

INTERIM MANAGEMENT STATEMENT QUARTER ENDED 30 SEPTEMBER 2011

6 October 2011

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Financial summary

Growth in net fees for the quarter ended 30 September 2011 (Q1) (versus the same period last year)	growth	
	actual	LFL*
By region		
Asia Pacific	34%	21%
Continental Europe & Rest of World	41%	34%
United Kingdom & Ireland	(4)%	(4)%
Total	21%	15%
By segment		
Temporary	21%	16%
Permanent	21%	15%
Total	21%	15%

* LFL (like-for-like) growth represents organic growth at constant currency. Average exchange rates during the period were £1:AUD\$1.54 and £1:€1.14 (AUD\$1.72 and €1.20 in the prior year period)

Highlights

- Group net fee growth of 15%* versus prior year, driven by continued strong performance of our International businesses, which represented 68% of net fees in the quarter
- Excellent and broadly based growth of 34%* in Continental Europe & Rest of World, driven by Germany, which grew net fees by 34%*
- Strong net fee growth of 21%* in Asia Pacific, which included 20%* growth in Australia & New Zealand
- Net fees decreased 4% in the UK & Ireland, with private sector growth of 2% offset by tough, but sequentially stable, public sector markets, down 24% year on year
- 19 countries across the Group achieved net fee growth of 20%* or more, within which 10 countries grew net fees by over 40%*, including Brazil and China
- Continued investment in the International business in the quarter, with Hays Colombia opened in July and International consultant headcount increasing 9%

Commenting on trading for the first quarter, Alistair Cox, Chief Executive, said:

“This quarter we have delivered good net fee growth driven by our International businesses which grew by 27%*. Whilst we are mindful of the increasing macro economic uncertainty around the world, trading remains robust in the vast majority of our International markets and 19 countries across the Group grew net fees by 20%* or more in the quarter. In the UK, we have seen a further slowdown in private sector growth, although public sector markets remain broadly stable on a sequential basis.

The Group now generates 68% of its net fees outside of the UK and has operations in 31 countries worldwide. This increasingly diverse global footprint supported by our investments in consultant headcount, technology, training and marketing leaves us ideally positioned to further capitalise on the long term structural growth opportunities available to Hays around the world.”

Group

In the quarter ended 30 September 2011, Hays, the leading global professional recruitment group, increased net fees by 21% (15% on a like-for-like basis*) against prior year. Net fees in the temporary placement business increased by 16%* whilst net fees in the permanent placement business increased by 15%* as the Group continued to see strong performance across the vast majority of its markets.

The Group's underlying temporary placement margin** remained broadly stable and in line with the previous quarter. The Group's consultant headcount increased by 6% during the quarter, driven by ongoing investment in Asia, Continental Europe and South America. New offices were opened in Cologne in Germany and Guangzhou in China during the quarter, and Hays Colombia, our 31st country operation, was launched in July.

Asia Pacific

In Asia Pacific we recorded net fee growth of 21%*. In our market-leading Australia & New Zealand business, we recorded overall net fee growth of 20%*, within which our permanent placement business grew by 16%*, whilst net fees in our temporary placement business increased by 23%*. Overall net fee growth remains good, led by our Accountancy & Finance and IT businesses and we continue to see strong performances in Western and South Australia, particularly in Resources & Mining.

Asia, which accounts for 14% of the division's net fees, achieved net fee growth of 30%*. Performances in China, Hong Kong and Singapore were excellent as each grew by over 30%* and achieved record monthly net fees in the quarter. In Japan, we continue to see good progress following the events in that country earlier this year and net fees increased by 7%*.

Consultant headcount in the Asia Pacific division increased by 5% during the quarter and is up 18% year on year.

Continental Europe & Rest of World ('RoW')

In Continental Europe & RoW we recorded net fee growth of 34%*. Our German business had another record performance this quarter as net fees increased by 34%*. Growth in Germany was broadly based across all of the sectors in which we operate, and was particularly strong in our contracting and temporary placement businesses. Growth across the rest of the division has been strong and broad based, with 13 countries increasing net fees by 20%* or more, led by strong performances in Austria, Brazil, Hungary, Russia and UAE which each achieved net fee growth in excess of 40%*.

Consultant headcount in the Continental Europe & RoW division increased by 11% during the quarter and is up 36% year on year.

United Kingdom & Ireland

In the United Kingdom & Ireland, net fees decreased by 4% in the quarter. In our private sector business, which represents 80% of net fees in the division, net fees grew by 2%. Growth weakened versus the previous quarter in large part due to tougher comparatives and more difficult market conditions in our Banking and City-related businesses. Elsewhere in our private sector business, our IT, Energy and Sales & Marketing businesses continued to perform well. In our public sector business, net fees decreased by 24% year on year, but were stable on a sequential basis.

Consultant headcount in the United Kingdom & Ireland division was broadly stable in the quarter and is 7% below prior year levels.

Cash flow and balance sheet

Net debt increased to around £175 million (30 June 2011: £134.8 million) at the end of the quarter due to the timing and phasing of cash flows. As previously guided we expect this to increase further in the next quarter following the payment of the final dividend in November, before reducing in the second half.

* LFL (like-for-like) growth represents organic growth at constant currency. Average exchange rates during the period were £1:AUD\$1.54 and £1:€1.14 (AUD\$1.72 and €1.20 in the prior year period)

** 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.

Enquiries

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Maitland		
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Conference call

Paul Venables and James Hilton of Hays plc will conduct a conference call for analysts and investors at 9:00am United Kingdom time on Thursday 6 October 2011. The dial-in details are as follows:

Dial-in number	+44 (0) 20 3140 0785
Password	hays

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

Replay dial-in number	+44 (0) 20 3140 0698
Access code	379861#

Reporting calendar

Trading Update for quarter ending 31 December 2011	11 January 2012
Interim Results for six months ending 31 December 2011	22 February 2012
Interim Management Statement for the quarter ending 31 March 2012	11 April 2012

Note to editors

Hays plc (the "Group") is a 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 Asia Pacific and one of the market leaders in Continental Europe and Latin America. The Group operates across the private and public sectors, dealing in permanent positions, contract roles and temporary assignments. As at 30 June 2011, the Group employed 7,620 staff operating from 255 offices in 31 countries across 20 specialisms. For the year ended 30 June 2011:

- the Group reported net fees of £672 million and operating profit of £114 million;
- the Group placed around 60,000 candidates into permanent jobs and around 190,000 people into temporary assignments;
- 31% of Group net fees were generated in Asia Pacific, 33% in Continental Europe & RoW (CERoW) and 36% in the United Kingdom & Ireland;
- the temporary placement business represented 54% of net fees and the permanent placement business represented 46% of net fees;
- Hays operates in the following countries: Australia, Austria, Belgium, Brazil, Canada, Colombia, China, the Czech Republic, Denmark, France, Germany, Hong Kong, Hungary, India, Ireland, Italy, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Poland, Portugal, Russia, Singapore, Spain, Sweden, Switzerland, UAE, the United Kingdom and the USA.

Cautionary statement

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