HAYS Recruiting experts worldwide

HALF YEAR REPORT
SIX MONTHS ENDED 31 DECEMBER 2012

28 February 2013

RESILIENT PROFIT PERFORMANCE DELIVERED THROUGH SELECTIVE INVESTMENT & STRONG COST CONTROL

Six months ended 31 December (In £'s million)	2012	2011	Actual growth	LFL[(1)] growth
Net fees	**360.3**	373.8	(4)%	(1)%
Operating profit from continuing operations	**60.3**	63.1	(4)%	(2)%
Cash generated by operations[(3)]	**49.2**	60.1	(18)%	
Profit before tax	**56.7**	60.3	(6)%	
Basic earnings per share[(4)]	**2.43p**	2.76p	(12)%	
Dividend per share	**0.83p**	0.83p	0%	

All numbers are from continuing operations only.

Highlights

- Solid Group results in the context of more fragile and fast-changing conditions in several key markets
- Resilient profit performance due to our selective investment approach and strong cost control
- UK returned to profit through successful delivery of significant cost reduction programme
- Strong performance in Continental Europe & Rest of World, net fees increased 14%[(1)]; markets mixed
    - Germany up 19%[(1)], Canada up 36%[(1)] Russia up 37%[(1)]; but 7 countries saw net fees decrease
- Asia Pacific net fees decreased 11%[(1)]; markets overall more challenging
    - Australia down 13%[(1)] including a step-down in Resources & Mining activity in Q2
    - Asia down 6%[(1)] with markets tough but broadly stable
- UK & Ireland net fees decreased 6%[(1)]; markets remained challenging but sequentially stable overall in H1
    - Private sector net fees down 12%[(1)]; Public sector up 15%[(1)] due to increased perm job churn
- Consultant headcount down 3% year-on-year, up 1% in the last six months
- Solid cash performance, with 82% conversion of operating profit into operating cash flow[(3)]
- 12% decrease in EPS[(4)] reflecting the Group's higher net finance charge and effective tax rate

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

"I am pleased we have delivered such a resilient profit performance considering the fragile and rapidly changing environment we faced in the half. We have returned the UK business to profit, continued to invest for growth where markets are good such as in Germany or Canada, and taken rapid action to reduce costs in markets which deteriorated in the half such as Australia or France.

What sets us apart in today's more volatile market is the scale and strength of the business model we have built. Our business is well balanced across temp and perm recruiting, has market leadership positions in both structural-growth and more mature markets, and has a sectoral diversity which is unrivalled in our industry. All of this is underpinned by our unique technology systems which not only help us improve our own productivity and efficiency but also allow us to capitalise on new evolutions in the market such as social media platforms.

Looking ahead we expect overall conditions to remain fragile, but we have seen an encouraging return to work in our key temp and contractor businesses. Several markets are likely to remain challenging, but these will sit side by side with clear opportunities for growth. To be successful in this environment, we will continue to react quickly to the world as it changes, investing in stronger markets while reducing costs in tougher areas. Our focus is on long-term growth while driving profits along the way."

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

(2) 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.

(3) Before exceptional items and excludes exceptional cash cost.

(4) Earnings per share from continuing operations only before exceptional items.

Enquiries

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Results presentation & webcast

The results presentation will take place at UBS offices at 100 Liverpool Street, London at 10:00am on 28 February 2013 and will also be available as a live webcast on our website, hays.com/investors. A recording of the webcast will be available on our website from 1:00pm on 28 February 2013.

Reporting calendar

Interim Management Statement for quarter ending 31 March 2013	11 April 2013
Trading Update for quarter ending 30 June 2013	11 July 2013
Preliminary Results for year ending 30 June 2013	29 August 2013
Interim Management Statement for quarter ending 30 September 2013	10 October 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.

Introduction

We have delivered a solid performance in the first half, despite more challenging conditions in many of our markets. Net fees decreased by 1% on a like-for-like basis(1) and 4% on a headline basis. Operating profit decreased by 2% on a like-for-like basis(1) and 4% on a headline basis.

The first half saw continued market uncertainty in several parts of the Group, with sentiment amongst our clients and candidates remaining subdued. Against this backdrop, market conditions were prone to rapid change and varied significantly between our geographies and specialisms. As such, our approach to managing the business remained nimble and responsive throughout the half.

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

We have continued to prioritise areas of investment to maximise fees in more buoyant markets such as IT and Engineering around the world, and our global Life Sciences and Oil & Gas specialisms. Equally, we have continued to invest appropriately in order to capitalise on structural growth markets such as Germany, Canada and Russia. At the same time, we have taken appropriate action to defend the profit of the Group by focussing on strong cost control in more challenging markets such as the UK, which returned to profitability in the half, and markets which saw a step-down in activity levels such as Australia or France.

