TRADING UPDATE QUARTER ENDED 30 JUNE 2013

11 July 2013

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Financial summary

Growth in net fees for the quarter ended 30 June 2013 (Q4 FY13)

(versus the same period last year)	Growth	
	Actual	**LFL[(1)]**
By region		
Asia Pacific	(13)%	**(13)%**
Continental Europe & Rest of World	13%	**9%**
United Kingdom & Ireland	7%	**7%**
Total	3%	**1%**
By segment		
Temporary	6%	**5%**
Permanent	(1)%	**(3)%**
Total	3%	**1%**

Highlights

- Overall performance stable through the quarter. Temp fees resilient, Perm markets fragile globally
- Continental Europe & Rest of World sequentially stable overall. Solid 9%[(1)] growth included 9%[(1)] in Germany and 10%[(1)] in France
- Good growth of 7% in UK & Ireland, driven by Temp up 12%. Private sector up 6%, public sector up 11%
- Asia Pacific net fees decreased 13%[(1)]. Australia decreased 18%[(1)] and remained broadly sequentially stable through the quarter. Asia net fees increased 20%[(1)]
- Consultant headcount was down 1% through the quarter but increased 1% year-on-year
- We expect full year operating profit to be at the top of the current range of market estimates[(2)]

Commenting on the Group's performance, Alistair Cox, Chief Executive, said:

"We have delivered a good performance in the final quarter of our financial year. Our focus has remained on reacting quickly to the world as it changes, selectively investing in markets where we see opportunities while keeping firm control over costs around the Group. This approach, combined with the well-diversified, balanced business model we have built, means we've delivered a resilient financial performance for the full year.

Looking ahead, we expect continued fragile and mixed conditions. Several markets are likely to remain challenging and these will sit alongside clear opportunities for growth. The diverse business we have built positions us well and we remain focussed on delivering long-term, sustainable growth while driving profits along the way."

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Group

In the fourth quarter ended 30 June 2013 net fees increased 1% on a like-for-like basis[(1)] and 3% on a headline basis against prior year. Net fees in the Temp business, which accounted for 58% of Group net fees in the quarter, increased 5% year-on-year[(1)] and the underlying temp margin[(3)] was broadly stable. Net fees in the Perm business decreased 3%[(1)].

Overall markets were stable through the quarter, but continued to be characterised by marked differences between regions and specialisms. The exit rate of Group net fees for the quarter was broadly in line with the quarter as a whole.

Consultant headcount was down 1% through the quarter but up 1% year-on-year. We remained selective regarding areas of investment, investing only where market conditions and outlook were supportive and we continued to focus on tight cost control to maximise Group financial performance.

As a result of this approach, we expect full year operating profit to be at the top of the current range of market estimates[(2)].

Asia Pacific

In Asia Pacific, which represents 28% of Group net fees, net fees decreased by 13%[(1)].

In Australia & New Zealand net fees decreased by 17%[(1)] within which our Temp business decreased by 13%[(1)] and our Perm business decreased by 25%[(1)]. Consultant headcount was 5% down through the quarter and down 14% year-on-year. Overall market conditions in Australia remained challenging but broadly sequentially stable through the quarter. In New South Wales and Victoria, which together accounted for 49% of our Australian business, net fees were down 11%[(1)] and conditions remained particularly challenging in the Perm business. In Western Australia and Queensland, which together accounted for 33% of our Australian business, net fees decreased by 30%[(1)] primarily due to continued tough conditions in our Resources & Mining business, which took a further step down in June. In New Zealand, net fees were down 14%[(1)].

In Asia, which accounted for 17% of the division, net fees increased by 20%[(1)]. Japan delivered net fee growth of 13%[(1).] In Hong Kong net fees increased 21%[(1)] and in Singapore net fees increased 27%[(1)]. Overall, market conditions showed signs of improvement and we saw sequential growth through the quarter.

Consultant headcount in the Asia Pacific division was down 2% through the quarter and down 8% year-on-year.

