MICHAEL PAGE INTERNATIONAL PLC

ANNUAL REPORT 2003

Company profile

Michael Page is one of the world's leading professional recruitment consultancies, specialising in the placement of candidates in permanent, contract, temporary and interim positions with clients around the world. The Group has operations in the UK, Continental Europe, Asia-Pacific and the Americas and focuses on the areas of Accounting and Finance, Banking and Financial Markets, Marketing, Retail, Sales, Legal, Technology, Human Resources, Engineering & Supply Chain, Taxation, Corporate Treasury, Consultancy/Strategy/Change and Secretarial.

£372.6m

Group Turnover

£178.5m

Gross Profit

£23.5m

Profit before taxation and exceptional items

Group financial highlights

For the year ended 31 December 2003	**2003 £'000**	2002 £'000
Turnover	**372,616**	383,470
Gross profit	**178,485**	192,648
Profit before taxation	**22,409**	32,597
Profit before taxation and exceptional items	**23,510**	32,597
Basic and diluted earnings per share	**3.8p**	5.8p
Adjusted earnings per share	**4.1p**	5.8p

Chairman's Statement

Adrian Montague
Chairman

The Group performed creditably during the year and exited 2003 in a strong financial position. This was achieved despite it being another challenging year for recruitment specialists. The slowing down of economic activity and weakening of business confidence experienced throughout 2002 continued into the first half of 2003, compounded by the war in Iraq and the outbreak of SARS. These conditions impacted directly upon the professional employment markets and consequently on the results of the Group. However, towards the end of the first half we experienced a slight improvement in activity which continued throughout the second half of the year.

Financial highlights

As a consequence of these difficult trading conditions, turnover for the year ended 31 December 2003 was 2.8% lower at £372.6m (2002: £383.5m). Temporary placement activity has been more resilient than permanent and this shift in business mix contributed to a revenue (gross profit) reduction of 7.4% to £178.5m (2002: £192.6m). Given the Group's high operational gearing, operating profit before exceptional items reduced by 28.8% to £22.9m (2002: £32.1m).

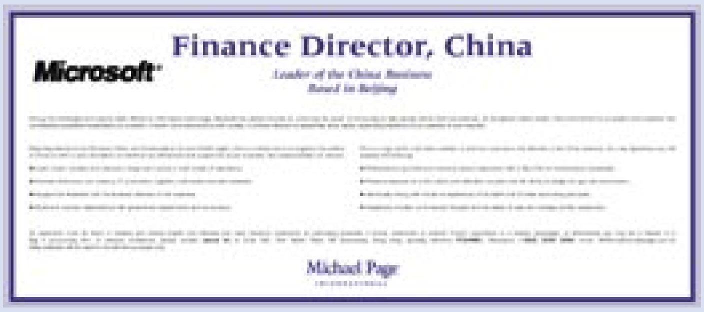
Profit before tax and exceptional items was £23.5m (2002: £32.6m) and earnings per share before exceptional items were 4.1p (2002: 5.8p).

Cash flow was again very strong during the year with the Group generating £29.2m (2002: £46.7m) from operating activities. At 31 December 2003 the Group had net cash of £22.4m (2002: £21.4m).

Dividends and share repurchases

Despite the reduction in profits, the Board is recommending that the dividend be maintained at last year's level. A final dividend of 2.3p per ordinary share is proposed which, together with the interim dividend of 1.1p per ordinary share paid in October, makes a total dividend for the year of 3.4p (2002: 3.4p) per ordinary share. The final dividend will be paid on 4 June 2004 to those shareholders on the register at 7 May 2004. The total dividend is covered 1.2 times by earnings per share before exceptional items of 4.1p.

In view of the uncertain and weak market conditions during 2003, we did not make any share repurchases. However, we anticipate share repurchases being an ongoing use of surplus cash and accordingly will be seeking shareholders' consent for a renewal of the repurchase authority at the Annual General Meeting on 27 May 2004.



Employees

I wish to express my thanks to the staff worldwide for their commitment, loyalty and efforts throughout this sustained period of difficult trading conditions when they have maintained your Company's position as the international leader in the specialist recruitment industry.

Outlook

In the UK, our largest geographic market, there is now clear evidence of increasing activity levels across all disciplines and we have now begun investing in anticipation of further growth. The outlook in Asia Pacific and the Americas is also improving and we are planning to open a number of new offices in those markets. However, in Continental Europe, trading conditions remain weak and our expectation is that 2004 will prove another difficult year for our businesses there.

For the Group as a whole, our current expectation is that our first quarter revenues will be of a similar order to the £45.7m in the fourth quarter of 2003, with pre-bonus costs, including new investments, running at an average monthly rate of approximately £13m over the year as a whole.

Adrian Montague
Chairman
25 February 2004

In the UK, our largest geographic market, there is now clear evidence of increasing activity levels across all disciplines and we have now begun investing in anticipation of further growth.

Chief Executive's Review

Terry Benson
Chief Executive

Whilst having to review another challenging year, I do so in the belief that there are encouraging signs that the worst is behind us in many of our markets. During the year we have continued to invest cautiously and sensibly in the organic development of our businesses, while maintaining our normal tight cost control, and produced over £23.5m of profits before exceptional items.

We started the year with 2,390 fee generating and support staff operating from 107 offices in 16 countries. During the course of the year we took the opportunity, upon the expiration of lease commitments, to consolidate a small number of offices in the UK and France, and at 31 December 2003 we employed 2,260 fee generating and support staff operating from 105 offices in 16 countries.

United Kingdom

In the UK, turnover fell by 4.7% to £194.3m (2002: £203.9m) and revenue (gross profit) by 8.7% to £90.6m (2002: £99.3m). Operating profits before exceptional items were £15.6m (2002: £20.5m). Revenue in the second half of the year was 7.2% higher than in the first half reflecting improved trading conditions. The operational gearing effect on these increased revenues, combined with good cost control, resulted in a 32% increase in second half operating profits, compared with the first half.

The revenues of the finance and accounting businesses of Michael Page Finance, Michael Page City and Accountancy Additions, which generate approximately two thirds of our UK revenue, were 12% lower than in 2002.

Michael Page Finance, the largest of the three businesses, recorded its highest quarterly revenue of the year in the fourth quarter, which was very encouraging given that this quarter includes the seasonally quieter Christmas period. Although the revenue of Michael Page City for the year as a whole was 20% lower than in 2002, the second half improved significantly on the first, reflecting the improved confidence levels experienced by many large financial institutions. The revenue of Accountancy Additions, which specialises in lower level finance and accounting positions, proved, as in 2002, to be the most resilient and least affected by adverse economic conditions.

The combined revenues of Michael Page Marketing, Michael Page Sales and Michael Page Retail, were 7% lower than in 2002 and represented 23% of the UK total. The Marketing and Sales businesses, which had borne the full brunt of the economic downturn in 2001 and 2002, particularly in the Technology and Telecoms sectors, were both beneficiaries of increased levels of enquiry as the year progressed. Michael Page Retail produced another sound performance, with second half revenue 9% higher than the first. The national coverage of these businesses increased to eight offices in January 2004 with the opening of an office in Bristol.

In 2003, Michael Page Legal achieved almost identical levels of revenue to 2002, the second half being 6% stronger than the first. The revenue of our Technology business improved substantially in the second half enabling us to achieve a break-even position for the year as a whole. Our newer businesses, Michael Page Human Resources and Michael Page Engineering and Supply Chain Management both achieved in excess of 30% revenue growth year on year. We have extended the geographical coverage of both businesses and they are now represented in four and five locations respectively.

In December we started a new business, Michael Page Secretarial, in the City and West End of London.

Bristol-Myers Squibb

Responsable Systèmes

Michael Page

Continental Europe

Our Continental European businesses continued to experience extremely challenging trading conditions throughout the year. Turnover was 5.6% lower at £120.4m (2002: £127.6m) and revenue 12.2% lower at £58.2m (2002: £66.3m). The decline in activity continued throughout the year with second half revenue 10% lower than in the first. As a result the region recorded a loss in the second half, resulting in a full year operating loss before exceptional items of £0.3m (2002: £5.6m profit).

France is our second largest geographic market after the UK, representing approximately 20% of the Group's 2003 revenues, and once again trading conditions proved to be very difficult. Revenue from permanent placements was 22% lower than in 2002. The temporary and contracting businesses fared better but still experienced a 16% decline in revenue year on year. Whilst continuing to maintain our market leading position, staff numbers were reduced by over 25% from the beginning of 2003 and we successfully consolidated a number of offices during the year.

Our businesses in The Netherlands, Germany and Switzerland also experienced difficult trading conditions throughout the year. Our businesses in Italy, Spain and Portugal fared better and as a result achieved similar levels of revenue to 2002.

Clearly the depressed economic environment in many Continental European markets severely impacted the Group's businesses over the past three years. Nevertheless we are committed to these markets in the longer term and accordingly we have continued to invest modestly and sensibly in 2003 with the opening of small offices in Zürich and Berlin, and expanded our offices in Rotterdam, which opened in 2002, and Düsseldorf, by starting Michael Page Engineering and Production.

Asia Pacific

Turnover for the region was 10.0% higher at £51.4m (2002: £46.7m), revenue was 9.2% higher at £25.0m (2002: £22.9m) and operating profit before exceptional items increased to £7.6m (2002: £6.8m).

The economy in Australia proved to be the most resilient of all our major markets in 2003 and I am pleased to report another year of achievement. Our businesses in Melbourne and Perth all benefited from strong demand by domestic clients. As elsewhere in the world, demand from our clients in the International Financial Services, Telecoms and Technology sectors was subdued in Sydney in the first half, but showed signs of improvement towards the end of the year. The newer businesses, Michael Page Human Resources and Michael Page Engineering, both progressed well during the course of 2003. The lease of our Sydney office expired in December and we successfully relocated to new premises with minimum disruption in what was the beginning of the seasonally quieter summer period in Australia. Having carefully evaluated the opportunities in Queensland, a new office was opened in Brisbane in January 2004.

Our businesses in Hong Kong and Singapore, both of which have traditionally been heavily dependent on the International Financial Services, Telecoms and IT sectors, experienced a particularly anxious start to 2003 due to the outbreak of SARS. The impact proved to be less than we originally feared and both businesses exceeded internal expectations. We are equally pleased with the progress of our Tokyo office, which increased revenue year on year by over 50% and produced an operating profit in 2003.

We remain confident that the Asia Pacific region, in particular Greater China, offers considerable longer term potential for the Group.

There are encouraging signs that the worst is behind us in many of our markets.

Chief Executive's Review

(continued)

The Americas

Turnover for the region was £6.6m (2002: £5.4m) and revenue increased to £4.6m (2002: £4.1m). Revenue in the second half of 2003 was over 40% higher than in the first half and consequently the first half losses were largely recovered and the region only recorded a small operating loss before exceptional items for the year of £0.1m (2002: £0.7m loss). The increased revenue achieved in the second half reflects both improving overall trading conditions, particularly in the USA, and the continuing investment in our own staff and new offices.

In my review last year I anticipated the opening of a third office in the USA in 2003, despite the extremely challenging environment we faced at that time. I am pleased to report that our office in Stamford, Connecticut was duly opened in September and we are very satisfied with its progress to date.

In São Paulo, Brazil, we enjoyed another successful year and were particularly pleased with the development of Michael Page Engineering and Production. We opened an office in Rio de Janeiro and it is our intention to expand into Sales and Marketing recruitment during the course of 2004.

> The United States offers significant long-term opportunities for the Group and it remains our objective to grow our business in the USA organically.

New IT system

We have now successfully commenced the global roll out of our new front office recruitment system, which is now live in the UK, France and USA. The worldwide roll out is currently anticipated to be substantially complete by the end of 2004.

Strategy

Since 2001 we have experienced the most challenging trading conditions for at least a decade or more. During this period we have retained a level of resource that has enabled us to maintain and indeed grow our presence in some markets and start new businesses in developing markets. Our staff around the world should be congratulated for these achievements and we will continue to invest in their training and development.

I believe the demand for our services will increase in the coming years. Our overall strategy remains absolutely unchanged. We intend to stay focused on our core competency of specialist recruitment and to grow the business organically by the expansion of existing businesses in their local markets, the introduction of new disciplines into existing locations and by entering new geographic markets.

The United States offers significant long-term opportunities for the Group and it remains our objective to grow our business in the USA organically, as rapidly as internal resources will allow. To this end we already have in place a plan of action which should allow us to open new offices in Boston and Chicago within the first half of 2004.

Terry Benson
Chief Executive
25 February 2004

Finance Director's Review

Stephen Puckett
Finance Director

Profit and loss account

Turnover

Turnover for the year was 2.8% lower at £372.6m (2002: £383.5m). In the second half of 2003, turnover was 6.5% higher than in the first half and was 3.5% higher than the second half of 2002.