Movement in consultant headcount

Our consultant headcount ended December at 5,038, up 1% in the half but down 3% year-on-year, reflecting our more selective, targeted investment approach. In our Continental Europe & Rest of World (RoW) division, we increased consultant headcount by 10% in the half and 8% year-on-year to 2,154. Asia Pacific consultant headcount was reduced by 7% in the half. This was led by a reduction of 13% in Australia as we reacted to more challenging market conditions, partially offset by continued investment in specific parts of Asia, notably Japan, China and our recently opened Malaysian business. Year-on-year Asia Pacific consultant headcount was down 9%. In the UK & Ireland consultant headcount reduced by 4% in the half and 11% year-on-year, all through natural attrition, and is now down 41% from peak levels.

Consultant headcount	31 Dec 2012	Net change	31 Dec 2011
Asia Pacific	**1,035**	(103)	1,138
Continental Europe & RoW	**2,154**	164	1,990
United Kingdom & Ireland	**1,849**	(222)	2,071
Group	**5,038**	(161)	5,199

Office network changes & global specialism roll-out

We continue to build a stronger, broader-based and more efficient business and through the first half we continued to selectively invest to grow our International platform and focussed on developing new specialisms in existing locations. In addition to opening a new office in Essen, Germany, specific areas of focus in the half were the development of our Oil & Gas focussed business in Houston, USA, which opened in June 2012, and the roll-out of our successful IT contractor model across Canada.

In the UK, we continued the consolidation of our office network in London as well as focussing on any offices which are consistently failing to make a positive contribution. We ended the half with 105 offices, a reduction of five since 30 June 2012 and down from a peak level of 235 in 2009. Given current market conditions we are now broadly happy with the office footprint of our UK business.

Office network	31 Dec 2012	Net opened/ (closed)	30 June 2012
Asia Pacific	**48**	0	48
Continental Europe & RoW	**87**	0	87
United Kingdom & Ireland	**105**	(5)	110
Group	**240**	(5)	245

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 systems in our industry allowing our consultants to very quickly identify the best people for our clients' vacancies and thereby raise their productivity.

The power of our global database is further enhanced by our unique relationships with Google and LinkedIn. For example, our systems now allow us to integrate with LinkedIn and exploit that platform alongside our own to build relationships with more professionals worldwide. As a result of this investment, we are now the 50th most followed company worldwide on LinkedIn, facilitating access to the profiles of over 60 million professionals. This combination of our expertise and the most effective technology available is now creating real differentiation of our services for our clients and candidates around the world.

Temp market shows relative resilience in more challenging areas and areas of skills shortage, perm markets volatile and tough overall

Net fees in the temp business, which represent 59% of Group fees, increased by 4%(1). This comprised a volume decrease of 1% more than offset by a favourable increase in mix/hours worked of 4%. Underlying temp margins(2) were flat at 14.9% (2011: 14.9%).

Net fees in the perm business decreased by 7%(1). This was volume driven as the average fee per placement was broadly flat.

The higher level of growth in temp relative to perm reflects the greater resilience of the temp and contractor business in more challenging, uncertain markets. It also reflects the changes we are seeing in the behaviours of both candidates and clients to embrace more flexible working arrangements, notably in areas of high technical skills and skills shortages such as IT, Engineering and Energy, Oil & Gas. We saw lower levels of activity in perm, particularly in the second quarter, as client and candidate confidence in many markets worsened.

Asia Pacific

Markets more challenging overall; Q2 saw a step-down in activity in Australian Resources & Mining; the rest of Australia and Asian markets were tough but stable throughout

Six months ended 31 December (In £'s million)	2012	2011	Growth Actual	Growth LFL[1]
Net fees	**111.2**	124.6	(11)%	(11)%
Operating profit	**36.3**	48.0	(24)%	(25)%
Conversion rate	**32.6%**	38.5%		
Period end consultant headcount	**1,035**	1,138	(9)%	

In Asia Pacific, net fees decreased by 11% (11% on a like-for-like basis[1]) to £111.2 million and operating profit decreased by 24% (25% on a like-for-like basis[1]) to £36.3 million. The conversion rate of the division was 32.6% (H1 2011: 38.5%) and we reacted to fast-changing market conditions across the various geographies and sectors in the division to control our cost base and adjust consultant numbers, particularly in the second quarter.

In our market-leading Australia business, net fees decreased by 13%[1]. Temp net fees decreased by 5%[1] and perm net fees decreased by 22%[1]. In New South Wales and Victoria (which together represent 47% of our Australia business) net fees decreased by 18%[1] collectively as market conditions were challenging but broadly stable through the half. We saw a step-down in activity in the resource-based regions in the second quarter and responded to this rapid change in market conditions by reducing headcount in relevant parts of our business to best protect the financial performance going forward. New Zealand delivered further strong net fee growth of 14%[1].

In our Asian business, which comprises 5 countries and accounted for 15% of the division's net fees in the half, net fees decreased by 6%[1]. In Japan, net fees were flat[1] as banking and financial services markets remained tough. Elsewhere in Asia, market conditions remained challenging but broadly stable through the half.

