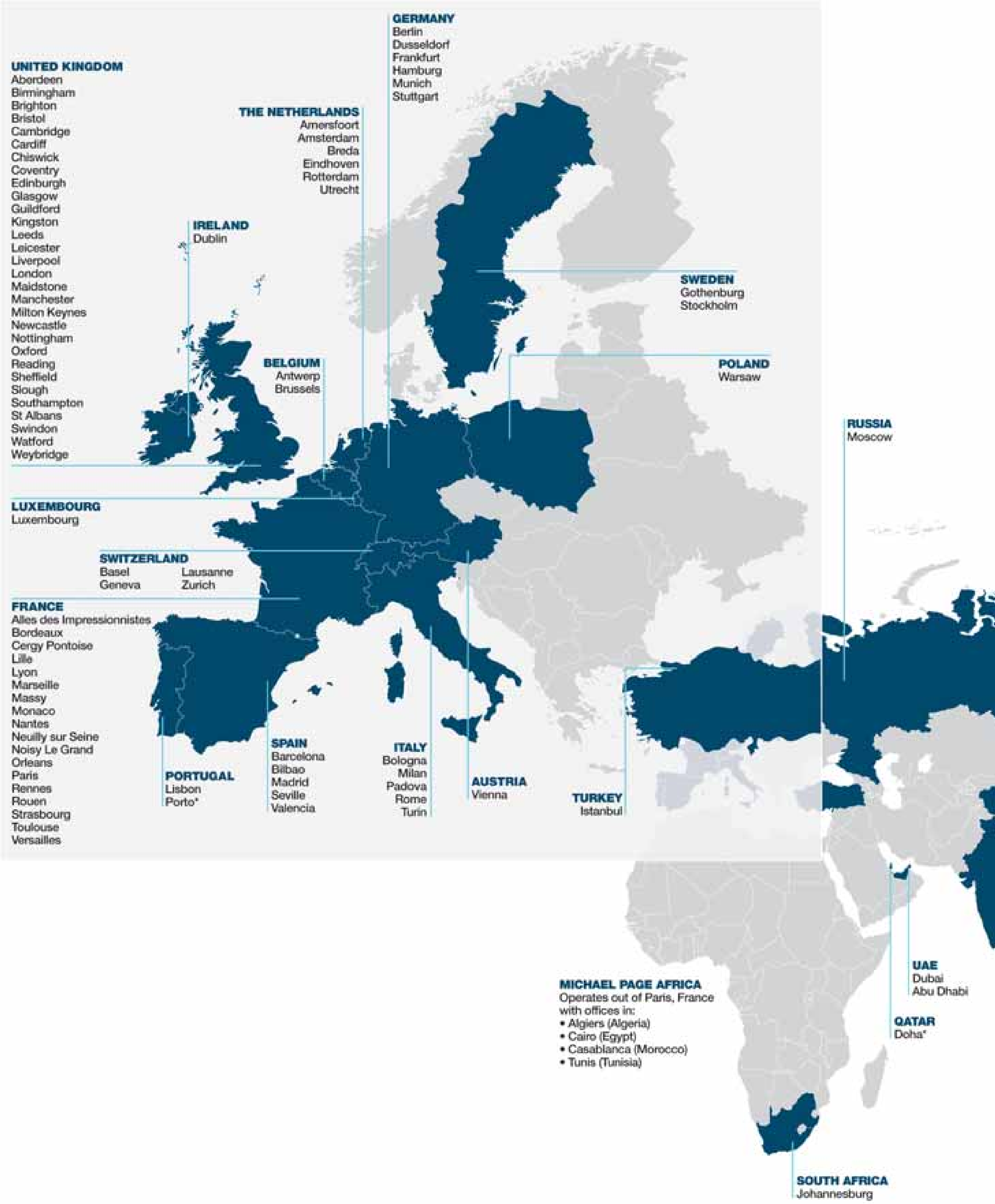
ANNUAL REPORT AND ACCOUNTS 2010

Michael Page
INTERNATIONAL

In just thirty five years, Michael Page International has grown to become one of the world's best-known and most respected recruitment consultancies. Today, we are proud to set the standard within our profession for specialist service, with a personal touch.

CONTENTS



*Opened in Q1 2011 / as at February 2011

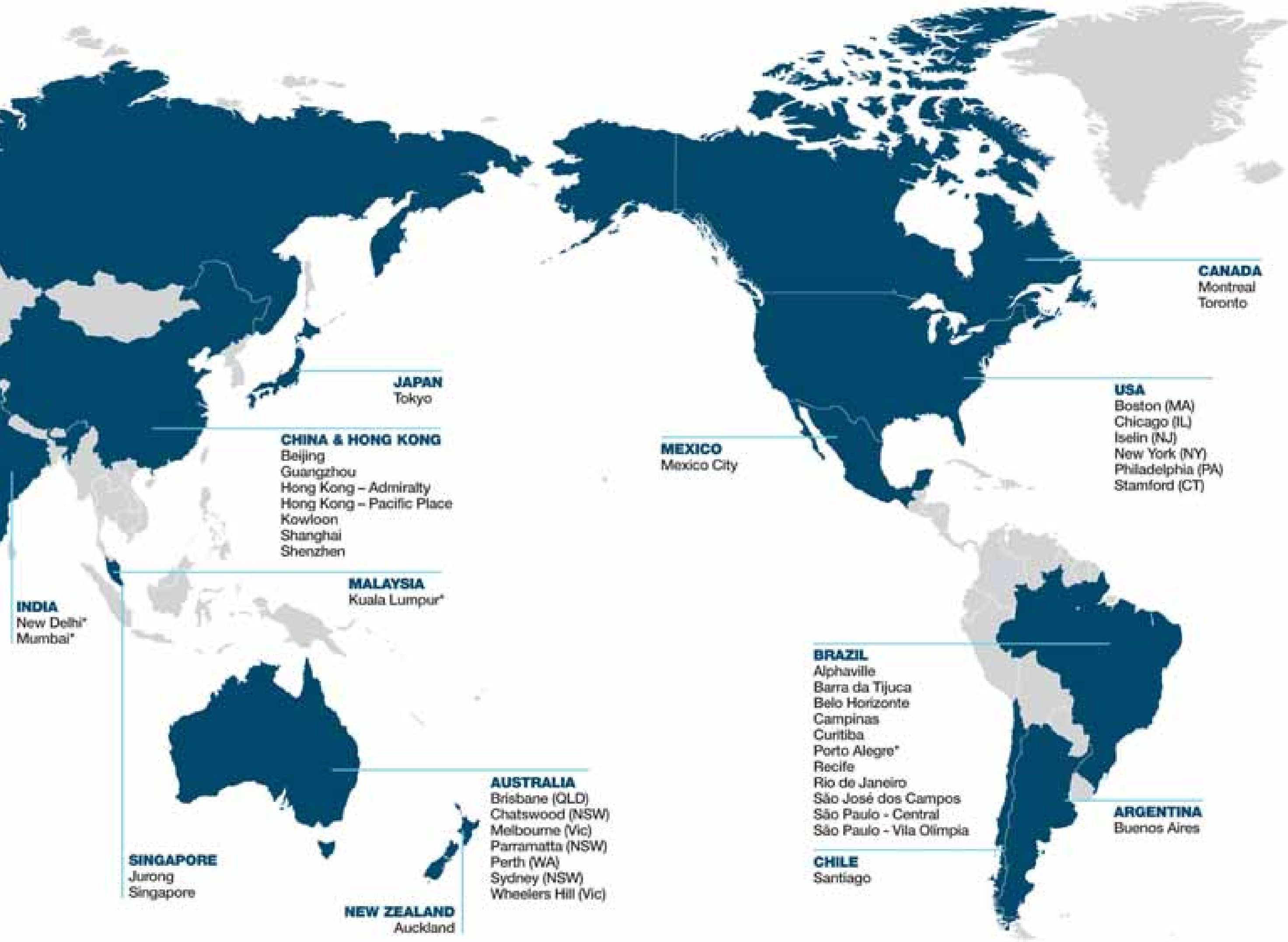
32* COUNTRIES

148* OFFICES

4,498 EMPLOYEES

DISCIPLINES

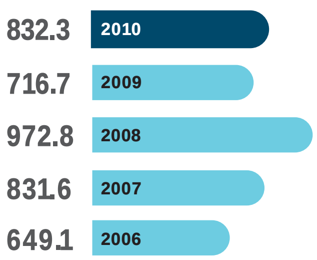
Accounting, Actuarial, Tax & Treasury
Agency
Buying & Merchandising
Construction
Consultancy, Strategy & Change
Design
Education
Engineering & Manufacturing
Executive Search
Facilities Management
Financial Services & Banking
Health & Social Care
Hospitality & Leisure
Human Resources
Insurance
Legal
Life Sciences
Logistics
Marketing
Mining & Resources
Oil & Gas
Policy
Procurement & Supply Chain
Property
Public Sector
Retail Operations & Retail Banking
Sales
Secretarial
Technology



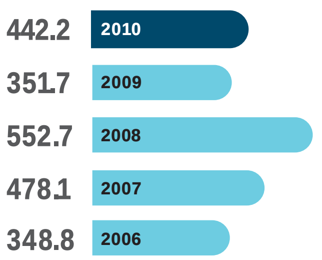
HIGHLIGHTS

Strong results benefiting from geographic and discipline diversification

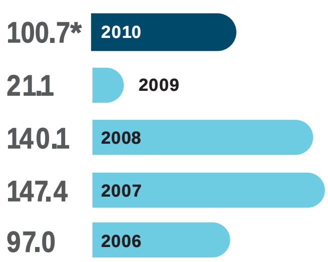
Revenue (£m)



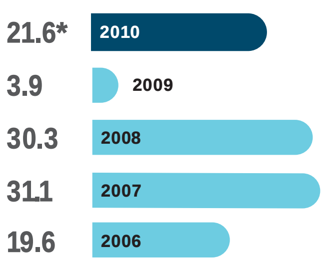
Gross Profit (£m)



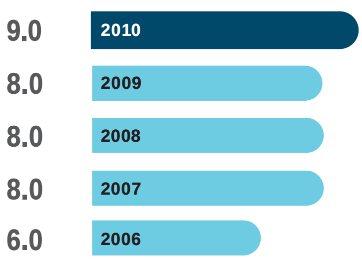
Profit Before Tax (£m)



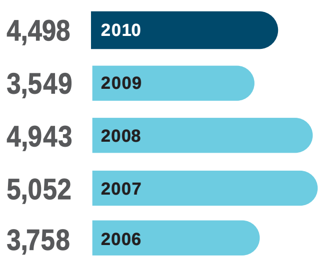
Basic Earnings Per Share (pence)



Dividend Per Share (pence)



Headcount At Year End



*Includes non-recurring items.

