HAYS Recruiting experts worldwide

HALF YEAR REPORT SIX MONTHS ENDED 31 DECEMBER 2011

22 February 2012

A GOOD PERFORMANCE IN MARKETS WHICH BECAME INCREASINGLY UNCERTAIN THROUGH THE HALF

6 months ended 31 December (In £'s million)	**2011**	2010	Actual growth	LFL* growth
Net fees	**373.8**	326.1	15%	11%
Operating profit	**63.1**	52.1	21%	14%
Cash generated by operations**	**60.1**	27.8	116%	
Profit before tax	**60.3**	48.6	24%	
Basic earnings per share	**2.76p**	2.34p	18%	
Dividend per share	**0.83p**	1.85p	(55)%	

All numbers are from continuing operations only.

* LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.

** Number excludes cash impact of exceptional items paid in the period.

Highlights

- International businesses drove good Group net fee growth of 11%* and operating profit growth of 14%*
- Temporary net fees, which represent 56% of the Group, grew 14%*, permanent net fees grew 8%*
- Continued diversification of the business with 69% of Group net fees generated outside the UK (2010: 62%)
- Good performance in Asia Pacific with 16%* net fee growth
  - Australia & New Zealand net fees up 15%* driven by Resources and Mining
- Strong overall growth in Continental Europe & Rest of World with 27%* net fee growth
  - The Group's largest division delivered record net fees driven by 31%* growth in Germany
- The UK market remained challenging with net fees down 6%
  - Private sector net fees down 1%, public sector down 18% but sequentially stable since April 2011
- Trading conditions in several markets became more difficult as the half progressed
- Strong cash performance with 95% conversion of operating profit** into operating cash flow
- Interim dividend down 55% to 0.83p, rebased to a more appropriate level within the revised cover range of 2.0x-3.0x EPS*****

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

"With profit before tax growing 24%, these are a good set of results. Our diversification has again delivered great benefits with the International business growing net fees by 27%, and 14 countries growing by more than 20%. Furthermore, with the broadest set of specialisms in our industry, we benefited from our exposure to a number of high-growth industries and skill-sets, including IT, Engineering and the Resource-based industries.

The global economic backdrop became increasingly uncertain as the half progressed, and this continues to adversely impact confidence in some of our markets, especially global banking. However, we continue to see good levels of demand in other markets, many of which are key competitive strengths for Hays, including the mining-based regions of Australia, and the IT and engineering sectors in Germany. With such diverse markets, our focus is on maximising profitability and market share gains in tougher areas, together with continued selective investment to capitalise on growth opportunities.

The Board remains committed to paying a meaningful dividend. However, given the slowing of our profit growth in the half and our current view on the likely growth rate of Group profitability in the current uncertain economic environment, we have decided to rebase the dividend to a level that is more appropriately covered by current earnings and cash flow. We intend to grow the dividend on a sustainable and progressive basis in line with future profits."

Enquiries

Hays plc

Paul Venables	Group Finance Director	+ 44 (0) 20 7383 2266
David Walker	Head of Investor Relations	+ 44 (0) 20 7383 2266

Maitland

Liz Morley / Brian Hudspith	+ 44 (0) 20 7379 5151

Results presentation webcast

Hays will host a half year results presentation at 9.00am on Wednesday 22 February 2012 which will be available as a live webcast on our website, www.hays.com. A recording will also be available on our website from 1:00pm.

Reporting calendar

Interim Management Statement for the quarter ending 31 March 2012	12 April 2012
Trading Update for the quarter ending 30 June 2012	11 July 2012
Preliminary Results for the year ending 30 June 2012	30 August 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 31 December 2011, the Group employed 7,988 staff operating from 247 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 (pre-exceptional items) 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 UK and the USA.

Summary Income Statement

6 months ended 31 December (In £'s million)	**2011**	2010	growth Actual	growth LFL*
Turnover	**1,863.2**	1,576.0	18%	16%
Net fees				
Temporary	**209.9**	178.7	17%	14%
Permanent	**163.9**	147.4	11%	8%
Total	**373.8**	326.1	15%	11%
Operating profit	**63.1**	52.1	21%	14%
Conversion rate	**16.9%**	16.0%		
Underlying temporary margin***	**14.9%**	15.1%		
Temporary fees as % of total	**56%**	55%		
Period end consultant headcount****	**5,199**	4,591	13%	

* LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.

** Number excludes cash impact of exceptional items paid in the 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.

**** The change in consultants is shown on a closing basis, comparing 31 December 2011 versus 31 December 2010.

***** Based on earnings per share, from continuing operations only, pre exceptional items.

The Group delivered a good performance in the first half of the year, in the context of market conditions which became increasingly difficult across the half in certain geographies and specialisms. Group turnover increased by 18% (or 16%* on a like for like basis) and net fees increased by 15% (11%* on a like for like basis), driving operating profit growth of 21% (14%* on a like for like basis). Favourable exchange rate movements, principally the Australian Dollar and Euro, had a positive impact on the results increasing net fees and operating profit by £9.8 million and £3.3 million respectively, and fluctuations in these exchange rates remain a significant translation sensitivity for the Group going forward.

Net fees in the temporary placement business, representing 56% of the Group, increased by 14%*. This comprised a volume increase of 6% and a favourable increase in mix/hours worked of 9%, which was partially offset by underlying margins slightly lower at 14.9%*** (2010: 15.1%***). Margins have, however, remained broadly stable through the first half. The temporary placement business was resilient throughout the half, as clients in several key markets such as Germany and Australia increased their use of flexible specialist skilled workers.