Continental Europe & Rest of World (‘RoW’)

In Continental Europe & RoW, our largest division which represents 40% of Group net fees, we delivered net fee growth of 9%[(1)] as markets were stable overall and we saw the benefit of a higher number of working days than in the previous quarter and the same quarter last year. In Germany, net fees increased by 9%[(1)] with strong performances in Accountancy & Finance, Construction & Property and Life Sciences and continued growth in IT and Engineering.

Net fees increased 10%[(1)] in the rest of the division, which is primarily a Perm business. Within this, conditions remained mixed as 14 countries delivered net fee growth of 10%[(1)] or more, including the key markets of Canada (where net fees increased 24%[(1)]) and Russia (where net fees increased 29%[(1)]), whilst 7 countries recorded net fee declines. France, our second largest country in the division, delivered net fee growth of 10%[(1)], an excellent performance given the very difficult market conditions in the country.

Consultant headcount in the division was down 2% in the quarter but up 6% year-on-year. During the quarter we opened our second Russian office in St Petersburg.

United Kingdom & Ireland

In the United Kingdom & Ireland, net fees increased 7%. Within this, our Temp business increased 12% and our Perm business was flat. Activity was broad-based as 9 of our 12 regions delivered year-on-year net fee growth including the North West, Scotland and Northern Ireland, the Midlands and Yorkshire, all of which grew by more than 10%.

In our private sector business, net fees increased 6%. Market conditions were stable overall, with our Construction & Property, IT and HR businesses amongst those which delivered good growth. Banking and City-related specialisms remained subdued. Our public sector business delivered net fee growth of 11%, driven primarily by job churn in the permanent segment, and activity was notably strong in our Education, Healthcare and Not For Profit businesses.

Consultant headcount in the division was up 2% in the quarter and flat year-on-year.

Cash flow and balance sheet

We had a strong cash performance in the quarter, with net debt at the end of June of c.£106 million (31 March 2013: c.£140 million).

(1) LFL (like-for-like) growth represents organic growth at constant currency.

(2) As of 10 July 2013 we understand the range of analysts' estimates for Operating Profit in the financial year ended June 2013 to be £112.3m to £125.5m.

(3) 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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Conference call

Paul Venables and David Walker of Hays plc will conduct a conference call for analysts and investors at 9:00am United Kingdom time on 11 July 2013. The dial-in details are as follows:

Dial-in number	+44 (0) 20 3139 4830
Password	41803128#

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

Replay dial-in number	+44 (0) 20 3426 2807
Access code	640276#

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Reporting calendar

Preliminary Results for year ending 30 June 2013	29 August 2013
Interim Management Statement for quarter ending 30 September 2013	10 October 2013
Hays plc Investor Day, to be held in London on the afternoon of	7 November 2013

Hays Group overview

Hays has 7,810 employees in 240 offices in 33 countries. In many of our global markets, the vast majority of professional and skilled recruitment is still done in-house, with minimal outsourcing to recruitment agencies which presents substantial long-term structural growth opportunities. This has been a key driver of the rapid diversification and internationalisation of the Group, with the International business representing 70% of the Group's net fees as at 31 December 2012, compared with around 15% just 10 years ago.

Our 5,038 consultants work in a broad range of sectors with no sector specialism representing more than 25% of Group net fees. While Accountancy & Finance, Construction & Property and IT represent 64% of Group net fees, our expertise across 20 professional and skilled recruitment specialisms gives us opportunities to rapidly develop newer markets by replicating these long-established, existing areas of expertise.

In addition to this international and sectoral diversification, the Group's net fees are generated 59% from temporary and 41% permanent placement markets, and we believe that this balance gives our business model relative resilience in the current environment.

This well diversified business model continues to be a key driver of the Group's financial performance.

Hays operates in the following countries: Australia, Austria, Belgium, Brazil, Canada, Colombia, Chile, China, the Czech Republic, Denmark, France, Germany, Hong Kong, Hungary, India, Ireland, Italy, Japan, Luxembourg, Malaysia, Mexico, the Netherlands, New Zealand, Poland, Portugal, Russia, Singapore, Spain, Sweden, Switzerland, UAE, the United Kingdom and the USA.

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Cautionary statement

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