Turnover from temporary placements increased marginally by 0.6% to £243.8m (2002: £242.2m) and represented 65.4% (2002: 63.2%) of Group turnover. Turnover from permanent placements was £128.8m (2002: £141.2m).

Gross profit (revenue)

Revenue for the year decreased by 7.4% to £178.5m (2002: £192.6m) representing an overall gross margin of 47.9% (2002: 50.2%). The percentage reduction in revenue is greater than the reduction in turnover due to a combination of a higher proportion of temporary placements in 2003 and a lower gross margin on temps. Revenue from temporary placements was £56.7m (2002: £59.7m) and represented 31.7% (2002: 31.0%) of Group revenue. The gross margin achieved on temporary placements was 23.2% (2002: 24.7%).

Revenue in the second half of 2003 was 3.4% higher than in the first half. As the chart below shows, the Group's quarterly revenue in the first quarter of 2001 was £69.6m and it declined sequentially to £49.5m in the first quarter of 2002. After three relatively stable quarters of around £50m from the fourth quarter of 2001 to the second quarter of 2002, it declined sequentially through to the first quarter of 2003. We have now had another three stable quarters of around £45m and in the fourth quarter of 2003 recorded the first year on year quarterly increase since the first quarter of 2001.

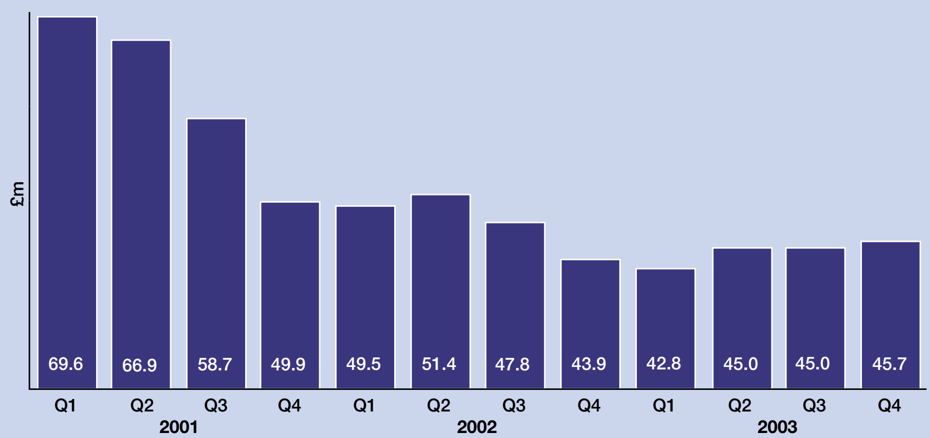
Operating profit

Administrative expenses in the year reduced to £155.6m (2002: £160.5m) before exceptional items, principally due to the lower profit related bonuses payable to staff.

The Group's largest category of expenditure is the remuneration of our consultants and support staff. Headcount of the Group was 2,390 at 1 January 2003 and reduced to 2,279 at 30 June. The Group's headcount has remained relatively stable during the second half of the year and at 31 December 2003 we employed 2,260 consultants and support staff.

As a result of the revenue decline and the Group's high operational gearing, operating profit before exceptional items was £22.9m (2002: £32.1m).

Revenue



Finance Director’s Review

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Exceptional items

At the end of 2001, the Group committed to a 20 year lease on 33,000 sq.ft. of offices in London to provide space for future expansion and to accommodate existing businesses whose leases were expiring in 2002 to 2004. Possession of the new offices took place in the first half of 2003 and, given the reductions in headcount, a substantial amount of space is now vacant. In accordance with FRS 12 the Group has recorded an exceptional charge for vacant properties of £3.0m.

On flotation in March 2001, the Group incurred an exceptional charge and made a provision of £6.0m in respect of employer’s social charges on the Restricted Share Scheme which vests in 2004. This liability, which is dependent upon the price of Michael Page shares, has been estimated in these accounts at £4.1m using the share price at 31 December 2003 (186p). As a consequence there is an exceptional credit in the year of £1.9m. When this liability crystallises, any material difference from the current provision will be taken as an exceptional item in the 2004 accounts.

Net interest

The net interest receivable in the year was £0.6m (2002: £0.5m). During the year £0.4m of interest was earned on surplus cash balances which were invested in the short-term money market. In addition interest of £0.2m was received on a tax related refund.

Taxation

Taxation on profits before exceptional items and goodwill amortisation was £9.0m (2002: £11.4m), representing an effective tax rate of 38.1% (2002: 35.0%). The rate is higher than the UK corporation tax rate of 30% as a result of non-deductible business expenses, profits arising in higher tax rate jurisdictions, and losses which are unable to be offset against profits in the current year and against which no deferred tax asset has been recognised. The rate has increased over 2002 as a direct result of the lower profits in Continental Europe.

As a result of recent changes in tax legislation, the Company expects to obtain a deduction for corporation tax purposes when the Restricted Share Scheme vests in 2004. Based on the price of Michael Page shares at 31 December 2003, the deduction to UK taxable profits would be approximately £27m which, at the UK corporation tax rate of 30%, would reduce the tax charge in 2004 by £8.1m.

Earnings per share and dividends

Basic earnings per share were 3.8p (2002: 5.8p) and adjusted earnings per share before exceptional items were 4.1p (2002: 5.8p). The weighted average number of shares for the year was 357,955,000 (2002: 366,355,000). The 2003 average number of shares was lower than 2002 due to the full year effect of the shares repurchased and cancelled during the second half of 2002.

A maintained final dividend of 2.3p (2002: 2.3p) per ordinary share has been proposed by the Directors which, together with the interim dividend of 1.1p (2002: 1.1p) per ordinary share, makes a total dividend for the year of 3.4p (2002: 3.4p) per ordinary share. The final dividend, which amounts to £8.2m, will be paid on 4 June 2004 to those shareholders on the register at 7 May 2004.

Balance sheet

We have adopted early the new guidance on accounting for own shares and have classed these as “EBT reserve” deducted from Shareholders’ Funds rather than being held as investments on the balance sheet. The impact of this is to reduce the Group’s net assets, in both the current and prior year, by approximately £10m.

We have had three stable quarters of around £45m of revenue and in the fourth quarter, recorded the first year on year quarterly increase since the first quarter of 2001.

The Group had net assets of £53.3m at 31 December 2003 (2002: £48.9m) of which £22.4m (2002: £21.4m) is represented by net cash.

While capital expenditure is fundamentally driven by the Group's headcount, as indicated last year, 2003 capital expenditure, net of disposal proceeds, increased to £6.3m (2002: £2.5m) due to the fit out costs of the new building in London and the implementation of the new IT system.

Trade debtors were £53.2m at 31 December 2003 (2002: £53.2m) representing debtor days of 46.0 (2002: 47.5 days).

Cash flow

At the start of the year the Group had net cash of £21.4m.

During the year the Group generated net cash from operating activities of £29.2m (2002: £46.7m) being £29.7m (2002: £40.5m) of EBITDA, an increase in working capital requirements of £0.8m (2002: £6.2m reduction) and movements in provisions of £0.2m (2002: £nil). The increased working capital is largely due to the greater activity in December 2003 when compared to December 2002.

The principal payments have been:

- £6.3m (2002: £2.5m) of capital expenditure, net of disposal proceeds, on property, infrastructure, information systems and motor vehicles for staff;
- taxes on profits of £10.7m (2002: £11.5m);
- dividends of £12.2m (2002: £12.5m).

At 31 December 2003 the Group had net cash balances of £22.4m.

Treasury management and currency risk

It is the Directors' intention to finance the activities and development of the Group principally from retained earnings and to operate the Group's business while maintaining the net debt/cash position within a relatively narrow band. Cash generated in excess of these requirements will be used to buy back the Company's shares for which renewal of the existing authority is being sought at the forthcoming Annual General Meeting.

Cash surpluses are invested in short-term deposits with any working capital requirements being provided by local overdraft facilities.

The main functional currencies of the Group are Sterling, Euro and Australian Dollar. The Group does not have material transactional currency exposures nor is there a material exposure to foreign-denominated monetary assets and liabilities. The Group is exposed to foreign currency translation differences in accounting for its overseas operations although our policy is not to hedge this exposure.

Stephen Puckett
Group Finance Director
25 February 2004

Board of Directors

Adrian Montague CBE (56)

Non-Executive Chairman

Adrian Montague is Chairman of British Energy plc and Deputy Chairman of Network Rail Limited. From 1997 to 2001 he held senior posts concerned with the implementation of Government's policies for the involvement of the private sector in the delivery of public services, first as Chief Executive of the Treasury Taskforce and then as Deputy Chairman of Partnerships UK plc. He spent his early career as a solicitor with Linklaters & Paines before joining Kleinwort Benson in 1994. Adrian is also a Non-Executive Director of CellMark AB, the pulp and paper marketing company based in Gothenburg. He was appointed Chairman of Michael Page International plc on 22 May 2002.

Terry Benson (52)

Chief Executive

Terry Benson joined Michael Page in 1979 and was appointed to the Board in 1983. In 1986 he was promoted to Managing Director of the Group's marketing recruitment businesses and in January 1988 to Managing Director of the Group. In 1993 he was appointed Chief Executive of the Group.

Stephen Box (53)

Non-Executive Director

Stephen Box qualified as a Chartered Accountant at Coopers & Lybrand where he spent more than 25 years, 15 of these as a partner. From August 1997 to November 2002 he was Finance Director of National Grid. He is a member of the Financial Reporting Review Panel and a Non-Executive Director of South East Water plc. Stephen has experience of Audit Committees as a partner at Coopers & Lybrand, as an Executive Director of National Grid attending Audit Committees, and as a Non-Executive Director chairing the Audit Committee of South East Water plc.

Stephen Burke (44)

Managing Director – UK

Stephen Burke joined Michael Page in 1981 and was appointed as a Director of Michael Page International in 1988 with responsibility for development of overseas businesses in the Netherlands and Germany. He returned to the UK in 1996 as Managing Director of Accountancy Additions Ltd and was appointed Managing Director of Michael Page Finance in 1999. He was appointed to his current position in January 2001.

Charles-Henri Dumon (45)

Managing Director – Continental Europe and South America

Charles-Henri Dumon joined Michael Page in 1985 and was appointed a Director in 1987. Since then he has had full responsibility for the Group's operations in France and has managed the Group's entry into Southern Europe and South America. He was appointed as Managing Director for all Michael Page's Continental European and South American businesses in January 2001.

Stephen Ingham (41)

Executive Director – UK Operations

Stephen Ingham joined Michael Page in 1987 as a consultant with Michael Page Marketing and Sales. He was responsible for setting up the London marketing and sales businesses and was promoted to Operating Director in 1990. He was appointed Managing Director of Michael Page Marketing and Sales in 1994. Subsequently he has taken additional responsibility for Michael Page's Retail, Technology, Human Resources and Engineering businesses. He was promoted to Executive Director of UK Operations in January 2001.

Robert Lourey (46)

Non-Executive Director

Robert Lourey is Group Human Resources Director of BOC Group plc. He joined BOC in Australia in 1996 and was appointed to the Executive Management Board in June 2000. He has a Bachelor of Business degree in personnel management. He was appointed a Non-Executive Director of Michael Page International plc on 7 October 2003. Rob has experience as a member of the Executive Management Board of a FTSE100 Company, including participation in that company's management, investments, capital allocation, and governance. Rob also has experience as a Non-Executive Director of two publicly listed companies in the Republic of South Africa.

Stephen Puckett (42)

Group Finance Director

Stephen Puckett qualified as a Chartered Accountant with BDO Binder Hamlyn. He joined Wace Group plc in 1988 as Director of Corporate Finance, subsequently being promoted to Group Finance Director in 1991. He was appointed Group Finance Director of Stat Plus Group plc in 2000. He was appointed Group Finance Director of Michael Page in January 2001.

Hubert Reid (63)

Non-Executive Director

Hubert Reid is Chairman of Enterprise Inns plc and the Royal London Group, Deputy Chairman of Majedie Investments PLC and a Non-Executive Director of the Taverners Trust PLC. He was previously Managing Director and then Chairman of the Boddington Group plc and Chairman of Ibstock Plc and Bryant Group plc. He was appointed a Non-Executive Director of Michael Page International plc on 25 February 2003. Hubert has been a member of various Audit Committees since 1993 including Bryant Group Plc, Ibstock Plc, Greenalls Group plc, Royal London Group, Taverners Trust PLC, Enterprise Inns plc and Majedie Investments PLC.

None of the Executive Directors has a Non-Executive Directorship in another company.

Directors' Report

Principal activity and review of the business and future developments

The Group is one of the world's leading specialist recruitment consultancies. The Group's trading results are set out in the financial statements on pages 32 to 54. Details of the Group's future prospects and review of operations are described in the Chairman's Statement, Chief Executive's Review and Finance Director's Review on pages 4 to 11.