Net fees in the permanent placement business, representing 44% of the Group, increased by 8%* with an increase in the average placement fee of 10%, primarily due to a change in the mix of business, being partially offset by a reduction in volumes of 3%. As macro-economic uncertainty increased through the period, it particularly impacted confidence amongst candidates and clients in the permanent placement market, notably in banking and financial services related specialisms around the world, which impacted volumes, especially in the second quarter.

Group consultant headcount increased by 5% during the first half. In our International business, consultant headcount increased by 12% overall, but in the latter part of the half we became increasingly selective about areas for investment, and reduced headcount in certain countries. This increase was partially offset by a 4% consultant headcount reduction in the UK via natural attrition.

The Group's operating cost base increased by 11%* versus prior year, largely as a result of headcount investments made earlier in calendar year 2011 in the Group's International businesses, together with an increase in commission payments in line with net fees. The Group's conversion rate, which is the proportion of net fees converted into operating profit, increased to 16.9% (2010: 16.0%).

Investment

In the majority of our global markets, the outsourcing of professional and skilled recruitment to agencies remains an immature industry which presents substantial long term structural growth opportunities for the Group. This has been a key driver in the rapid diversification and internationalisation of the Group, the result of which is that the International business now represents 69% of the Group's net fees compared with around 15% just 10 years ago.

We remain determined to ensure the Group is positioned to fully capitalise on the long-term growth opportunities that exist around the world. Therefore, whilst we have become more selective about areas for investment, and reduced consultant numbers in certain countries, we have continued to invest in countries and specialisms which continue to demonstrate growth and resilience in outlook.

In Asia Pacific, we opened an office in Guangzhou in China. In Continental Europe & Rest of World we opened offices in Cologne, in Germany, Bogota, our first office in Colombia and Gosselies in Belgium. In the United Kingdom & Ireland we reduced our office network by 12 offices on a net basis during the half as we continued to drive efficiency savings by consolidating operations in selected towns and cities, and opening our new City flagship office in London.

In early 2012, we will open our 32nd and 33rd country operations in Chile, based in Santiago, to further develop our business in the key long term growth market of Latin America, and Malaysia, based in Kuala Lumpur.

We continue to build a stronger, broader-based and more efficient business. Having completed the global roll-out of our new front office and back office systems we now have a state of the art, industry leading operating platform for both our consultants and those who support them. We are now focused on fully utilising these systems to drive efficiency and improve service to our clients and candidates around the world.

Office network	**31 December 2011**	opened/ (closed) (net)	30 June 2011
Asia Pacific	**47**	1	46
Continental Europe & RoW	**87**	3	84
United Kingdom & Ireland	**113**	(12)	125
Group	**247**	(8)	255

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Asia Pacific

Strong growth across the division, particularly in Australian mining regions; Asian markets increasingly mixed

6 months to 31 December (In £'s million)	2011	2010	growth Actual	growth LFL*
Net fees	**124.6**	100.5	24%	16%
Operating profit	**48.0**	36.7	31%	22%
Conversion rate	**38.5%**	36.5%		
Period end consultant headcount****	**1,138**	1,012	12%	

In Asia Pacific, net fees increased by 24% (16% on a like-for-like basis*) to £124.6 million and operating profit increased by 31% (22% on a like-for-like basis*) to £48.0 million. The difference between actual growth and like-for-like growth was predominantly due to the appreciation in the Australian Dollar. The division achieved an excellent conversion rate of 38.5%, up from 36.5% in the prior year.

In our market leading Australia & New Zealand business, net fees were up 15%*. Temporary placement net fees increased by 20%* with demand increasing across all regions through the half and we exited the first half at record temp levels. Permanent placement net fees increased by 7%* with the rate of growth slowing through the half, as candidate and client confidence in the permanent market was impacted by increased macro-economic uncertainty, particularly in New South Wales and Victoria. Elsewhere, in the resource-based regions of Western and South Australia net fee growth was excellent throughout the half and momentum in our public sector business, which accounts for 23% of net fees in Australia & New Zealand, remained good with net fees increasing by 15%*.

Our Asian business, which accounted for 14% of the division's net fees in the half, achieved strong net fee growth of 23%*. Our businesses in Hong Kong, China and Singapore each performed strongly, achieving net fee growth of more than 25%* and each posted a record monthly net fee performance in the half. Market conditions across the region did however become progressively more difficult through the half, particularly in those markets with a relatively high exposure to banking and financial specialisms. Our business in Japan continues to see good progress as net fees increased by 11%* and our business there posted a record monthly fee performance in December.

Consultant headcount in Asia Pacific increased by 6% during the half, with consultant headcount increasing by 3% in Australia & New Zealand and by 16% in Asia, but through the half, we became increasingly selective about areas for headcount investment in the division. In Australia & New Zealand we continue to cautiously increase consultant headcount based on specific business needs in areas of Western and South Australia, but we are not currently investing in consultant headcount in the other regions. In Asia, where we have more than doubled our consultant headcount in the past two years, we now expect consultant headcount to remain broadly at current levels in the coming months.

Continental Europe & Rest of World ('RoW')

Strong growth overall led by excellent performance in Germany

6 months to 31 December (In £'s million)	2011	2010	growth Actual	growth LFL*
Net fees	**132.8**	102.5	30%	27%
Operating profit	**18.2**	13.3	37%	32%
Conversion rate	**13.7%**	13.0%		
Period end consultant headcount****	**1,990**	1,468	36%	

In Continental Europe & RoW, net fees increased by 30% (27% on a like-for-like basis*) to £132.8 million, a record for the division, and operating profit increased by 37% (32% on a like-for-like basis*) to £18.2 million. The difference between actual growth and like-for-like growth was mainly due to the modest appreciation in the Euro. The division achieved a conversion rate of 13.7%, up from 13.0% in the prior year.