Consultant headcount in the division decreased by 7% through the half, led by a 13% decrease in Australia as we responded quickly to more challenging market conditions to best defend the financial performance of the business. In Asia, consultant headcount increased by 10%, primarily as a result of investment in our recently opened business in Malaysia and increased headcount in China. Going forward, we expect headcount in the division to be broadly flat.

Continental Europe & Rest of World

Strong growth and record results, driven by Germany; market conditions elsewhere mixed and fragile but stable overall

Six months ended 31 December (In £'s million)	2012	2011	Growth Actual	Growth LFL[1]
Net fees	**139.7**	132.8	5%	14%
Operating profit	**23.5**	18.2	29%	45%
Conversion rate	**16.8%**	13.7%		
Period end consultant headcount	**2,154**	1,990	8%	

In Continental Europe & RoW, we delivered net fee growth of 5% (14% on a like-for-like basis[1]) to £139.7 million, driving excellent operating profit growth of 29% (45% on a like-for-like basis[1]) to £23.5 million. Both net fees and operating profit represented first-half records for the division. The difference between actual growth and like-for-like growth was due to currency fluctuations, primarily the depreciation in the Euro. The conversion rate of the division increased to 16.8% in 2012 from 13.7% in 2011 driven by strong net fee growth in the more buoyant markets, strong cost control in more challenging areas and more selective headcount investment across the division.

Our Germany business, which represented 54% of the division's net fees, delivered further strong net fee growth of 19%[1] and posted several record monthly performances as momentum remained strong through the half. Growth was broad-based across our contracting, temp and perm businesses, particularly in our core specialisms of IT and Engineering. We also delivered strong growth in Accountancy & Finance, Construction & Property, Sales & Marketing, Legal and Life Sciences and these specialisms now account for 24% of total net fees. Our market-leading position and our well diversified business mean we are ideally positioned to benefit from the continuing rapid development of the specialist recruitment market in Germany and the clear structural growth opportunities this presents.

In France, our second largest country in the division, net fees were flat[1] as perm momentum slowed, particularly in the second quarter. Seven countries saw net fees decline in the half, including Italy, Spain and Portugal which together account for 4% of the division. Elsewhere, 10 businesses across the division increased net fees by 10%[1] or more and we delivered notable performances in Belgium, Poland and Russia which each achieved record monthly net fee performances in the half.

We continue to develop our business in Latin America, recognising the structural growth opportunities in these markets. Having opened Hays Colombia and Chile in 2012, we now operate in four countries across seven offices in the region. In Brazil, we delivered good net fee growth of 10%[1], although this market remains volatile. In North America, Canada delivered excellent net fee growth of 36%[1] and our business in the US continues to perform well, more than doubling net fees versus this time last year.

Consultant headcount in the division increased by 10% during the half, led by increases of 17% in Germany and 27% in Canada. We are continuing to invest in consultant headcount in markets which demonstrate clear growth, while being more cautious across the rest of the division to maximise our financial performance.

United Kingdom & Ireland

Back to profit due to successful delivery of cost reduction plans. Markets sequentially stable; private sector tough, public sector growing

Six months ended 31 December (In £'s million)	2012	2011	Growth Actual	Growth LFL[1]
Net fees	**109.4**	116.4	(6)%	(6)%
Operating profit	**0.5**	(3.1)	116%	116%
Conversion rate	**0.5%**	(2.7)%		
Period end consultant headcount	**1,849**	2,071	(11)%	

In the United Kingdom & Ireland, net fees decreased by 6%[1] to £109.4 million and we made an operating profit of £0.5 million (compared to an operating loss of £3.1 million in 2011). Net fees decreased by 10%[1] in the perm business and by 2%[1] in the temp business and are now down 50% versus peak levels.

Although trading conditions in the UK remain challenging, the business has been sequentially stable through the half. In the private sector, net fees declined by 12%[1]. Markets were particularly difficult in our Banking and City-related and Construction & Property specialisms, but we saw good growth in several areas including Life Sciences, Human Resources and Energy, Oil & Gas. Overall sentiment amongst clients and candidates in the UK remains subdued.

In our public sector business, which represented 27% of UK net fees, we delivered net fee growth of 15%[1]. Activity in this market remains subdued and is primarily driven by job-churn on the perm side of the business. In addition, we delivered especially good performances in our Education and Healthcare businesses.

The return to profitability in the UK business was primarily the result of the successful delivery of a range of cost reduction measures throughout our UK Back Office and support functions, following the completion of the implementation of our Front Office and Back Office systems, and our dedicated shared service centre in India. We have now reduced our UK cost base by over 30% from peak levels and we continue to review all aspects to seek further efficiency savings focussed on Back Office and overhead costs.

