



ROBERT WALTERS PLC
INTERIM RESULTS 2007

ROBERT WALTERS

FINANCIAL HIGHLIGHTS

REVENUE UP 17% TO £150.8m

2006 £129.4m

NET FEE INCOME UP 17% TO £61.5m

2006 £52.5m

OPERATING PROFIT UP 44% TO £11.5m

2006 £8.0m

PROFIT BEFORE TAX UP 41% TO £11.4m

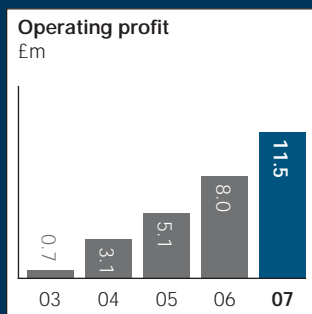
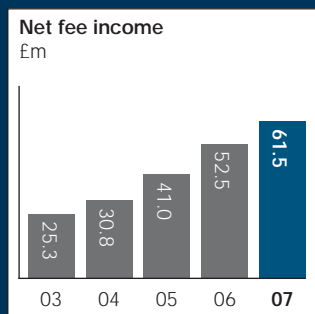
2006 £8.1m

EARNINGS PER SHARE UP 35% TO 10.4p

2006 7.7p

INTERIM DIVIDEND INCREASED TO 1.35p

2006 1.15p



Robert Walters is one of the world's leading professional recruitment consultancies, specialising in the placement of permanent, contract and temporary positions across all levels of seniority.

Established in 1985, the Group specialises in the accounting, finance, banking, IT, human resources, legal, sales & marketing, supply chain & engineering and secretarial & support fields.

With 28 offices spanning 15 countries, our global network enables us to meet the demands of clients and candidates whose needs extend beyond local markets, whilst our strong local foundations provide us with unique insights into local industry and culture.

Resource Solutions, the Group's recruitment outsourcing business, is a leading provider of on-site recruitment services.

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CHAIRMAN'S AND CHIEF EXECUTIVE OFFICER'S STATEMENT

We are pleased to report another set of record results for the Group for the six months ended 30 June 2007. Revenue increased by 17% to £150.8m (2006: £129.4m) generating a 17% increase in gross profit ('net fee income') to £61.5m (2006: £52.5m). Operating profit increased by 44% to £11.5m (2006: £8.0m) whilst profit before tax rose by 41% to £11.4m (2006: £8.1m).

Our results are a reflection of the ever-growing power of the Robert Walters brand, our team-based, non-commission reward structure and the strength and depth of our senior management and consultant base. Over the last 12 months, the Group has continued to invest in our people, increasing headcount to 1,382 (2006: 1,176) and is well positioned for further growth.

The recruitment market for professional staff remained buoyant across all of our territories. With high calibre candidates remaining in short supply, the Robert Walters global footprint and our innovative sourcing techniques continue to provide us with a distinct competitive advantage in delivering this scarce resource to our clients.

The Group increased net fee income across every recruitment business worldwide and we are delighted to see the conversion rate of operating profit from net fee income improve significantly to 18.7% (2006: 15.3%).

United Kingdom

Revenue in the UK was £73.2m (2006: £64.5m) and net fee income increased by 15% to £24.1m (2006: £20.9m). Operating profit increased by 51% to £2.4m (2006: £1.6m).

Our Finance and Accounting business grew strongly and we further developed our Legal and HR businesses which now command positions of strength in their respective markets. Profitability within our IT and Sales & Marketing operations also increased in the first half of 2007.

Resource Solutions, our recruitment outsourcing business, achieved a number of new client wins and further service penetration into its existing client base.

Europe

Revenue was £19.9m (2006: £16.6m) and net fee income increased by 22% to £12.0m (2006: £9.9m). Operating profit increased by 34% to £2.1m (2006: £1.6m).

All of our European operations produced growth in net fee income, with our businesses in Belgium and Luxembourg delivering substantial increases in operating profit. Our Walters Interim brand in Belgium and France continued to expand rapidly, increasing both net fee income and profitability.

Asia Pacific

Revenue was £56.2m (2006: £46.0m) and net fee income increased by 22% to £23.9m (2006: £19.6m). Operating profit increased by 44% to £6.9m (2006: £4.8m).