Directors and interests

The following were Directors during the year and held office throughout the year, unless otherwise indicated.

A A Montague‡ CBE (Chairman)

T W Benson (Chief Executive)

S J Box‡*

S P Burke

C-H Dumon

S J Ingham

R Lourey‡ (appointed 7 October 2003)

S R Puckett

H V Reid‡ (appointed 25 February 2003)

M Stewart‡ (resigned 7 October 2003)

‡ Non-Executive Directors

* Senior Independent Director

R Lourey was appointed on 7 October 2003. In accordance with the Company's Articles of Association he will retire and in addition S J Box, S P Burke and C-H Dumon will retire by rotation. All retiring Directors being eligible will offer themselves for re-election at the forthcoming Annual General Meeting.

Biographical details for all the current Directors are shown on pages 12 and 13.

The beneficial interests of Directors in office at 31 December 2003 in the shares of the Company at 31 December 2003 and at 25 February 2004 are set out in the Remuneration Report on pages 26 and 27.

All of the Executive Directors are deemed to have an interest in the ordinary shares held in the Employee Benefit Trust and its subsidiaries.

Results and dividends

The profit for the year after taxation amounted to £13.7m (2002: £21.2m).

An interim dividend of 1.1 pence per ordinary share was paid on 17 October 2003. The Directors recommend the payment of a final dividend for the year ended 31 December 2003 of 2.3 pence per ordinary share on 4 June 2004 to shareholders on the register on 7 May 2004 which, if approved at the Annual General Meeting, will result in a total dividend for the year of 3.4 pence per ordinary share (2002: 3.4 pence).

Share capital

The authorised and issued share capital of the Company are shown in note 18 to the financial statements.

At the Annual General Meeting held on 22 May 2003 the Company renewed its authority to make market purchases of its own ordinary shares up to a maximum of 10% of the issued shared capital. No purchases were made during the year.

Substantial shareholdings

As at 25 February 2004, the Company has been notified of the following interests held in more than 3% of the issued share capital of the Company:

Holder	Number of ordinary shares	% of issued share capital
Harris Associates	47,085,000	12.95
AXA Investment Managers UK Limited	43,581,270	11.98
Silchester International Investors	34,905,755	9.60
Barclays plc	22,556,117	6.20
Fidelity Investment Management Limited	20,709,642	5.69
College Retirement Equities Fund	14,536,294	4.00
Legal & General	12,780,166	3.51
Capital International Limited	10,896,097	3.00

Corporate social responsibility

The Board recognises its responsibilities in respect of social, environmental and ethical (SEE) matters. The Directors continually monitor all risks to its businesses, including SEE risks, which may impact the Group's short and long term value. During 2003 no significant SEE risks were identified.

(a) Environmental policy

The Group does not operate in a business sector which causes significant pollution but the Board recognises that the business does have an impact on the environment. The Board is committed to managing and improving the way in which our activities affect the environment by:

- optimising the use of energy;
- ensuring the efficient use of materials;
- encouraging re-use and recycling; and
- incorporating the principle of sustainable development.

During the year the Group has allocated a significant amount of time and resource to identify where its activities have an impact on the environment. An environmental review was undertaken jointly by Michael Page International plc, and 3Re, an external firm of environmental consultants.

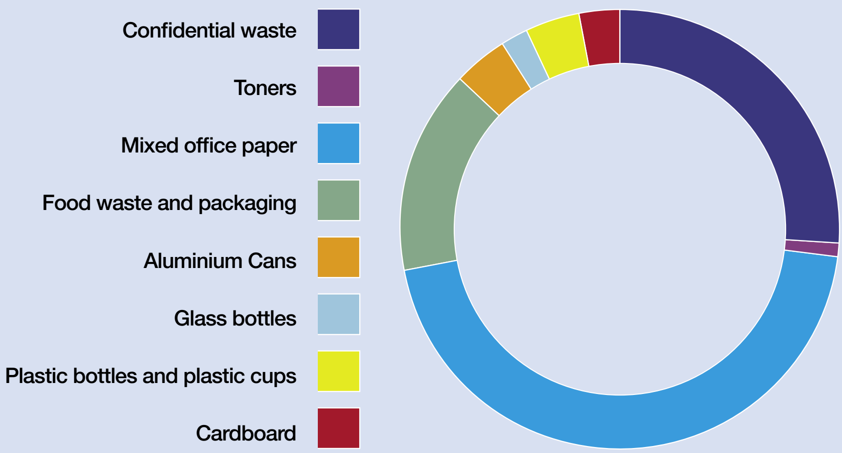
The review was carried out in accordance with the guidance as laid down by the Department for Environment, Food and Rural Affairs (DEFRA), and the Global Reporting Initiatives (GRI), a new independent, international institution established to create a common framework for sustainability reporting worldwide.

The first environmental report, which covers our UK businesses only, is expected to be available during 2004 and will be published on the Michael Page website. A summary of its findings during 2003 are shown below. As this is the first report, comparatives are not available.

Waste

- 250 tonnes of waste was generated by UK offices. Our current national recycling rate is 26% from recycling confidential paper and toner cartridges.
- Through recycling, Michael Page in the UK has saved 1,087 trees and saved a total of 322m^3 landfill space.

	Annual weight generated (tonnes)	% of total waste
Confidential waste	64	26%
Toners	1	1%
Mixed office paper	115	45%
Food waste and packaging	38	15%
Aluminium cans	9	4%
Glass bottles	6	2%
Plastic bottles and plastic cups	10	4%
Cardboard	7	3%
TOTAL	250	100%



Directors' Report
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Energy

- 2,873,018 kWh of electricity was consumed in the UK, which converts to 1,235,398 $kgCO_2$
- 614,896 kWh of gas was consumed in the UK, which converts to 116,830 $kgCO_2$

Water

- In the UK, Michael Page consumed 43,033 m^3 of water.

Transport

In total, UK employees travelling to and from work converts to 373,164 $kgCO_2$.

(b) Charitable donations

The Group made charitable donations of £25,567 during the year (2002: £42,377) principally to local charities serving the communities in which the Group operates. Subject to certain restrictions, the Group matches charitable donations made by employees. It is the Group's policy not to make political donations either in the UK or overseas.

(c) Employee involvement

Communication with employees is effected through the Company's Intranet, information bulletins, briefing meetings conducted by senior management and formal and informal discussions. Interim and Annual Reports are available to all staff. Informal communication is further facilitated by the Group's divisional organisation structure.

(d) Equal opportunity

The Group endorses and supports the principles of equal employment opportunity. It is the policy of the Group to provide equal employment opportunity to all qualified individuals which ensures that all employment decisions are made, subject to its legal obligations, on a non-discriminatory basis. Due consideration is given to the recruitment, promotion, training and working environment of all staff including those with disabilities. It is the Group's policy to encourage the training and further development of all its employees where this is of benefit to the individual and to the Group.

(e) Health and safety

It is the policy of the Group to take all reasonable and practicable steps to safeguard the health, safety and welfare of its employees, visitors and other persons who may be affected by its activities. In order to meet these responsibilities the Group will:

- assess the risks to health and safety;
- implement safe systems at work;
- provide information, instruction and training;
- establish and maintain emergency procedures; and
- regularly review health and safety policies and procedures.

We are being proactive in our approach to health and safety by monitoring proposed changes in legislation and implementing policies accordingly, and as such we comply with all statutory and regulatory requirements.

(f) Supplier payment policy

It is the policy of the Group to agree appropriate terms and conditions for transactions with suppliers (by means ranging from standard written terms to individually negotiated contracts) and that payment should be made in accordance with those terms and conditions, provided that the supplier has also complied with them.

The Company acts as a holding company for the Group. Creditor days for the Company were nil (2002: nil) as the Company does not undertake any transactions with suppliers. The Group's creditor days for the year ended 31 December 2003 were 28 (2002: 29 days).

Statement of Directors' responsibilities

United Kingdom Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial period and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP under the provisions of Section 26(5) of the Companies Act 1989.

Deloitte & Touche LLP are willing to continue in office and accordingly resolutions to re-appoint them as auditors and authorising the Directors to set their remuneration will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The resolutions to be proposed at the Annual General Meeting to be held on 27 May 2004, together with explanatory notes, appear in the Notice of Meeting set out on pages 57 to 59.

By order of the Board

R A McBride
Company Secretary
25 February 2004

Corporate Governance

The Board of Directors is committed to high standards of corporate governance and has applied the principles of corporate governance recommended in Section 1 of the Combined Code for the year ended 31 December 2003.

This statement also reflects best practice governance matters as defined by the recent Higgs review of the role and effectiveness of non-executive directors. The Board has continued to adopt the 'comply or explain' approach reinforced by Higgs confirming that either the company complies with the recommendations or provides an explanation for non-compliance. However the formal compliance statement made below refers to the current Combined Code dated June 1998 applicable to this year end.

Compliance with the Combined Code

The Directors consider that the Company has complied with the Code provisions set out in Section 1 of the Combined Code throughout the year ended 31 December 2003.

The Board and its operation

The Board of Michael Page International plc is the body responsible for corporate governance, establishing policies and objectives, and the management of the Group's resources. It is the Group's policy that the roles of Chairman and Chief Executive are separate.

The main Board comprises the Chairman, who has no executive responsibilities, five Executive Directors and three independent Non-Executive Directors. The relatively large number of Executive Directors reflects the Group's team approach to management. The number of independent Non-Executive Directors does not equal that of the executives as the Board considers that the collective know-how and experience of the Non-Executive Directors provides a balanced mix of skills which is sufficient to ensure proper governance of the Group which consists of an organically grown, single business, producing clear, transparent results. With this high level of visibility there is considered to be no value in appointing additional Non-Executive Directors and therefore there is currently no intention to increase the number of independent Non-Executive Directors on the main Board.

All Directors are subject to retirement by rotation and re-election by the shareholders in accordance with the Articles of Association, whereby one third of the Directors retire by rotation each year. All Directors are subject to election by the shareholders at the first Annual General Meeting following their appointment. All Directors are subject to re-election every three years in accordance with the Higgs recommendations.

All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures and applicable rules and regulations are observed. There is an agreed procedure for Directors to obtain independent professional advice, if necessary, at the Company's expense.

The Board meets regularly throughout the year. It has a formal schedule of matters reserved to it and delegates specific responsibilities to Committees. During the meetings, the Board formally considers how and to whom matters covered at each meeting should be communicated and actioned beyond the Board. Decision making concerning matters of a more routine nature are dealt with by management below Board level. The structure of the Group facilitates the day to day running of the business and enables efficient and effective communication of issues to the Board when required.

Each of the Committees has formal written terms of reference which were reviewed and amended in 2003 in accordance with the Higgs recommendations. Their composition and manner in which they discharge their responsibilities are described below.

Audit Committee

The Audit Committee comprises the independent Non-Executive Directors and is chaired by Stephen Box. Their relevant qualifications and experience are shown in their biographies on pages 12 and 13.

The Committee met four times this year to fulfil its duties and included attendance by the external auditors where required. Its principal tasks are to review the Group's internal controls, review the scope of the external audit, consider issues raised by the external auditors, and review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and compliance, and areas of management judgement and estimates.

Objectivity and independence of external auditors

The objectivity and independence of the external auditor is safeguarded by:

(a) obtaining assurances from the external auditor that adequate policies and procedures exist within its firm to ensure the firm and its staff are independent of the Group by reason of family, finance, employment, investment and business relationships (other than in the normal course of business);

(b) enforcing a policy concerning the provision of non-audit services by the auditor which governs the types of work:

(i) from which the external auditor is excluded;

(ii) for which the external auditor can be engaged without referral to the audit committee;

(iii) for which a case-by-case decision is required, which includes all engagements over certain fee limits.

(c) enforcing a policy of reviewing all cases where it is proposed that a former employee of the external auditors be employed by the Group; and

(d) monitoring the external auditors' compliance with applicable UK ethical guidance on the rotation of audit partners.

Nomination Committee

The Nomination Committee comprises the Non-Executive Directors and is chaired by Adrian Montague. It is responsible for making recommendations to the Board on new appointments, as well as making recommendations as to the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board.

Remuneration Committee

The Remuneration Committee comprises the Non-Executive Directors and is chaired by Adrian Montague. It is recognised that the membership of the Committee does not comply with the current recommendations of the Higgs review, in as much as the Chairman is a member of the Committee. However, it is the current belief of the Board that the Chairman is best placed to manage discussions concerning remuneration and to address any concerns raised by shareholders.

