

HARVEY NASH GROUP PLC

("Harvey Nash" or "the Group")

Trading Update

Harvey Nash, the executive recruitment and professional services Group, will be announcing interim results for the six months ended 31 July 2011 on 30 September 2011 when it will confirm a strong performance across all key geographic segments during the period. The Group expects to report an increase of circa 20% in revenue and gross profit and an increase in profit before taxation of not less than 40% against the same period in 2010.

In Europe, Germany and the Nordics reported the strongest growth whilst in the US, the Group made good progress particularly in permanent recruitment. In the UK and Ireland robust year on year growth continued despite strong comparators in 2010 and a challenging trading environment.

Dividends

Following approval at the Annual General Meeting on 30 June 2011, Harvey Nash paid a final dividend on 15 July 2011 for the year ended 31 January 2011 of 1.48p per share, an increase of 10% (2010: 1.35p). The total dividend for the year was 2.42p per share (2010: 2.20p).

The Board anticipates, subject to prevailing market conditions at the time, recommending a 10% increase in the interim dividend for the current year when it announces first half results on 30th September 2011.

Financial position

Harvey Nash has a sound balance sheet with no long-term debt. Cash generation during the period has been strong and the Group has maintained a net positive cash position at 31 July 2011, despite working capital increasing due to much higher levels of trading activity. The Group continues to manage working capital tightly and maintains significant headroom, within its overall banking facilities which total circa £41 million.

Summary

The Harvey Nash Group continues to trade well and benefit from the significant market share gains made during the recession, resulting in strong cash flows and increased dividends. A strong financial position, combined with the broad portfolio of services, has positioned the Group well for the second half and thereafter.

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