All of our Asia Pacific operations produced significant growth in both net fee income and operating profit with Australia, Hong Kong and Japan performing especially well. Our office in Kuala Lumpur which opened in 2006 achieved break-even in the first half of 2007.

Other International

Other International comprises South Africa and the USA, with Ireland now reported under Europe following a re-alignment of the Group's internal reporting structure. Following this change, the region represented 2% of the Group's net fee income. Revenue was £1.5m (2006: £2.2m) with net fee income decreasing by £0.6m to £1.5m (2006: £2.1m) as a result of a refocusing of our Resource Solutions business in the USA. This resulted in an operating profit of £0.1m (2006: £0.1m).

Cash flow

The Group ended the period with £13.4m of net cash (30 June 2006: £2.2m, 31 December 2006: £19.6m).

Operating activities generated £9.2m (2006: £0.4m) reflecting strong control over working capital during the period. £7.5m was used to purchase the Group's own shares; £3.5m tax; £2.1m dividend; £2.4m repayment of bank loan; and £0.6m capital expenditure.

Dividend

The Board has decided to increase the interim dividend to 1.35p per share (2006: 1.15p). During the period, as an additional way of returning value to shareholders, the Group purchased 2,116,667 of the Group's own shares at an average price of £3.55, totalling £7.5m. Looking forward, the Group will continue to consider opportunities to return further value to shareholders.



'Our results are a reflection of the ever-growing power of the Robert Walters brand, our team-based, non-commission reward structure and the strength and depth of our senior management and consultant base.'

CHAIRMAN'S AND CHIEF EXECUTIVE OFFICER'S STATEMENT *CONTINUED*

The interim dividend will be paid on 26 October 2007 to those shareholders on the Company's register on 14 September 2007.

Current trading and prospects

We believe that our greater depth of management and the current strength of trading leaves the Group well positioned for additional growth out of existing offices and for further expansion in both Europe and Asia Pacific. We therefore anticipate another extremely successful year for the Group.



Philip Aiken
Chairman



Robert Walters
Chief Executive

31 August 2007

CONSOLIDATED INCOME STATEMENT

	Notes	2007 6 mths to 30 June Unaudited £'000	2006 6 mths to 30 June Unaudited £'000	2006 12 mths to 31 December Audited £'000
Revenue	3	150,799	129,379	274,462
Cost of sales		(89,312)	(76,906)	(165,857)
Gross profit	3	61,487	52,473	108,605
Administrative expenses		(49,972)	(44,463)	(89,115)
Operating profit	3	11,515	8,010	19,490
Interest income		118	49	58
Interest payable		(311)	(117)	(506)
Gain on foreign exchange		111	164	805
Profit before taxation		11,433	8,106	19,847
Taxation	4	(3,659)	(2,393)	(5,754)
Profit after taxation		7,774	5,713	14,093
Dividends	5	(2,114)	(1,714)	(2,585)
Retained profit for the period		5,660	3,999	11,508
Earnings per share (pence):	6			
Basic		10.4	7.7	18.9
Diluted		9.6	7.2	17.1

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	2007 6 mths to 30 June Unaudited £'000	2006 6 mths to 30 June Unaudited £'000	2006 12 mths to 31 December Audited £'000
Profit for the period	7,774	5,713	14,093
Foreign currency translation differences	152	(949)	(1,761)
Total recognised income and expense for the period	7,926	4,764	12,332

CONSOLIDATED BALANCE SHEET

	2007 30 June Unaudited £'000	2006 30 June Unaudited £'000	2006 31 December Audited £'000
Non-current assets			
Intangible assets	7,581	7,683	7,747
Property, plant and equipment	4,060	4,011	4,210
Deferred tax asset	3,264	2,276	5,555
	14,905	13,970	17,512
Current assets			
Trade and other receivables	70,716	57,025	61,219
Corporation tax receivables	298	1,126	189
Cash and cash equivalents	13,435	2,155	19,584
	84,449	60,306	80,992
Total assets	99,354	74,276	98,504
Current liabilities			
Trade and other payables	(44,377)	(31,450)	(39,325)
Corporation tax liabilities	(3,568)	(3,138)	(3,431)
Bank loan	(4,605)	(1,631)	(4,617)
	(52,550)	(36,219)	(47,373)
Net current assets	31,899	24,087	33,619
Non-current liabilities			
Bank loan	(5,571)	(1,958)	(8,011)
Deferred tax liabilities	(1,251)	(1,442)	(1,143)
	(6,822)	(3,400)	(9,154)
Total liabilities	(59,372)	(39,619)	(56,527)
Net assets	39,982	34,657	41,977
Equity			
Share capital	17,210	17,011	17,019
Share premium	58,624	57,946	57,968
Other reserves	(73,854)	(74,034)	(74,034)
Own shares held	(1,073)	(2,686)	(2,686)
Treasury shares held	(19,065)	(10,017)	(14,773)
Foreign exchange reserves	(1,326)	(666)	(1,478)
Retained earnings	59,466	47,103	59,961
Total equity	39,982	34,657	41,977

