

# HARVEY NASH GROUP PLC

## ('Harvey Nash' or 'the Group')

### Interim Management Statement

The Board of Harvey Nash is today issuing an Interim Management Statement covering the period from 1<sup>st</sup> August 2011 to 24<sup>th</sup> November 2011. There have been no material events or transactions in the period other than as detailed in this statement. The Group's financial year concludes on 31<sup>st</sup> January 2012.

### Trading

The Board is pleased to report that the Group is trading in line with expectations.

Following on from the strong growth in the first half, revenue for the quarter ended 31<sup>st</sup> October 2011 increased by 21% compared to the same period in 2010, while gross profit increased by 12% and operating profit by 20%. Profit before tax (and a non-recurring credit in the prior year of £0.2 million) is up 17% on the comparable period last year.

The Group's market share gains continue to benefit the UK and European businesses. In particular we are pleased with the UK which has continued to grow revenues and profits compared to last year. The Group has a market leading position in Europe and growth has been mainly in the north, namely Belgium, Germany, Norway and Sweden. The USA and Vietnam businesses also continue to perform well with outsourcing and offshoring services benefiting from increasing demand as clients seek to replace fixed labour costs with flexible IT resources.

### Financial position

Cash generation remains strong, despite a 21% increase in revenues for the quarter driving increased levels of working capital. The Group has no term debt and continues to enjoy substantial headroom in relation to its banking facilities.

### Dividends

The Group announced an increase of 10% in the interim dividend in its recent interim statement. Today (25<sup>th</sup> November 2011) an interim dividend of 1.025p per share, in respect of the six months ended 31<sup>st</sup> July 2011, will be paid to shareholders on the register at 28<sup>th</sup> October 2011 (2010: 0.935p).

### Summary

We are encouraged by the continued growth of the Group and, despite the uncertain global economic outlook and the ongoing crisis in the Eurozone, the Board is confident that the Group will continue to make good progress and achieve its expectations for the full year.

**25<sup>th</sup> November 2011**

### ENQUIRIES:

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Richard Ashcroft, Group Finance Director

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