- Improved productivity and utilisation of spare capacity driving profit growth
- All regions growing sequentially in 2010
- 72% of gross profits generated from outside the UK
- 53% of gross profit generated from non Finance and Accounting disciplines
- Gross profit from permanent placements growing at 38%
- Share repurchases of £76.8m during 2010
- Strong balance sheet with net cash £80.5m
- Total dividend increased by 12.5% to 9.0p

OVERVIEW

+24%
GROWTH IN GROSS PROFIT AND RAPID PROFIT RECOVERY

+254%
GROWTH IN OPERATING PROFIT BEFORE NRI*

£100m
OF CASH PAID IN DIVIDENDS AND SHARE REPURCHASES

+12.5%
INCREASE IN FULL YEAR 2010 DIVIDEND

+27%
GROWTH IN HEADCOUNT

£80m
OF NET CASH AT END OF 2010

*Non-recurring items

BUSINESS PERFORMANCE IN 2010:

Recovery in our profits, strong cash position and continued confidence in the future

2010 was a year of recovery after the downturn that first hit in the second half of 2008 and negatively impacted Group gross profit throughout 2009. The first increase in Group gross profit was seen in Q4 2009 and this trend continued throughout 2010, delivering revenue up 15% in constant currency to £832m and gross profits up 24% to £442m.

The recovery has been largely in permanent placements, where we have grown gross profit 35% in constant currency in the year. As a result, the proportion of gross profit from permanent and temporary placements has increased from 71:29 in 2009 to 78:22 in 2010.

As we are a highly operationally geared business and maintained spare capacity following the downturn, the recovery in gross profits has dropped rapidly through to operating profits, which increased 3.5 times to £71.5m.

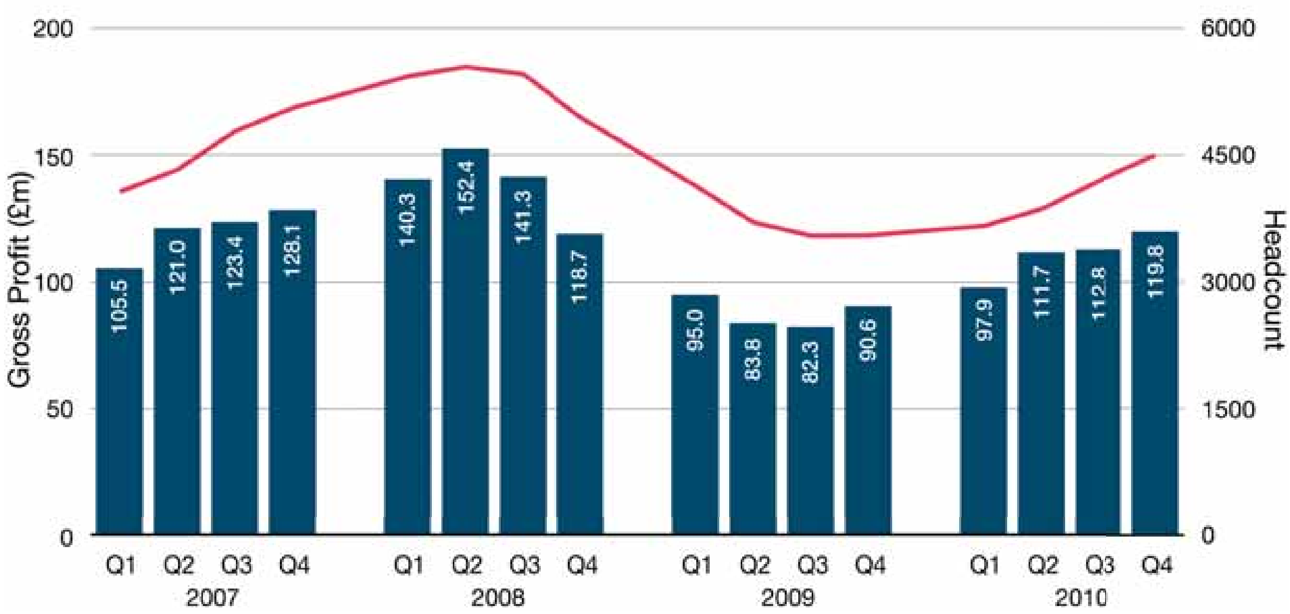
With the benefit of the VAT refund of £17.1m and related interest of £11.3m, the profit before tax for the year was £100m. Excluding the benefit of the VAT refund, earnings per share increased from 3.9p to 15.1p.

In terms of the cash we generate, the first use of our cash is always to support and grow the business. Our next priority is the dividend to shareholders, where we aim to either grow or at least maintain the level of dividend payment. Given the recovery in our profits, our strong cash position and our confidence in the future, the Board are recommending an increase in the full year dividend for 2010 of 12.5% to 9.0p.

After dividends and while maintaining a strong balance sheet, we use surplus cash to repurchase shares. Repurchases made via the employee benefit trust are either to cover share plan commitments or to reduce the dilution of share option awards. Alternatively, repurchases are made by the company, following which the shares are cancelled.

During 2010, we spent £100m in dividends and share repurchases and still ended the year with a very strong balance sheet with net cash in excess of £80m.

HEADCOUNT AND GROSS PROFIT AS REPORTED



PROFILE OF OUR BUSINESS:

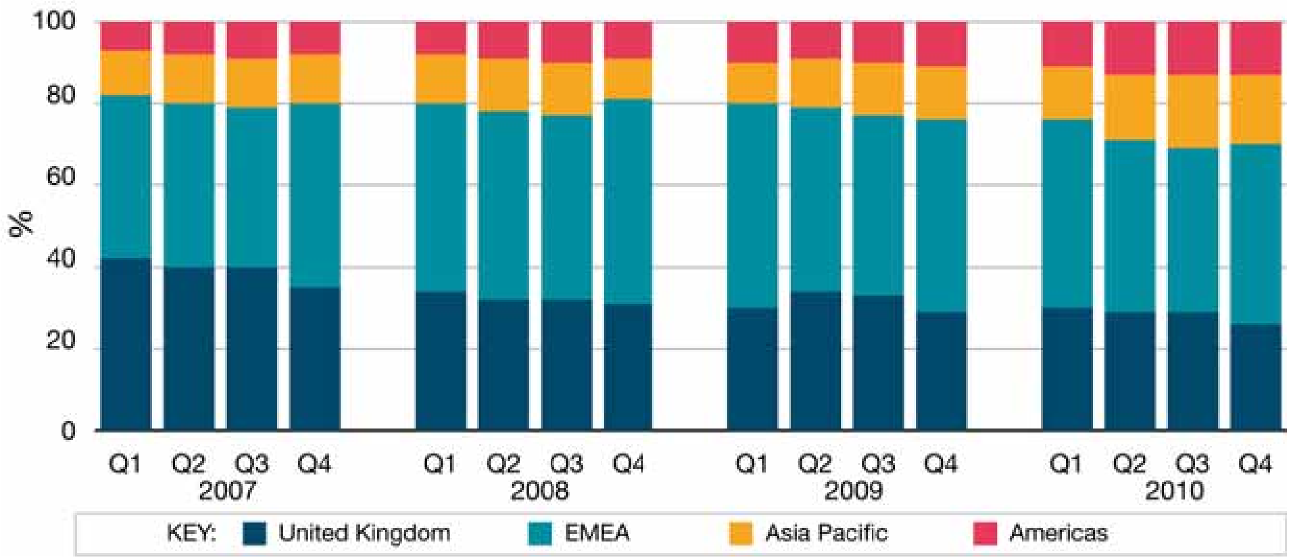
Geographical and discipline diversification, the foundation of our continued growth

GEOGRAPHIC DEVELOPMENT

With recruitment being driven by the economic cycle and overall business confidence, our strategy of diversification, both by geography and discipline, aims to diversify the Group's exposure away from any one geographic area or business sector.

During 2010, we achieved growth across all our geographic regions, with both the Americas and Asia Pacific having exceeded their previous peaks. Within each region, different countries reacted in different degrees and timings as their economies and confidence levels recovered. Being in 29 countries at the end of 2010 and now 32 with businesses opening in India, Malaysia and Chile, we now have the benefit of being in many faster growing economies where outsourced recruitment is relatively new and still developing, it is also where competition is limited. Today, the UK, which only 10 years ago was more than 50% of the Group is now 26%. Ten years ago the Americas and Asia Pacific had barely registered; they are now 30% of the Group and growing fast.

PROPORTION OF GROUP GROSS PROFIT



" Geographic diversification achieved by organic growth

" Reduced dependence on individual geographic markets

32*
COUNTRIES

148*
OFFICES

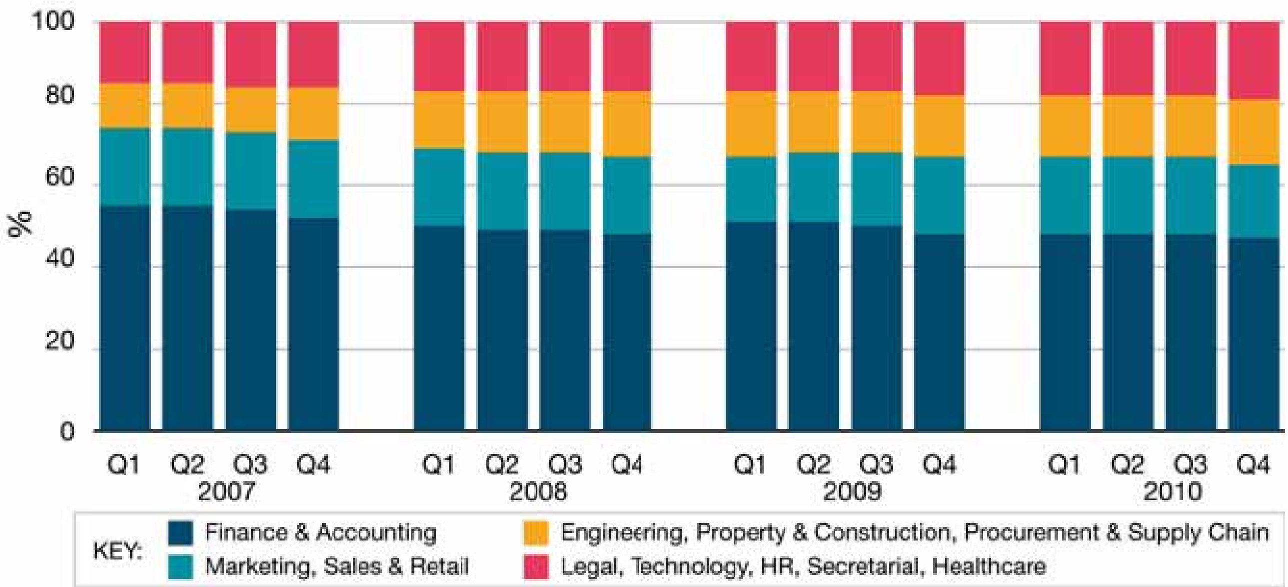
*As at February 2011.

