9 April 2009

Interim management statement

Third quarter ended 31 March 2009

Commenting on trading for the quarter ended 31 March 2009, Alistair Cox, Chief Executive of Hays plc, said:

"Market conditions in each of the countries in which we operate deteriorated further during the quarter. Against this backdrop, group net fees fell by 27% (31% on a like-for-like basis) versus the same period last year. We have continued to reduce our cost base with headcount falling by 11% during the quarter bringing our total headcount reduction since the start of the financial year to 19%.

Whilst we continue to cut costs in response to difficult market conditions, we are also investing in gaining market share and in strengthening the business for the longer term. We have enhanced our major corporate account offering and delivery structure which is enabling us to cross sell more effectively into large blue chip organisations. We are making good progress in developing our technology systems to increase efficiency across the business and we are selectively investing in the international network including starting operations in India during the quarter.

Demand for temporary assignments has been broadly stable following the re-engagement of temporary workers after the Christmas holidays at around 90% of the pre-Christmas level. Demand for permanent placements continues to fall across all our markets.

We expect market conditions will remain tough for some time. However, the experience of our management teams across the world, our leading market positions, our public sector presence, our balance of permanent and temporary placement business, and the strength of our balance sheet, place us in a strong position to deal with these conditions."

Group

Growth in net fees for the quarter ended 31 March 2009 *(versus the same period last year)*	Growth	
	Actual	**LFL***
By region		
United Kingdom & Ireland	(37)%	**(37)%**
Asia Pacific	(32)%	**(36)%**
Continental Europe & Rest of World	7%	**(9)%**
Total	(27)%	**(31)%**
By segment		
Permanent	(43)%	**(46)%**
Temporary	(10)%	**(14)%**
Total	(27)%	**(31)%**

* LFL is like-for-like growth, which represents organic growth at constant currency. No adjustment is made for the one additional trading day in the quarter ended 31 March 2009 versus the same period last year. No adjustment is made for the impact of Easter being in Q4 this year (Q3 last year) which is estimated to have improved the net fee growth rate by around 2% in the quarter.

Interim management statement

In the quarter ended 31 March 2009, Hays plc, the leading global specialist recruitment group, saw a reduction in net fees of 27% (31% on a like-for-like basis*) versus 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. During the quarter, headcount was reduced by 11% primarily through natural attrition and performance management, with reductions being made across all the regions.

Net fees from the permanent placement business decreased by 46%* as market conditions continued to deteriorate across all our markets. Net fees from the temporary placement business decreased by 14%* primarily due to the re-engagement of temporary assignments after the Christmas holidays being lower than last year.

The pace of the fall in net fees increased across the quarter, with an exit rate of around 30%* below the same period last year (35%* after adjusting for Easter falling in the fourth quarter this year).

United Kingdom & Ireland

In the United Kingdom & Ireland, net fees fell by 37%* versus the same period last year as market conditions deteriorated further across the private sector, particularly in the permanent placement market. However, our public sector business, which represented a third of the United Kingdom & Ireland net fees in the quarter, continued to be resilient, achieving 3% growth in the quarter.

We have continued to take swift action to address the reduction in demand levels. During the quarter, we reduced the headcount in the United Kingdom & Ireland business by a further 9% which brings the total reduction to 27% over the last 12 months. Whilst we will retain our geographical coverage, we have sought to drive efficiency by consolidating operations in some cities resulting in the closure of 14 offices. This brings the total number of office closures to 28 since the start of the financial year.

Asia Pacific

In Asia Pacific, net fees decreased by 36%*. Conditions in the permanent placement market were very weak in nearly all sectors and regions. In line with trends for the rest of the Group, demand in the temporary placement market was broadly stable following the re-engagement of temporary workers after the Christmas holidays at around 90% of the pre-Christmas level. Good growth continued to be achieved in the public sector.

We reduced the headcount by 17% during the quarter which brings the total headcount reduction in the region to 27% since the start of the financial year.

Continental Europe & Rest of World ('RoW')

In Continental Europe & RoW, net fees decreased by 9%*. Our German business, which is primarily focused on the IT contracting market, achieved good growth in the quarter although at a slower pace than previously. In all our other major countries in the region, net fees decreased following a marked reduction in demand in the permanent placement markets. Headcount was cut by 11% during the quarter with reductions across all countries except Germany.

As part of our strategy of selectively investing, we started operations in India where we see excellent long term opportunities for Hays.

Cash flow and balance sheet

We achieved good cash flow from operations in the quarter benefiting from our continued focus on cash management. The balance sheet remains strong, with net debt broadly in line with Interim levels.

Current Trading

Demand for temporary assignments has been broadly stable following the re-engagement of temporary workers after the Christmas holidays at around 90% of the pre-Christmas level. Demand for permanent placements continues to fall across all our markets.

We expect market conditions will remain tough for some time. However, the experience of our management teams across the world, our leading market positions, our public sector presence, our balance of permanent and temporary placement business, and the strength of our balance sheet, place us in a strong position to deal with these conditions.

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Enquiries

Hays plc

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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 April 2009. The dial in details are as follows:

Dial-in number	+44 (0) 1452 541 076
Password	Hays

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	92331278#

Reporting calendar

Trading statement for quarter ending 30 June 2009	9 July 2009
Preliminary results for 12 months ending 30 June 2009	3 September 2009
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

Note to editors

Hays plc is the leading global specialist recruitment group. It is market leader in the UK and Australia, and one of the market leaders in Continental Europe. As at 31 December 2008, the Group employed 8,294 staff operating from 380 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.

Cautionary statement

This Interim Management Statement has been prepared solely in compliance with the Disclosure Rules and Transparency Rules of the UK Financial Services Authority and is not audited. Statements in this Report reflect the knowledge and information available at the time of its preparation. Certain statements included or incorporated by reference within this Report may constitute “forward-looking statements” in respect of the Group’s operations, performance, prospects and/or financial condition. By their nature, forward looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this Report should be construed as a profit forecast. This Report does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase any shares in the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares of the Company. Past performance cannot be relied upon as a guide to future performance. Liability arising from anything in this Report shall be governed by English Law. Nothing in this Report shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.