HAYS Recruiting experts worldwide

HALF YEAR REPORT
SIX MONTHS ENDED 31 DECEMBER 2013

26 February 2014

STRONG PROFIT GROWTH WITH IMPROVING CONDITIONS ACROSS SEVERAL KEY MARKETS

Six months ended 31 December (In £'s million)	**2013**	2012	Actual growth	LFL[1] growth
Net fees	**363.4**	360.3	1%	2%
Operating profit	**66.7**	60.3	11%	15%
Cash generated by operations	**60.0**	49.2	22%	
Profit before tax	**62.5**	56.7	10%	
Basic earnings per share	**2.90p**	2.43p	19%	
Dividend per share	**0.83p**	0.83p	0%	

Highlights

- Strong operating profit performance underpinned by improved productivity and responsive management action
- UK & Ireland market saw broad-based improvement throughout the half
  - Net fee growth of 9%, or £10.1 million generating £9.4 million improvement in operating profit
  - Delivery of operating leverage as a result of improved productivity and firm cost control
  - Selective investment in UK headcount to drive future growth
- Good 6%[1] net fee growth in Continental Europe & Rest of World, driving operating profit growth of 24%[1]
  - Germany up 6%[1], France up 2%[1], Canada up 5%[1] and Russia up 32%[1]
  - 13 countries delivered net fee growth of over 10%[1], three countries saw a decline in net fees
- Asia Pacific net fees decreased 10%[1]; Australia tough, Asia showed strong momentum through the half
  - Australia down 17%[1], with Temp sequentially stable in the half, Perm more challenging
  - Excellent growth of 23%[1] in Asia with all five countries growing by over 10%[1]
- Consultant headcount up 2% year-on-year as we selectively invested to capitalise on clear growth opportunities
- Good cash performance, with 90% conversion of operating profit into operating cash flow
- Basic EPS up 19%, reflecting higher operating profit and lower effective tax rate

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

"We have delivered a strong first half profit performance. We saw conditions improve in several of our key markets as the half progressed, notably in the UK and Asia, and we invested to capitalise on the clear opportunities for growth this presented. Our ability to quickly respond to changing conditions, combined with our unrivalled sector coverage, mix of contract type and market-leading positions in both mature and structural growth countries, sets us apart in today's market.

In the UK & Ireland, the return to meaningful fee growth and our focus on driving productivity improvements, combined with the cost actions we completed in 2012, are delivering clear benefits as we converted 93% of incremental net fees into operating profit. Elsewhere, we have invested to drive growth in markets with clear momentum such as Asia, and we have continued to act quickly to reduce costs in those parts of the Group which remain challenging, such as Australia and Brazil, to best defend our financial performance.

Looking ahead we exit the first half with clear momentum in several key markets, and while some areas are likely to remain challenging, there are many opportunities for growth. We will continue to react quickly to changing market conditions, investing in stronger markets while reducing costs where market conditions or outlook are more uncertain. Our focus remains on ensuring the Group is positioned to deliver on our long-term objectives to materially grow and diversify the business whilst driving our profits along the way."

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

(2) The underlying Temp gross margin is calculated as Temp net fees divided by Temp gross revenue and relates solely to Temp 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.

(3) Average consultant headcount for the six months ended 31 December 2013 compared to the average consultant headcount for the six months ended 31 December 2012.

(4) Exchange rate as at close 24 February 2014: £1 / €1.2128; £1 / AUD1.8436.

Enquiries

Hays plc

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Results presentation & webcast

The results presentation will take place at the offices of UBS at 100 Liverpool Street, London, EC2M 2RH at 9:00am on 26 February 2014 and will also be available as a live webcast on our website, www.hays.com/investors/results-centre. A recording of the webcast will be available on our website from 1:00pm on 26 February 2014.

A copy of this press release and presentation materials are available on our website, www.hays.com/investors/results-centre.

A live conference call facility can be accessed by dialling +44(0)20 3427 1912 (confirmation code 2709003).

Reporting calendar

Interim Management Statement for quarter ending 31 March 2014	10 April 2014
Trading Update for quarter ending 30 June 2014	10 July 2014
Preliminary Results for year ending 30 June 2014	28 August 2014
Interim Management Statement for quarter ending 30 September 2014	9 October 2014

Hays Group Overview

Hays has 7,979 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 67% of the Group's net fees as at 31 December 2013, compared with just over 20% 10 years ago.

Our 5,150 consultants work in a broad range of sectors with no sector specialism representing more than 26% of Group net fees. While Accountancy & Finance, Construction & Property and IT & Engineering represent 59% 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 this balance gives our business model relative resilience.

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

Introduction

We have delivered a strong operating profit performance for the first half, converting 2%[(1)] net fee growth into 15%[(1)] operating profit growth, and converting 90% of this operating profit into operating cash flow. This is the result of improved momentum in several of our key markets as well as our focus on driving improved consultant productivity, investing selectively to capitalise on growth opportunities, and maintaining a tight control of costs around the Group.

Selective, targeted investment to capitalise on stronger and improving markets to deliver profitable fee growth

Throughout the half we saw clear opportunities for growth and improved momentum across several key markets, although some markets were more challenging. Our approach to managing the business therefore remained focused on maximising our financial performance by reacting quickly to either invest or control costs in response to changing conditions whilst maximising consultant productivity and the efficiency of our business around the world.

