OFT') as part of an investigation into possible breaches of competition law by Hays and other recruitment companies in the construction recruitment sector. The OFT investigation related to a small part of Hays' Construction & Property business. Hays is co-operating fully with the OFT under the OFT's leniency programme and the Board believes that any financial impact of the matters under investigation will not be material to the Group.

11 MOVEMENT IN NET CASH/(DEBT)

(In £'s million)	1 July 2008	Cash flow	Exchange Movement	30 June 2009
Cash and cash equivalents	54.0	(1.5)	2.5	55.0
Bank loans and overdrafts	(135.1)	82.1	(1.3)	(54.3)
	(81.1)	80.6	1.2	0.7

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

12 LIKE-FOR-LIKE RESULTS

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

For the year ended 30 June 2009 this is calculated as follows:

	(In £'s million)
Net fees for the year ended 30 June 2008	786.8
Foreign exchange impact	34.7
Net fees for the year ended 30 June 2008 at constant currency	821.5
Net fee reduction resulting from organic decline	(150.7)
Net fees for the year ended 30 June 2009	**670.8**
Profit from operations for the year ended 30 June 2008	253.8
Foreign exchange impact	9.5
Profit from operations for the year ended 30 June 2008 at constant currency	263.3
Profit reduction resulting from organic decline	(105.3)
Profit from operations for the year ended 30 June 2009	**158.0**