The Committee reviews the Group's policy on the Executive Directors' and senior executives' remuneration and terms of employment, makes recommendations upon this to the Board, and also approves the provision of policies for the incentivisation of employees including share schemes. The Committee meets at least twice a year and is also attended by the Chief Executive except when his own remuneration is under consideration. The Remuneration Report is shown on pages 23 to 29 and includes information on the Directors' service contracts.

Corporate Governance
continued

Transparency of Board appointments

The Board follows formal and transparent procedures when appointing directors. Following the issue of the Revised Combined Code on Corporate Governance in July 2003, the nomination committee engages external consultants to identify a shortlist of suitable candidates for Non-Executive appointments. All the candidates are interviewed by the Chairman and the Chief Executive and evaluations of all candidates are discussed with all members of the nomination committee and the recommendation is subsequently made to the Board.

Induction and training programme

On appointment to the Board, each director discusses with the Company Secretary the extent of training required and a tailored induction programme to cover their individual requirements is then compiled. Elements of the programme typically consists of meeting senior management, site visits and attending internal conferences. In addition, information is provided on the company's services, group structure, Board arrangements, financial information, major competitors and major risks. After an initial induction phase, updates are provided on a periodic basis.

Performance evaluation

In the year under review, evaluation of the performance of the Board was undertaken in respect of the achievement of financial targets which directly impacted the level of bonus awarded. Financial and non-financial goals have been agreed for 2004 as part of the budget process and these will be evaluated at the end of the year.

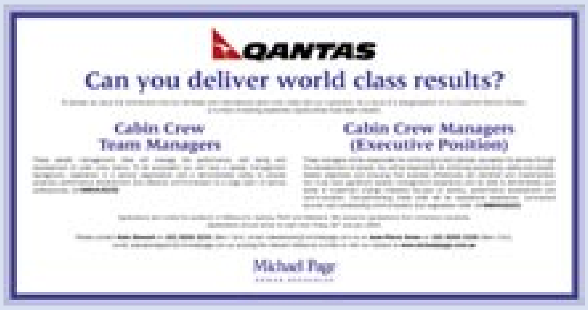
Attendance at meetings

The number of meetings of the board and commitees and individual attendance by the directors are shown below:

	Main Board
Total meetings	12
Meetings attended	
Executive	
T W Benson	11
S P Burke	11
C-H Dumon	9
S J Ingham	10
S R Puckett	12

	Main Board	Audit Committee	Remuneration Committee	Nomination Committee
Total meetings	12	4	6	2
Non-Executive				
A A Montague*	12	2	6	2
S J Box	12	4	6	2
R Lourey (appointed 7 October 2003)	2	1	1	-
H V Reid (appointed 25 February 2003)	11	3	3	1
M Stewart (resigned 7 October 2003)	5	2	4	1

* Resigned as a member of the Audit Committee on 22 May 2003 in line with the recommendation made in the Smith Report "Audit Committees – Combined Code Guidance".



Internal control

The responsibilities of the Directors in respect of internal control are defined by the Financial Services Authority's Listing Rules which incorporate a Code of Practice known as the Combined Code, which requires that Directors review the effectiveness of the Group's system of internal controls. This requirement stipulates that the review shall cover all controls including operational, compliance and risk management, as well as financial. Internal Control Guidance for Directors on the Combined Code ("the Turnbull Report") was published in September 1999.

The Board has assessed existing risk management and internal control processes during the year ended 31 December 2003 in accordance with the Turnbull guidance. The Board believes it has the procedures in place such that the Group has fully complied for the financial year ended 31 December 2003.

The Directors are responsible for the Group's system of internal financial and operational controls which are designed to meet the Group's particular needs and aim to safeguard Group assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is reliable.

Any system of internal control can only provide reasonable, but not absolute, assurance against material misstatement and loss. Key elements of the system of internal control are as follows:

- **group organisation.** The Board of Directors meets at least ten times a year, focusing mainly on strategic issues, operational and financial performance. There is also a defined policy on matters strictly reserved for the Board. The Managing Director of each operating company is accountable for establishing and monitoring internal controls within that division;

- **financial reporting.** The Group has a comprehensive budgeting system with an annual budget approved by the Board. Detailed monthly reports are produced showing comparisons of results against budget, forecast and the prior year, with performance monitoring and explanations provided for significant variances. The Group reports to shareholders on a half-yearly basis;

- **quarterly reforecasting.** The Group prepares a full year reforecast on a quarterly basis showing, by individual businesses, the results to date and a reforecast against budget for the remaining period up to the end of the year;

- **Audit Committee.** There is an established Audit Committee whose activities are previously described;

- **financial and operational controls.** Controls and procedures are documented in policies and procedures manuals. Individual operations complete an annual Self-Certification Statement. Each operational manager, in addition to the finance function for that operation, confirms the adequacy of their systems of internal control and their compliance with Group policies. The Statement also requires the reporting of any significant control issues that have emerged so that areas of Group concern can be identified and experience can be shared;

- **risk management.** Identification of major business risks is carried out at Group level in conjunction with operational management and appropriate steps taken to monitor and mitigate risk;

- **public interest disclosure policy.** A procedure is in place where staff may, in confidence, raise concerns about possible improprieties relating to financial reporting or other matters; and

Corporate Governance
continued

- **internal audit activities.** These are performed by members of the head office finance function, who are independent of the operations, throughout the year. Businesses are visited on a rotational basis and their controls are assessed in their effectiveness to mitigate specific risks. In addition, there is a regular review of these risks and changes are made to the risk profile where necessary. All internal audit activities are reported to the Audit Committee. During the year, the Board reviewed internal audit arrangements and concluded that there is currently no need for a separate and distinct internal audit department.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and that the processes have been in place for the year under review and up to the date of approval of the annual report and accounts.

Board contact with shareholders

Communications with shareholders are given a high priority. The main contact between the Board and shareholders is through the Chief Executive and the Finance Director. They undertake two major investor "roadshows" each year in February/March and August/September, in which numerous one-to-one meetings with shareholders take place. The outcome of these meetings and the views of shareholders are relayed back to the Board by the corporate brokers, at the end of each roadshow. The Group's corporate brokers also report monthly to the Board on broking activity during the month and any issues that may have been raised with them.

Where appropriate, individual matters (e.g. the introduction of a share incentive plan) are discussed by the Chairman or Senior Independent Director directly with major shareholders.

The Group also has a website (www.michaelpage.co.uk) with an investor section that contains Company announcements and other shareholder information.

Annual Report

The Annual Report is designed to present a balanced and understandable view of the Group's activities and prospects. The Chairman's Statement, Chief Executive's Review and Finance Director's Review on pages 4 to 11 provide an assessment of the Group's affairs and position. The Annual Report and Interim Report are sent to all shareholders.

The Directors acknowledge their responsibility for the preparation of the Annual Report. The Statement of Directors' Responsibilities is shown on page 17. A statement by the auditors about their reporting responsibilities is shown on pages 30 to 31.

Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being a period of at least twelve months from the date of approval of accounts and therefore continue to adopt the going concern basis in preparing the accounts. In forming this view, the Directors have reviewed the Group's budget and forecasts for 2004 based on normal business planning and control procedures.

Remuneration Report

Scope and membership of Remuneration Committee

The Remuneration Committee meets not less than twice a year and comprises the Chairman and Non-Executive Directors. It is chaired by Adrian Montague. The Chief Executive attends the meetings except when his own remuneration is under consideration. The purpose of the Remuneration Committee is to review, on behalf of the Board, the remuneration policy for the Executive Directors and other senior executives and to determine the level of remuneration, incentives and other benefits, compensation payments and the terms of employment of the Executive Directors and other senior executives. It seeks to provide a remuneration package that aligns the interests of Executive Directors with the shareholders. The Committee has continued to review the remuneration of the Executive Directors with regard to the need to maintain a balance between the constituent elements of salary, incentive and other benefits. It has appointed and receives advice from independent remuneration consultants, New Bridge Street Consultants, and makes comparisons with similar organisations. New Bridge Street Consultants provides no other material services to the Company, nor do they have any other connection with the Company.

No Directors other than the members of the Remuneration Committee provided material advice to the Committee on Directors' remuneration.

Remuneration policy

The objective of the Group's remuneration policy is to attract and retain management with the appropriate professional, managerial and operational expertise necessary to realise the Group's objectives as well as to establish a framework for remunerating all employees.

It is the Company's policy that none of the Executive Directors has a service contract which can be determined by more than 12 months' notice. The Non-Executive Directors do not have service contracts with the Company. They are appointed for an initial term of three years and thereafter may be reappointed for one further term of three years subject to re-election at Annual General Meetings. Additional details of service contracts are shown on page 29.

The remuneration of the Non-Executive Directors is determined by the Board. The Non-Executive Directors do not receive any pension or other benefits, other than out-of-pocket expenses, from the Group, nor do they participate in any of the bonus or share option schemes.

The remuneration agreed by the Committee for the Executive Directors contains the following elements: a base salary and benefits, an annual bonus reflecting Group performance, share options conditional upon achieving performance criteria, incentive share plan award and pension benefits.

The following sections provide an outline of the Company's policy during 2003 and for the forthcoming and subsequent years with regard to each component.

Base salary and benefits

The Committee establishes salaries and benefits by reference to those prevailing in the employment market generally for Executive Directors of comparable status and market value, taking into account the range of incentives described elsewhere in this report, including a performance bonus. Reviews of such base salary and benefits are conducted annually by the Committee having regard to wage inflation in the economy.

Annual bonus plan

Annual bonuses for the Executive Directors are based on the division of a pool of Profits earned during the financial year. 6% of Profits earned above a threshold equal to half of targeted Profits for the year will be reserved for bonuses (i.e. approximately 3% of total Profits). In addition, if Profits exceed 1.2 times the targeted level, then an additional 2% of Profits earned above the targeted level will be added to the bonus pool. Profits are defined as group profit before taxation, exceptional and extraordinary items and before the Executive Directors' annual bonus charges and charges or credits resulting from the Incentive Share Plan described below or other share option grants.

Remuneration Report
continued

The targeted level of Profits for 2003 was £16m and was set at the beginning of 2003 by reference to market expectations and internal forecasts at that time. The Committee retains the discretion to review this arrangement and set different rates and thresholds as it deems appropriate for the business.

The target for 2004 has been set and will be disclosed in next year's report. The threshold in 2004 for awarding the additional 2% of profits has been increased to 1.25 from 1.2 times the targeted level.

In the event that this mechanism creates an annual bonus greater than 100% of salary for any executive, only an amount equal to the executive's salary will be paid in cash. The excess above the individual's salary level will be paid into an employee benefit trust and invested in the Company's shares with no matching investment by the Company. These shares will be reserved for the executive and will vest in equal tranches 1, 2 and 3 years later, normally so long as the executive is still in employment at that time.

The bonus pool will be capable of variation by the Committee both up and down by, initially, 10%, to reflect the Committee's view on the performance of the Company relative to its directly comparable peers. There has been no variation made to the 2003 bonus pool.

Incentive Share Plan for Executive Directors and Senior Employees

In December 2003, shareholders approved a new Incentive Share Plan for Executive Directors and senior employees. Initially, 5% of Group Profits of the preceeding year will be paid into an employee benefit trust and invested in the Company's shares. Not more than 60% of this figure will be available for awards to the Executive Directors. The balance will be for awards to senior employees. Group Profits are defined as group profit before taxation and before exceptional and extraordinary items and charges or credits resulting from the Plan or other share option grants, as described below.

Two thirds of these shares ("Deferred Share Awards") are subject to a three year deferral period during which they will be forfeited if the relevant director or senior employee leaves, other than in "compassionate circumstances". The remaining third ("Performance Share Awards") are also to be deferred for three years but are subject to earnings per share ("EPS") growth targets over the three year period. Awards up to 50% of a director's or senior employee's salary will only vest if EPS grows by an average of 5% over the growth in UK RPI per annum over the three year period. Any excess between 50% and 75% of salary will only vest to the extent that EPS grows by 7.5% over the growth in UK RPI per annum over the three year period. Finally, to the extent that the performance share award is greater than 75% of an executive's salary, the hurdle will be 10% over the growth in UK RPI per annum over the three year period. If awards do not vest after three years, then they will lapse.

Senior executives of the Group who benefit from these arrangements will, in the future, receive only modest share option grants as described below.

The Committee retains the discretion to review the proportion of profits dedicated to the Incentive Share Plan in the light of the growth in the size of the Company, its profitability and the number of Executive Directors.

Based on the 2003 results, awards totalling £1.175m will be made in 2004 of which £0.675m (57.4%) is for the Executive Directors.

Restricted Share Scheme

On flotation in 2001, 6% of the issued shares of the Group owned by Spherion Corporation, the Group's previous ultimate parent company, were allocated to the Executive Directors and certain senior executives in a Restricted Share Scheme. Benefits received under the Restricted Share Scheme are not pensionable and the shares will be delivered in 2004.