Movements in consultant headcount

Our consultant headcount ended December at 5,150, up 2% year-on-year and versus June 2013, as we continued to invest selectively. In our Continental Europe & Rest of World (RoW) division, we reduced consultant headcount by 2% year-on-year, as certain markets remained very challenging, notably Brazil and France. Elsewhere in the division, we invested where we saw sustained improvement in markets that have been challenging for some time, such as Spain, where consultant headcount was up 6% year-on-year. In Germany, consultant headcount was up 1% year-on-year. Asia Pacific consultant headcount was 3% lower year-on-year, largely reflecting the tough market conditions in Australia, where consultant headcount was down 10% year-on-year, although this was partially offset by continued investment in Asia, where headcount was up 10% year-on-year after we invested in each of the businesses across that region. In the UK & Ireland consultant headcount was up 9% year-on-year as we invested to capitalise on the clear opportunities for future growth.

Consultant headcount	**31 Dec 2013**	Net change (vs. 31 Dec 2012)	31 Dec 2012	30 Jun 2013
Asia Pacific	**1,009**	(26)	1,035	1,024
Continental Europe & RoW	**2,121**	(33)	2,154	2,084
United Kingdom & Ireland	**2,020**	171	1,849	1,929
Group	**5,150**	112	5,038	5,037

Office network changes & global specialism roll-out

Our focus remains on building a stronger, broader-based and more efficient business and we have continued to selectively invest to grow our International businesses and develop new specialisms in existing locations. During the first half of the year we opened new offices in Winnipeg, Canada and in Seattle, USA. We also continued to develop our global Oil & Gas focused business and the roll-out of our successful IT contractor model across six countries, including Canada and France.

Office network	31 Dec 2013	Net opened/ (closed)	30 June 2013
Asia Pacific	**48**	-	48
Continental Europe & RoW	**90**	1	89
United Kingdom & Ireland	**102**	-	102
Group	**240**	1	239

Investing in technology, building relationships and responding to change

Over the last five years we have significantly upgraded our core technology platforms and now benefit from the most advanced integrated system in our industry, enabling our consultants to quickly identify the best people for our clients' vacancies and thereby increase their productivity.

The power of our global database is further enhanced by the relationships we are able to build with key technology platforms. For example, our systems now enable cross-system awareness with LinkedIn and enable us to exploit that platform alongside our own to build relationships with more professionals worldwide. We are the 28th most followed company worldwide on LinkedIn and the most followed recruiter, facilitating access to the profiles of over 200 million professionals based on first degree connections.

The combination of the expertise of our consultants and the most effective technology available is now creating real differentiation for our clients and candidates around the world.

Growth in both Temp and Perm for the first time for two years; several Perm markets showed clear improvement and demand for temps and contractors remained resilient

Net fees in the Temp business, which represent 59% of Group net fees, increased by 3%(1). This comprised a volume increase of 7% partially offset by a decrease in mix/hours worked of 3%. Underlying Temp margins(2) were broadly flat at 14.8% (2012: 14.9%). Throughout the half, we continued to see greater resilience of the Temp and contractor business in those markets which remain challenging, further reinforced by the structural changes we have seen in the behaviours of candidates and clients in a number of markets to embrace more flexible working arrangements. This is especially notable in areas of high technical skills and skills shortages such as IT, Engineering, Energy and Oil & Gas.

Net fees in the Perm business increased by 2%(1), with a volume increase of 6%, as client and candidate confidence in several key markets showed improvement through the half, most notably the UK and Asia. This was partially offset however by a reduction in the average fee per placement of 4% largely as a result of business mix.

Asia Pacific

Australian market tough, notably in Perm; Asian markets saw strong, improving momentum in all markets throughout the half

Six months ended 31 December (In £'s million)	**2013**	2012	Growth Actual	Growth LFL[1]
Net fees	**89.8**	111.2	(19)%	(10)%
Operating profit	**25.3**	36.3	(30)%	(22)%
Conversion rate	**28.2%**	32.6%		
Period end consultant headcount	**1,009**	1,035	(3)%	

In Asia Pacific, net fees decreased by 19% (10% on a like-for-like basis[1]) to £89.8 million and operating profit decreased by 30% (22% on a like-for-like basis[1]) to £25.3 million, representing a conversion rate of 28.2% (2012: 32.6%). The difference between actual growth and like-for-like growth rates is primarily the result of the material depreciation in the rate of exchange between the Australian Dollar and Sterling during the half. Prevailing rates of currency exchange continue to represent a significant sensitivity for the reported performance of our Australian business.

In Australia, net fees decreased by 17%[1]. Temp net fees, which represented c.70% of net fees in the half, decreased by 12%[1] but were sequentially stable through the half. Perm net fees decreased by 28%[1] as confidence amongst candidates remained notably subdued. In New South Wales and Victoria (which together represent 51% of our Australia business) net fees decreased by 10%[1] and market conditions were tough, notably in Perm, but broadly stable overall through the half. We saw continued challenging conditions in the resources-based regions of Western Australia and Queensland, with fees down 28%[1]. Net fees in our Resources & Mining business are now down over 70%[1] from peak and were down 54%[1] year-on-year. In New Zealand, net fees decreased by 2%[1].

In Asia, which accounted for 21% of the division's net fees, we delivered excellent net fee growth of 23%[1]. Each of the five countries in the region delivered growth of over 10%[1] in the half, including 36%[1] in Singapore and 27%[1] in Hong Kong. In Japan, net fees increased by 19%[1] and we saw a sustained improvement in sentiment throughout the half. On a headline basis however, net fees in Japan decreased by 4% due to the significant movement in the rates of exchange between the Japanese Yen and Sterling over the half.

Consultant headcount in the division decreased by 3% year-on-year. In Australia & New Zealand, consultant headcount decreased by 7% as we responded quickly to more challenging market conditions. By contrast in Asia, consultant headcount increased by 10% and investment was broad-based across the region.

