

HARVEY NASH GROUP PLC

("Harvey Nash" or "the Group")

Interim Management Statement

Harvey Nash is announcing its Interim Management Statement covering the period from 1st August 2009 to 24th November 2009.

Current trading

In our interim results issued on the 30th September, we noted that the short term outlook was dependent on increased activity in the second half and the upturn in sentiment, which was then being seen in the UK, feeding through to increased volumes of permanent recruitment. Although we continue to see increased demand for our IT outsourcing services, it has now become clear that positive sentiment is not yet resulting in increased demand for permanent recruitment.

Accordingly, we expect that this will materially impact the Group's fourth quarter trading and therefore the result for the full year.

Third quarter trading, whilst stable as compared to the second quarter, was significantly lower against a particularly strong comparative last year with a 23% decrease in revenues and a 72% decrease in adjusted profit before taxation.

As always, the last four months of the year are critical to the outcome for the year as a whole. Crucially, the typically strong trading month of October was impacted with permanent revenues down 4% sequentially on September at a time when an uplift in activity would ordinarily have been expected. Therefore, based on third quarter trading and with limited visibility for the final quarter, the Board now expects the second half to be broadly in line with the first half. It should be noted however, that a proportion of the shortfall for the current financial year arises from IT software projects subject to delay and deferred into 2010.

Separately, the cash position of the Group has remained favourable and cash flow for the year to date is in line with budget.

Dividends

It is currently the Board's intention, subject to the final outcome for the year, to recommend a final dividend of 1.35p per share, making a total dividend for the year of 2.2p per share (2008: 2.0p) This would reflect what the Board would consider a resilient performance in exceptionally challenging markets as well as its longer term confidence for the business.

Summary

Whilst the Group has not been immune to the global recession, it has remained profitable throughout the downturn. Our broad portfolio of cash generative services, and our strong balance sheet, will continue to underpin a profitable financial performance for the year.

A conference call for analysts will be held at 8:30am today; dial in +44 (0) 1452 542 300.

25th November 2009

Enquiries

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