DISCIPLINE DEVELOPMENT

As we have benefited from our geographical diversification we have also benefited from our discipline diversification, as different disciplines reacted in the recovery at different times and to different degrees. Finance and accounting remains our largest discipline, as it is the heritage of the business and also the discipline we tend to start with when we enter new countries and cities. As we have diversified into an increasing number of professional disciplines today, these now account for over half the Group's gross profits. As well as rolling out our Michael Page disciplines, we continue to invest in Page Personnel, our business focussed on the more junior professional recruitment markets. Page Personnel is now a global brand, across 19 countries with over a quarter of our fee earners.

At the end of February 2011, the Group had a total of 239 country discipline businesses, up 23 from the start of 2010. Even within these many disciplines our teams are further specialised, with, for example, businesses such as Michael Page Oil & Gas launched within Engineering and Michael Page Logistics within Supply Chain & Procurement.

PROPORTION OF GROUP GROSS PROFIT



- Benefiting from discipline diversification
- Discipline roll-out continues with increasing specialisation

PAGE PERSONNEL, A GLOBAL BRAND, NOW IN 19 COUNTRIES

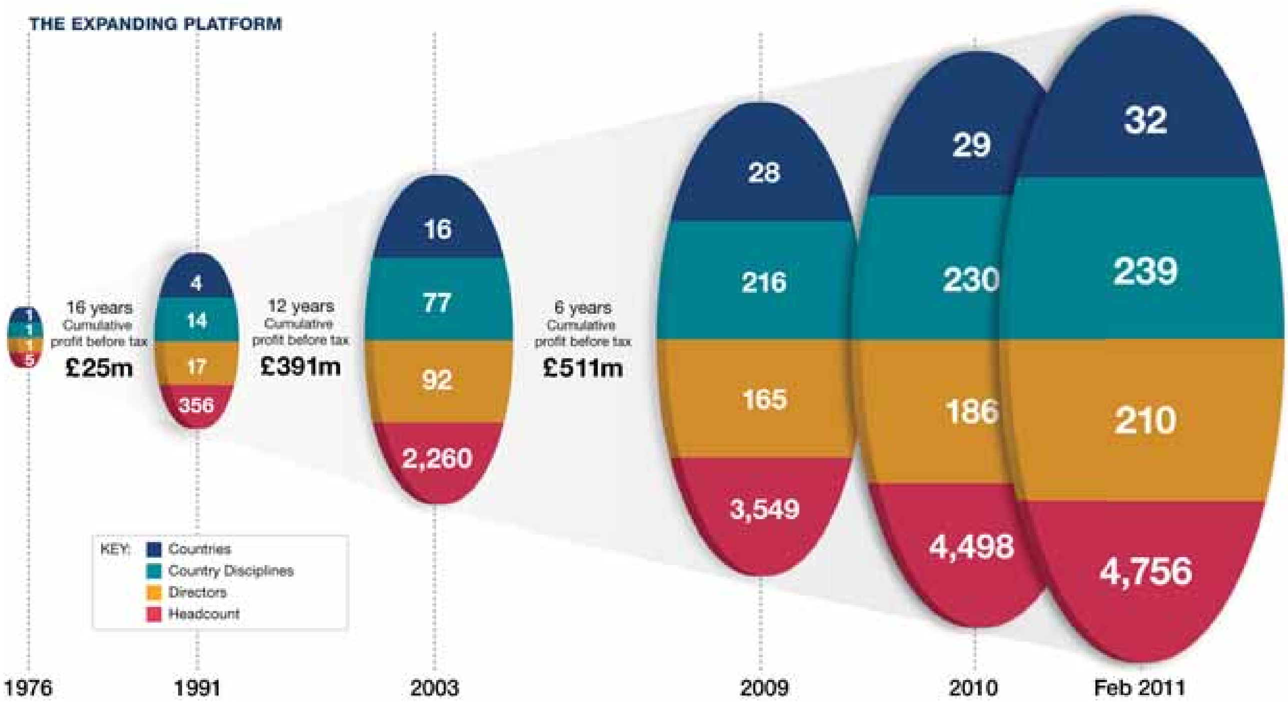
A BUSINESS STRUCTURE FOR GROWTH:

Focus on expanding in faster growing and less-developed markets with limited competition

ORGANIC DEVELOPMENT OF THE BUSINESS

In order to grow rapidly you have to have the platform or foundations to support it. We believe we have that, with over 2,100 years of Michael Page Director experience spread over 32 countries. This ensures we meet the needs of global or international clients and candidates who have increased geographic mobility, with a consistent quality, culture and values worldwide. With a meritocratically, home-grown, management team it creates a high level of trust, retains our entrepreneurs, as we are constantly launching new businesses, and makes lines of communication clear and simple.

As we go through cycles, we protect the platforms and in downturns invest modestly, increasing the rate of upturns. Last year our headcount grew by nearly 1000, as we grew existing offices and countries and launched one new one, Chile. In the first two months of 2011, headcount is up by a further 258 and we have opened in three new countries, Qatar, Malaysia and India.



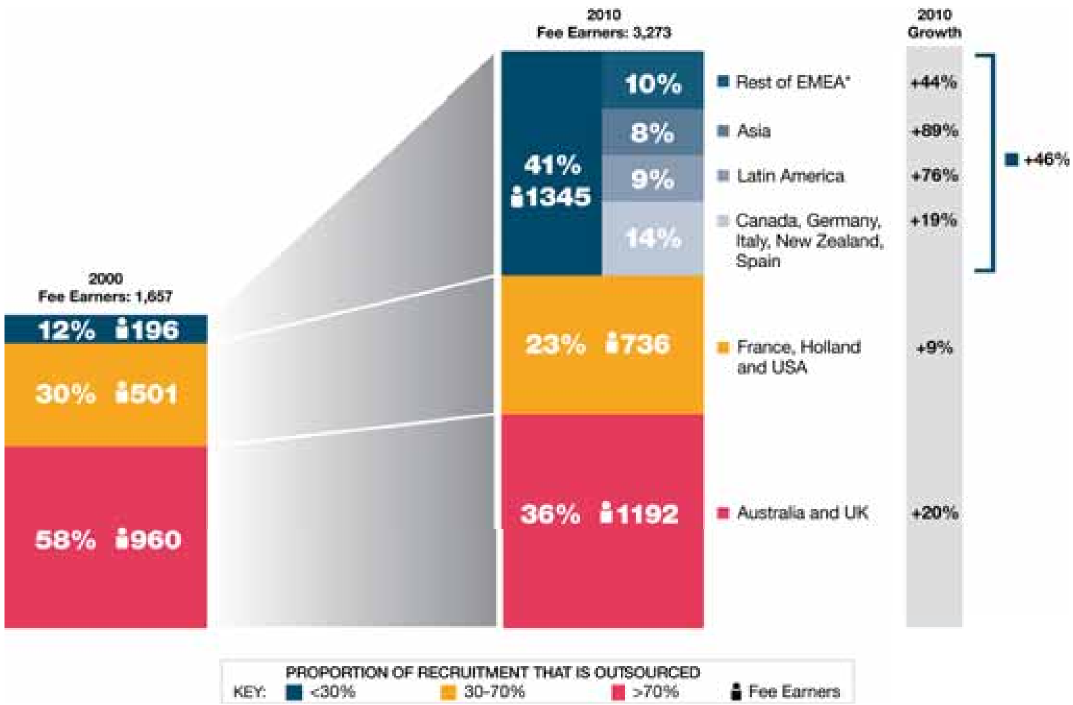
- Organic development of the business
- Geographic and discipline diversification
- Protecting and expanding the platform through economic cycles

MORE THAN 40% OF FEE EARNERS OPERATE IN LESS DEVELOPED, HIGH GROWTH RECRUITMENT MARKETS

POSITIONED FOR GROWTH

Our growth is organic, but strategically as well as growing existing business, our objective is to expand into less developed recruitment markets where, as a result, competition is far more limited. Many of these markets are emerging economies and are growing far faster than established ones, such as the UK. Only 10 years ago, 58% of our gross profit came from the most developed and competitive Australian and UK markets, whereas only 9% was from the least developed and least competitive markets. Our ability to grow fastest is naturally where markets have the potential to develop and where competition is weakest.

At the end of February 2011, we have 41%, or to be precise 1,345, of our fee earners in these “higher potential” markets and that figure is growing fast. Our track record of growth in this underdeveloped category is over 40% compound annual growth rate of gross profit. In 2010, it was 46%.



Focus on expanding in faster growing and less-developed recruitment markets with limited competition

More than 40% of fee earners now in these markets

DEVELOPING LATIN AMERICA:

Market leading business representing nearly 10% of Group gross profit

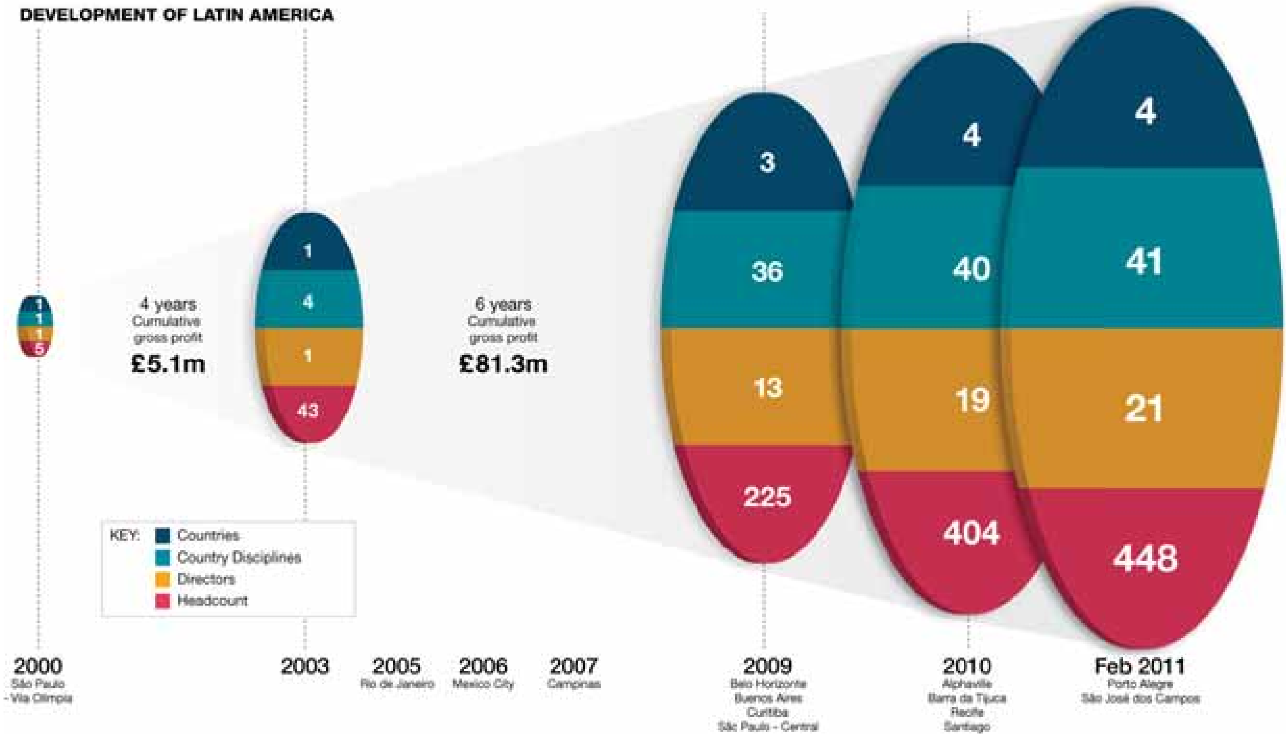
In 10 years, we have organically grown a market leading business across four countries, 14 offices, with a headcount of 448 that represents nearly 10% of the Group's gross profit. Last year, our headcount grew by 80% and in the first two months of 2011, typically a quiet time of the year with the carnival in Brazil, by 11%.