CONSOLIDATED CASH FLOW STATEMENT

	Note	2007 6 mths to 30 June Unaudited £'000	2006 6 mths to 30 June Unaudited £'000	2006 12 mths to 31 December Audited £'000
Cash generated from operating activities	7	9,208	366	18,190
Income taxes paid		(3,522)	(2,499)	(4,137)
Net cash from operating activities		5,686	(2,133)	14,053
Investing activities				
Interest paid		(193)	(68)	(444)
Purchases of computer software		(144)	(239)	(526)
Purchases of property, plant and equipment		(491)	(616)	(1,522)
Net cash used in investing activities		(828)	(923)	(2,492)
Financing activities				
Equity dividends paid		(2,114)	(1,714)	(2,585)
Proceeds on issue of shares		955	165	195
Proceeds from bank loan		-	-	10,000
Repayment of bank loan		(2,361)	(960)	(1,921)
Purchase of own shares		(7,543)	(5,231)	(9,987)
Net cash used in financing activities		(11,063)	(7,740)	(4,298)
Net (decrease) increase in cash and cash equivalents		(6,205)	(10,796)	7,263
Cash and cash equivalents at beginning of the period		19,584	13,612	13,612
Effect of foreign exchange rate changes		56	(661)	(1,291)
		13,435	2,155	19,584
Cash and cash equivalents at end of the period				
Bank balances and cash		13,435	12,583	19,584
Bank overdrafts		-	(10,428)	-
		13,435	2,155	19,584

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2007 6 mths to 30 June Unaudited £'000	2006 6 mths to 30 June Unaudited £'000	2006 12 mths to 31 December Audited £'000
Profit for the period	7,774	5,713	14,093
Foreign currency translation differences	152	(949)	(1,761)
Total recognised income and expense for the period	7,926	4,764	12,332
Dividends paid	(2,114)	(1,714)	(2,585)
Own shares purchased	(7,543)	(5,231)	(9,987)
Adjustment in respect of share schemes	(1,291)	977	6,326
New shares issued	1,027	165	195
Net (decrease) increase in equity	(1,995)	(1,039)	6,281
Opening equity	41,977	35,696	35,696
Closing equity	39,982	34,657	41,977

NOTES TO THE FINANCIAL INFORMATION

1 Accounting policies

Basis of preparation

The interim financial report has been prepared in accordance with the historic cost convention and also with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS), including International Accounting Standards and Interpretations as adopted for use in the EU.

The policies applied by the Group are set out in detail in the annual report for the year ended 31 December 2006.

2 Financial information

The financial information on pages 5 to 11 was formally approved by the Board of Directors on 31 August 2007. The financial information set out in this document does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts prepared under IFRS for the year ended 31 December 2006 for Robert Walters plc have been delivered to the Registrar of Companies. The auditors' report on these accounts was not qualified and did not contain statements under Section 237(2) or (3) of the Companies Act 1985.

The financial information in respect of the period ended 30 June 2007 is unaudited but has been reviewed by the Company's auditors. Their report is attached on page 12. The financial information in respect of the period ended 30 June 2006 is also unaudited.