Executive Share Option Scheme

The Executive Directors and senior employees are eligible to participate in the Executive Share Option Scheme. No payment is required on the grant of an option and no share options are granted at a discount. Benefits received under the Executive Share Option Scheme will not be pensionable. Share options can only be exercised on the achievement of performance criteria which are disclosed in note 18 of the Financial Statements. For future share option awards retesting after the initial vesting period will not be permitted.

Following shareholder approval of the Incentive Share Plan, the maximum annual awards are as follows: for the Chief Executive Officer, 150,000; for all other Executive Board Directors, 100,000; and for any other senior executive participating in the Incentive Share Plan, the maximum award is 50,000.

Pension benefits

Executive Directors are eligible to participate in a Company pension plan which is a defined contribution scheme. Where the pension entitlement exceeds the Inland Revenue's cap, a cash alternative is payable. No changes were made to pension arrangements during 2003 and no changes are anticipated in 2004.

Directors' remuneration

Emoluments

The aggregate emoluments, excluding pensions, of the Directors of the Company who served during the year were as follows:

	2003 Salary and fees £'000	2003 Benefits (note 2) £'000	2003 Bonus £'000	2003 Total £'000	2002 Total £'000
Executive					
T W Benson (note 1)	334	28	333	695	607
S P Burke	223	20	222	465	408
C-H Dumon	223	125	222	570	406
S J Ingham	202	42	201	445	393
S R Puckett	207	43	206	456	402
Non-Executive					
A A Montague	50	-	-	50	40
S J Box	30	-	-	30	30
R Lourey (appointed 7 October 2003)	6	-	-	6	-
H V Reid (appointed 25 February 2003)	21	-	-	21	-
M Stewart (resigned 7 October 2003)	19	-	-	19	25

The base salaries of the Executive Directors were reviewed in January 2004 and were increased by 2.8% effective from 1 January 2004.

Notes:

1. Mr Benson is the highest paid director.
2. Benefits include, inter alia, items such as company car or cash alternative, fuel, relocation costs, cash in lieu of pension contributions, and medical insurance.

Remuneration Report
continued

Directors' remuneration (continued)

Pension contributions

	2003 £'000	2002 £'000
T W Benson	100	97
S P Burke	45	43
C-H Dumon	5	2
S J Ingham	20	19
S R Puckett	20	19

Directors' interests and share ownership requirements

Executive Directors are required to build and hold, as a minimum, a direct beneficial interest in the Company's ordinary shares equal to their respective base salary.

The beneficial interests of the Directors and their families in shares of the Company are shown below. There has been no change in these interests from 31 December 2003 to 25 February 2004.

	Direct Holding Ordinary shares of 1p		Restricted Shares Ordinary shares of 1p	
	31 December 2003	31 December 2002	31 December 2003	31 December 2002
T W Benson	-	-	5,673,583	5,552,673
S P Burke	28,571	28,571	3,130,254	3,063,544
C-H Dumon	14,285	14,285	3,130,254	3,063,544
S J Ingham	28,571	28,571	1,662,947	1,627,507
S R Puckett	114,285	114,285	146,731	143,604
A A Montague‡	-	-	-	-
S J Box‡	15,000	15,000	-	-
R Lourey‡ (appointed 7 October 2003)	-	-	-	-
H V Reid‡ (appointed 25 February 2003)	-	-	-	-

‡ Non-Executive Directors

Directors’ interests and share ownership requirements (continued)

The beneficial interests of the Executive Directors and their families in share options of the Michael Page International plc Executive Share Option Scheme at 31 December 2003 were as follows:

	Date of Grant	At 1 January 2003	Granted in year	At 31 December 2003	Exercise price (pence)	Period of exercise
T W Benson	2001	3,750,000	-	3,750,000	175	2004-2011
	2002	150,000	-	150,000	186	2005-2012
	2002	150,000	-	150,000	186	2006-2012
	2003	-	200,000	200,000	81.5	2006-2013
S P Burke	2001	1,125,000	-	1,125,000	175	2004-2011
	2002	150,000	-	150,000	186	2005-2012
	2002	150,000	-	150,000	186	2006-2012
	2003	-	200,000	200,000	81.5	2006-2013
C-H Dumon	2001	1,125,000	-	1,125,000	175	2004-2011
	2002	300,000	-	300,000	186	2006-2012
	2003	-	200,000	200,000	83.4	2007-2013
S J Ingham	2001	750,000	-	750,000	175	2004-2011
	2002	150,000	-	150,000	186	2005-2012
	2002	150,000	-	150,000	186	2006-2012
	2003	-	200,000	200,000	81.5	2006-2013
S R Puckett	2001	750,000	-	750,000	175	2004-2011
	2002	150,000	-	150,000	186	2005-2012
	2002	150,000	-	150,000	186	2006-2012
	2003	-	200,000	200,000	81.5	2006-2013

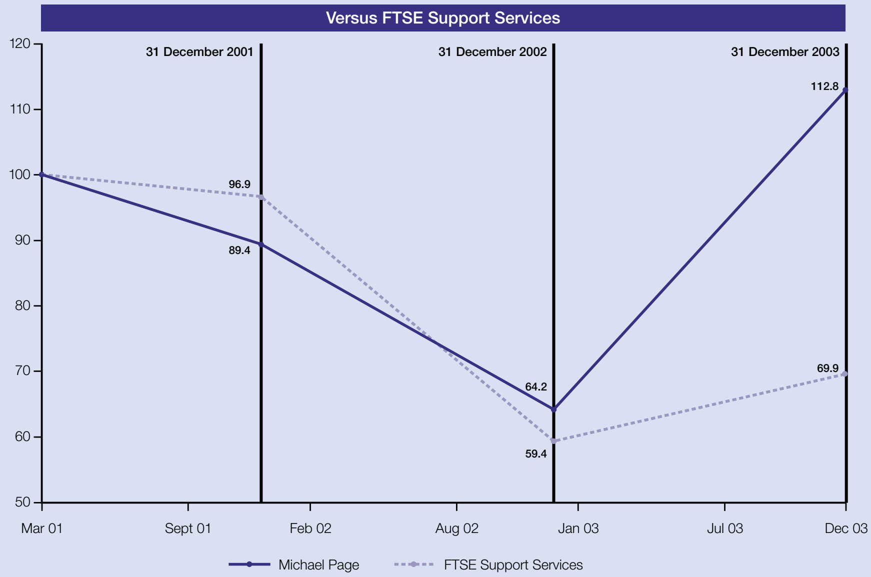
1. The market price of the shares at 31 December 2003 was 186.0p with a range during the year of 78.5p to 202.0p.

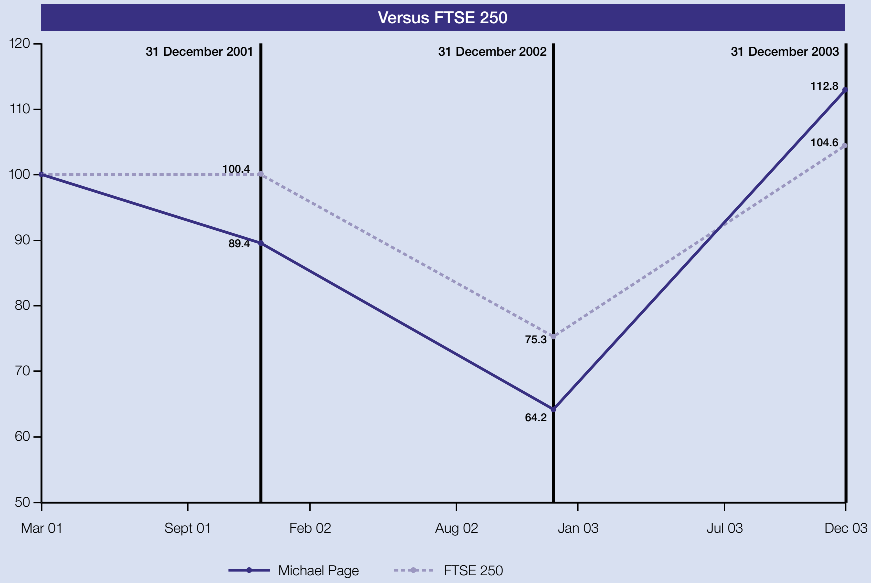
2. No options held by Directors lapsed unexercised or were exercised during the period. The options are normally exercisable subject to achieving performance criteria at any time on or after the third, but not later than the tenth anniversary of the date on which the option was granted. The performance criteria are set out in note 18 to the financial statements.

Remuneration Report
continued

Total Shareholder Return (TSR)

The graphs opposite show Total Shareholder Return (TSR) for the Group and the FTSE Support Services index which, as it is the sector in which the Company operates, is considered the most appropriate comparator index in the absence of a more directly representative recognised index. A comparison with the FTSE 250 index is also given. The graphs illustrate TSR for the financial periods since the date of flotation in 2001.





Service contracts

All Executive Directors' service contracts contain a 12 month notice period. The service contracts also contain restrictive covenants preventing the Directors from competing with the Group for six months following the termination of employment and preventing the Directors from soliciting key employees, clients and candidates of the employing company and Group companies for 12 months following termination of employment.

	Contract date	Unexpired term	Notice period	Provision for compensation on early termination	Other termination provisions
Executive					
T W Benson	05/03/01	no specific term	12 months	12 months salary plus other contractual benefits	None
S P Burke	05/03/01	no specific term	12 months	12 months salary plus other contractual benefits	None
C-H Dumon	13/06/03	no specific term	12 months	12 months salary plus other contractual benefits	None
S J Ingham	05/03/01	no specific term	12 months	12 months salary plus other contractual benefits	None
S R Puckett	05/03/01	no specific term	12 months	12 months salary plus other contractual benefits	None
Non-Executive					
A A Montague	26/01/04	35 months	None	None	None
S J Box	26/01/04	35 months	None	None	None
R Lourey	07/10/03	32 months	None	None	None
H V Reid	25/02/03	24 months	None	None	None

Annual resolution

Shareholders will be given the opportunity to approve the Remuneration Report at the Annual General Meeting (resolution 7) on 27 May 2004.

Audit requirement

Within the Remuneration Report, the sections on Directors' remuneration, shareholdings, and pension benefits, on pages 25 to 27 inclusive, are audited. All other sections of the Remuneration Report are unaudited.

On behalf of the Board of Directors

Adrian Montague
Chairman
Remuneration Committee
25 February 2004

Independent Auditors' Report to the Members of Michael Page International plc

We have audited the financial statements of Michael Page International plc for the year ended 31 December 2003 which comprise the consolidated profit and loss account, the balance sheets, the consolidated statement of total recognised gains and losses, the consolidated reconciliation of movements in shareholders' funds, the consolidated cash flow statement, and the related notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the part of the directors' remuneration report that is described as having been audited.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. They are also responsible for the preparation of the other information contained in the annual report including the directors' remuneration report. Our responsibility is to audit the financial statements and the part of the directors' remuneration report described as having been audited in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the directors' remuneration report described as having been audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We review whether the corporate governance statement reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section including the unaudited part of the directors' remuneration report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the directors' remuneration report described as having been audited. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the directors' remuneration report described as having been audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the directors' remuneration report described as having been audited.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 2003 and of the profit of the group for the year then ended; and
- the financial statements and part of the directors' remuneration report described as having been audited have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
25 February 2004

Consolidated Profit and Loss Account

Year ended 31 December 2003

	Note	Before exceptional items 2003 £'000	Exceptional items (note 3) 2003 £'000	After exceptional items 2003 £'000	2002 £'000
Turnover	2	**372,616**	**-**	**372,616**	383,470
Cost of sales		**(194,131)**	**-**	**(194,131)**	(190,822)
Gross profit	2	**178,485**	**-**	**178,485**	192,648
Administrative expenses		**(155,601)**	**(1,101)**	**(156,702)**	(160,512)
Operating profit	4	**22,884**	**(1,101)**	**21,783**	32,136
Net interest	6	**626**	**-**	**626**	461
Profit on ordinary activities before taxation	2	**23,510**	**(1,101)**	**22,409**	32,597
Taxation on profit on ordinary activities	7	**(8,994)**	**330**	**(8,664)**	(11,443)
Profit on ordinary activities after taxation being profit for the financial year		**14,516**	**(771)**	**13,745**	21,154
Equity dividends	8	**(12,171)**	**-**	**(12,171)**	(12,263)
Retained profit for the financial year	19	**2,345**	**(771)**	**1,574**	8,891
Basic earnings per share (pence)	9			**3.8**	5.8
Diluted earnings per share (pence)	9			**3.8**	5.8
Adjusted earnings per share (pence)	9			**4.1**	5.8

The above results relate to continuing operations.