Brazil, now our fourth largest country, has opened five new offices in the last six months and in the region we opened in a new country, Chile in Santiago.

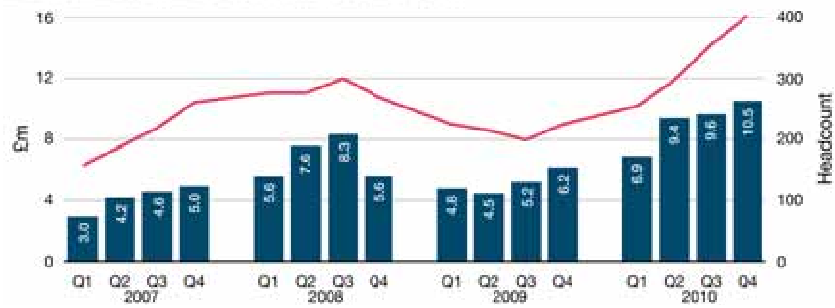
All of this has, and continues to be, achievable because of the strength and depth of our Michael Page management experience in the region. We have 150 years of Director experience, all of whom are home grown in our culture, methods and values and beneath them, an even larger and expanding management team.

This allows us to exploit these exciting opportunities in new countries such as Chile and in opening offices like Recife, Barra, Porto Alegre and São José Dos Campos in Brazil.

DEVELOPMENT OF LATIN AMERICA



LATIN AMERICA HEADCOUNT AND GROSS PROFIT



“ Brazil fourth largest business in the Group ”

“ Building headcount on top of a total of 150 Directors' years of Michael Page Latin America experience ”

“ Platform providing numerous opportunities for further growth in the region ”

DEVELOPING ASIA:

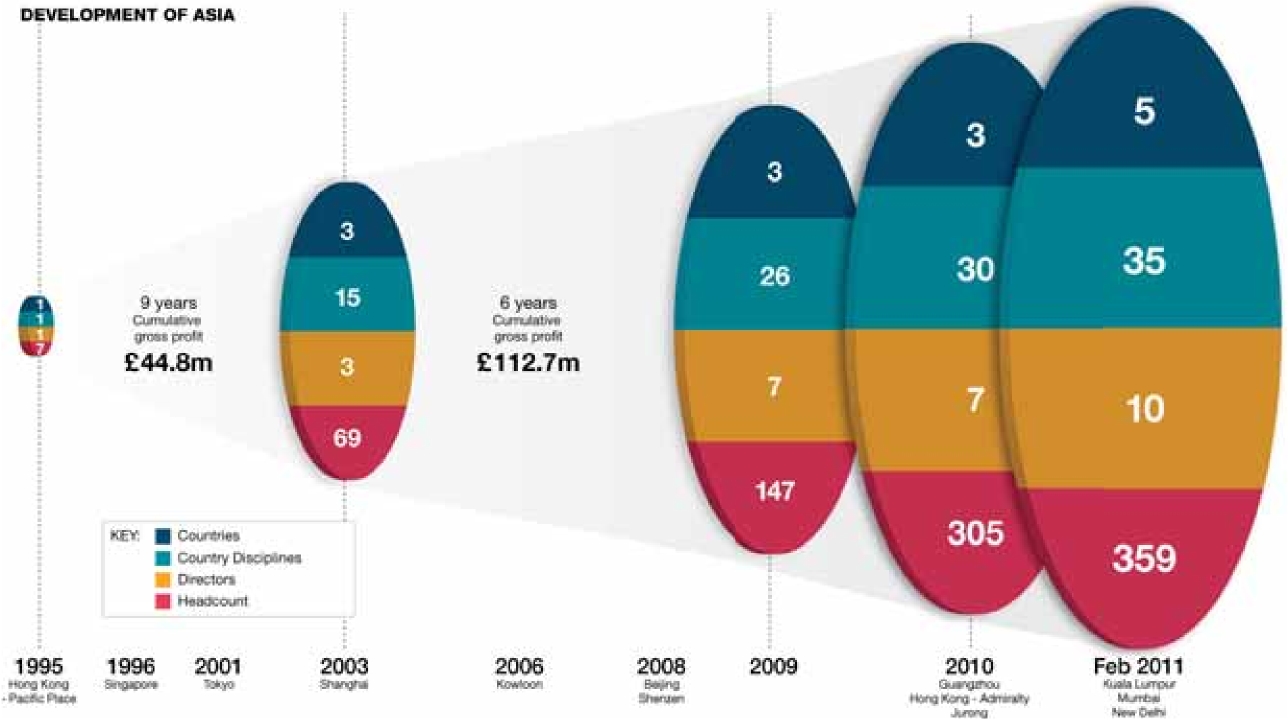
Strength of management to succeed in high potential, challenging markets

In Asia we are now in five countries, 13 offices and 359 people, having grown in headcount by 100% last year and 17% in the first two months of 2011.

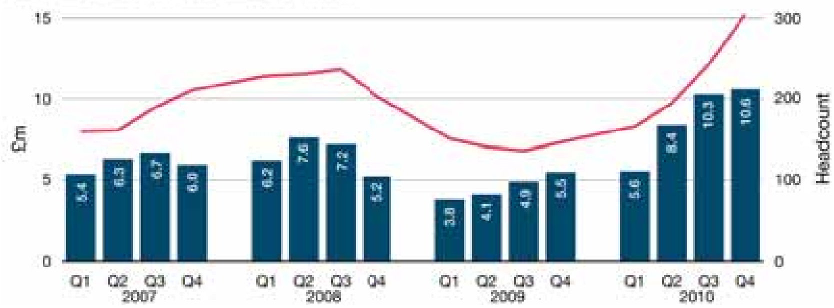
Numerous opportunities exist to increase headcount, new cities, disciplines and countries. We have only just opened for business in India with two offices in Mumbai and New Delhi and in Malaysia with an office in Kuala Lumpur.

In order to capitalise in these markets that are exciting with high potential, but challenging in many other ways, we have to have the strength and depth of management to succeed. This is why we are so confident. We have 126 years of Michael Page Director experience where these individuals have proved their ability at all levels in different geographies. Beneath them, they have an even larger management team who have also proved themselves at consultant level before. It is on this structure we can, assuming economies remain favourable, continue to build rapidly our headcount, office network, revenues and profits.

DEVELOPMENT OF ASIA



ASIA HEADCOUNT AND GROSS PROFIT



China largest and fastest growing part of the region

Total of 126 Directors' years of Michael Page Asia experience

Singapore more than doubled headcount in 2010

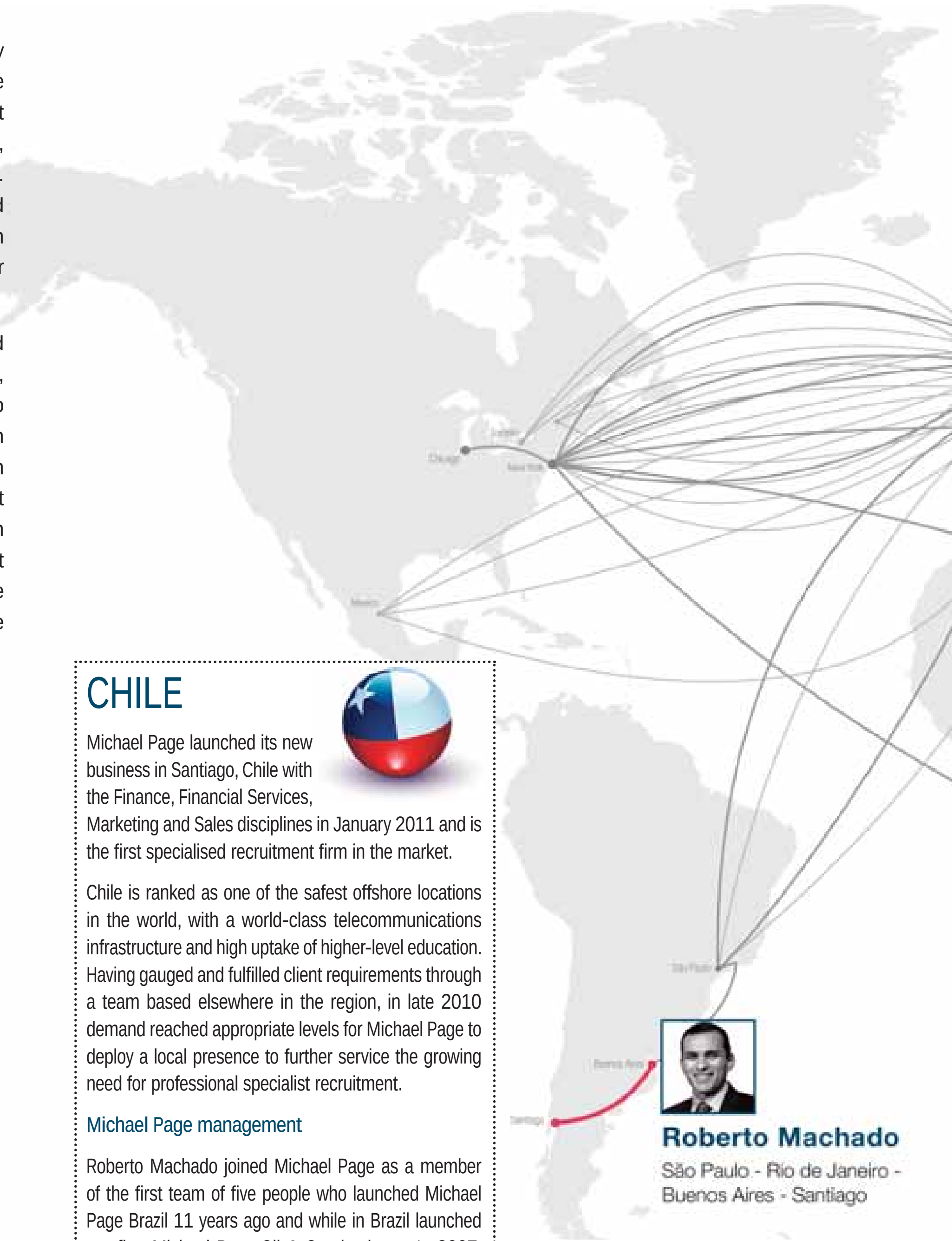
Opened India with over 30 years of Michael Page experience

EXPANDING OUR REACH:

Organic career moves enable consistent model to be deployed globally

We've always believed that the only way to grow is organically and this airline style map shows how our organic development has moved Directors around the world, with the most recent highlighted. In addition, many more managers and consultants are transferred around in a similar way, helping with their career development and retention.