Our German business, representing 51% of the division's net fees and most of the division's profits, recorded 31%* net fee growth and posted several record monthly performances as momentum remained strong through the half. Growth was broadly based across all sectors, and was particularly strong in our contracting and temporary placement businesses which account for 90% of the net fees in our German business. We had an excellent performance in our IT and Engineering business, which grew by 32%* and where we are the clear market leader. In addition, we continue to build market leading positions in Accountancy & Finance, Construction & Property, Sales & Marketing, Legal and Life Sciences and these specialisms now account for around a quarter of total net fees in Germany. Our market leading position and the increasing diversification of our business means we are ideally placed to benefit from the continuing rapid development of the specialist recruitment market in Germany and the structural growth opportunities this presents.

Market conditions are not however uniform across the rest of the division, which is primarily a permanent placement business. In France, our second largest country in the division, we recorded 28%* net fee growth with strong momentum through the half, and we recorded growth of more than 20%* in a further 8 businesses including the Netherlands, Russia and Brazil. However, several countries, particularly in Southern Europe and Latin America, saw net fee growth slow significantly as the half progressed as confidence amongst candidates and clients was negatively impacted by the ongoing macro-economic uncertainty.

Overall consultant headcount increased by 16% during the half. However, through the period we became more selective about areas for investment across the division and reduced consultant numbers in certain countries. We expect consultant headcount to reduce modestly overall for the division in the current quarter through natural attrition, with selected pockets of investment to take advantage of those markets that are continuing to grow being offset by reduced consultant numbers elsewhere in the division.

United Kingdom & Ireland

More challenging private sector, tough but stable public sector

6 months to 31 December (In £'s million)	2011	2010	growth Actual	growth LFL*
Net fees	**116.4**	123.1	(5)%	(6)%
Operating (loss) / profit	**(3.1)**	2.1	N/A	N/A
Conversion rate	**(2.7)%**	1.7%		
Period end consultant headcount****	**2,071**	2,111	(2)%	

In the United Kingdom & Ireland, net fees decreased by 6%* on a like-for-like basis to £116.4 million, and the division made an operating loss of £3.1 million. Net fees decreased by 5% in the temporary placement business, largely as a result of its greater weighting to the public sector markets, and by 6% in the permanent placement business primarily due to a reduction in activity levels in banking and City-related specialisms. The operating loss was a result of the net fee reduction, partially offset by headcount reductions made during the half and the savings achieved through various other cost and efficiency measures, net of increased depreciation costs and modest cost inflation.

In the private sector business, which currently represents 78% of UK net fees, net fees declined by 1%. This was in large part due to slowing activity in our permanent placement business as confidence amongst candidates and clients worsened as the half progressed, particularly in our banking and City-related specialisms. Elsewhere in our private sector business, our IT, Legal, Life Sciences and Sales and Marketing businesses all delivered good growth.

In our public sector business, conditions remain tough, but although net fees decreased by 18% year on year and we exited the half down 57% from peak levels, this business has remained sequentially stable since April 2011. The UK public sector business represented 22% of UK net fees and 7% of Group net fees in the half.

Consultant headcount in the United Kingdom & Ireland was reduced by 4% during the half by natural attrition, as overall market conditions became increasingly challenging. Given that the outlook remains uncertain, we continue to reduce all aspects of our UK cost base, which is down more than 25% from peak levels, with particular emphasis on overhead and support costs, whilst ensuring we maximise market share and take full advantage of those segments of the market which continue to present revenue growth opportunities.

Net finance charge

The net finance charge for the half was £2.8 million (2010: £3.5 million). The average interest rate on gross debt during the half was 2.7% (2010: 2.5%), generating net bank interest payable, including amortisation of arrangement fees, of £3.6 million (2010: £2.5 million), the increase being due to higher average net debt in the period. The net interest credit on the defined benefit pension scheme obligations was £1.1 million (2010: charge of £0.8 million) with the movement primarily due to higher scheme asset values increasing expected returns. The charge for the Pension Protection Fund levy was £0.3 million (2010: £0.2 million). It is expected that the net finance charge for the year ending 30 June 2012 will be at similar levels to 2011.

Taxation

The taxation charge for the half was £22.3 million, representing an effective tax rate of 37.0% (2010: 34.0%). The increase in tax rate is primarily due to unrelieved tax losses in the UK and a reduction in the value of the deferred tax asset on share based incentives, due to a fall in the Group's share price. It is expected that the Group's effective tax rate will remain at a broadly similar level for the second half of the financial year.

Earnings per share

Basic earnings per share increased 18% to 2.76 pence (2010: 2.34 pence). The increase in earnings per share reflects the Group's higher operating profit and lower net finance charge, partially offset by the increase in the effective tax rate.

Cash flow and balance sheet

Cash flow in the half was strong with 95% conversion of operating profit into operating cash flow** (2010: 53%). The improvement on prior year was the result of good working capital management. The outflow from working capital was £19.7 million, primarily driven by growth in our German and Australian temp businesses, partially offset by a reduction in UK temp volumes, and this change in mix led to a modest increase in debtor days to 38 days (2010: 37 days).

Net capital expenditure was higher at £9.8 million (2010: £7.9 million). Capital expenditure is expected to be to around £15 million for the full year, as previously guided.