Continental Europe & Rest of World

Germany growth driven by newer specialisms and Perm; material profit growth in the rest of the division

Six months ended 31 December (In £'s million)	**2013**	2012	Growth Actual	Growth LFL[1]
Net fees	**154.1**	139.7	10%	6%
Operating profit	**31.5**	23.5	34%	24%
Conversion rate	**20.4%**	16.8%		
Period end consultant headcount	**2,121**	2,154	(2)%	

In Continental Europe & RoW, we delivered net fee growth of 10% (6% on a like-for-like basis[1]) to £154.1 million, driving excellent operating profit growth of 34% (24% on a like-for-like basis[1]) to £31.5 million. The difference between actual growth and like-for-like growth rates was due primarily to the appreciation of the Euro versus Sterling. The conversion rate of the division increased to 20.4% (2012: 16.8%) driven by solid net fee growth, strong cost control in more challenging areas and our selective investment approach across the division.

Germany, which represented 54% of the division's net fees, delivered good net fee growth of 6%[1]. Although the rate of growth slowed primarily due to more challenging comparators, we saw growth in all of our specialisms and across each of contracting, Temp and Perm (which grew by 19%[1] to record levels). We saw strong growth in our newer specialisms, which now represent 26% of Germany net fees, particularly Accountancy & Finance, Construction & Property, Legal and Sales & Marketing all of which grew by 10%[1] or more. In our core specialisms of IT and Engineering net fees grew by 3%[1]. Our market-leading position and our well diversified business mean we are ideally positioned to continue to benefit from the structural growth opportunities presented by an increasing demand for specialist recruitment services in Germany and the increasing adoption of flexible working.

Across the rest of Europe, net fees were up 6%[1] with significant leverage to operating profit. We saw improved market conditions overall and materially improved our financial performance as a result of increased productivity of our consultants as well as our continued focus on tight cost control. In France, our second largest country in the division, net fees increased by 2%[1], another good performance against the backdrop of a market which remained subdued throughout the half. Elsewhere, several countries which have been challenging for some time, such as Italy and Spain, saw improved market conditions and returned to growth in the half.

In Latin America, our recently opened businesses in Chile, Colombia and Mexico all performed well, doubling net fees. Brazil remains a very challenging market and net fees were down 32%[1]. In North America, Canada delivered solid net fee growth of 5%[1] and our business in the USA continues to perform well, increasing net fees by 54%[1] versus last year.

Across the division, 13 countries delivered net fee growth of 10%[1] or more including Belgium, Russia, and Switzerland, and three countries saw net fees decline[1] in the half.

Consultant headcount in the division decreased by 2% year-on-year. We remained cautious across the division to maximise our financial performance, although we continued to invest in consultant headcount in markets which demonstrate clear growth opportunities, as well as those which showed sustained recovery having been challenging for some time.

United Kingdom & Ireland

Returned to broad-based and meaningful fee growth; improved productivity and cost discipline drive exceptional operating leverage

Six months ended 31 December (In £'s million)	2013	2012	Growth Actual	Growth LFL[1]
Net fees	**119.5**	109.4	9%	9%
Operating profit	**9.9**	0.5	N/A	N/A
Conversion rate	**8.3%**	0.5%		
Period end consultant headcount	**2,020**	1,849	9%	

In the United Kingdom & Ireland, net fees increased by 9%[1] to £119.5 million and we generated an operating profit of £9.9 million (2012: £0.5 million). We delivered growth of 7%[1] in our Temp business, and 12%[1] in our Perm business. This is the first half yearly period that Perm has outperformed Temp in the division since 2008.

The improvement in activity levels and sentiment was broad-based and sustained throughout the half. Growth was notably strong in our East of England, London (other than City-related), Midlands, North West, South and Scotland & Northern Ireland regions.

In our private sector business, which represented 71% of the division's net fees, net fees increased by 6%[1] and we saw strong double-digit fee growth in several key specialisms including Construction & Property, IT and Office Support. Equally, parts of the business which have been subdued for some time returned to growth, for example in our Accountancy & Finance business which delivered growth of 2%[1].

In our public sector business we delivered strong net fee growth of 18%[1], driven primarily by Perm job-churn. We delivered particularly good performances in our Education and Healthcare businesses.

In Ireland our business continues to show sustained recovery from subdued levels, and delivered net fee growth of 25%[1] in the half.

The strong improvement in profitability in the UK & Ireland business is the result of meaningful net fee growth combined with improved productivity of our consultants and the successful delivery of a range of cost reduction measures we announced in February 2012. These factors combined generated the 93% drop-through of incremental net fee growth into operating profits we have delivered in the half. We believe our UK & Ireland business is well-placed to take full advantage of the current market opportunity, as well as any continued market improvement.

Consultant headcount in the division was up 9% year-on-year on a closing headcount basis and up 6% on an average basis[3]. We invested with the clear aim of growing market share and taking full advantage of those market segments which present clear growth opportunities.

Current trading

Clear improvement in conditions continues across several key markets

We continue to see improvements in client and candidate confidence in many key markets around the world. In our Temp and contractor business, we have seen a good new year return to work overall. In Perm, we continue to see improvements in sentiment and improved levels of activity across many markets.

We will continue to react quickly to changing conditions in each of our markets, investing to capitalise on the many clear growth opportunities that exist, whilst acting quickly to control costs in those parts of the business that remain more challenging.

Movements in the rates of exchange of the Group's key currencies, notably the Australian Dollar, remain a material sensitivity to our reported financial performance. As an illustration, if the Group's operating profit in the first half were to be retranslated at current exchange rates(4), it would be c.£3m lower than the actual result.