This movement of talent has continued so that we could exploit new markets, such as India, and where we needed to strengthen management teams, such as Holland. We believe this strength and depth of Michael Page management experience in each of the regions in which we operate is the key factor that has enabled us to achieve what we have and it gives us the confidence that we can achieve a lot more.



CHILE

Michael Page launched its new business in Santiago, Chile with the Finance, Financial Services, Marketing and Sales disciplines in January 2011 and is the first specialised recruitment firm in the market.

Chile is ranked as one of the safest offshore locations in the world, with a world-class telecommunications infrastructure and high uptake of higher-level education. Having gauged and fulfilled client requirements through a team based elsewhere in the region, in late 2010 demand reached appropriate levels for Michael Page to deploy a local presence to further service the growing need for professional specialist recruitment.

Michael Page management

Roberto Machado joined Michael Page as a member of the first team of five people who launched Michael Page Brazil 11 years ago and while in Brazil launched our first Michael Page Oil & Gas business. In 2007, Roberto was promoted to Managing Director and moved to Buenos Aires to launch Michael Page Argentina. In December 2010, he moved to Santiago and launched Michael Page Chile, and now runs both our Argentinean and Chilean businesses. Roberto speaks Portuguese, French, Spanish and English!

Roberto Machado

São Paulo - Rio de Janeiro - Buenos Aires - Santiago

INDIA

Michael Page India was launched initially with the Finance and Financial Services disciplines in January 2011 in both Gurgaon in the capital, New Delhi, and also the commercial capital and financial heart of the country, Mumbai.

Widely acknowledged as a strong, vibrant, fast-growing free market economy, India will be a dominant player in the global market. Add to this the development of a highly skilled workforce and it is ideal for Michael Page's market proposition. However only in 2010 did conditions align for Michael Page to launch our business in India – a burgeoning local base of clients whose business we already successfully service globally and the availability of the right management team.

Michael Page management

Tulika Tripathi joined Michael Page Switzerland as a consultant in 2004 and was promoted to Director to run the Geneva office. In 2008, Tulika moved to Singapore as Managing Director of Michael Page Singapore and in January 2011 moved to India to launch Michael Page India as Managing Director.

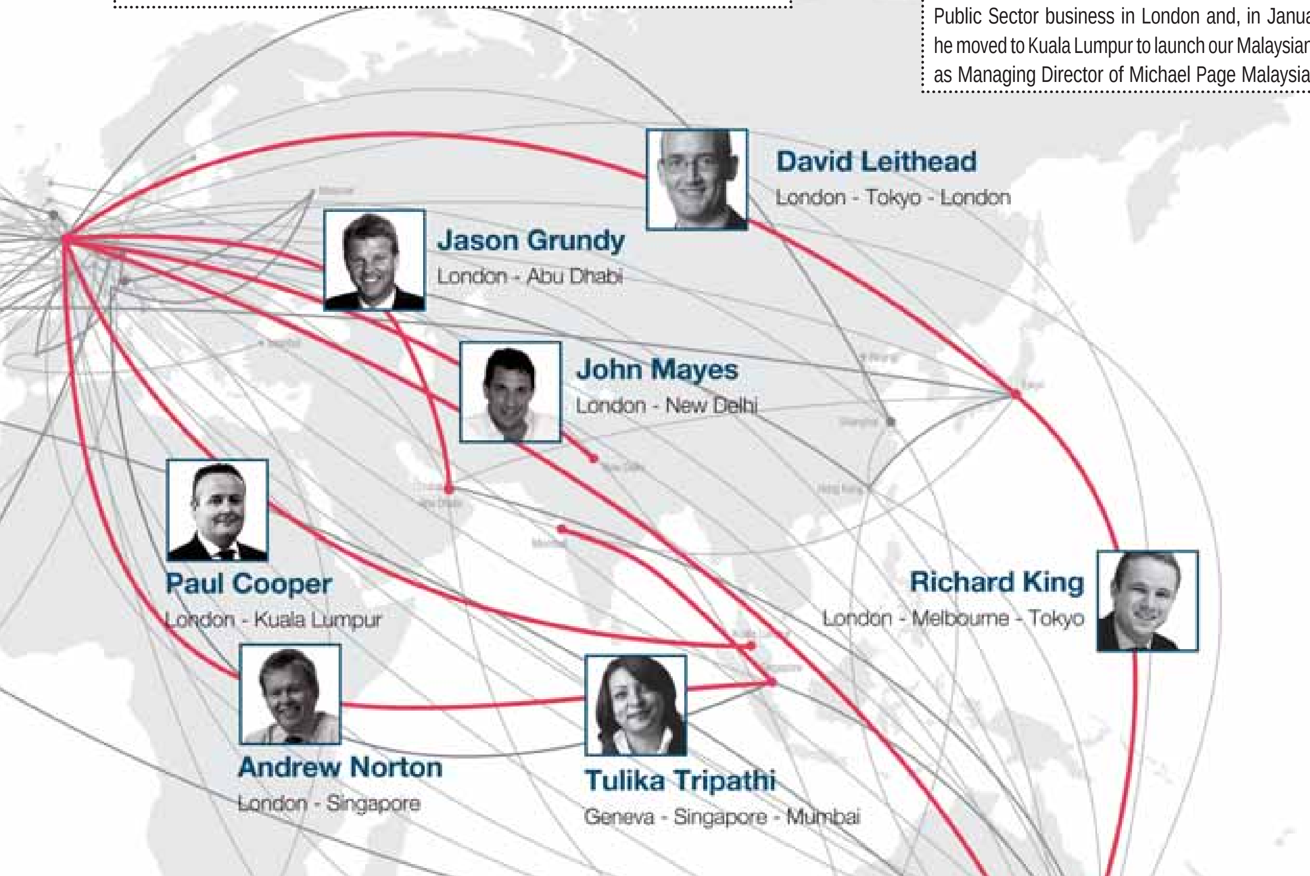
MALAYSIA

Launched initially with the Finance and Financial Services disciplines, Michael Page Malaysia opened in Kuala Lumpur in January 2011.

Malaysia boasts one of south-east Asia's most vibrant economies, the fruit of decades of industrial growth and political stability. Previously managed by teams based in Singapore, the growing number of global clients positioning back office functions into Malaysia, coupled with capable Michael Page management being ready to deploy made it the right time to launch.

Michael Page management

Paul Cooper joined Michael Page as a consultant in Manchester 12 years ago, before moving to London as a manager. Paul was promoted to Director to head the Public Sector business in London and, in January 2011, he moved to Kuala Lumpur to launch our Malaysian business as Managing Director of Michael Page Malaysia.



QATAR

Michael Page Qatar opened in Doha with the Finance discipline in December 2010 and was our third office in the region, after Dubai and Abu Dhabi.

Despite the global financial crisis, Qatar has prospered in the last several years - in 2010 Qatar had the world's highest growth rate, with oil and gas accounting for more than 50% of GDP. Oil and gas have made Qatar the second highest per-capita income country. The close proximity of two other Michael Page offices enabled market demand to be met initially but our deep understanding of the significance of a local presence to meet local cultural demands drove our launch in Doha. Exciting times lie ahead with Qatar's successful 2022 World Cup bid likely to accelerate large-scale infrastructure projects such as Qatar's metro system and the Qatar-Bahrain causeway.

Michael Page management

Jason Grundy joined Michael Page Financial Services as a consultant in London in 2000 and was promoted within this business before moving to Abu Dhabi as a regional director in 2010 to both run our office there and to reinforce the management in the region, allowing us to launch a new Michael Page business in Qatar.

BUSINESS REVIEW

To the members of Michael Page International plc

Under Section 417 of the Companies Act 2006, all companies, except companies that file small company accounts, are required to prepare a Business Review.

A Business Review is a fair review of the company's business within the reporting period. The Business Review of a quoted company must include a balanced and comprehensive analysis of the development and performance of the company, with a description of the principal risks. The content within the Business Review should be to the extent necessary for an understanding of the development, performance or position of the company's business.

The Business Review discusses the following areas:

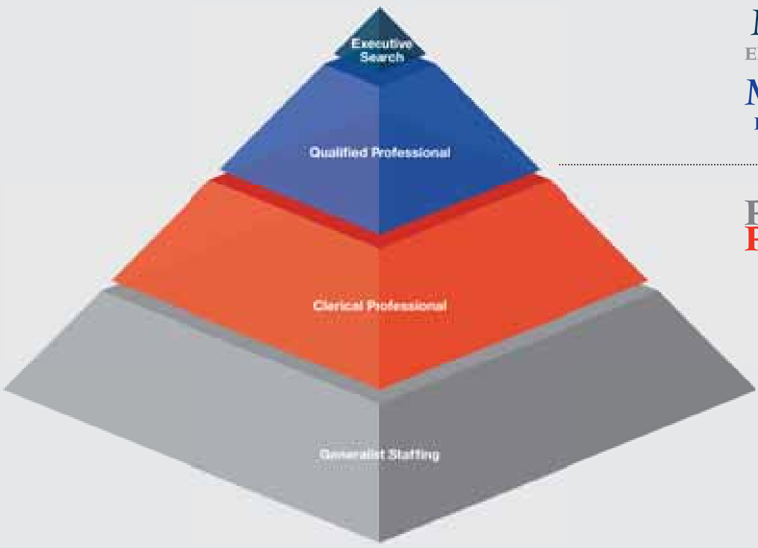
GROUP STRATEGY

The Group's strategy is to expand and diversify the business by industry sectors, by professional disciplines, by geography and by level of focus, be it Page Personnel, Michael Page or Michael Page Executive Search, with the objective of being the leading specialist recruitment consultancy in each of our chosen markets. As recruitment activity is dependent upon economic cycles, by being more diverse, the dependency on individual businesses or markets is reduced, making the overall Group more resilient. This strategy is pursued entirely through the organic growth of existing and new teams, offices, disciplines and countries with a consistent team and meritocratic culture.