Dividends paid in the half totalled £54.3 million and £3.2 million was paid out in net interest. Net debt increased from £134.8 million at the start of the year to £177.7 million at the end of the first half, primarily due to the payment of the final dividend. The Group expects that net debt will reduce in the second half. The Group has a £300 million unsecured revolving credit facility available, which expires in January 2014.

Capital structure and dividend

The Board's priorities for our free cash flow are to fund the Group's investment and development, maintain a strong balance sheet and deliver a sustainable dividend at a level which is affordable and appropriate.

The increased global economic uncertainty impacted our business in the second quarter and slowed the pace of the Group's profit growth as the first half progressed. Consequently, while operating profit was 21% above prior year, it was only sequentially 2% higher than in the previous half. Considering this slowing of profit growth and our current view on the likely growth in Group profitability in this uncertain environment, we have decided that whilst the previous level of dividend remains affordable today, it is no longer appropriate to maintain the dividend at that level, which had been uncovered for the last two years. We have therefore decided to rebase the dividend and pay an interim dividend of 0.83p per share (2010: 1.85p). Furthermore we believe that future dividends should be covered by earnings in the range 2.0x to 3.0x***** and consider this revised payout policy to be appropriately covered by earnings and cash flow.

Going forward, the Board remains committed to paying a sustainable and progressive dividend. It is our intention to grow the dividend from this new level when dividend cover reaches c.2.5x*****. The expected split of dividend payout will be one-third interim and two-thirds final.

The interim dividend payment date will be 10 April 2012 and will be paid to shareholders on the register at close of business on 2 March 2012.

Retirement benefits

The Group's pension liability under IAS 19 at 31 December 2011 of £15.3 million (£8.9 million net of deferred tax) increased by £3.4 million compared to 30 June 2011, primarily due to changes in the assumptions in respect of the discount rate and inflation, partially offset by higher than expected asset returns. During the first half the company contributed £7.7 million of cash to the defined benefit scheme, including £6.2 million additional funding towards the pension deficit in line with previous guidance

Board changes

As announced on 19 May 2011, Lesley Knox stepped down from the Board following the Annual General Meeting ('AGM') held on 9 November 2011. Paul Harrison replaced Lesley as Chairman of the Remuneration Committee and Senior Independent Director following the AGM.

Victoria Jarman joined the Board as a non-executive director on 1 October 2011 and as Chairman of the Audit Committee at the conclusion of the AGM. Victoria, who is a chartered accountant, was previously Chief Operating Officer of Lazard's London and Middle East operations and is a non-executive director of De La Rue plc and a member of its audit and nomination committees.

Pippa Wicks joined the Board as a non-executive director on 1 January 2012 and is a member of the Audit, Nomination and Remuneration Committees. Pippa is currently Managing Director of AlixPartners LLP and a non-executive director of Ladbrokes plc, where she is also a member of the audit committee.

Current trading

Although market conditions remain mixed, we've made an encouraging start to the second half in many key parts of the business. In Asia Pacific, growth is excellent in Queensland and Western Australia, but has moderated in other regions in Australia and most notably in Asia, where net fees are declining in certain countries. In Continental Europe & RoW, we see continued strong growth in Germany and good growth in France, but slowing growth across some of the rest of the division, and net fee declines in certain countries. In the UK, the market remains challenging but broadly stable at the levels we saw at the end of the first half in both the public and private sectors. Overall, we are seeing continued resilience in our temporary placement business, which is operating at near record levels in the key markets of Germany and Australia. The uncertain global economic environment is having a negative impact on candidate and client confidence in certain markets, particularly in the banking sector globally and some permanent recruitment markets.

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 an unsecured £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.

The Board considers it appropriate to use certain derivative financial instruments to reduce its exposure to interest rate movements under its floating rate credit facility. During the prior financial year the Group entered into six interest rate swaps which exchange a fixed payment for floating rate receipt on a total debt value of £40 million with an equal mix of two-year and three-year maturities. Each of the interest rate swaps commenced in October 2011. The Group does not hold or use derivative financial instruments for speculative purposes.

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, business model risk, talent, compliance risk, reliance on technology, contract risk and foreign exchange. A full description of these risks and our mitigating actions is provided in the 2011 Annual Report, and there have been no material changes since that time.

Hays plc
250 Euston Road
London
NW1 2AF

www.hays.com/investors

* LFL (like-for-like) growth represents organic growth of continuing activities at constant currency.

** Number excludes cash impact of exceptional items paid in the 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.

**** The change in consultants is shown on a closing basis, comparing 31 December 2011 versus 31 December 2010.

***** Based on earnings per share, from continuing operations only, pre exceptional items.

Responsibility Statement

We confirm that, to the best of our knowledge:

- the unaudited condensed consolidated interim financial statements have been presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and gives a true and fair view of the assets, liabilities, financial position and profit for the Group;
- the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months of the financial year and their impact on the condensed financial statements, and description of principal risks and uncertainties for the remaining six months of the financial year); and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions in the first six months of the financial year and any changes in the related parties transactions described in the last annual report).

This Half Year Report was approved by the Board of Directors and authorised for issue on 21 February 2012.