3 Segmental information	2007 6 mths to 30 June Unaudited £'000	2006 6 mths to 30 June Unaudited £'000	2006 12 mths to 31 December Audited £'000
i) Revenue:			
UK	73,220	64,549	138,374
Europe*	19,884	16,579	32,999
Asia Pacific	56,188	46,022	98,997
Other*	1,507	2,229	4,092
	150,799	129,379	274,462
ii) Gross profit:			
UK	24,081	20,935	44,144
Europe*	12,035	9,863	19,361
Asia Pacific	23,878	19,576	41,197
Other*	1,493	2,099	3,903
	61,487	52,473	108,605
iii) Profit before taxation:			
UK	2,423	1,602	3,203
Europe*	2,085	1,552	3,798
Asia Pacific	6,917	4,788	11,963
Other*	90	68	526
Operating profit	11,515	8,010	19,490
Net finance (expenditure) income	(82)	96	357
Profit before taxation	11,433	8,106	19,847
iv) Revenue by business grouping:			
Robert Walters	143,942	124,962	265,342
Resource Solutions	6,857	4,417	9,120
	150,799	129,379	274,462

The Group is divided into geographical areas for management purposes, and it is on this basis that the primary segmental information has been prepared.

* In 2007, following a realignment of the Group's internal reporting structure, Ireland is now presented in 'Europe'. As a result, the comparative figures for both 'Europe' and 'Other' have been restated to reflect this change.

NOTES TO THE FINANCIAL INFORMATION

CONTINUED

4 Corporation tax	2007 6 mths to 30 June Unaudited £'000	2006 6 mths to 30 June Unaudited £'000	2006 12 mths to 31 December Audited £'000
UK	790	526	(279)
Overseas	2,767	2,057	5,299
Double tax relief	–	–	(50)
	3,557	2,583	4,970
Deferred tax	102	(190)	784
Total taxation	3,659	2,393	5,754

The tax charge is based on the expected annual tax rate of 32.0% (2006: 29.5%) on profit before taxation.

The overall tax rate is higher than the UK standard rate of 30% due to a proportion of expenditure being disallowable for tax purposes.

5 Dividends	2007 6 mths to 30 June Unaudited £'000	2006 6 mths to 30 June Unaudited £'000	2006 12 mths to 31 December Audited £'000
Amounts recognised as distributions to equity holders in the period:			
Final dividend for 2006 of 2.85p (2005: 2.35p)	2,114	1,714	1,714
Interim dividend for 2006 of 1.15p (2005: 1.05p)	–	–	871
	2,114	1,714	2,585
Proposed interim dividend for 2007 of 1.35p (2006: 1.15p)	1,024	871	871

The proposed interim dividend was approved by the Board on 31 August 2007 and has not been included as a liability at 30 June 2007.

6 Earnings per share

The calculation of earnings per share is based on the profit on ordinary activities after taxation and the weighted average number of ordinary shares of the Company.

	2007 6 mths to 30 June Unaudited	2006 6 mths to 30 June Unaudited	2006 12 mths to 31 December Audited
Weighted average number of shares:			
Shares in issue throughout the period	85,096,683	84,731,927	84,731,927
Shares issued in the period	372,647	141,203	243,739
Share repurchases and cancellations	(79,590)	–	–
Own shares held	(10,931,054)	(10,774,674)	(10,245,689)
For basic earnings per share	74,458,686	74,098,456	74,729,977
Outstanding share options	6,901,526	5,577,824	7,714,057
For diluted earnings per share	81,360,212	79,676,280	82,444,034

7 Notes to the cash flow statement

	2007 6 mths to 30 June Unaudited £'000	2006 6 mths to 30 June Unaudited £'000	2006 12 mths to 31 December Audited £'000
Operating profit for the period	11,515	8,010	19,490
Adjustments for:			
Depreciation and amortisation charges	947	811	1,607
Profit on disposal of computer software	–	–	1
(Loss) profit on disposal of property, plant and equipment	–	(19)	95
Movement in share scheme balance	1,000	675	1,571
Operating cash flows before movements in working capital	13,462	9,477	22,764
Increase in receivables	(9,069)	(12,745)	(18,428)
Increase in payables	4,815	3,634	13,854
Cash generated from operations	9,208	366	18,190

8 Registered office

The Company's registered office is located at 55 Strand, London, WC2N 5WR.

INDEPENDENT REVIEW REPORT TO ROBERT WALTERS PLC

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2007 which comprise the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and related notes 1 to 8. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with Bulletin 1999/4 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 interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

Deloitte & Touche LLP

Chartered Accountants
London

31 August 2007

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