Balance Sheets

31 December 2003

	Note	Group 2003 £'000	Group As restated (note 10) 2002 £'000	Company 2003 £'000	Company As restated (note 10) 2002 £'000
Fixed Assets					
Intangible assets	11	1,539	1,635	-	-
Tangible assets	12	23,101	23,505	-	-
Investments	13	-	-	421,545	421,545
		24,640	25,140	421,545	421,545
Current assets					
Debtors	14	71,530	70,743	1,414	3,314
Cash at bank and in hand	22	23,211	22,040	131	-
		94,741	92,783	1,545	3,314
Creditors: Amounts falling due within one year	15	(59,355)	(63,069)	(122,657)	(124,525)
Net current assets/(liabilities)		35,386	29,714	(121,112)	(121,211)
Total assets less current liabilities		60,026	54,854	300,433	300,334
Creditors: Amounts falling due after more than one year	15	(444)	-	-	-
Provisions for liabilities and charges	16	(6,239)	(6,000)	(4,114)	(6,000)
Net assets	2	53,343	48,854	296,319	294,334
Capital and reserves					
Called up share capital	18	3,637	3,637	3,637	3,637
Capital redemption reserve	19	113	113	113	113
EBT reserve	19	(9,871)	(10,000)	(9,871)	(10,000)
Profit and loss account	19	59,464	55,104	302,440	300,584
Equity shareholders' funds		53,343	48,854	296,319	294,334

These financial statements were approved by the Board of Directors on 25 February 2004.

On behalf of the Board of Directors.

T W Benson
Chief Executive

S R Puckett
Group Finance Director

Consolidated Statement of Total Recognised Gains and Losses

Year ended 31 December 2003

	2003 £'000	2002 £'000
Profit for the financial year	**13,745**	21,154
Foreign currency translation differences	**2,786**	1,256
Total recognised gains and losses for the year	**16,531**	22,410

Consolidated Reconciliation of Movements in Shareholders' Funds

Year ended 31 December 2003

	2003 £'000	2002 £'000
Profit for the financial year	**13,745**	21,154
Dividends	**(12,171)**	(12,263)
Retained profit for the financial year	**1,574**	8,891
Foreign currency translation differences	**2,786**	1,256
	4,360	10,147
Purchase own shares for cancellation	**-**	(13,726)
Sale of shares held by the Employee Benefit Trust	**129**	-
Net addition to/(reduction in) shareholders' funds	**4,489**	(3,579)
Opening shareholders' funds as previously stated	**48,854**	62,433
Prior year adjustment (note 10)	**-**	(10,000)
Opening shareholders' funds as restated	**48,854**	52,433
Closing shareholders' funds	**53,343**	48,854

Consolidated Cash Flow Statement

Year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Net cash inflow from operating activities	20	**29,179**	46,657
Returns on investments and servicing of finance			
Interest received		**702**	825
Interest paid		**(77)**	(358)
Net cash inflow from returns on investments and servicing of finance		**625**	467
Taxation		**(10,657)**	(11,537)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(8,311)**	(4,958)
Receipts from sales of tangible fixed assets		**1,962**	2,422
Net cash outflow from capital expenditure and financial investment		**(6,349)**	(2,536)
Equity dividends paid		**(12,170)**	(12,524)
Net cash inflow before financing		**628**	20,527
Financing			
Sale of shares held by the Employee Benefit Trust		**129**	-
Repayment of loan notes		**-**	(5,452)
Purchase of own shares for cancellation		**-**	(13,726)
Net cash inflow/(outflow) from financing		**129**	(19,178)
Increase in net cash in the year	22	**757**	1,349

Notes to the Accounts

Year ended 31 December 2003

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the Directors are described below and have been applied consistently throughout the current and prior year with the exception of the change in accounting policy resulting from the adoption of UITF 38 as described in note 10.

Accounting convention

The accounts have been prepared under the historical cost convention.

Basis of consolidation

The financial statements of Michael Page International plc consolidate the results of the Company and all its subsidiary undertakings. As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the Company has not been included as part of these accounts. The Company's profit for the financial year amounted to £14.0m (2002: £17.8m).

In preparing the financial statements for the current year, the Group has adopted UITF Abstract 38 "Accounting for ESOP Trusts" early. The early adoption of this UITF has resulted in a prior year adjustment as disclosed in note 10.

Turnover and income recognition

Turnover, which excludes value added tax ("VAT"), constitutes the value of services undertaken by the Group as its principal activities, which are recruitment consultancy and other ancillary services. These consist of:

- Turnover from temporary placements, which represents amounts billed for the services of temporary staff including the salary cost of these staff. This is recognised when the service has been provided;
- Turnover from permanent placements, which is based on a percentage of the candidate's remuneration package, and is derived from both retained assignments (income recognised on completion of defined stages of work) and non-retained assignments (income recognised at the date an offer is accepted by a candidate, and where a start date has been determined). The latter includes turnover anticipated, but not invoiced, at the balance sheet date, which is correspondingly accrued on the balance sheet within "Prepayments and accrued income". A provision is made against accrued income for possible cancellations of placements prior to, or shortly after, the commencement of employment; and
- Turnover from amounts billed to clients for expenses incurred on their behalf (principally advertisements) and is recognised when the expense is incurred.

Cost of sales

Cost of sales consists of the salary cost of temporary staff and costs incurred on behalf of clients, principally advertising costs.

Gross profit

Gross profit is represented by turnover less cost of sales and consists of the total of placement fees of permanent candidates, the margin earned on the placement of temporary candidates and advertising income. It is referred to by management as revenue.

Goodwill

Since 31 December 1997, goodwill arising on acquisitions (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) has been capitalised and classified as an asset at cost on the balance sheet and amortised over its estimated useful economic life of 20 years. Goodwill arising on acquisitions prior to 31 December 1997 has been written off against reserves and will be charged or credited in the profit and loss account on subsequent disposal of the business to which it related.

1. Accounting policies (continued)

Foreign exchange

Transactions in foreign currencies are translated into sterling at the rates of exchange prevailing at the dates the transactions were made. Exchange differences on these items are dealt with in the profit and loss account. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at rates ruling at that date. Translation differences are dealt with in the statement of total recognised gains and losses.

Accounts of overseas operations are translated using the closing rate method. Profits, losses and cash flows of overseas operations are translated at the average exchange rate applicable to the period, whereas assets and liabilities of overseas subsidiaries are translated at the rates ruling at the period end. Unrealised gains and losses arising on these transactions are dealt with in the statement of total recognised gains and losses.

Tangible fixed assets

Tangible fixed assets are stated at original cost less accumulated depreciation. Depreciation is calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life at the following rates:

Leasehold improvements	10% per annum or period of lease if shorter
Furniture, fixtures and equipment	10% - 20% per annum
Motor vehicles	25% per annum

Investments

Fixed asset investments are stated at cost less provision for impairment.

Taxation

The charge for taxation is provided at rates of corporation tax ruling during the accounting period.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on unremitted earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension costs charged to the profit and loss account represent the contributions payable by the Group to the funds during each period.

Leased assets

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Notes to the Accounts
continued

2. Segmental analysis

(a) Turnover and gross profit by geographic region

		Turnover		Gross Profit	
		2003 £'000	2002 £'000	2003 £'000	2002 £'000
United Kingdom		**194,262**	203,868	**90,630**	99,274
Continental Europe		**120,363**	127,551	**58,227**	66,334
Asia Pacific	Australia	**43,708**	39,187	**18,082**	16,380
	Other	**7,673**	7,503	**6,951**	6,536
	Total	**51,381**	46,690	**25,033**	22,916
Americas		**6,610**	5,361	**4,595**	4,124
		372,616	383,470	**178,485**	192,648

The above analysis by destination is not materially different to analysis by origin. The amounts stated above derive from the Group's single activity of recruitment consultancy.

(b) Turnover and gross profit by discipline

	Turnover		Gross Profit	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Finance and accounting	**256,731**	277,818	**113,599**	126,477
Marketing and sales	**61,832**	54,590	**37,704**	38,740
Other	**54,053**	51,062	**27,182**	27,431
	372,616	383,470	**178,485**	192,648

2. Segmental analysis (continued)

(c) Profit before interest, taxation and exceptional items by geographic region

		2003 £'000	2002 £'000
United Kingdom		**15,638**	20,487
Continental Europe		**(280)**	5,567
Asia Pacific	Australia	**6,303**	5,796
	Other	**1,285**	1,033
	Total	**7,588**	6,829
Americas		**(62)**	(747)
Profit before interest, taxation and exceptional items		**22,884**	32,136
Exceptional items		**(1,101)**	-
Profit before interest and taxation		**21,783**	32,136
Net interest		**626**	461
Profit on ordinary activities before taxation		**22,409**	32,597

Net interest has not been allocated, recognising the head office's role and responsibility in allocating financial resources.

(d) Net assets/(liabilities) by geographic region

		2003 £'000	As restated (note 10) 2002 £'000
United Kingdom		**41,115**	30,264
Continental Europe		**9,791**	17,166
Asia Pacific	Australia	**4,741**	3,825
	Other	**811**	340
	Total	**5,552**	4,165
Americas		**(3,115)**	(2,741)
		53,343	48,854

Notes to the Accounts
continued

3. Exceptional items

	2003 £'000	2002 £'000
Release of payroll tax provision on Restricted Share Scheme (a)	**1,886**	-
Property costs (b)	**(2,987)**	-
	(1,101)	-
Taxation on exceptional items	**330**	-
	(771)	-

(a) Release of payroll tax provision on Restricted Share Scheme

The grant of Restricted Shares on flotation in 2001 gave rise to potential National Insurance and social security liabilities for which a provision of £6.0m was established in 2001. As these liabilities crystallise in 2004 when the Restricted Shares vest, these liabilities have now been estimated using the share price at 31 December 2003 of 186.0p. The required provision is £4.1m and as a consequence, £1.9m has been released from the provision.

(b) Property costs

The property cost provision represents rentals and other unavoidable costs on onerous lease agreements on vacant properties.

4. Operating profit

		2003 £'000	2002 £'000
Operating profit is stated after charging:			
Staff costs (note 5)		100,070	98,527
Depreciation of tangible fixed assets - owned		7,592	7,971
Amortisation of goodwill		96	96
Audit services	- statutory audit	312	287
Other services provided by the auditors	- tax compliance services	71	67
	- tax advisory services	135	169
Loss on disposal of tangible fixed assets		241	262
Operating lease rentals:	- land and buildings	12,558	10,684
	- plant and machinery	634	332

5. Employee information

The average number of employees (including Executive Directors) during the year and total number of employees (including Executive Directors) at 31 December 2003 were as follows:

	2003 Average No.	2002 Average No.	2003 Total No.	2002 Total No.
Management	**92**	127	**93**	114
Client services	**1,345**	1,407	**1,351**	1,361
Administration	**852**	937	**816**	915
	2,289	2,471	**2,260**	2,390
Consultants for contract hire	**107**	53	**99**	105
	2,396	2,524	**2,359**	2,495

Employment costs (including Directors' emoluments) comprised:

	2003 £'000	2002 £'000
Wages and salaries	**83,530**	82,477
Social security costs	**12,673**	12,480
Other pension costs	**3,867**	3,570
	100,070	98,527

Details of Directors' remuneration for the year are provided in the audited part of the Directors' Remuneration Report on pages 25 to 27.

6. Net interest

	2003 £'000	2002 £'000
Bank interest receivable	**704**	825
Bank interest payable	**(78)**	(283)
Loan note interest payable	**-**	(81)
	(78)	(364)
Net interest receivable	**626**	461

Notes to the Accounts
continued

7. Taxation on profits on ordinary activities

(a) Analysis of charge in period

	2003 £'000	2002 £'000
UK Corporation tax at 30% for year	**6,236**	9,964
Adjustments in respect of prior periods	**(543)**	(296)
Overseas corporation tax	**2,013**	3,516
Total current tax charge (note 7(b))	**7,706**	13,184
Deferred taxation		
Origination and reversal of timing differences	**958**	(1,741)
Taxation on profit on ordinary activities	**8,664**	11,443

The tax assessed for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below.

(b) Factors affecting the taxation charge for the period

	2003 £'000	2002 £'000
Profit on ordinary activities before taxation	**22,409**	32,597
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 30%	**6,723**	9,779
Effects of:		
Disallowable items and other permanent timing differences	**459**	676
Capital allowances in excess of depreciation	**446**	13
Unrelieved overseas losses	**1,466**	1,178
Other timing differences	**(354)**	1,481
Release of payroll tax liabilities on Restricted Share Scheme	**(566)**	-
Higher tax rates on overseas earnings	**75**	353
Adjustment to tax charge in respect of prior periods	**(543)**	(296)
Current tax charge for the period (note 7(a))	**7,706**	13,184

7. Taxation on profits on ordinary activities (continued)

(c) Factors affecting future taxation charges

Provision has not been made for taxation on unremitted earnings of Group companies overseas as the earnings are continually reinvested and, accordingly, no taxation is expected to be payable on them in the foreseeable future. Unremitted earnings may be liable to overseas taxes and UK taxation (after allowing for double taxation relief) if they were to be distributed as dividends.