Consultant headcount in the division declined 4% during the half through natural attrition, as we reacted to changes in market conditions to maximise the financial performance of the business. We delivered improved consultant productivity in the half and at the same time our focus remained on growing market share and taking full advantage of those segments of the UK recruitment market which continue to present growth opportunities.

Current trading

Markets remain mixed and overall fragile, with encouraging return to work in key temp markets

Overall candidate and client confidence remains fragile, particularly in perm markets. In temp and contractor markets, the return to work has been encouraging to date.

We will continue to react quickly to changing conditions in each market, investing selectively to capitalise on growth where conditions are good, and defending the financial performance in more challenging areas.

Asia Pacific

Australia remains challenging. Conditions are stable in the core markets of New South Wales and Victoria, and although we have seen encouraging return to work trends across the business, the mining regions of Western Australia and Queensland remain difficult following the marked step-down we experienced in Q2. In Asia, markets are stable overall.

Continental Europe & RoW

The return to work in our Germany contractor and temp business was good and we see continued good growth. Conditions across the rest of the division are mixed and overall fragile. We see continued good growth in markets such as Canada and Russia, but slowing growth across much of the rest of the division and net fee declines in certain countries including Brazil and France.

United Kingdom & Ireland

The market remains challenging but sequentially stable overall and the return to work in our temp business has been good.

FINANCIAL REVIEW

Summary Income Statement

Six months ended 31 December (In £'s million)	2012	2011	Growth Actual	Growth LFL[(1)]
Turnover	**1,731.7**	1,863.2	(7)%	(5)%
Net fees				
Temporary	**212.3**	209.9	1%	4%
Permanent	**148.0**	163.9	(10)%	(7)%
Total	**360.3**	373.8	(4)%	(1)%
Operating profit from continuing operations	**60.3**	63.1	(4)%	(2)%
Conversion rate	**16.7%**	16.9%		
Underlying temporary margin [(2)]	**14.9%**	14.9%		
Temporary fees as % of total	**59%**	56%		
Period end consultant headcount	**5,038**	5,199	(3)%	

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

(2) 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.

(3) Before exceptional items and excludes exceptional cash cost.

(4) Earnings per share from continuing operations only before exceptional items.

Turnover decreased by 7% (5% on a like-for-like basis[(1)]) and net fees decreased by 4% (1% on a like-for-like basis[(1)]). Operating profit decreased by 4% (2% on a like-for-like basis[(1)]). The difference in growth rates between turnover and net fees was primarily driven by a reduction in pass-through revenues payable to third party agencies. Exchange rate movements decreased net fees and operating profit by £9.7 million and £1.8 million respectively, primarily the result of depreciation in the rate of exchange of the Euro. Fluctuations in exchange rates remain a significant sensitivity for the Group, notably the Euro and the Australian Dollar.

Operating costs decreased by 1%[(1)] versus prior year. This was primarily due to the successful delivery of reductions to our operating cost base in the UK, which decreased by 9%, and reflected our focus on cost control in more challenging markets, and more selective, targeted investment approach.

Conversion rate, which is the proportion of net fees converted into operating profit, reduced to 16.7% from 16.9% in the prior year as our strong control of operating costs, largely focussed on Back Office and overheads, was more than offset by a reduction in net fees.

Consultant headcount ended December at 5,038, up 1% in the half but down 3% year-on-year. In our International business, we increased consultant headcount by 4% in the half but this was largely offset by a 4% reduction in the UK & Ireland. This reflects our more selective, targeted investment approach to ensure we capitalise on more buoyant markets and clear structural growth opportunities, but react to defend financial performance in more volatile or challenging markets.

Net finance charge

The net finance charge for the half was £3.6 million (2011: £2.8 million). The average interest rate on gross debt during the half was 2.7% (2011: 2.7%), generating net bank interest payable, including amortisation of arrangement fees, of £3.9 million (2011: £3.6 million). The net interest charge on the defined benefit pension scheme obligations was £0.3 million (2011: credit of £1.1 million) with the movement being primarily due to lower expected asset returns than in the prior year. The Pension Protection Fund levy was a £0.6 million credit (2011: £0.3 million charge) which included a £0.8 million credit arising on the release of an accrual related to the settlement of historic issues. It is expected that the net finance charge for the year ending 30 June 2013 will be around £7 million; £3 million lower than previously guided.

Taxation

Taxation for the half was £22.9 million, representing an effective tax rate of 40.4% (2011: 37.0%). The effective tax rate reflects the Group's geographical mix of profits, and the impact of unrelieved UK and overseas tax losses and costs incurred in the UK for which no tax deduction is currently available. We expect the Group's effective tax rate to be around 40% for the year to June 2013 (2012: 38.3%).

Earnings per share

Basic earnings per share(4) decreased 12% to 2.43 pence (2011: 2.76 pence). The decrease in earnings per share reflects the Group's lower operating profit, the higher net finance charge and effective tax rate.