Asia Pacific

Australia remains tough, although the new year return to work in the Temp market has been good. Conditions in our core markets of New South Wales and Victoria remain stable, but continue to be subdued, notably in Perm. In the mining-focused states of Western Australia and Queensland, conditions are broadly stable although remain fragile. In our Asia businesses, growth remains strong.

Based on the prevailing conditions across the division, we expect headcount to remain at current levels through the second half of the year.

Continental Europe & RoW

In Continental Europe & RoW, levels of growth remain encouraging overall. In Germany we continue to grow, albeit against tougher comparators, and the return to work in the new year was solid. In the rest of the division, we continue to see signs of improvement in most markets, but France remains subdued and Brazil is notably tough.

Overall, we expect headcount in the division to increase on a selective basis in the second half.

United Kingdom & Ireland

In the UK & Ireland we continue to see good momentum, with improved client and candidate confidence that is widespread across all sectors and regions. We see this improvement in both our Perm and Temp businesses, and have seen a good return to work in Temp.

Whilst we remain focused on driving consultant productivity and the efficiency of our UK operations, we expect to increase headcount in the second half of the year to continue to capitalise on the improvement in market conditions.

FINANCIAL REVIEW

Summary Income Statement

Six months ended 31 December (In £'s million)	2013	Restated[5] 2012	Growth Actual	Growth LFL[1]
Turnover[5]	**1,849.2**	1,849.4	0%	1%
Net fees				
Temporary	**216.1**	212.3	2%	3%
Permanent	**147.3**	148.0	0%	2%
Total	**363.4**	360.3	1%	2%
Operating profit from continuing operations	**66.7**	60.3	11%	15%
Conversion rate	**18.4%**	16.7%		
Underlying temporary margin [2]	**14.8%**	14.9%		
Temporary fees as % of total	**59%**	59%		
Period end consultant headcount	**5,150**	5,038	2%	

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

(2) The underlying Temp gross margin is calculated as Temp net fees divided by Temp 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.

(3) Average consultant headcount for the six months ended 31 December 2013 compared to the average consultant headcount for the six months ended 31 December 2012.

(4) Exchange rate as at close 24 February 2014: £1 / €1.2128; £1 / AUD1.8436

(5) To conform with the current year presentation, a number of arrangements in which the Company provides payrolling services which were presented on a net basis in the six months to 31 December 2012 have now been restated on a gross basis. This impacts turnover only and has no impact on any other number previously reported.

Turnover for the six months to 31 December 2013 was flat (but increased by 1% on a like-for-like basis[1]) and net fees increased by 1% (2% on a like-for-like basis[1]). Operating profit increased by 11% (15% on a like-for-like basis[1]). Exchange rate movements decreased net fees and operating profit by £5.1 million and £2.1 million respectively, as the depreciation in the rate of exchange of major currencies to which the Group has exposure, most notably the Australian Dollar and Japanese Yen, more than offset the appreciation in the rate of exchange of the Euro versus Sterling. Fluctuations in exchange rates remain a significant sensitivity for the Group, particularly in the Australian Dollar and the Euro. For example, a one cent change in the average exchange rates of these currencies to Sterling per annum has a respective operating profit impact of £0.3 million and £0.6 million per annum.

Operating costs were broadly flat[1] versus the prior year, reflecting our focus on cost control in our more challenging markets and our selective, targeted investment approach.

Group conversion rate, which is the proportion of net fees converted into operating profit, improved to 18.4% (2012: 16.7%) as a result of our strong control of operating costs, largely focused on Back Office and overheads, combined with improved consultant productivity and net fee growth.

Consultant headcount at the end of December 2013 was 5,150, up 2% year-on-year and also up 2% versus June 2013, reflecting our targeted investment approach to ensure we capitalise on stronger markets and clear structural growth opportunities, but react to defend our financial performance in more volatile or challenging markets. In our International business, we decreased consultant headcount by 2% year-on-year, with increases in Asia more than offset by reductions in Continental Europe & RoW and Australia.

Net finance charge

The net finance charge for the half was £4.2 million (2012: £3.6 million). The average interest rate on gross debt during the period was 2.8% (2012: 2.8%), generating net bank interest payable including amortisation of arrangement fees of £2.5 million (2012: £3.9 million) with the reduction largely due to the lower levels of average net debt compared to the prior year. The net interest charge on the defined benefit pension scheme obligations was £1.4 million (2012: £0.3 million) with the increase (which is a non-cash item) being primarily due the adoption of IAS 19(R). The Pension Protection Fund levy was a £0.3 million charge (2012: £0.6 million credit). We expect the net finance charge for the year ending 30 June 2014 to be around £8.0 million.

Taxation

Taxation for the half was £21.9 million (2012: £22.9 million), representing an effective tax rate of 35.0% (2012: 40.4%). The effective tax rate reflects the Group's geographical mix of profits, with the reduction in the rate due to improved profitability in the UK. We expect the Group's effective tax rate to be 35% for the year to June 2014.

Earnings per share

Basic earnings per share increased by 19% to 2.90 pence (2012: 2.43 pence). The movement reflects the Group's higher operating profit and lower effective tax rate, partially offset by the higher net finance charge.

Cash flow and balance sheet

Cash flow in the half was good with 90% conversion of operating profit into operating cash flow. This was higher than the prior year (2012: 82%) as a result of good working capital management. Trade debtor days decreased to 36 days (2012: 38 days).

Net capital expenditure was £6.2 million (2012: £5.9 million). We expect capital expenditure to be around £12 million for the year to June 2014.

Dividends paid in the half totalled £23.5 million, representing the payment in November of the final dividend for the year ended 30 June 2013. Pension deficit contributions were £6.6 million. Net interest paid was £3.1 million.