Alistair Cox	**Paul Venables**
Chief Executive	Group Finance Director

Cautionary statement

The Half Year Report (the "Report") has been prepared in accordance with the Disclosure Rules and Transparency Rules of the UK Financial Services Authority and is not audited. No representation or warranty, express or implied, is or will be made in relation to the accuracy, fairness or completeness of the information or opinions made in this Report. 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. The information contained in this Report is subject to change without notice and 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 or subscribe for 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 or any invitation or inducement to engage in investment activity under section 21 of the Financial Services and Markets Act 2000. 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, and neither the Company nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this Report or its contents or otherwise arising in connection with this Report. Nothing in this Report shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

HAYS Recruiting experts worldwide

Independent Review Report to Hays plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2011 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and related notes 1 to 12. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
21 February 2012

Condensed Consolidated Income Statement

(In £'s million)	Note	Six months to 31 December 2011 (unaudited)	Six months to 31 December 2010 (unaudited)	Year to 30 June 2011
Turnover				
Continuing operations		**1,863.2**	1,576.0	3,256.0
Net fees *				
Continuing operations	2	**373.8**	326.1	672.1
Operating profit from continuing operations before exceptional items	2	**63.1**	52.1	114.1
Exceptional items		**-**	-	4.1
Operating profit from continuing operations	2	**63.1**	52.1	118.2
Finance income		**0.5**	0.5	1.0
Finance cost		**(3.3)**	(4.0)	(8.5)
	3	**(2.8)**	(3.5)	(7.5)
Profit before tax		**60.3**	48.6	110.7
Tax	4	**(22.3)**	(16.5)	(32.4)
Profit from continuing operations after tax		**38.0**	32.1	78.3
Profit from discontinued operations		**1.1**	0.2	1.8
Profit attributable to equity holders of the parent Company		**39.1**	32.3	80.1
Earnings per share from continuing operations before exceptional items				
- Basic	6	**2.76p**	2.34p	5.19p
- Diluted	6	**2.70p**	2.29p	5.10p
Earnings per share from continuing operations				
- Basic	6	**2.76p**	2.34p	5.69p
- Diluted	6	**2.70p**	2.29p	5.59p
Earnings per share from continuing and discontinued operations				
- Basic	6	**2.84p**	2.35p	5.82p
- Diluted	6	**2.78p**	2.31p	5.72p

*Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.

Condensed Consolidated Statement of Comprehensive Income

(In £'s million)	Six months to 31 December 2011 (unaudited)	Six months to 31 December 2010 (unaudited)	Year to 30 June 2011
Profit for the period	**39.1**	32.3	80.1
Currency translation adjustments	**(8.8)**	13.1	19.4
Mark to market valuation of derivative financial instruments	**(0.4)**	-	(0.7)
Actuarial (loss)/gain on defined benefit pension schemes	**(10.6)**	27.3	43.7
Tax relating to components of other comprehensive income	**1.4**	(7.6)	(11.6)
Other comprehensive income for the period	**(18.4)**	32.8	50.8
Total comprehensive income for the period	**20.7**	65.1	130.9
Attributable to equity shareholders of the parent Company	**20.7**	65.1	130.9

Condensed Consolidated Balance Sheet

(In £'s million)	Note	**31 December 2011 (unaudited)**	31 December 2010 (unaudited)	30 June 2011
Non-current assets				
Goodwill		**180.4**	191.4	183.5
Other intangible assets		**58.6**	60.7	62.9
Property, plant and equipment		**25.0**	21.3	23.4
Deferred tax assets		**29.2**	22.0	29.2
		293.2	295.4	299.0
Current assets				
Trade and other receivables		**538.5**	437.7	524.2
Cash and cash equivalents		**60.9**	42.6	55.1
		599.4	480.3	579.3
Total assets		**892.6**	775.7	878.3
Current liabilities				
Trade and other payables		**(401.0)**	(355.7)	(405.0)
Current tax liabilities		**(32.2)**	(27.2)	(31.0)
Bank loans and overdrafts		**(3.6)**	(3.3)	(4.9)
Provisions	8	**(3.5)**	(5.5)	(8.5)
Derivative financial instruments		**(1.1)**	-	(0.7)
		(441.4)	(391.7)	(450.1)
Non-current liabilities				
Bank loans		**(235.0)**	(165.0)	(185.0)
Trade and other payables		**(1.0)**	-	(1.0)
Retirement benefit obligations	7	**(15.3)**	(35.2)	(11.9)
Provisions	8	**(31.7)**	(34.7)	(33.9)
		(283.0)	(234.9)	(231.8)
Total liabilities		**(724.4)**	(626.6)	(681.9)
Net assets		**168.2**	149.1	196.4
Equity				
Called up share capital		**14.7**	14.7	14.7
Share premium		**369.6**	369.6	369.6
Capital redemption reserve		**2.7**	2.7	2.7
Retained earnings		**(295.7)**	(312.4)	(275.6)
Other reserves		**76.9**	74.5	85.0
Total shareholders' equity		**168.2**	149.1	196.4