Cash flow and balance sheet

Cash flow in the half was solid with 82% conversion of operating profit into operating cash flow(3). This was lower than the prior year (2011: 95%) primarily as a result of an increase in trade debtor days to 40 days (2011: 38 days), resulting from the timing and phasing of cash flows, and strong growth in our Germany temp and contractor business, which is relatively more working capital intensive.

Net capital expenditure was lower at £5.9 million (2011: £9.8 million). Capital expenditure is expected to be around £12 million for the year to June 2013.

Dividends paid in the half totalled £23.2 million and pension deficit contributions were £6.4 million. Net interest paid was £5.4 million interest which included the upfront arrangement fee in relation to the renewal during the half of the Group's £300 million unsecured revolving credit facility, which expires in October 2017 (more details of which are included in the Treasury Management section below).

Net debt increased from £132.9 million at the start of the year to £145.4 million at the end of the first half primarily due to the timing of working capital outflows at the end of the calendar year. We expect a reduction in net debt in the second half, as previously guided.

Retirement benefits

The Group's pension liability under IAS19 at 31 December 2012 of £2.7 million decreased by £12.7 million compared to 30 June 2012. The movement was due primarily to employer contributions and higher than expected asset returns, partially offset by the net impact of changes to the assumptions in respect of the discount rate and inflation.

During the half, the Company contributed £6.4 million of cash to the defined benefit scheme (2011: £7.7 million) all of which represented funding towards the pension deficit in line with previous guidance.

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[(4)] earnings and in line with this policy, the Board proposes to pay an unchanged interim dividend of 0.83p per share (2011: 0.83p).

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[(4)].

The interim dividend payment date will be 15 April 2013 and will be paid to shareholders on the register at close of business on 8 March 2013.

Board changes

As previously announced, Paul Stoneham retired as a non-executive director at the Group's Annual General Meeting in November 2012. The process to appoint a new non-executive director is progressing well.

Treasury management

The Group's operations are financed by retained earnings and bank borrowings. The Group completed the re-financing of our £300 million revolving credit banking facility on 2 October 2012 at interest rates similar to the previous deal. The new 5-year-facility provides considerable headroom versus current and future expected levels of Group debt. The covenants, which are unchanged on the Group's previous facility, 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 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, which 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, foreign exchange and Eurozone risk. These risks and our mitigating actions remain as set out in the 2012 Annual Report.

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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 27 February 2013.

Alistair Cox

Chief Executive

Paul Venables

Group Finance Director

Cautionary statement

This 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 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 2012 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 2012 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
27 February 2013

Condensed Consolidated Income Statement

(In £'s million)	Note	**Six months to 31 December 2012 (unaudited)**	Six months to 31 December 2011 (unaudited)	Year to 30 June 2012
Turnover				
Continuing operations		**1,731.7**	1,863.2	3,654.6
Net fees [(1)]				
Continuing operations	2	**360.3**	373.8	734.0
Operating profit from continuing operations	2	**60.3**	63.1	128.1
Finance income	3	**0.4**	0.5	0.9
Finance cost	3	**(4.0)**	(3.3)	(6.6)
Profit before tax		**56.7**	60.3	122.4
Tax	4	**(22.9)**	(22.3)	(46.9)
Profit from continuing operations after tax		**33.8**	38.0	75.5
Profit from discontinued operations		**-**	1.1	11.0
Profit attributable to equity holders of the parent Company		**33.8**	39.1	86.5
Earnings per share from continuing operations				
- Basic	6	**2.43p**	2.76p	5.47p
- Diluted	6	**2.38p**	2.70p	5.37p
Earnings per share from continuing and discontinued operations				
- Basic	6	**2.43p**	2.84p	6.26p
- Diluted	6	**2.38p**	2.78p	6.16p

(1) 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 2012 (unaudited)**	Six months to 31 December 2011 (unaudited)	Year to 30 June 2012
Profit for the period	**33.8**	39.1	86.5
Currency translation adjustments	**(2.7)**	(8.8)	(16.1)
Mark to market valuation of derivative financial instruments	**0.2**	(0.4)	(0.4)
Actuarial gain/(loss) on defined benefit pension schemes	**6.8**	(10.6)	(24.6)
Tax relating to components of other comprehensive income	**(3.0)**	1.4	2.4
Other net income/(expense) for the period	**1.3**	(18.4)	(38.7)
Total comprehensive income for the period	**35.1**	20.7	47.8
Attributable to equity shareholders of the parent Company	**35.1**	20.7	47.8