In the overseas jurisdictions where the Group currently operates, tax rates are generally higher than those in the UK.

Certain of the Group's overseas operations have current and prior year tax losses, the future utilisation of which is uncertain. Accordingly the Group has not recognised a deferred tax asset of £3.9m (2002: £2.8m) in respect of tax losses of overseas companies. These tax losses are available to offset future taxable profits in the respective jurisdictions.

As a result of recent changes in tax legislation, the Company expects to obtain a deduction for corporation tax purposes when the Restricted Share Scheme vests in 2004. Based on the price of Michael Page shares at 31 December 2003, the deduction to UK taxable profits would be approximately £27m which, at the UK corporation tax rate of 30%, would reduce the tax charge in 2004 by £8.1m.

8. Dividends

	2003 £'000	2002 £'000
Interim dividend of 1.1p per ordinary share (2002: 1.1p)	**3,937**	4,030
Proposed final dividend of 2.3p per ordinary share (2002: 2.3p)	**8,234**	8,233
Total dividend of 3.4p per ordinary share (2002: 3.4p)	**12,171**	12,263

9. Earnings per ordinary share

Earnings per share have been calculated on the following bases:

	Basic and diluted EPS	Exceptional items	Adjusted EPS
Year ended 31 December 2003			
Profit after taxation (£'000)	**13,745**	**771**	**14,516**
Weighted average number of shares ('000)	**357,955**	**-**	**357,955**
Earnings per share (pence)	**3.8**	**-**	**4.1**
Year ended 31 December 2002			
Profit after taxation (£'000)	21,154	-	21,154
Weighted average number of shares ('000)	366,355	-	366,355
Earnings per share (pence)	5.8	-	5.8

10. Prior year adjustment

The Group has adopted UITF Abstract 38 "Accounting for ESOP Trusts" early. The early adoption of this UITF has resulted in "Investments in own shares" being classed as "EBT reserve" on the balance sheet and deducted from shareholders' funds rather than being held as an asset. Prior year net assets have reduced by £10.0m as a result of this restatement. There is no effect on profit in either the current or preceding financial year.

Notes to the Accounts
continued

11. Intangible assets

Group	Goodwill £'000
Cost	
At 1 January 2003 and 31 December 2003	**1,876**
Amortisation	
At 1 January 2003	241
Charge for the year	96
At 31 December 2003	**337**
Net book value	
At 31 December 2003	**1,539**
At 31 December 2002	1,635

12. Tangible fixed assets

Group	Leasehold improvements £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2003	11,948	27,296	7,568	46,812
Additions	2,968	3,958	1,385	8,311
Disposals	(676)	(2,111)	(3,849)	(6,636)
Foreign currency translation	542	1,230	323	2,095
At 31 December 2003	**14,782**	**30,373**	**5,427**	**50,582**
Depreciation				
At 1 January 2003	4,914	15,551	2,842	23,307
Charge for the year	1,538	4,553	1,501	7,592
Disposals	(595)	(1,758)	(2,080)	(4,433)
Foreign currency translation	171	734	110	1,015
At 31 December 2003	**6,028**	**19,080**	**2,373**	**27,481**
Net book value				
At 31 December 2003	**8,754**	**11,293**	**3,054**	**23,101**
At 31 December 2002	7,034	11,745	4,726	23,505

13. Investments

Company	Subsidiary undertakings £'000	Total (as restated) £'000
Cost		
At 1 January 2003 and 31 December 2003	**421,545**	**421,545**

The Company's principal subsidiary undertakings at 31 December 2003, their principal activities and countries of incorporation are set out below:

Name of undertaking	Country of incorporation	Principal activity
Michael Page Recruitment Group Limited	United Kingdom	Holding company
Michael Page Holdings Limited	United Kingdom	Support services
Michael Page International Recruitment Limited*	United Kingdom	Recruitment consultancy
Michael Page UK Limited	United Kingdom	Recruitment consultancy
Michael Page Limited	United Kingdom	Recruitment consultancy
Accountancy Additions Limited	United Kingdom	Recruitment consultancy
Michael Page International (France) SAS	France	Recruitment consultancy
Page Interim SAS	France	Recruitment consultancy
Michael Page International (Espana) SA	Spain	Recruitment consultancy
Page Interim (Espana) SA	Spain	Recruitment consultancy
Michael Page International Italia Srl	Italy	Recruitment consultancy
Page Personnel Italia SpA	Italy	Recruitment consultancy
Michael Page International (Deutschland) GmbH	Germany	Recruitment consultancy
Michael Page International (Nederland) BV	Netherlands	Recruitment consultancy
Michael Page International (Belgium) NV/SA	Belgium	Recruitment consultancy
Michael Page International (Sweden) AB	Sweden	Recruitment consultancy
Michael Page International (Australia) Pty Limited	Australia	Recruitment consultancy
Michael Page International (Hong Kong) Limited	Hong Kong	Recruitment consultancy
Michael Page International (Brasil) SC Ltda	Brazil	Recruitment consultancy
Michael Page International Serviçod de Consultadoria Lda	Portugal	Recruitment consultancy
Michael Page International (Japan) K.K.	Japan	Recruitment consultancy
Michael Page International (Switzerland) SA	Switzerland	Recruitment consultancy
Michael Page International Inc*	United States	Recruitment consultancy
Michael Page International Pte Limited*	Singapore	Recruitment consultancy

*The equity of these subsidiary undertakings is held directly by Michael Page International plc. All companies have been included in the consolidation and operated principally in their country of incorporation.

The percentage of the issued share capital held is equivalent to the percentage of voting rights held. The Group holds 100% of all classes of issued share capital. The share capital of all the subsidiary undertakings comprise ordinary shares, with the exception of Michael Page International Recruitment Limited which comprises 1 ordinary share and 421,544,426 preference shares.

14. Debtors

	Group		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Amounts falling due within one year				
Trade debtors	**53,154**	53,244	**-**	-
Other debtors	**3,467**	2,684	**169**	1,494
Prepayments and accrued income	**11,994**	11,289	**10**	20
	68,615	67,217	**179**	1,514
Amounts falling due after more than one year				
Deferred taxation (see note 17)	**1,345**	2,198	**1,235**	1,800
Prepayments and accrued income	**1,570**	1,328	**-**	-
	71,530	70,743	**1,414**	3,314

15. Creditors

	Group		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Amounts falling due within one year				
Bank overdrafts	**777**	668	**-**	1,775
Trade creditors	**3,815**	4,296	**-**	-
Amounts owed to Group companies	**-**	-	**114,420**	114,268
Corporation tax	**1,222**	3,215	**-**	-
Other tax and social security	**18,048**	18,298	**-**	-
Other creditors	**7,003**	6,949	**3**	187
Accruals and deferred income	**20,256**	21,410	**-**	62
Dividends payable	**8,234**	8,233	**8,234**	8,233
	59,355	63,069	**122,657**	124,525
Amounts falling due after more than one year				
Accruals and deferred income	**444**	-	**-**	-

16. Provisions for liabilities and charges

	Group			Company
	Payroll tax liability on Restricted Share Scheme £'000	Vacant property provision £'000	Total £'000	Payroll tax liability on Restricted Share Scheme £'000
At 1 January 2003	6,000	-	6,000	6,000
Provided in year (note 3)	-	2,987	2,987	-
Utilised in year	-	(862)	(862)	-
Released in year (note 3)	(1,886)	-	(1,886)	(1,886)
At 31 December 2003	**4,114**	**2,125**	**6,239**	**4,114**

17. Deferred taxation

	Group		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Deferred taxation (asset)/provision is as follows:				
Capital allowances in excess of depreciation	**(7)**	439	**-**	-
Other timing differences	**(1,338)**	(2,637)	**(1,235)**	(1,800)
	(1,345)	(2,198)	**(1,235)**	(1,800)
At 1 January	**(2,198)**	(461)	**(1,800)**	(1,800)
Deferred tax charge/(credit) in profit and loss account for period	**958**	(1,741)	**565**	-
Foreign currency translation	**(105)**	4	**-**	-
At 31 December	**(1,345)**	(2,198)	**(1,235)**	(1,800)

18. Called-up share capital

	2003 £'000	2002 £'000
Authorised		
571,250,000 ordinary shares of 1p each	**5,713**	5,713
Allotted, called-up and fully paid		
363,662,799 ordinary shares of 1p each (2002: 363,662,799 ordinary shares of 1p each)	**3,637**	3,637
At 1 January	**3,637**	3,750
Cancellation of own shares	**-**	(113)
At 31 December	**3,637**	3,637

Share options

At 31 December 2003 the following options had been granted and remained outstanding in respect of the Company's ordinary shares of 1p under the Michael Page International plc Executive Share Option Scheme:

Year of grant	Balance at 1 January 2003	Granted in year	Exercised in year	Lapsed in year	No. of shares oustanding	Exercise price per share	Exercise period
2001 (Note 1)	29,276,764	-	53,571	1,797,320	27,425,873	175p	March 2004 - March 2011
2002 (Note 2)	2,926,250	-	20,000	50,819	2,855,431	186p	March 2005 - March 2012
2002 (Note 2)	4,281,250	-	-	150,819	4,130,431	186p	March 2006 - March 2012
2003 (Note 3)	-	7,140,000	-	50,000	7,090,000	81.5p-86.1p	April 2007 - April 2013

Note 1 Pre flotation options

On flotation, options over 33,750,000 (9%) ordinary shares were granted to the Executive Directors and employees. These options are subject to the following:

(a) 55.6% of an individual's option entitlement will normally only be exercisable to the extent that Earnings Per Share (EPS) targets have been satisfied over a period of 3 to 10 years. None of these options will vest unless EPS has grown in line with the UK Retail Prices Index (RPI) plus an average of 5% per annum. At that point 33.3% of this portion of the options vest. If EPS growth is higher than this level, vesting increases on a sliding scale basis until 100% of this portion of the options vest where EPS growth matches RPI plus an average of 10% per annum;

The base earnings per share is 9.9p.

(b) 44.4% of an individual's option entitlement will normally only be exercisable to the extent that share price growth targets have been satisfied over a period of at least 3 years. None of these options will vest unless the Company's share price has achieved 50% growth after 3 years and not later than 5 years. At that point 33.3% of this portion of the options vest. Vesting then increases progressively for further share price growth until full vesting occurs where there is 200% growth after 3 years and not later than 5 years. These hurdles rise from the fifth anniversary of the date of grant at compound rates of growth of 8.45% and 24.57% respectively.

18. Called-up share capital (continued)

Note 2 2002 Grant

On 14 March 2002, options over 7,500,000 ordinary shares were granted in two tranches to the Executive Directors and 203 employees at an exercise price of 186p. The first tranche of options is exercisable, under normal circumstrances, between 3 and 10 years from the date of grant. The second tranche is exercisable, under normal circumstances, between 4 and 10 years fom the date of grant. These options were granted subject to a performance condition requiring that an option may only be exercised, in normal circumstances, if there has been an increase in base earnings per share (as defined) of at least 3% per annum above the growth in the retail price index. The 2001 earnings per share of 10.6p is the base for the first tranche of options. The 2002 earnings per share of 5.8p is the base for the second tranche of options.

Note 3 2003 Grant

On 8 April 2003, options over 7,140,000 were granted to the Executive Directors and 110 employees at exercise prices of between 81.5p and 86.1p. These are exercisable, under normal circumstances, between 3 and 10 years from the date of grant. These grants are subject to a performance condition requiring that an option may only be exercised, under normal circumstances, if there has been an increase in base earnings per share (as defined) of at least 3% per annum above the growth in the retail price index. The base earnings per share is 5.8p.

All future grants of options under this scheme will be subject to similar EPS performance conditions which is considered the best measure of the Group's performance and is designed to provide a direct link between the rewards for executives and the returns to shareholders, whilst at the same time ensuring that senior executives can measure the results of their efforts through the Company's share price.

19. Reserves

	Group (as restated)			Company (as restated)		
	Capital redemption reserve £'000	EBT reserve £'000	Profit and loss account £'000	Capital redemption reserve £'000	EBT reserve £'000	Profit and loss account £'000
At 1 January 2003	113	(10,000)	55,104	113	(10,000)	300,584
Retained profit for the year	-	-	1,574	-	-	1,856
Foreign currency translation differences	-	-	2,786	-	-	-
Sale of shares	-	129	-	-	129	-
Reserve transfer	-	-	-	-	-	-
At 31 December 2003	**113**	**(9,871)**	**59,464**	**113**	**(9,871)**	**302,440**

The EBT reserve consists of 5,640,715 ordinary shares held by the Employee Benefit Trust representing 1.55% of the called up share capital and at 31 December 2003 had a market value of £10.5m (2002: £6.3m). Dividend income on shares held by the Employee Benefit Trust has been waived. The EBT reserve is now shown as a deduction from shareholders' funds following the early adoption of UITF 38 as described in note 10.