Condensed Consolidated Cash Flow Statement

(In £'s million)	Note	**Six months to 31 December 2011 (unaudited)**	Six months to 31 December 2010 (unaudited)	Year to 30 June 2011
Operating profit from continuing operations		**63.1**	52.1	118.2
Adjustments for:				
Exceptional items [(i)]		**(6.1)**	(3.1)	(19.5)
Depreciation of property, plant and equipment		**4.4**	5.3	9.4
Amortisation of intangible fixed assets		**7.5**	5.6	10.9
Profit on disposal of property, plant and equipment		**(0.1)**	-	-
Net movements in provisions		**(1.2)**	(1.6)	(2.4)
Share-based payments		**6.1**	6.3	12.5
		10.6	12.5	10.9
Operating cash flow before movement in working capital		**73.7**	64.6	129.1
Changes in working capital		**(19.7)**	(39.9)	(47.2)
Cash generated by operations		**54.0**	24.7	81.9
Income taxes paid		**(18.9)**	(4.4)	(26.6)
Net cash inflow from operating activities		**35.1**	20.3	55.3
Investing activities				
Purchase of tangible and intangible assets		**(9.8)**	(7.9)	(18.6)
Proceeds from sales of business and related assets		**0.1**	0.3	0.5
Cash paid in respect of acquisitions made in previous years		**(0.3)**	-	(3.2)
Interest received		**0.5**	0.5	1.0
Net cash used in investing activities		**(9.5)**	(7.1)	(20.3)
Financing activities				
Interest paid		**(3.7)**	(6.2)	(9.5)
Equity dividends paid		**(54.3)**	(54.3)	(79.7)
Proceeds from exercise of share options		**0.1**	-	1.2
Increase in bank loans and overdrafts		**48.7**	16.4	38.0
Pension scheme funding		**(6.2)**	(6.0)	(12.0)
Net cash used in financing activities		**(15.4)**	(50.1)	(62.0)
Net increase/(decrease) in cash and cash equivalents		**10.2**	(36.9)	(27.0)
Cash and cash equivalents at beginning of period		**55.1**	74.7	74.7
Effect of foreign exchange rate movements		**(4.4)**	4.8	7.4
Cash and cash equivalents at end of period	9	**60.9**	42.6	55.1

(In £'s million)	Note			
Bank loans and overdrafts at beginning of period		**(189.9)**	(151.9)	(151.9)
Increase in period		**(48.7)**	(16.4)	(38.0)
Bank loans and overdrafts at end of period		**(238.6)**	(168.3)	(189.9)
Net debt at end of period	9	**(177.7)**	(125.7)	(134.8)

[(i)] The adjustment to the Cash Flow Statement in the current period of £6.1 million relates to cash paid in respect of exceptional items incurred during the financial year to 30 June 2010 and 30 June 2011.
The adjustment to the Cash Flow Statement in the six months to 31 December 2010 of £3.1 million relates to cash paid in respect of exceptional items incurred during the financial year to 30 June 2010.
The adjustment to the Cash Flow Statement in the year to June 2011 of £19.5 million relates to the non-cash impact of the prior year exceptional credit of £4.1 million and cash paid of £15.4 million in respect of exceptional charges incurred during the year to 30 June 2010 and 30 June 2011.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2011

(In £'s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Other reserves	Total
At 1 July 2011	14.7	369.6	2.7	(275.6)	85.0	196.4
Currency translation adjustments	-	-	-	-	(8.8)	(8.8)
Mark to market valuation of derivative financial instruments	-	-	-	-	(0.4)	(0.4)
Actuarial loss on defined benefit pension schemes	-	-	-	(10.6)	-	(10.6)
Tax on items taken directly to equity	-	-	-	1.4	-	1.4
Net expense recognised directly in equity	-	-	-	(9.2)	(9.2)	(18.4)
Profit for the period	-	-	-	39.1	-	39.1
Total comprehensive income/(expense) for the period	-	-	-	29.9	(9.2)	20.7
Dividends paid	-	-	-	(54.3)	-	(54.3)
Share-based payment schemes	-	-	-	4.3	1.1	5.4
At 31 December 2011	**14.7**	**369.6**	**2.7**	**(295.7)**	**76.9**	**168.2**

For the six months ended 31 December 2010

(In £'s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Other reserves	Total
At 1 July 2010	14.7	369.6	2.7	(313.0)	58.3	132.3
Currency translation adjustments	-	-	-	-	13.1	13.1
Actuarial gain on defined benefit pension schemes	-	-	-	27.3	-	27.3
Tax on items taken directly to equity	-	-	-	(7.6)	-	(7.6)
Net income recognised directly in equity	-	-	-	19.7	13.1	32.8
Profit for the period	-	-	-	32.3	-	32.3
Total comprehensive income for the period	-	-	-	52.0	13.1	65.1
Dividends paid	-	-	-	(54.3)	-	(54.3)
Share-based payment schemes	-	-	-	2.9	3.1	6.0
At 31 December 2010	14.7	369.6	2.7	(312.4)	74.5	149.1

For the year ended 30 June 2011

(In £'s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Other reserves	Total
At 1 July 2010	14.7	369.6	2.7	(313.0)	58.3	132.3
Currency translation adjustments	-	-	-	-	19.4	19.4
Mark to market valuation of derivative financial instruments	-	-	-	-	(0.7)	(0.7)
Actuarial gain on defined benefit pension schemes	-	-	-	43.7	-	43.7
Tax on items taken directly to equity	-	-	-	(11.6)	-	(11.6)
Net income recognised directly in equity	-	-	-	32.1	18.7	50.8
Profit for the year	-	-	-	80.1	-	80.1
Total comprehensive income for the year	-	-	-	112.2	18.7	130.9
Dividends paid	-	-	-	(79.7)	-	(79.7)
Share-based payment schemes	-	-	-	4.9	8.0	12.9
At 30 June 2011	14.7	369.6	2.7	(275.6)	85.0	196.4

Condensed Consolidated Statement of Changes in Equity – Other Reserves

For the six months ended 31 December 2011

(In £'s million)	Own shares	Equity reserve	Cumulative translation	Hedging reserve	Total
At 1 July 2011	(3.4)	19.4	69.7	(0.7)	85.0
Currency translation adjustments	-	-	(8.8)	-	(8.8)
Mark to market valuation of derivative financial instruments	-	-	-	(0.4)	(0.4)
Net expense recognised directly in equity	-	-	(8.8)	(0.4)	(9.2)
Share-based payment schemes	0.9	0.2	-	-	1.1
At 31 December 2011	**(2.5)**	**19.6**	**60.9**	**(1.1)**	**76.9**