Our organic growth is achieved by drawing upon the skills and experiences of proven Michael Page management, ensuring we have the best and most experienced, home-grown talent in each key role. When we invest in a new business, we do so only with a long-term objective and in the knowledge that at some point there will be periods when economic activity slows. Whilst it is difficult to predict accurately when these slowdowns will occur and how severe they will be, it has been our practice in the past and our intention in the future to maintain our presence in our chosen markets, while keeping close control over our cost base.

Our team-based structure and profit share business model is scalable. The small team size also means that we can increase our headcount rapidly to achieve growth. When market conditions tighten, these teams then reduce in size largely through natural attrition. Consequently, our cost base will be reduced in a slowdown, but having invested years in training and developing our highly capable management resources, our objective is to retain this expertise within the Group. By following this course of action, we typically gain market share during downturns and position our businesses for leading rates of growth when economic conditions improve.

Pursuing this approach does mean that in an economic downturn our profitability declines as, in addition to the lower productivity levels that come with a slowdown, we also carry spare capacity. However, when market conditions improve, the Group's profitability recovers quickly as spare capacity is utilised. Adopting this strategy in times of economic slowdown also drives our financing strategy and balance sheet position. In slowdowns, the business continues to produce strong cash flows, as working capital requirements reduce. With uncertainty around the length and depth of economic slowdowns, a strong balance sheet is essential to support the businesses through tougher periods and, when conditions improve and the businesses start growing, to fund increased working capital requirements.



Michael Page Executive Search / Michael Page International	29	Countries
	114	Offices
	2,389	Fee Earners
Page Personnel	19	Countries
	64	Offices
	884	Fee Earners

To increase the **diversification** of Michael Page International by **organically growing** existing and new teams, offices, disciplines and countries with a consistent **team** and **meritocratic** culture and consistent client and candidate delivery.

REVIEW OF 2010

The economic recovery from the global financial crisis, which started in the second half of 2009, continued throughout 2010. The pace of recovery has been strongest in some of the lesser-developed recruitment markets where over the past decade we have established, organically, a market-leading position. During the course of 2010, we continued our investment in developing and diversifying our business, with a new country opening in Chile and the launch of Page Personnel in Hong Kong, Mexico, Russia, Singapore and the USA. The rollout of disciplines under the Michael Page and Page Personnel brands continued and we opened a number of new offices. At the start of 2011, we also launched new businesses in Qatar, India and Malaysia.

Revenue

Reported revenue for the year was 16.1% (14.8%*) higher at £832.3m (2009: £716.7m). Revenue from permanent placements in 2010 grew by 36.8% (34.3%*) to £356.0m (2009: £260.2m), representing 42.8% (2009: 36.3%) of Group revenue. Revenue from temporary placements for the year grew by 4.3% to £476.3m (2009: £456.6m), having recovered later than permanent, declining in Q1, stabilising in Q2 and growing in Q3 and Q4. It is typical during a period of economic recovery that permanent placements grow at a faster rate than temporary placements. This trend has been accentuated due to our faster growing regions of Asia and Latin America being predominantly permanent rather than temporary placement markets.

Gross profit

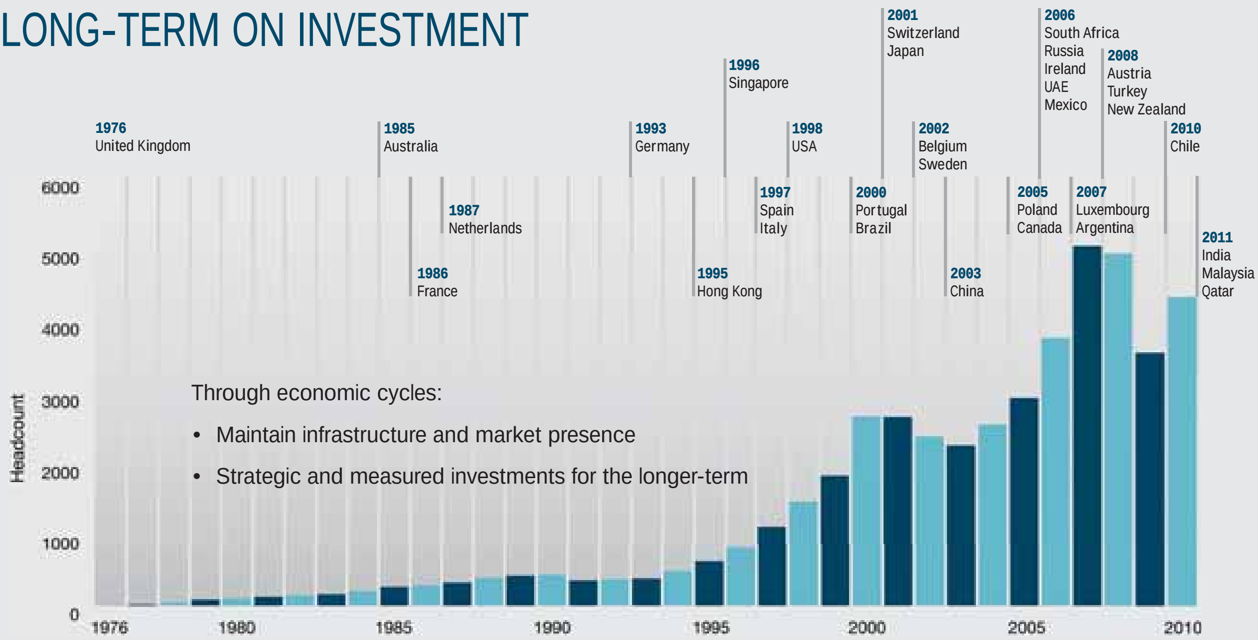
Gross profit for the year grew by 25.7% (23.8%*) to £442.2m (2009: £351.7m). The Group's gross margin increased to 53.1% (2009: 49.1%), largely as a result of the shift in the mix of business due to the stronger rate of growth of permanent compared to temporary placements. Gross profits from permanent placements grew by 37.9% (35.2%*) to £343.8m (2009: £249.4m), representing 77.7% (2009: 70.9%) of Group gross profit. The gross margin from permanent placements increased to 96.6% (2009: 95.9%), reflecting higher growth in higher margin online advertised positions compared to offline. Gross profit from temporary placements reduced by 3.8% to £98.4m (2009: £102.3m), representing 22.3% (2009: 29.1%) of Group gross profit. The gross margin achieved on temporary placements was 20.7% (2009: 22.4%), reflecting pricing pressure experienced during the downturn, however, as the recovery strengthened, the gross margin on temporary placements levelled off during 2010.

Operating profit and conversion rates

As a result of the Group's organic long-term growth strategy, tight control on costs and profit-based bonuses, we have a business model that is highly operationally geared. The majority of our cost base, around 75%, relates to our staff, with the other main components being property and information technology costs. With a strategy of organic growth, the Group incurs start-up costs and operating losses as investments are made to grow existing and new businesses, open new offices and launch in new countries. Furthermore, in periods when headcount increases significantly, it takes time to train staff before they become fully productive. These characteristics of our growth strategy and the levels of investment impact on the conversion rates† in any one reporting period.

Generally, in years when economic conditions are benign, revenue and gross profits grow, with operating profits growing at a faster rate due to a combination of higher productivity, stronger pricing and greater utilisation of infrastructure. In order to continue to grow, we need to increase our headcount and ensure that we have infrastructure to house and support them. When economic conditions weaken

LONG-TERM ON INVESTMENT



†Operating profit as a percentage of gross profit

and recruitment activity slows, these factors work in reverse and are compounded by a shortening of earnings visibility.

In a recovery, activity levels improve, as fewer jobs are cancelled, companies withdraw hiring freezes and candidates become more confident about moving jobs. The business will react to this activity by increasing headcount. The costs associated with increasing and decreasing the headcount capacity in the business are considered to be part of normal trading expenses and are therefore not separately disclosed as restructuring charges.

The majority of our permanent placement activity is undertaken on a contingent basis, which means on those assignments we only generate revenue when a candidate is successfully placed in a role. Our short-term visibility on these earnings is provided by the number of assignments we are working on, the number of candidates we have at interview and the stage they are at in the interview process. The average time to complete a placement from taking on an assignment to successfully placing a candidate tends to shorten in a recovery, increasing productivity, and the risk of the candidate being rejected or the assignment being cancelled decreases, thereby further increasing our earnings visibility.

In 2010, as market conditions in each of the geographic regions in which we operate first stabilised and then started to improve, the increased activity levels were first serviced by utilising the spare capacity created by maintaining our market presence during the downturn. As the demand for recruitment services increases, the number of positions to be filled rises, candidate shortages begin to emerge, the time-to-hire period starts to reduce and there is less pressure on pricing. All of these factors trended positively in 2010, creating an environment for increased productivity and the generation of more gross profit per fee earner. As the spare capacity, which is not easily moved between disciplines or locations, is used up, additional headcount is added and new investments made for future growth. In the first half of 2010, an additional 311 staff were added and, as the recovery strengthened, so did our pace of investment, with a further 638 added in the second half. Headcount at 31 December 2010 was 4,498, an increase of 949 (26.7%) during the year.

The Group's strategy of growing organically using home-grown talent, maintaining market presence and maintaining spare capacity, means that the Group is highly operationally geared to an increase in gross profit as economies recover, tempered only by the rate of investment for future growth. This is reflected in the 254% increase in operating profit, before non-recurring items, from £20.2m in 2009 to £71.5m in 2010 and the Group's conversion rate of operating profit from gross profit increasing to 16.2% (2009: 5.7%). The levels and the increases in the conversion rates of our regions reflects their different timings and degrees of stabilisation and growth.

Administrative expenses in the year increased by 11.8% to £370.7m (2009: £331.5m), largely as a result of the increase in headcount, higher profit-related bonus payments and investments in new office and country start-ups. Administrative expenses included £12.4m of share-based payment charges (2009: £10.6m) in respect of the Group's deferred annual bonus scheme, long-term incentive plans and executive share option schemes. The increase in these share-based payment charges was due to a combination of new awards and higher employers' social charges, as a consequence of the increase in the share price from 378.9p at the end of 2009, to 555p at the end of 2010.

“”

THE GROUP'S STRATEGY OF GROWING ORGANICALLY USING HOME-GROWN TALENT, MAINTAINING MARKET PRESENCE AND MAINTAINING SPARE CAPACITY, MEANS THAT THE GROUP IS HIGHLY OPERATIONALLY GEARED TO AN INCREASE IN GROSS PROFIT AS ECONOMIES RECOVER.