Notes to the Accounts
continued

20. Reconciliation of operating profit to net cash inflow from operating activities

	2003 £'000	2002 £'000
Operating profit before exceptional items	**22,884**	32,136
Exceptional items (note 3)	**(1,101)**	-
Operating profit after exceptional items	**21,783**	32,136
Depreciation and amortisation charges	**7,688**	8,067
Loss on sale of fixed assets	**241**	262
(Increase)/decrease in debtors	**(313)**	10,349
Decrease in creditors	**(459)**	(4,157)
Increase in provisions (note 16)	**239**	-
Net cash inflow from operating activities	**29,179**	46,657

21. Reconciliation of net cash flow to movement in net cash

	2003 £'000	2002 £'000
Increase in net cash in the year	**757**	1,349
Decrease in debt financing	**-**	5,452
Foreign exchange movements	**305**	224
Movements in net cash in year	**1,062**	7,025
Opening net cash	**21,372**	14,347
Closing net cash	**22,434**	21,372

22. Analysis of net cash

	At 1 January 2003 £'000	Cash flow £'000	Foreign exchange movements £'000	At 31 December 2003 £'000
Cash at bank and in hand	22,040	852	319	**23,211**
Bank overdrafts	(668)	(95)	(14)	**(777)**
Total net cash	21,372	757	305	**22,434**

23. Financial instruments

The Group's financial instruments comprise borrowings, cash and liquid resources plus various items such as trade debtors and trade creditors which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

The Group has opted to exclude all financial risk disclosures relating to short term debtors and creditors with the exception of currency risk.

The main exposure arising from the Group's financial instruments is currency risk.

An explanation of the Group's treasury policy is included in the Finance Director's review on page 11.

(a) Currency exposures of financial assets and liabilities

The extent to which Group companies have monetary assets and liabilities, excluding intercompany balances, in currencies other than their local currency is shown in the tables below.

As at 31 December 2003	Net foreign currency monetary assets/(liabilities)				
Functional currency of Group operation	Sterling £'000	US$ £'000	EU currencies £'000	Other currencies £'000	Total 2003 £'000
Sterling	-	-	-	-	-
US dollar	-	-	-	-	-
EU currencies	-	-	-	-	-
Other currencies	-	-	-	163	163
Total	-	-	-	163	163

As at 31 December 2002	Net foreign currency monetary assets/(liabilities)				
Functional currency of Group operation	Sterling £'000	US$ £'000	EU currencies £'000	Other currencies £'000	Total 2002 £'000
Sterling	-	-	459	-	459
US dollar	-	-	-	-	-
EU currencies	-	-	-	-	-
Other currencies	-	-	(46)	47	1
Total	-	-	413	47	460

23. Financial instruments (continued)

(b) Maturity of financial liabilities

The maturity profile of the carrying value of the Group's and Company's financial liabilities, other than short term creditors and accruals, as at 31 December was as follows:

	Group		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Less than one year	**777**	668	**-**	1,775

(c) Borrowing facilities

The Group and Company has the following undrawn committed borrowing facilities available at 31 December 2003:

	Group		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Less than one year	**23,786**	2,956	**20,632**	-
Between one and two years	**-**	40,659	**-**	40,659
Total	**23,786**	43,615	**20,632**	40,659

(d) Financial assets and liabilities

(i) Assets excluding short-term debtors:

	Group 2003 £'000	Group 2002 £'000
Cash	**23,211**	22,040

23. Financial instruments (continued)

(d) Financial assets and liabilities

(ii) Liabilities including interest rate risk profile

The Group does not consider the interest rate risk as significant. The interest rate profile of the Group's financial liabilities, excluding short term creditors at 31 December was as follows:

	Floating rate liabilities 2003 £'000	Floating rate liabilities 2002 £'000
Sterling	**-**	-
Others	**777**	668
Total	**777**	668

All the Group's creditors falling due within one year (other than bank and other borrowings) have been excluded from the above table by either applying the exemption granted by Financial Reporting Standard 13 relating to other short term items, or because they do not meet the definition of a financial liability, such as balances relating to taxation.

The benchmark rates for determining floating rate liabilities are based on relevant national LIBOR equivalents.

(e) Fair value of financial assets and liabilities

The fair value of financial assets and liabilities is not materially different to the book value.

24. Commitments and contingent liabilities

Operating lease commitments

At 31 December 2003 the Group was committed to make the following payments in the next financial year in respect of operating leases:

	Land and buildings		Other	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Leases which expire:				
Within one year	**705**	2,343	**90**	273
Within two to five years	**6,232**	3,724	**238**	97
After five years	**4,094**	4,532	**-**	-
	11,031	10,599	**328**	370

At 31 December 2003, the Company had no annual commitments under operating leases (2002: £nil).

Notes to the Accounts
continued

24. Commitments and contingent liabilities (continued)

Capital commitments

The Group had capital commitments of £613,000 as at 31 December 2003 (2002 - £2,531,000)

VAT group registration

As a result of group registration for VAT purposes, the Company is contingently liable for VAT liabilities arising in other companies within the VAT group which at 31 December 2003 amounted to £3,770,814 (2002 - £3,439,929).

Other commitments

The Company has provided guarantees to other Group undertakings amounting to £368,000.

25. Related party transactions

Details of Directors' shareholdings and share options are shown on pages 26 and 27.

The Group is taking advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 "Related Party Disclosures" not to disclose transactions with group companies which are related parties.

Shareholder Information and Advisers

Annual General Meeting

To be held on 27 May 2004 at 12.00 noon at 39-41 Parker Street, London, WC2B 5LN. Every shareholder is entitled to attend and vote at the meeting.

Final dividend for the year ended 31 December 2003

To be paid (if approved) on 4 June 2004 to shareholders on the register on 7 May 2004.

Company secretary

R A McBride

Company number

3310225

Registered office

39-41 Parker Street
London
WC2B 5LN

Tel: 020 7831 2000
Fax: 020 7269 2280

Auditors	Solicitors	Registrars	Brokers	Bankers
Deloitte & Touche LLP	Herbert Smith	Capita IRG	Citigroup	HSBC Bank plc
London	Exchange House	The Registry	33 Canada Square	West End Business Banking Centre
	Primrose Street	34 Beckenham Road	Canary Wharf	70 Pall Mall
	London EC2A 3TR	Beckenham, Kent BR3 4TU	London E14 5LB	London SW1Y 5GZ

Key dates

Ex-Dividend date	5 May 2004
Record date	7 May 2004
Annual General Meeting	27 May 2004
Payment of final ordinary dividend	4 June 2004
Interim results announcement	16 August 2004

Five Year Summary
Profit and Loss Account

	1999 £'000	2000 £'000	2001 £'000	2002 £'000	2003 £'000
Turnover	356,252	458,065	459,547	383,470	**372,616**
Gross profit	181,670	246,329	245,080	192,648	**178,485**
Operating profit	56,217	74,102	58,019	32,136	**21,783**
Profit on ordinary activities before taxation	42,211	58,536	62,326	32,597	**22,409**
Profit for the financial period	27,258	37,008	43,653	21,154	**13,745**
Basic and diluted earnings per share (pence)	7.3	9.9	11.8	5.8	**3.8**
Adjusted earnings per share (pence)	7.3	9.9	10.6	5.8	**4.1**

Annual General Meeting

Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at 39-41 Parker Street, London WC2B 5LN on Thursday 27 May 2004 at 12 noon for the following purposes:

1. To receive and approve the reports of the directors and auditors and accounts for the year ended 31 December 2003.

2. To declare a final dividend on the ordinary share capital of the Company for the year ended 31 December 2003 of 2.3p per share.

3. To re-elect R. Lourey as a director of the Company (note 2)

4. To re-elect S.J. Box as a director of the Company (note 2)

5. To re-elect S.P. Burke as a director of the Company (note 2)

6. To re-elect C-H Dumon as a director of the Company (note 2)

7. To propose the following ordinary resolution:

   That the directors' remuneration report for the year ended 31 December 2003 be received and approved.

8. To re-appoint Deloitte & Touche LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the directors.

9. To propose the following ordinary resolution:

   That the directors be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the "Act") to exercise all powers of the Company to allot relevant securities (as defined in Section 80 (2) of the Act) up to an aggregate nominal amount of £1,212,209 to such persons upon such conditions as the directors may determine, such authority to expire at the conclusion of the next Annual General Meeting of the Company save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted in pursuance of such an offer or agreement as if the authority conferred hereby had not expired (note 4).

10. To propose the following special resolution:

    That the directors be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 (the "Act") to allot equity securities (as defined in Section 94 of the Act) for cash pursuant to the authority conferred by resolution 9 above as if Section 89 (1) of the Act did not apply to such allotment provided that this power shall be limited to:

    (a) the allotment of equity securities in connection with a rights issue and so that for this purpose "rights issue" means an offer of equity securities open for acceptance for a period fixed by the directors to holders of equity securities on the register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached thereto but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any overseas territory or requirements of any recognised regulatory authority or stock exchange in any country or any matter whatever, and

Annual General Meeting
continued

(b) the allotment (other than within the authority conferred in sub paragraph (a) above) of equity securities for cash up to an aggregate nominal amount of £181,831:

and shall expire at the conclusion of the next Annual General Meeting of the Company when the general authority under Resolution 9 shall expire, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted in pursuance of such an offer or agreement as if the authority conferred hereby had not expired (note 5).

11. To propose as special business the following special resolution:

That pursuant to the Company's Articles of Association and Section 166 of the Companies Act 1985 (the "Act"), the Company be and is hereby generally and unconditionally authorised to make market purchases of ordinary shares of 1p each in the capital of the Company provided that:

(a) the maximum number of ordinary shares hereby authorised to be purchased is 36,366,280;

(b) the minimum price which may be paid for each ordinary share is 1 pence;

(c) the maximum price which may be paid for each ordinary share is in respect of an ordinary share contracted to be purchased on any day, an amount equal to 105% of the average of the mid-market quotations for an ordinary share of the company as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased;

(d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company after the date of passing this resolution, unless such authority is renewed prior to such time; and

(e) the Company may conclude a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be exercised wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract as if the authority hereby conferred had not expired (note 6).

By order of the Board

Richard McBride

R. A. McBride
Secretary
39-41 Parker Street
London WC2B 5LN

Registered in England No. 3310225

25th February 2004

Notes

1. Any member entitled to attend and vote at the meeting may appoint another person, whether a member or not, as his proxy to attend and on a poll, to vote instead of him. A form of proxy is enclosed for this purpose and must be deposited with the Company's registrars together with any power of attorney or other authority under which it is signed, not less than 48 hours before the time appointed for the meeting. Completion and return of the form of proxy will not preclude a member from attending and voting at the meeting.

2. Messrs Box, Burke and Dumon retire by rotation and are seeking reappointment at the Annual General Meeting. R. Lourey was appointed after the last Annual General Meeting and must therefore retire and seek re-appointment at this Annual General Meeting. Biographical information on each of the directors is contained on pages 12 and 13 of the annual report and accounts.

3. The register of directors' interests required to be kept under section 325 of the Act together with copies of the directors' service contracts will be available for inspection by members at the registered office of the Company on any weekday during normal business hours from the date of this announcement until the day of the Annual General Meeting and at the place of the meeting not less than 15 minutes before the meeting commences and after the meeting concludes.

4. This authority is in respect of 33% of the issued share capital of the Company and is in accordance with the recommendations of the Association of British Insurers ("ABI"). It is the directors' intention to seek renewal of this authority annually. The directors have no present intention of exercising this authority.

5. This authority is in respect of 5% of the issued share capital of the Company and is in accordance with the recommendations of the ABI. It applies to both the issue of new shares and sales of shares out of treasury. It is the directors' intention to seek renewal of this authority annually. The directors have no present intention of exercising this authority.

6. This authority is in respect of 10% of the issued share capital of the Company and the power given by this resolution will only be exercised if the directors are satisfied that any purchase will increase the Earnings per Share of the Ordinary Share Capital in issue after the purchase and accordingly, that the purchase is in the interests of shareholders. Shares purchased under this authority may be cancelled or held in treasury. Any shares held in treasury will have no voting rights, no rights to receive dividends, and will be treated as cancelled whilst in treasury.

7. To have the right to attend and vote at the meeting (and also for the purpose of calculating how many votes a person may cast), a person must have his/her name entered on the register of members by no later than 48 hours before the time of the meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting or adjourned meeting.

Michael Page International plc

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