For the six months ended 31 December 2010

(In £'s million)	Own shares	Equity reserve	Cumulative translation	Hedging reserve	Total
At 1 July 2010	(4.7)	12.7	50.3	-	58.3
Currency translation adjustments	-	-	13.1	-	13.1
Net income recognised directly in equity	-	-	13.1	-	13.1
Share-based payment schemes	-	3.1	-	-	3.1
At 31 December 2010	(4.7)	15.8	63.4	-	74.5

For the year ended 30 June 2011

(In £'s million)	Own shares	Equity reserve	Cumulative translation	Hedging reserve	Total
At 1 July 2010	(4.7)	12.7	50.3	-	58.3
Currency translation adjustments	-	-	19.4	-	19.4
Mark to market valuation of derivative financial instruments	-	-	-	(0.7)	(0.7)
Net income recognised directly in equity	-	-	19.4	(0.7)	18.7
Share-based payment schemes	1.3	6.7	-	-	8.0
At 30 June 2011	(3.4)	19.4	69.7	(0.7)	85.0

1 Basis of preparation

The condensed consolidated interim financial statements ("interim financial statements") are the results for the six months ended 31 December 2011. The interim financial statements have been prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union, in accordance with International Accounting Standard 34 'Interim Financial Reporting' and the Disclosure and Transparency Rules of the Financial Services Authority. It is unaudited but has been reviewed by the auditors and their report is attached.

The interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 as they do not include all of the information required for full statutory accounts. The interim financial statements should be read in conjunction with the statutory accounts for the year ended 30 June 2011, which were prepared in accordance with IFRS as adopted by the European Union and have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Accounting policies

The interim financial statements have been prepared on the basis of the accounting policies and methods of computation applicable for the year ending 30 June 2011. These accounting policies are consistent with those applied in the preparation of the accounts for the year ended 30 June 2011 with the exception of the following new accounting standards, amendments and interpretations which were mandatory for accounting periods beginning 1 January 2011.

- IFRS 1 (amendment) Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters (effective 1 July 2011)
- IFRS 7 (amendment) Disclosures - Transfers of Financial Assets (effective 1 July 2011)
- Improvements to IFRSs 2010 (effective 1 July 2011)
- IAS 24 (revised 2009) Related Party Disclosure (effective 1 January 2011)
- IFRIC 14 (amendment) IAS 19 - The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective 1 January 2011)

There have been no alterations made to the accounting policies as a result of considering all of the above amendments that became effective in the period, as these were not material to the Group's operations.

Going concern

The Group's business activities, together with the factors likely to effect its future development, performance and financial position, including its cash flows and liquidity position are described in the Half Year Report.

The Group has an unsecured revolving credit facility of £300 million that expires in January 2014. The Group uses the facility to manage its day-to-day working capital requirements as appropriate.

The Group's facility, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including contractual and commercial commitments, future growth and any proposed dividends.

The directors have formed the judgement, at the time of approving the condensed set of financial statements, that there is reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

2 Segmental information

Adoption of IFRS 8, Operating Segments

The Group has adopted IFRS 8, Operating Segments, with effect from 1 July 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segment and to assess their performance.

As a result, the Group continues to segment the business into three regions, Asia Pacific, Continental Europe & Rest of World, and United Kingdom & Ireland. There is no material difference between the segmentation of the Group's turnover by geographic origin and destination.

The Group's continuing operations comprise one class of business, that of qualified, professional and skilled recruitment.

Net fees and profit from continuing operations

The Group's Management Board, which is regarded as the chief operating decision maker, uses net fees by segment as its measure of revenue in internal reports. This is because net fees exclude the remuneration of temporary workers, and payments to other recruitment agencies where the Group acts as principal, which are not considered relevant in allocating resources to segments. The Group's Management Board considers net fees for the purpose of making decisions about allocating resources. The Group does not report items below operating profit by segment in its internal management reporting. The full detail of these items can be seen in the Income Statement.

Net fees and profit from continuing operations

(In £'s million)	**Six months to 31 December 2011 (unaudited)**	Six months to 31 December 2010 (unaudited)	Year to 30 June 2011
Net fees			
Asia Pacific	**124.6**	100.5	210.0
Continental Europe & Rest of World	**132.8**	102.5	220.4
United Kingdom & Ireland	**116.4**	123.1	241.7
	373.8	326.1	672.1
Operating profit from continuing operations before exceptional items			
Asia Pacific	**48.0**	36.7	78.1
Continental Europe & Rest of World	**18.2**	13.3	32.4
United Kingdom & Ireland	**(3.1)**	2.1	3.6
	63.1	52.1	114.1
Operating profit from continuing operations			
Asia Pacific	**48.0**	36.7	78.1
Continental Europe & Rest of World	**18.2**	13.3	32.4
United Kingdom & Ireland	**(3.1)**	2.1	7.7
	63.1	52.1	118.2

3 Finance income and finance costs

Finance income

(In £'s million)	**Six months to 31 December 2011 (unaudited)**	Six months to 31 December 2010 (unaudited)	Year to 30 June 2011
Interest on bank deposits	**0.5**	0.5	1.0

Finance costs

(In £'s million)	**Six months to 31 December 2011 (unaudited)**	Six months to 31 December 2010 (unaudited)	Year to 30 June 2011
Interest payable on bank loans and overdrafts	**(4.1)**	(3.0)	(7.0)
Pension Protection Fund levy	**(0.3)**	(0.2)	(0.3)
Net interest on pension obligations	**1.1**	(0.8)	(1.2)
	(3.3)	(4.0)	(8.5)
Net finance charge	**(2.8)**	(3.5)	(7.5)

4 Tax on ordinary activities

The Group's consolidated effective tax rate in respect of continuing operations for the six months to 31 December 2011 is based on the estimated effective tax rate for the full year of 37.0% (31 December 2010: 34.0%, 30 June 2011: 29.3%).