Condensed Consolidated Balance Sheet

(In £'s million)	Note	**31 December 2012 (unaudited)**	31 December 2011 (unaudited)	30 June 2012
Non-current assets				
Goodwill		**175.3**	180.4	177.2
Other intangible assets		**48.9**	58.6	55.5
Property, plant and equipment		**23.9**	25.0	24.2
Deferred tax assets		**24.3**	29.2	28.3
		272.4	293.2	285.2
Current assets				
Trade and other receivables		**521.0**	538.5	538.6
Cash and cash equivalents		**59.8**	60.9	38.7
		580.8	599.4	577.3
Total assets		**853.2**	892.6	862.5
Current liabilities				
Trade and other payables		**(382.8)**	(401.0)	(429.0)
Current tax liabilities		**(28.9)**	(32.2)	(29.2)
Bank loans and overdrafts		**(0.2)**	(3.6)	(1.6)
Provisions	8	**(3.7)**	(3.5)	(2.7)
Derivative financial instruments		**(0.9)**	(1.1)	(1.1)
		(416.5)	(441.4)	(463.6)
Non-current liabilities				
Bank loans		**(205.0)**	(235.0)	(170.0)
Trade and other payables		**-**	(1.0)	-
Retirement benefit obligations	7	**(2.7)**	(15.3)	(15.4)
Provisions	8	**(19.9)**	(31.7)	(22.9)
		(227.6)	(283.0)	(208.3)
Total liabilities		**(644.1)**	(724.4)	(671.9)
Net assets		**209.1**	168.2	190.6
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		**(244.3)**	(295.7)	(270.5)
Other reserves		**66.4**	76.9	74.1
Total shareholders' equity		**209.1**	168.2	190.6

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2012

(In £'s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Other reserves	Total
At 1 July 2012	14.7	369.6	2.7	(270.5)	74.1	190.6
Currency translation adjustments	-	-	-	-	(2.7)	(2.7)
Mark to market valuation of derivative financial instruments	-	-	-	-	0.2	0.2
Actuarial gain on defined benefit pension schemes	-	-	-	6.8	-	6.8
Tax relating to components of other comprehensive income	-	-	-	(3.0)	-	(3.0)
Net income recognised in other comprehensive income	-	-	-	3.8	(2.5)	1.3
Profit for the period	-	-	-	33.8	-	33.8
Total comprehensive income for the period	-	-	-	37.6	(2.5)	35.1
Dividends paid	-	-	-	(23.2)	-	(23.2)
Share-based payments	-	-	-	11.8	(5.2)	6.6
At 31 December 2012	**14.7**	**369.6**	**2.7**	**(244.3)**	**66.4**	**209.1**

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 relating to components of other comprehensive income	-	-	-	1.4	-	1.4
Net expense recognised in other comprehensive income	-	-	-	(9.2)	(9.2)	(18.4)
Profit for the period	-	-	-	39.1	-	39.1
Total comprehensive income for the period	-	-	-	29.9	(9.2)	20.7
Dividends paid	-	-	-	(54.3)	-	(54.3)
Share-based payments	-	-	-	4.3	1.1	5.4
At 31 December 2011	14.7	369.6	2.7	(295.7)	76.9	168.2

For the year ended 30 June 2012

(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	-	-	-	-	(16.1)	(16.1)
Mark to market valuation of derivative financial instruments	-	-	-	-	(0.4)	(0.4)
Actuarial loss on defined benefit pension schemes	-	-	-	(24.6)	-	(24.6)
Tax relating to components of other comprehensive income	-	-	-	2.4	-	2.4
Net expense recognised in other comprehensive income	-	-	-	(22.2)	(16.5)	(38.7)
Profit for the year	-	-	-	86.5	-	86.5
Total comprehensive income for the year	-	-	-	64.3	(16.5)	47.8
Dividends paid	-	-	-	(65.8)	-	(65.8)
Share-based payments	-	-	-	6.6	4.4	11.0
Other share movements	-	-	-	-	1.2	1.2
At 30 June 2012	14.7	369.6	2.7	(270.5)	74.1	190.6

Condensed Consolidated Cash Flow Statement

(In £'s million)	Note	Six months to 31 December 2012 (unaudited)	Six months to 31 December 2011 (unaudited)	Year to 30 June 2012
Operating profit from continuing operations		**60.3**	63.1	128.1
Adjustments for:				
Exceptional items [1]		**(0.4)**	(6.1)	(7.0)
Depreciation of property, plant and equipment		**5.6**	4.4	9.7
Amortisation of intangible fixed assets		**7.0**	7.5	13.5
(Loss)/profit on disposal of property, plant and equipment		**(0.1)**	(0.1)	0.9
Net movements in provisions		**(1.6)**	(1.2)	(5.4)
Share-based payments		**6.0**	6.1	12.2
		16.5	10.6	23.9
Operating cash flow before movement in working capital		**76.8**	73.7	152.0
Changes in working capital		**(28.0)**	(19.7)	3.2
Cash generated by operations		**48.8**	54.0	155.2
Income taxes paid		**(22.6)**	(18.9)	(44.2)
Net cash inflow from operating activities		**26.2**	35.1	111.0
Investing activities				
Purchase of tangible and intangible assets		**(5.9)**	(9.8)	(18.8)
Proceeds from sales of business and related assets		**-**	0.1	0.1
Cash paid in respect of acquisitions made in previous years		**-**	(0.3)	(1.0)
Interest received		**0.4**	0.5	0.9
Net cash used in investing activities		**(5.5)**	(9.5)	(18.8)
Financing activities				
Interest paid		**(5.8)**	(3.7)	(7.1)
Equity dividends paid		**(23.2)**	(54.3)	(65.8)
Purchase of own shares		**-**	-	(0.7)
Proceeds from exercise of share options		**1.6**	0.1	2.1
Increase/(decrease) in bank loans and overdrafts		**33.6**	48.7	(18.3)
Pension scheme funding		**(6.4)**	(6.2)	(12.4)
Net cash used in financing activities		**(0.2)**	(15.4)	(102.2)
Net increase/(decrease) in cash and cash equivalents		**20.5**	10.2	(10.0)
Cash and cash equivalents at beginning of period		**38.7**	55.1	55.1
Effect of foreign exchange rate movements		**0.6**	(4.4)	(6.4)
Cash and cash equivalents at end of period	9	**59.8**	60.9	38.7