Net debt was £105.2 million at the end of the half year, in line with the end of June. Importantly, the Group's average net debt has decreased by approximately £40 million versus the same period last year and we expect a further reduction in net debt in the year to June 2014.

Retirement benefits

The Group's pension liability under IAS19(R) at 31 December 2013 of £61.9 million increased by £28.9 million compared to 30 June 2013. The movement was due primarily to a decrease in the discount rate and an increase in the inflation rate, partially offset by company contributions.

During the half year, the Company contributed £6.6 million of cash to the defined benefit scheme (2012: £6.4 million) which represented funding towards reducing the pension deficit in line with previous guidance. The June 2012 triennial valuation quantified the actuarial deficit at c.£150 million, which was agreed between the pension scheme Trustees and the Group in June 2013. Hays has agreed a recovery plan with the Trustees which maintains the annual payment at the previous level of £12.8 million with a fixed 3% uplift per year, over a recovery period reduced to just under 10 years starting July 2012. The scheme was closed to future accruals in June 2012.

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 both affordable and appropriate. We target a dividend cover range of 2.0x to 3.0x earnings and in line with this policy, the Board resolves to pay an unchanged interim dividend of 0.83p per share.

The Board remains committed to paying a sustainable and progressive dividend. It is our intention to grow the dividend when dividend cover sustainably reaches c.2.5x.

The interim dividend payment date will be 9 April 2014 and the ex-dividend date is 5 March 2014.

Treasury management

The Group's operations are financed by retained earnings and bank borrowings. The Group has a £300 million revolving credit facility which provides considerable headroom versus current and future expected levels of Group debt and matures in October 2017. The covenants require the Group's interest cover ratio to be at least 4:1 and its leverage ratio (net debt to EBITDA) to be no greater than 2.5:1. The Group has significant headroom within these covenants.

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 revolving credit facility. The Group holds four interest rate swaps which exchange a fixed payment for floating rate receipt on a total debt value of £30 million and have maturities between one and two years. The Group does not hold or use derivative financial instruments for speculative purposes.

Counterparty risk primarily arises from the 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, talent recruitment and retention, compliance, reliance on technology, data governance, contracts and foreign exchange. These risks and our mitigating actions remain as set out in the 2013 Annual Report.

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 give 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 25 February 2014.

Alistair Cox

Chief Executive

Paul Venables

Group Finance Director

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Cautionary statement

This Half Year Report (the “Report”) has been prepared in accordance with the Disclosure Rules and Transparency Rules of the UK Financial Conduct 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 contained 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 shall not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities shall 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 shall 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.

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 2013 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the cash flow statement 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 it 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 Conduct 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 2013 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 Conduct Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, England
25 February 2014

Condensed Consolidated Income Statement

(In £'s million)	Note	Six months to 31 December 2013 (unaudited)	Restated [1] Six months to 31 December 2012 (unaudited)	Year to 30 June 2013 (audited)
Turnover [1]				
Continuing operations		**1,849.2**	1,849.4	3,696.9
Net fees [2]				
Continuing operations	2	**363.4**	360.3	719.0
Operating profit from continuing operations	2	**66.7**	60.3	125.5
Finance income	3	**0.3**	0.4	0.7
Finance cost	3	**(4.5)**	(4.0)	(7.7)
Profit before tax		**62.5**	56.7	118.5
Tax	4	**(21.9)**	(22.9)	(46.8)
Profit from continuing operations after tax		**40.6**	33.8	71.7
Profit attributable to equity holders of the parent Company		**40.6**	33.8	71.7
Earnings per share from continuing operations				
- Basic	6	**2.90p**	2.43p	5.14p
- Diluted	6	**2.86p**	2.38p	5.06p
Earnings per share from continuing and discontinued operations				
- Basic	6	**2.90p**	2.43p	5.14p
- Diluted	6	**2.86p**	2.38p	5.06p

[1] To conform with the current year presentation, a number of arrangements in which the Company provides payrolling services which were presented on a net basis in the six months to December 2012 have now been restated on a gross basis. This impacts turnover only and has no impact on any other number previously reported (see note 1).

[2] 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 2013 (unaudited)	Six months to 31 December 2012 (unaudited)	Year to 30 June 2013 (audited)
Profit for the period	**40.6**	33.8	71.7
Items that will not be reclassified subsequently to profit or loss:			
Actuarial remeasurement of defined benefit pension schemes	**(34.1)**	6.8	(28.8)
Currency translation adjustments	**(14.6)**	(2.7)	1.2
Tax relating to components of other comprehensive income	**5.6**	(3.0)	4.1
	(43.1)	1.1	(23.5)
Items that may be reclassified subsequently to profit or loss:			
Mark to market valuation of derivative financial instruments	**0.3**	0.2	0.6
Other comprehensive income for the period net of tax	**(42.8)**	1.3	(22.9)
Total comprehensive income for the period	**(2.2)**	35.1	48.8
Attributable to equity shareholders of the parent Company	**(2.2)**	35.1	48.8