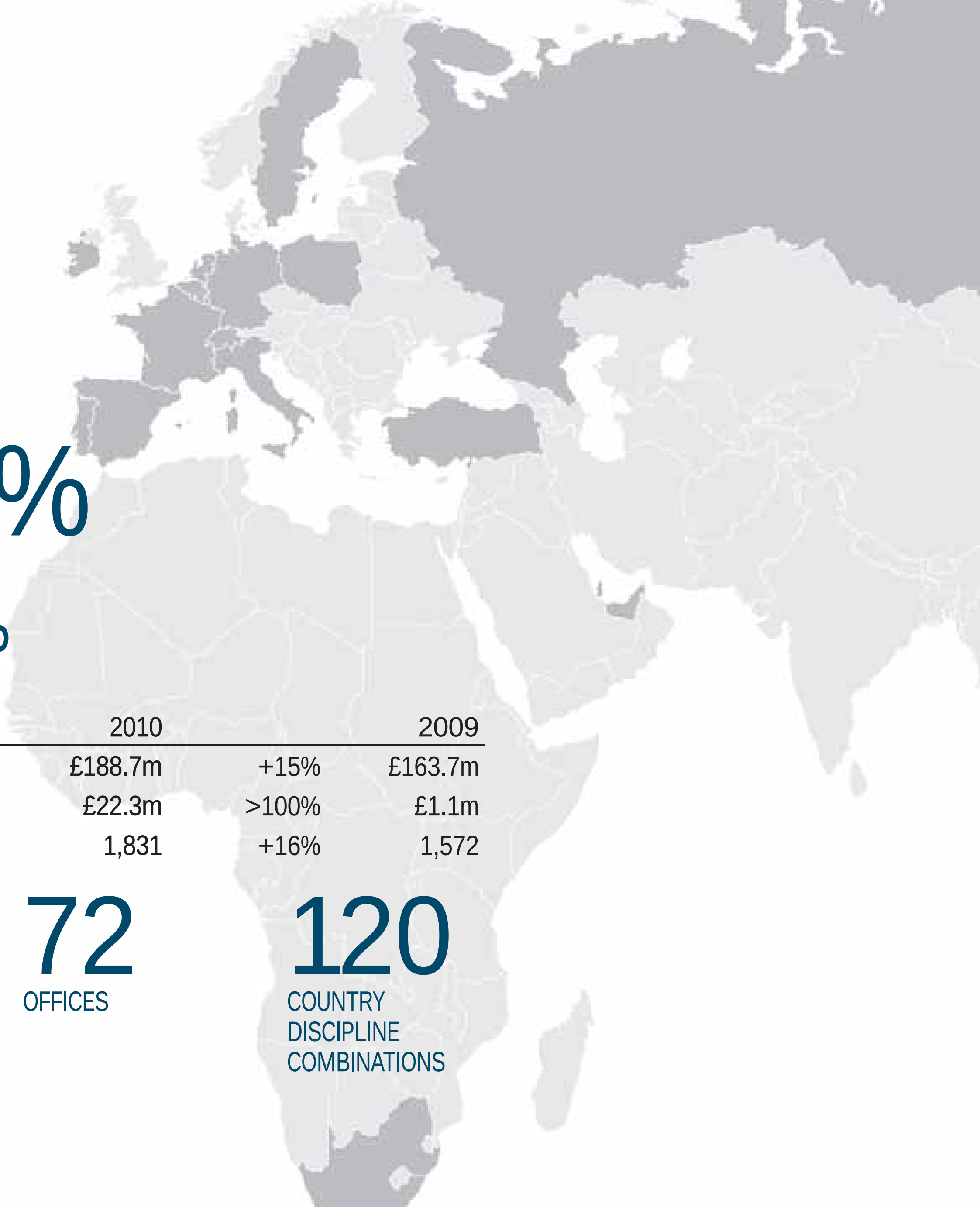
REGIONAL REVIEW OF 2010

Continental Europe, Middle East and Africa (EMEA)

EMEA, the Group's largest region, contributing 43% of the Group's gross profit for the year, grew revenue by 6.8% (10.1%*) to £332.2m (2009: £311.1m) and gross profit by 15.3% to £188.7m (2009: £163.7m).

In all countries in the region, market conditions gradually improved as the year progressed. While headcount was reduced across the region in 2009, we ensured we maintained the platform of businesses, holding spare capacity in the larger more established countries and, as activity levels increased during 2010, some of this spare capacity was utilised. In the newer and smaller countries, we have continued to invest for growth. Headcount in the region was 1,572 at the start of the year and increased to 1,831 by the end of December, with the majority of the hiring taking place in the second half of the year. Headcount levels are still well below the 2,155 at the start of 2009 and, with the benefit of a lower cost base and the increased level of gross profit, the region recorded a strong recovery in operating profits to £22.3m (2009: £1.0m), a conversion rate of 11.8% (2009: 0.6%).

While the general pattern of stabilisation followed by growth is apparent in virtually all countries across the region, the extent and timing of that pattern varied. The Netherlands was our most challenging market, with year-on-year gross profit comparisons only beginning to stabilise in the fourth quarter. In all other countries in the region, we achieved strong gross profit growth: in France (38% of EMEA up 21%*); Germany (13% of EMEA up 17%*); Spain (8% of EMEA up 20%*); and Italy (9% of EMEA up 29%*). The other 13 countries, representing 32% of the EMEA region, achieved gross profit growth of 13%*, with particularly strong performances in Switzerland and the UAE. During the year we opened offices in Bilbao, Padova, and at the beginning of 2011, we opened our third office in the Middle East in Doha, Qatar.



43%

OF GROUP

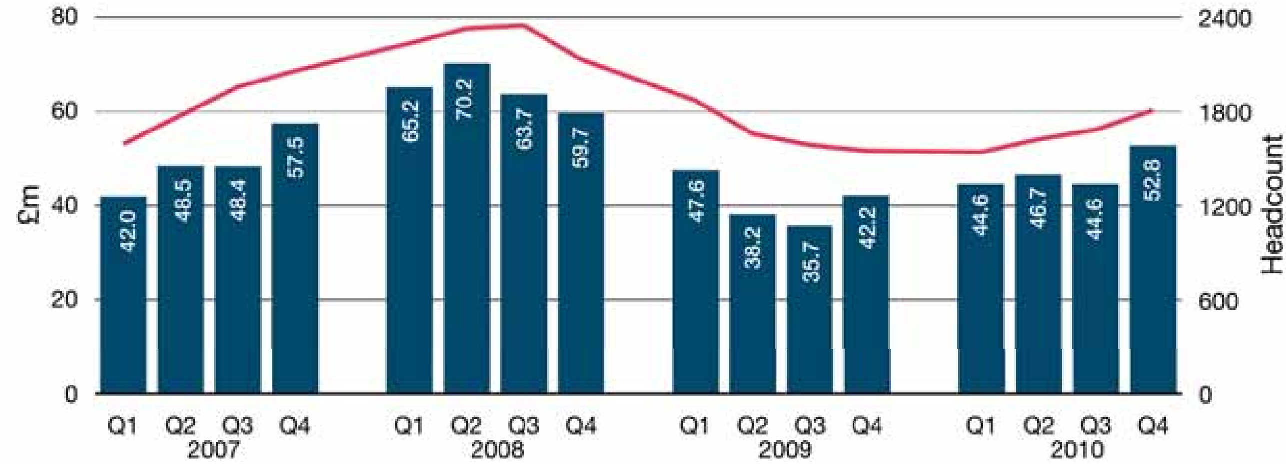
	2010		2009
Gross profit	£188.7m	+15%	£163.7m
Operating profit	£22.3m	>100%	£1.1m
Headcount	1,831	+16%	1,572

17
COUNTRIES

72
OFFICES

120
COUNTRY DISCIPLINE COMBINATIONS

HEADCOUNT AND GROSS PROFIT AS REPORTED



2010 HIGHLIGHTS

- Market conditions improving
- France, Spain and Italy benefit from strong market-leading positions
- Strong finish to 2010 in Germany, +38%* YOY growth in Q4
- Holland, slowest to recover, but now stabilised and confident of recovery
- Rest of EMEA (10% of Group) 12 countries, limited competition, growth +41%*
- New offices in Bilbao, Spain, Padova, Italy and Doha, Qatar

+15%
GROWTH IN GROSS PROFIT

£22m
OPERATING PROFIT, UP FROM £1M IN 2009

1,831
HEADCOUNT (+16%)

GROSS PROFIT BY REGION

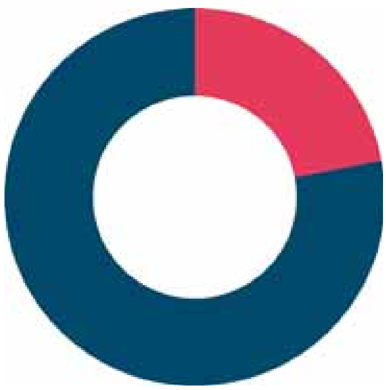
KEY:

France	+21%*
Holland	-23%*
Germany	+17%*
Italy	+29%*
Spain	+20%*
Rest of EMEA**	+41%*

GROSS PROFIT BY DISCIPLINE

KEY:
- Finance & Accounting
- Marketing, Sales & Retail
- Engineering, Property & Construction, Procurement & Supply Chain
- Legal, Technology, HR, Secretarial, Healthcare

TEMPORARY : PERMANENT



KEY:
- Permanent
- Temporary

*Growth rates in local currency. **Rest of EMEA: Austria, Belgium, Ireland, Luxembourg, Poland, Portugal, Russia, South Africa, Sweden, Switzerland, Turkey and UAE.

REGIONAL REVIEW OF 2010

United Kingdom

The UK contributed 28% (2009: 32%) of the Group's gross profits in 2010. Revenue grew by 10.2% to £302.6m (2009: £274.6m) and gross profit grew by 12.7% to £124.9m (2009: £110.8m). The gross margin in the UK has remained flat at 41%, with the positive mix effect of a greater proportion of faster-growing permanent gross profit, being negated by slower-growing temporary gross profit, at lower margins due to pricing pressure.

The UK business, which stabilised in the fourth quarter of 2009, achieved year-on-year growth in every quarter of 2010. While confidence levels have improved, market conditions remain tough, with clients and candidates remaining cautious over the impact of the government's austerity measures. The UK business is well diversified in terms of geography, disciplines and the mix of permanent and temporary revenues and has limited exposure to the public sector and construction industry.

Headcount was 1,179 at the start of the year and increased to 1,324 by the end of December, with the majority of the investment in new headcount being added in the second half of 2010, with the objective of continuing the growth and gaining market share in 2011. Benefiting from the reductions in the cost base achieved during 2009 and the increase in productivity, operating profits for the year increased to £19.6m (2009: £11.3m), representing a conversion rate of 15.7% (2009: 10.2%).

