

HARVEY NASH GROUP PLC

('Harvey Nash' or the 'Group')

Interim Management Statement

Current trading and financial position

On the 17 April 2008, the Group reported that the current financial year to 31 January 2009 had started well with robust trading in the first two months. Since then, trading has remained on track and, overall, the businesses in the US, UK and Europe are trading ahead of budget and the previous year.

In the first quarter ended 30 April 2008, revenue was up 41%, net fee income was up 32% and profit before taxation increased in line with revenue over the comparable period last year. With revenue and profit for this quarter also improving sequentially over the fourth quarter for the year ended 31 January 2008, this positive trend has continued to date and gives the Board further confidence that it will deliver results for the current year in line with its expectations.

The Group's balance sheet, substantially strengthened following the early repayment of all long term debt, continues to benefit from strong ongoing trading cash flow and excellent working capital management. Combined with banking facilities of circa £26 million, the balance sheet enables the Group to continue to fund its organic growth as well as providing the flexibility to take advantage of any opportunities that might arise in the short to medium term.

Dividends

As announced with our preliminary results and subject to approval at the Annual General Meeting on 3 July 2008, the Group will pay on 8 July 2008 a final dividend for the year ended 31 January 2008 of 1.1p per share (2007: 1.0p) to shareholders on the register as at 25 April 2008, making a total dividend for the year of 1.8p per share (2007:1.0p).

Summary

The Group continues to benefit from its key strategic advantages including a broad portfolio of services with a substantial footprint in Northern Europe and Scandinavia, currently experiencing relatively strong economic growth.

The Group's US operations are stable while the UK and Europe experience continued growth with excellent performances from the acquisitions made last year. The Group's three main geographical markets are all performing ahead of budget.

Notwithstanding these financial results the Board is particularly focused on tight cost control, working capital management and improving the productivity and performance of its existing and acquired operations. With its strong balance sheet and its unique offshore software and BPO offering, the Group is well placed to take advantage of the current market conditions.

Harvey Nash will be reporting its interim results for the six months ended 31 July 2008 on 30 September 2008.

Other than as detailed in this interim management statement, there have been no material events or transactions in the period from 1 February 2008 to 19 June 2008.

19 June 2008

ENQUIRIES:

Harvey Nash

Albert Ellis, Chief Executive
Richard Ashcroft, Finance Director

Tel: 020 7333 0033

College Hill

Mark Garraway
Robert Pugsley

Tel: 020 7457 2020

Notes to Editors:

Harvey Nash, a global professional recruitment consultancy and IT offshore service provider, is committed to delivering the very best talent and IT services to a broad base of clients.

The 4,700 staff and associates, operating from 35 offices covering the USA, Europe and Asia, work to the highest levels of integrity, professionalism and quality in providing its unique portfolio of services: executive search, interim management, IT recruitment solutions and IT offshore services.

For more information please visit www.harveynash.com