(In £'s million)	Note			
Bank loans and overdrafts at beginning of period		**(171.6)**	(189.9)	(189.9)
(Increase)/decrease in period		**(33.6)**	(48.7)	18.3
Bank loans and overdrafts at end of period		**(205.2)**	(238.6)	(171.6)
Net debt at end of period	9	**(145.4)**	(177.7)	(132.9)

[1] The adjustments to the Cash Flow Statement in the current period of £0.4 million; in the six months to 31 December 2011 of £6.1 million; and in the year to 30 June 2012 of £7.0 million, all relate to cash paid in respect of exceptional items recognised during the financial years ended 30 June 2010 and 30 June 2011.

Condensed Consolidated Statement of Changes in Equity – Other Reserves

For the six months ended 31 December 2012

(In £'s million)	Own shares	Equity reserve	Cumulative translation	Hedging reserve	Total
At 1 July 2012	(2.2)	23.8	53.6	(1.1)	74.1
Currency translation adjustments	-	-	(2.7)	-	(2.7)
Mark to market valuation of derivative financial instruments	-	-	-	0.2	0.2
Net expense recognised in other comprehensive income	-	-	(2.7)	0.2	(2.5)
Share-based payments	1.5	(6.7)	-	-	(5.2)
At 31 December 2012	**(0.7)**	**17.1**	**50.9**	**(0.9)**	**66.4**

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 in other comprehensive income	-	-	(8.8)	(0.4)	(9.2)
Share-based payments	0.9	0.2	-	-	1.1
At 31 December 2011	(2.5)	19.6	60.9	(1.1)	76.9

For the year ended 30 June 2012

(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	-	-	(16.1)	-	(16.1)
Mark to market valuation of derivative financial instruments	-	-	-	(0.4)	(0.4)
Net expense recognised in other comprehensive income	-	-	(16.1)	(0.4)	(16.5)
Share-based payments	1.2	4.4	-	-	5.6
At 30 June 2012	(2.2)	23.8	53.6	(1.1)	74.1

1 Basis of preparation

The condensed consolidated interim financial statements ("interim financial statements") are the results for the six months ended 31 December 2012. 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. 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 2012, 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 2012. These accounting policies are consistent with those applied in the preparation of the financial statements for the year ended 30 June 2012. There are no new standards or improvements to existing standards that are mandatory for the first time in the Group's accounting period beginning on 1 July 2012 and no new standards have been early adopted. The Group's December 2012 Interim Report has adopted the following amendments to IFRS with no significant impact on the Group's financial performance or position:

- IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- IFRS 7 Financial Instruments: Disclosures
- IAS 12 Deferred Tax: Recovery of Underlying Assets

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 October 2017. The Group uses the facility to manage its day-to-day working capital requirements as appropriate. As at 31 December 2012, £95 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. 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 2012 (unaudited)**	Six months to 31 December 2011 (unaudited)	Year to 30 June 2012
Net fees			
Asia Pacific	**111.2**	124.6	242.2
Continental Europe & Rest of World	**139.7**	132.8	266.5
United Kingdom & Ireland	**109.4**	116.4	225.3
	360.3	373.8	734.0
Operating profit from continuing operations			
Asia Pacific	**36.3**	48.0	90.9
Continental Europe & Rest of World	**23.5**	18.2	43.7
United Kingdom & Ireland	**0.5**	(3.1)	(6.5)
	60.3	63.1	128.1

3 Finance income and finance cost

Finance income

(In £'s million)	**Six months to 31 December 2012 (unaudited)**	Six months to 31 December 2011 (unaudited)	Year to 30 June 2012
Interest on bank deposits	**0.4**	0.5	0.9

Finance cost

(In £'s million)	**Six months to 31 December 2012 (unaudited)**	Six months to 31 December 2011 (unaudited)	Year to 30 June 2012
Interest payable on bank loans and overdrafts	**(4.3)**	(4.1)	(8.0)
Pension Protection Fund levy	**0.6**	(0.3)	(0.9)
Net interest on pension obligations	**(0.3)**	1.1	2.3
	(4.0)	(3.3)	(6.6)
Net finance charge	**(3.6)**	(2.8)	(5.7)

4 Tax on ordinary activities

The Group's consolidated effective tax rate in respect of continuing operations for the six months to 31 December 2012 is based on the estimated effective tax rate for the full year of 40.4% (31 December 2011: 37.0%, 30 June 2012: 38.3%).