Condensed Consolidated Balance Sheet

(In £'s million)	Note	**31 December 2013 (unaudited)**	31 December 2012 (unaudited)	30 June 2013 (audited)
Non-current assets				
Goodwill		**172.7**	175.3	177.3
Other intangible assets		**40.4**	48.9	44.4
Property, plant and equipment		**19.6**	23.9	22.3
Deferred tax assets		**37.7**	24.3	34.2
		270.4	272.4	278.2
Current assets				
Trade and other receivables		**528.6**	521.0	565.9
Cash and cash equivalents		**45.4**	59.8	40.0
		574.0	580.8	605.9
Total assets		**844.4**	853.2	884.1
Current liabilities				
Trade and other payables		**(378.4)**	(382.8)	(433.4)
Current tax liabilities		**(35.8)**	(28.9)	(33.0)
Bank loans and overdrafts		**(0.6)**	(0.2)	(0.2)
Provisions	8	**(3.7)**	(3.7)	(4.2)
Derivative financial instruments		**(0.3)**	(0.9)	(0.5)
		(418.8)	(416.5)	(471.3)
Non-current liabilities				
Bank loans		**(150.0)**	(205.0)	(145.0)
Retirement benefit obligations	7	**(61.9)**	(2.7)	(33.0)
Provisions	8	**(17.9)**	(19.9)	(18.4)
		(229.8)	(227.6)	(196.4)
Total liabilities		**(648.6)**	(644.1)	(667.7)
Net assets		**195.8**	209.1	216.4
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		**(246.3)**	(244.3)	(244.3)
Cumulative translation reserve		**40.2**	50.9	54.8
Other reserves		**14.9**	15.5	18.9
Total shareholders' equity		**195.8**	209.1	216.4

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2013

(In £'s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Other reserves	Total
At 1 July 2013	14.7	369.6	2.7	(244.3)	54.8	18.9	216.4
Currency translation adjustments	-	-	-	-	(14.6)	-	(14.6)
Mark to market valuation of derivative financial instruments	-	-	-	-	-	0.3	0.3
Remeasurement of defined benefit pension schemes	-	-	-	(34.1)	-	-	(34.1)
Tax relating to components of other comprehensive income	-	-	-	5.6	-	-	5.6
Net (expense)/income recognised in other comprehensive income	-	-	-	(28.5)	(14.6)	0.3	(42.8)
Profit for the period	-	-	-	40.6	-	-	40.6
Total comprehensive (expense)/income for the period	-	-	-	12.1	(14.6)	0.3	(2.2)
Dividends paid	-	-	-	(23.5)	-	-	(23.5)
Share-based payments	-	-	-	9.4	-	(4.3)	5.1
At 31 December 2013 (unaudited)	**14.7**	**369.6**	**2.7**	**(246.3)**	**40.2**	**14.9**	**195.8**

For the six months ended 31 December 2012

(In £'s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Other reserves	Total
At 1 July 2012	14.7	369.6	2.7	(270.5)	53.6	20.5	190.6
Currency translation adjustments	-	-	-	-	(2.7)	-	(2.7)
Mark to market valuation of derivative financial instruments	-	-	-	-	-	0.2	0.2
Remeasurement of defined benefit pension schemes	-	-	-	6.8	-	-	6.8
Tax relating to components of other comprehensive income	-	-	-	(3.0)	-	-	(3.0)
Net income/(expense) recognised in other comprehensive income	-	-	-	3.8	(2.7)	0.2	1.3
Profit for the period	-	-	-	33.8	-	-	33.8
Total comprehensive income/(expense) for the period	-	-	-	37.6	(2.7)	0.2	35.1
Dividends paid	-	-	-	(23.2)	-	-	(23.2)
Share-based payments	-	-	-	11.8	-	(5.2)	6.6
At 31 December 2012 (unaudited)	14.7	369.6	2.7	(244.3)	50.9	15.5	209.1

For the year ended 30 June 2013

(In £'s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Other reserves	Total
At 1 July 2012	14.7	369.6	2.7	(270.5)	53.6	20.5	190.6
Currency translation adjustments	-	-	-	-	1.2	-	1.2
Mark to market valuation of derivative financial instruments	-	-	-	-	-	0.6	0.6
Remeasurement of defined benefit pension schemes	-	-	-	(28.8)	-	-	(28.8)
Tax relating to components of other comprehensive income	-	-	-	4.1	-	-	4.1
Net (expense)/income recognised in other comprehensive income	-	-	-	(24.7)	1.2	0.6	(22.9)
Profit for the year	-	-	-	71.7	-	-	71.7
Total comprehensive income for the year	-	-	-	47.0	1.2	0.6	48.8
Dividends paid	-	-	-	(34.8)	-	-	(34.8)
Share-based payments	-	-	-	13.9	-	(3.8)	10.1
Deferred tax on share-based payment transactions	-	-	-	0.1	-	-	0.1
Other share movements	-	-	-	-	-	1.6	1.6
At 30 June 2013 (audited)	14.7	369.6	2.7	(244.3)	54.8	18.9	216.4

Condensed Consolidated Cash Flow Statement

(In £'s million)	Note	Six months to 31 December 2013 (unaudited)	Restated [2] Six months to 31 December 2012 (unaudited)	Year to 30 June 2013 (audited)
Operating profit from continuing operations		**66.7**	60.3	125.5
Adjustments for:				
Exceptional items [1]		**(0.1)**	(0.4)	(0.6)
Depreciation of property, plant and equipment		**4.9**	5.6	11.0
Amortisation of intangible fixed assets		**7.0**	7.0	12.6
Profit on disposal of property, plant and equipment		**(0.1)**	(0.1)	(0.1)
Net movements in provisions and other items		**(0.9)**	(1.6)	(2.4)
Share-based payments		**5.1**	6.0	10.2
		15.9	16.5	30.7
Operating cash flow before movement in working capital		**82.6**	76.8	156.2
Changes in working capital		**(22.7)**	(28.0)	(20.5)
Cash generated by operations		**59.9**	48.8	135.7
Pension scheme deficit funding [2]		**(6.6)**	(6.4)	(12.8)
Income taxes paid		**(16.6)**	(22.6)	(45.2)
Net cash inflow from operating activities		**36.7**	19.8	77.7
Investing activities				
Purchase of property, plant and equipment		**(2.8)**	(5.3)	(9.3)
Proceeds from sales of business and related assets		**0.1**	-	0.2
Purchase of intangible assets		**(3.4)**	(0.6)	(1.4)
Cash paid in respect of acquisitions made in previous years		**(0.3)**	-	(0.8)
Interest received		**0.3**	0.4	0.7
Net cash used in investing activities		**(6.1)**	(5.5)	(10.6)
Financing activities				
Interest paid		**(3.4)**	(5.8)	(9.0)
Equity dividends paid		**(23.5)**	(23.2)	(34.8)
Proceeds from exercise of share options		**0.3**	1.6	1.6
Increase/(decrease) in bank loans and overdrafts		**5.4**	33.6	(26.4)
Net cash (used in)/from financing activities		**(21.2)**	6.2	(68.6)
Net increase/(decrease) in cash and cash equivalents		**9.4**	20.5	(1.5)
Cash and cash equivalents at beginning of period		**40.0**	38.7	38.7
Effect of foreign exchange rate movements		**(4.0)**	0.6	2.8
Cash and cash equivalents at end of period	9	**45.4**	59.8	40.0