The Group's consolidated effective tax rate in respect of continuing operations before exceptional items for the year to 30 June 2011 was 33.0%.

5 Dividends

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

(In £'s million)	**Six months to 31 December 2011 (unaudited)**	Six months to 31 December 2010 (unaudited)	Year to 30 June 2011
Final dividend for the year ended 30 June 2010 of 3.95 pence per share	**-**	54.3	54.3
Interim dividend for the period to 31 December 2010 of 1.85 pence per share	**-**	-	25.4
Final dividend for the year ended 30 June 2011 of 3.95 pence per share	**54.3**	-	-
	54.3	54.3	79.7

The interim dividend for the period ended 31 December 2011 of 0.83 pence per share is not included as a liability in the balance sheet as at 31 December 2011.

6 Earnings per share

(In £'s million)	**Six months to 31 December 2011 (unaudited)**	Six months to 31 December 2010 (unaudited)	Year to 30 June 2011
Earnings from continuing operations before exceptional items	**60.3**	48.6	106.6
Tax on earnings from continuing operations before exceptional items	**(22.3)**	(16.5)	(35.2)
Basic earnings before exceptional items	**38.0**	32.1	71.4
Earnings from continuing operations after exceptional items	**60.3**	48.6	110.7
Tax on earnings from continuing operations after exceptional items	**(22.3)**	(16.5)	(32.4)
Basic earnings after exceptional items	**38.0**	32.1	78.3
Number of shares (million):			
Weighted average number of shares	**1,378.9**	1,374.1	1,376.0
Dilution effect of share options	**27.6**	26.6	24.3
Weighted average number of shares used for diluted EPS	**1,406.5**	1,400.7	1,400.3
From continuing operations before exceptional items:			
Basic earnings per share before exceptional items	**2.76p**	2.34p	5.19p
Diluted earnings per share before exceptional items	**2.70p**	2.29p	5.10p
From continuing operations:			
Basic earnings per share	**2.76p**	2.34p	5.69p
Diluted earnings per share	**2.70p**	2.29p	5.59p
From continuing and discontinued operations:			
Basic earnings per share from continuing and discontinued operations	**2.84p**	2.35p	5.82p
Diluted earnings per share from continuing and discontinued operations	**2.78p**	2.31p	5.72p

7 Retirement benefit obligations

(In £'s million)	Six months to 31 December 2011 (unaudited)	Six months to 31 December 2010 (unaudited)	Year to 30 June 2011
Deficit in the scheme brought forward	**(11.9)**	(67.1)	(67.1)
Current service cost	**(1.6)**	(2.9)	(3.8)
Contributions	**7.7**	8.3	16.5
Net financial return	**1.1**	(0.8)	(1.2)
Actuarial (loss)/gain	**(10.6)**	27.3	43.7
Deficit in the scheme carried forward	**(15.3)**	(35.2)	(11.9)

8 Provisions

(In £'s million)	Property	Other	Total
At 1 July 2011	16.5	25.9	42.4
Exchange adjustments	(0.2)	(0.2)	(0.4)
Utilised	(2.1)	(4.7)	(6.8)
At 31 December 2011	**14.2**	**21.0**	**35.2**

Current	**3.5**
Non-current	**31.7**
	35.2

Provisions relate to continuing and discontinued operations and are for rents on certain leased properties for periods in which they are not anticipated to be in use by the Group. The leases expire in periods up to 2015 and the amounts will be paid over this period. Other provisions include warranty and environmental claim liabilities arising as a result of the business disposals and the Group transformation that concluded in 2004.

9 Movement in net debt

(In £'s million)	1 July 2011	Cash flow	Exchange movement	31 December 2011
Cash and cash equivalents	55.1	10.2	(4.4)	**60.9**
Bank loans and overdrafts	(189.9)	(48.7)	-	**(238.6)**
Net debt	(134.8)	(38.5)	(4.4)	**(177.7)**

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

The Group has an unsecured revolving credit facility of £300 million which 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%.

As at 31 December 2011, £65 million of the committed facility was un-drawn.

10 Events after the balance sheet date

There are no significant events after the balance sheet date to report.

11 Like-for-like results

Like-for-like results represent organic growth of continuing activities at constant currency.

For the six months ended 31 December 2011 these are calculated as follows:

(In £'s million)

Net fees for the six months ended 31 December 2010	326.1
Foreign exchange impact	9.8
Net fees for the six months ended 31 December 2010 at constant currency	335.9
Fee increase resulting from organic growth	37.9
Net fees for the six months ended 31 December 2011	**373.8**
Profit from operations for the six months ended 31 December 2010	52.1
Foreign exchange impact	3.3
Profit from operations for the six months ended 31 December 2010 at constant currency	55.4
Profit from operations increase resulting from organic growth	7.7
Profit from operations for the six months ended 31 December 2011	**63.1**

12 Like-for-like results H1 analysis by division

Net fee growth versus same period last year	**Q1 2012**	**Q2 2012**	**H1 2012**
Asia Pacific	21%	11%	**16%**
Continental Europe & Rest of World	34%	20%	**27%**
United Kingdom & Ireland	(4%)	(7%)	**(6%)**
Group	15%	8%	**11%**

H1 2012 is the period from 1 July 2011 to 31 December 2011.