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 2012 (unaudited)**	Six months to 31 December 2011 (unaudited)	Year to 30 June 2012
Final dividend for the year ended 30 June 2011 of 3.95 pence per share	**-**	54.3	54.3
Interim dividend for the period to 31 December 2011 of 0.83 pence per share	**-**	-	11.5
Final dividend for the year ended 30 June 2012 of 1.67 pence per share	**23.2**	-	-
	23.2	54.3	65.8

The interim dividend for the period ended 31 December 2012 of 0.83 pence per share is not included as a liability in the balance sheet as at 31 December 2012.

6 Earnings per share

(In £'s million)	**Six months to 31 December 2012 (unaudited)**	Six months to 31 December 2011 (unaudited)	Year to 30 June 2012
Earnings from continuing operations	**56.7**	60.3	122.4
Tax on earnings from continuing operations	**(22.9)**	(22.3)	(46.9)
Basic earnings	**33.8**	38.0	75.5
Number of shares (million):			
Weighted average number of shares	**1,390.3**	1,378.9	1,381.4
Dilution effect of share options	**25.8**	27.6	23.4
Weighted average number of shares used for diluted EPS	**1,416.1**	1,406.5	1,404.8
From continuing operations:			
Basic earnings per share	**2.43p**	2.76p	5.47p
Diluted earnings per share	**2.38p**	2.70p	5.37p
From continuing and discontinued operations:			
Basic earnings per share	**2.43p**	2.84p	6.26p
Diluted earnings per share	**2.38p**	2.78p	6.16p

7 Retirement benefit obligations

(In £'s million)	**Six months to 31 December 2012 (unaudited)**	Six months to 31 December 2011 (unaudited)	Year to 30 June 2012
Deficit in the scheme brought forward	**(15.4)**	(11.9)	(11.9)
Past service cost/curtailment	**-**	-	6.0
Current service cost	**(0.6)**	(1.6)	(2.7)
Contributions	**6.8**	7.7	15.5
Net financial return	**(0.3)**	1.1	2.3
Actuarial gain/(loss)	**6.8**	(10.6)	(24.6)
Deficit in the scheme carried forward	**(2.7)**	(15.3)	(15.4)

8 Provisions

(In £'s million)	Property	Other	Total
At 1 July 2012	13.0	12.6	25.6
Utilised	(1.5)	(0.5)	(2.0)
At 31 December 2012	**11.5**	**12.1**	**23.6**

Current	**3.7**
Non-current	**19.9**
	23.6

Provisions relate to continuing and discontinued operations. Property provisions are for rents and other related amounts payable 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 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 2012	Cash flow	Exchange movement	31 December 2012
Cash and cash equivalents	38.7	20.5	0.6	**59.8**
Bank loans and overdrafts	(171.6)	(33.6)	-	**(205.2)**
Net debt	(132.9)	(13.1)	0.6	**(145.4)**

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 completed the re-financing of a five year £300 million unsecured revolving credit facility on 2 October 2012 which expires in October 2017. The financial covenants, which are unchanged from the Group's previous facility, 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 2012, £95 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/(decline) of continuing activities at constant currency.

For the six months ended 31 December 2012 these are calculated as follows:

(In £'s million)

Net fees for the six months ended 31 December 2011	373.8
Foreign exchange impact	(9.7)
Net fees for the six months ended 31 December 2011 at constant currency	364.1
Net fee increase/(decline) resulting from organic growth	(3.8)
Net fees for the six months ended 31 December 2012	**360.3**
Profit from operations for the six months ended 31 December 2011	63.1
Foreign exchange impact	(1.8)
Profit from operations for the six months ended 31 December 2011 at constant currency	61.3
Profit from operations increase/(decline) resulting from organic growth	(1.0)
Profit from operations for the six months ended 31 December 2012	**60.3**

12 Like-for-like results H1 analysis by division

Net fee growth/(decline) versus same period last year	Q1 2013	Q2 2013	H1 2013
Asia Pacific	(9%)	(14%)	**(11%)**
Continental Europe & Rest of World	16%	12%	**14%**
United Kingdom & Ireland	(9%)	(3%)	**(6%)**
Group	(1%)	(1%)	**(1%)**

H1 2013 is the period from 1 July 2012 to 31 December 2012.