(In £'s million)	Note			
Bank loans and overdrafts at beginning of period		**(145.2)**	(171.6)	(171.6)
(Increase)/decrease in period		**(5.4)**	(33.6)	26.4
Bank loans and overdrafts at end of period		**(150.6)**	(205.2)	(145.2)
Net debt at end of period	9	**(105.2)**	(145.4)	(105.2)

[1] The adjustments to the Cash Flow Statement in the current period of £0.1 million; in the six months to 31 December 2012 of £0.4 million; and in the year to 30 June 2013 of £0.6 million, all relate to cash paid in respect of exceptional items recognised during the financial years ended 30 June 2010 and 30 June 2011.

[2] At 30 June 2013, the Pension scheme deficit funding payments of £12.8 million was reclassified from Financing activities to Operating activities. Accordingly, the six months to 31 December 2012 Cash Flow Statement has been restated to conform with the current period presentation resulting in £6.4 million moving from Financing activities to Operating activities.

Condensed Consolidated Statement of Changes in Equity – Other Reserves

For the six months ended 31 December 2013

(In £'s million)	Own shares	Equity reserve	Hedging reserve	Total
At 1 July 2013	(0.6)	20.0	(0.5)	18.9
Mark to market valuation of derivative financial instruments	-	-	0.3	0.3
Net income recognised in other comprehensive income	-	-	0.3	0.3
Share-based payments	0.3	(4.6)	-	(4.3)
At 31 December 2013 (unaudited)	**(0.3)**	**15.4**	**(0.2)**	**14.9**

For the six months ended 31 December 2012

(In £'s million)	Own shares	Equity reserve	Hedging reserve	Total
At 1 July 2012	(2.2)	23.8	(1.1)	20.5
Mark to market valuation of derivative financial instruments	-	-	0.2	0.2
Net income recognised in other comprehensive income	-	-	0.2	0.2
Share-based payments	1.5	(6.7)	-	(5.2)
At 31 December 2012 (unaudited)	(0.7)	17.1	(0.9)	15.5

For the year ended 30 June 2013

(In £'s million)	Own shares	Equity reserve	Hedging reserve	Total
At 1 July 2012	(2.2)	23.8	(1.1)	20.5
Mark to market valuation of derivative financial instruments	-	-	0.6	0.6
Net income recognised in other comprehensive income	-	-	0.6	0.6
Share-based payments	1.6	(3.8)	-	(2.2)
At 30 June 2013 (audited)	(0.6)	20.0	(0.5)	18.9

1 Basis of preparation

The condensed consolidated interim financial statements ("interim financial statements") are the results for the six months ended 31 December 2013. 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 Conduct Authority. They are unaudited but have 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 2013, 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 ended 30 June 2013. These accounting policies are consistent with those applied in the preparation of the financial statements for the year ended 30 June 2013 except as where stated below.

To conform with the current year presentation, a number of arrangements in which the Company provides payrolling services which in the six months to December 2012 were presented on a net basis have been restated and presented on a gross basis. The result of this is to increase turnover by £117.7 million from £1,731.7 million to £1,849.4 million for the six month period to 31 December 2012. This impacts turnover only and has no impact on any of the other numbers previously reported.

The fair value of trade receivables, trade payables, financial assets, bank loans and overdraft is not materially different to their book value.

The following are new standards or improvements to existing standards that are mandatory for the first time in the Group's accounting period beginning on 1 July 2013 and no new standards have been early adopted. The Group's December 2013 interim financial statements have adopted these amendments to IFRS with no significant impact on the Group's financial performance or position:

- IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities
- IFRS 10 Consolidated Financial Statements
- IFRS 10, IFRS 11 and IFRS 12 (amendment) on Transition Guidance
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IAS 19 Employee Benefits (as revised in 2011)
- IAS 27 Separate Financial Statements (as revised in 2011)
- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
- Improvements to IFRSs 2009-2011

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.

1 Basis of preparation continued

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 October 2017. The Group uses the facility to manage its day-to-day working capital requirements as appropriate. As at 31 December 2013, £150 million of the committed facility was un-drawn.

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. Therefore the Group is well placed to manage its business risks, despite the current uncertain economic outlook.

The directors have formed the judgement, at the time of approving the interim 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 interim financial statements.

2 Segmental information

IFRS 8, Operating Segments

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 rather than use turnover. 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 2013 (unaudited)**	Six months to 31 December 2012 (unaudited)	Year to 30 June 2013 (audited)
Net fees			
Asia Pacific	**89.8**	111.2	211.8
Continental Europe & Rest of World	**154.1**	139.7	285.2
United Kingdom & Ireland	**119.5**	109.4	222.0
	363.4	360.3	719.0
Operating profit from continuing operations			
Asia Pacific	**25.3**	36.3	67.2
Continental Europe & Rest of World	**31.5**	23.5	52.7
United Kingdom & Ireland	**9.9**	0.5	5.6
	66.7	60.3	125.5

3 Finance income and finance cost

Finance income

(In £'s million)	**Six months to 31 December 2013 (unaudited)**	Six months to 31 December 2012 (unaudited)	Year to 30 June 2013 (audited)
Interest on bank deposits	**0.3**	0.4	0.7

Finance cost

(In £'s million)	**Six months to 31 December 2013 (unaudited)**	Six months to 31 December 2012 (unaudited)	Year to 30 June 2013 (audited)
Interest payable on bank loans and overdrafts	**(2.8)**	(4.3)	(7.7)
Pension Protection Fund levy	**(0.3)**	0.6	0.4
Net interest on pension obligations	**(1.4)**	(0.3)	(0.4)
	(4.5)	(4.0)	(7.7)
Net finance charge	**(4.2)**	(3.6)	(7.0)

4 Tax on ordinary activities

The Group's consolidated effective tax rate in respect of continuing operations for the six months to 31 December 2013 is based on the estimated effective tax rate for the full year of 35.0% (31 December 2012: 40.4%, 30 June 2013: 39.5%).

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 2013 (unaudited)**	Six months to 31 December 2012 (unaudited)	Year to 30 June 2013 (audited)
Final dividend for the year ended 30 June 2012 of 1.67 pence per share	**-**	23.2	23.2
Interim dividend for the period to 31 December 2012 of 0.83 pence per share	**-**	-	11.6
Final dividend for the year ended 30 June 2013 of 1.67 pence per share	**23.5**	-	-
	23.5	23.2	34.8

The interim dividend for the period ended 31 December 2013 of 0.83 pence per share is not included as a liability in the balance sheet as at 31 December 2013.

6 Earnings per share

(In £'s million)	**Six months to 31 December 2013 (unaudited)**	Six months to 31 December 2012 (unaudited)	Year to 30 June 2013 (audited)
Earnings from continuing operations	**62.5**	56.7	118.5
Tax on earnings from continuing operations	**(21.9)**	(22.9)	(46.8)
Basic earnings	**40.6**	33.8	71.7
Number of shares (million):			
Weighted average number of shares	**1,402.2**	1,390.3	1,393.8
Dilution effect of share options	**19.1**	25.8	23.4
Weighted average number of shares used for diluted EPS	**1,421.3**	1,416.1	1,417.2
From continuing operations:			
Basic earnings per share	**2.90p**	2.43p	5.14p
Diluted earnings per share	**2.86p**	2.38p	5.06p
From continuing and discontinued operations:			
Basic earnings per share	**2.90p**	2.43p	5.14p
Diluted earnings per share	**2.86p**	2.38p	5.06p

7 Retirement benefit obligations

(In £'s million)	**Six months to 31 December 2013 (unaudited)**	Six months to 31 December 2012 (unaudited)	Year to 30 June 2013 (audited)
Deficit in the scheme brought forward	**(33.0)**	(15.4)	(15.4)
Current service cost	**-**	(0.6)	(1.2)
Contributions	**6.6**	6.8	12.8
Net financial cost	**(1.4)**	(0.3)	(0.4)
Actuarial remeasurement	**(34.1)**	6.8	(28.8)
Deficit in the scheme carried forward	**(61.9)**	(2.7)	(33.0)

8 Provisions

(In £'s million)	Property	Other	Total
At 1 July 2013	10.8	11.8	22.6
Utilised	(0.8)	(0.2)	(1.0)
At 31 December 2013	**10.0**	**11.6**	**21.6**

Current	**3.7**
Non-current	**17.9**
	21.6

Provisions relate to continuing and discontinued operations. Property provisions are for rents and other related amounts payable on certain freehold and 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 potential warranty and environmental claim liabilities arising as a result of the business disposals that were concluded in 2004.

9 Movement in net debt

(In £'s million)	1 July 2013	Cash flow	Exchange movement	31 December 2013
Cash and cash equivalents	40.0	9.4	(4.0)	**45.4**
Bank loans and overdrafts	(145.2)	(5.4)	-	**(150.6)**
Net debt	(105.2)	4.0	(4.0)	**(105.2)**

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's £300 million unsecured revolving credit facility expires in October 2017. The financial covenants require the Group's interest cover ratio 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 1.85% to 2.40%.

As at 31 December 2013, £150 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 2013 these are calculated as follows:

(In £'s million)

Net fees for the six months ended 31 December 2012	360.3
Foreign exchange impact	(5.1)
Net fees for the six months ended 31 December 2012 at constant currency	355.2
Net fee increase resulting from organic growth	8.2
Net fees for the six months ended 31 December 2013	**363.4**
Profit from operations for the six months ended 31 December 2012	60.3
Foreign exchange impact	(2.1)
Profit from operations for the six months ended 31 December 2012 at constant currency	58.2
Profit from operations increase resulting from organic growth	8.5
Profit from operations for the six months ended 31 December 2013	**66.7**

12 Like-for-like results H1 analysis by division

Net fee growth/(decline) versus same period last year	Q1 2014	Q2 2014	H1 2014
Asia Pacific	(12%)	(9%)	**(10%)**
Continental Europe & Rest of World	6%	5%	**6%**
United Kingdom & Ireland	8%	10%	**9%**
Group	2%	3%	**2%**

H1 2014 is the period from 1 July 2013 to 31 December 2013.

The Q1 and Q2 net fee like-for-like growth/(decline) percentages are as reported in the Q1 Interim Management Statement and the Q2 Trading Update.