28%

OF GROUP

	2010		2009
Gross profit	£124.9m	+13%	£110.8m
Operating profit	£19.6m	+74%	£11.3m
Headcount	1,324	+12%	1,179

32
OFFICES

13
DISCIPLINES

HEADCOUNT AND GROSS PROFIT

2010 HIGHLIGHTS

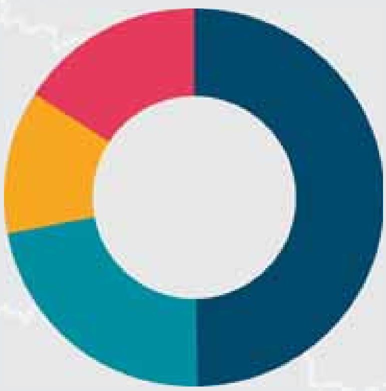
- Market conditions improving
- Market conditions tough, but KPIs steadily improving, driven by private sector
- Financial Services, Sales, Legal and Technology recovering fastest
- Public sector (approx. 10% of UK), showing sequential slowdown throughout 2010
- Strength of brand in this very competitive market helping win war for clients and candidates

+13%
GROWTH IN GROSS PROFIT

+74%
GROWTH IN OPERATING PROFIT, TO £20M

1,324
HEADCOUNT (+12%)

GROSS PROFIT BY DISCIPLINE



KEY:
- Finance & Accounting
- Marketing, Sales & Retail
- Engineering, Property & Construction, Procurement & Supply Chain
- Legal, Technology, HR, Secretarial, Healthcare

TEMPORARY : PERMANENT

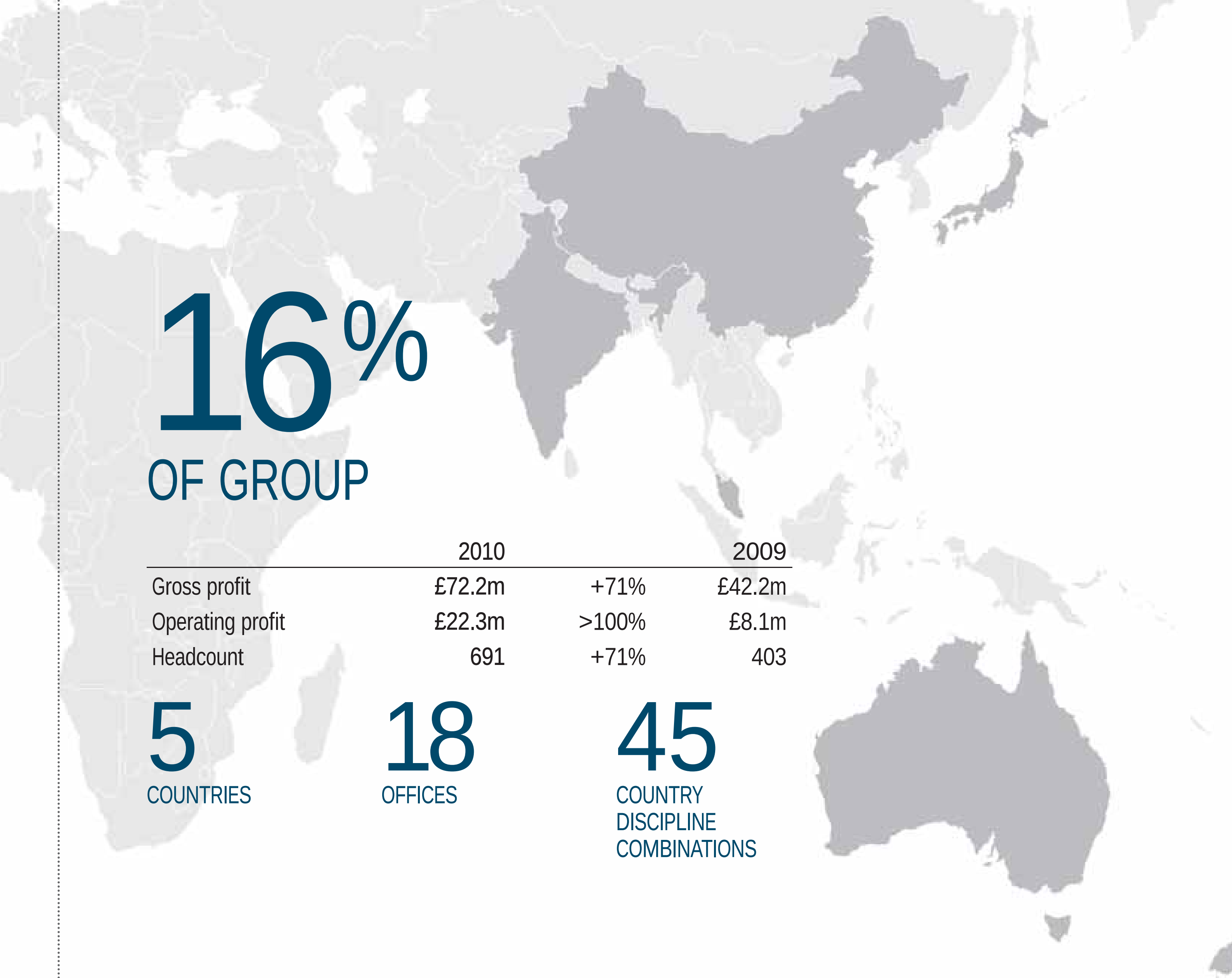
KEY:
- Permanent
- Temporary

REGIONAL REVIEW OF 2010

Asia Pacific

The Asia Pacific region contributed 16% of the Group's gross profit in 2010. Revenue was 51.5% (33.9%*) higher at £120.3m (2009: £79.4m) and gross profit was 71.1% (53.9%*) higher at £72.2m (2009: £42.2m). Operating profit increased to £22.3m (2009: £8.1m), representing a conversion rate of 30.9% (2009: 19.2%). The gross margin in the region increased from 53% to 60%, reflecting both the faster growth in permanent gross profits and strong growth in Asia, where we have a predominantly permanent placement businesses. Headcount across the Asia Pacific region increased from 403 at the start of the year, to 691 at the end of the year, an increase of 71%, reflecting both increased activity levels and our intentions for building a substantial business in Asia.

In Australia and New Zealand, gross profits grew 35%*, with strong growth throughout the year. In Asia, confidence levels recovered quickly from the global financial crisis and we grew our gross profit by 79%*. We more than doubled our headcount in Asia during the year, opened our seventh office in China, in Guangzhou and our second office in Singapore, in Jurong. At the start of 2011, we opened offices in Kuala Lumpur, Malaysia and two offices in India, in Gurgaon, New Delhi and Mumbai.



16%

OF GROUP

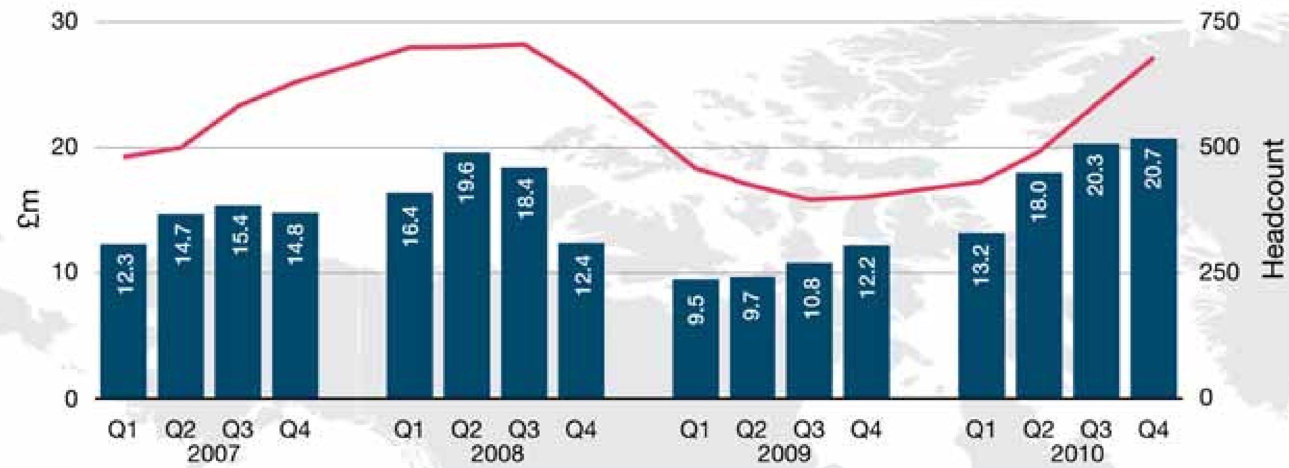
	2010		2009
Gross profit	£72.2m	+71%	£42.2m
Operating profit	£22.3m	>100%	£8.1m
Headcount	691	+71%	403

5 COUNTRIES

18 OFFICES

45 COUNTRY DISCIPLINE COMBINATIONS

HEADCOUNT AND GROSS PROFIT AS REPORTED



2010 HIGHLIGHTS

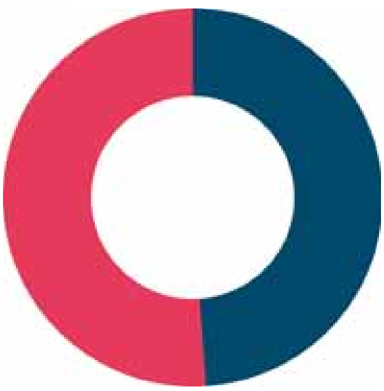
- Strong recovery, back to record levels of headcount
- Australia/New Zealand up 34%* YOY
- Page Personnel launched in Hong Kong and Singapore
- Asia, 50% of region, up +79%* YOY
- Asia more than doubled headcount to 305
- Opened 3 offices in 2010 and 3 in first two months of 2011

+71%
GROWTH IN GROSS PROFIT

£22m
OPERATING PROFIT, UP FROM £8M IN 2009

691
HEADCOUNT (+71%)

GROSS PROFIT BY REGION

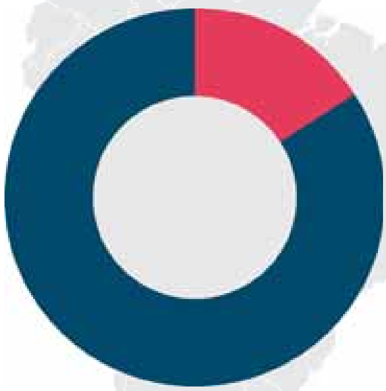


KEY:
- Australia and New Zealand +34%*
- Asia +79%*

GROSS PROFIT BY DISCIPLINE

KEY:
- Finance & Accounting
- Marketing, Sales & Retail
- Engineering, Property & Construction, Procurement & Supply Chain
- Legal, Technology, HR, Secretarial, Healthcare

TEMPORARY : PERMANENT



KEY:
- Permanent
- Temporary

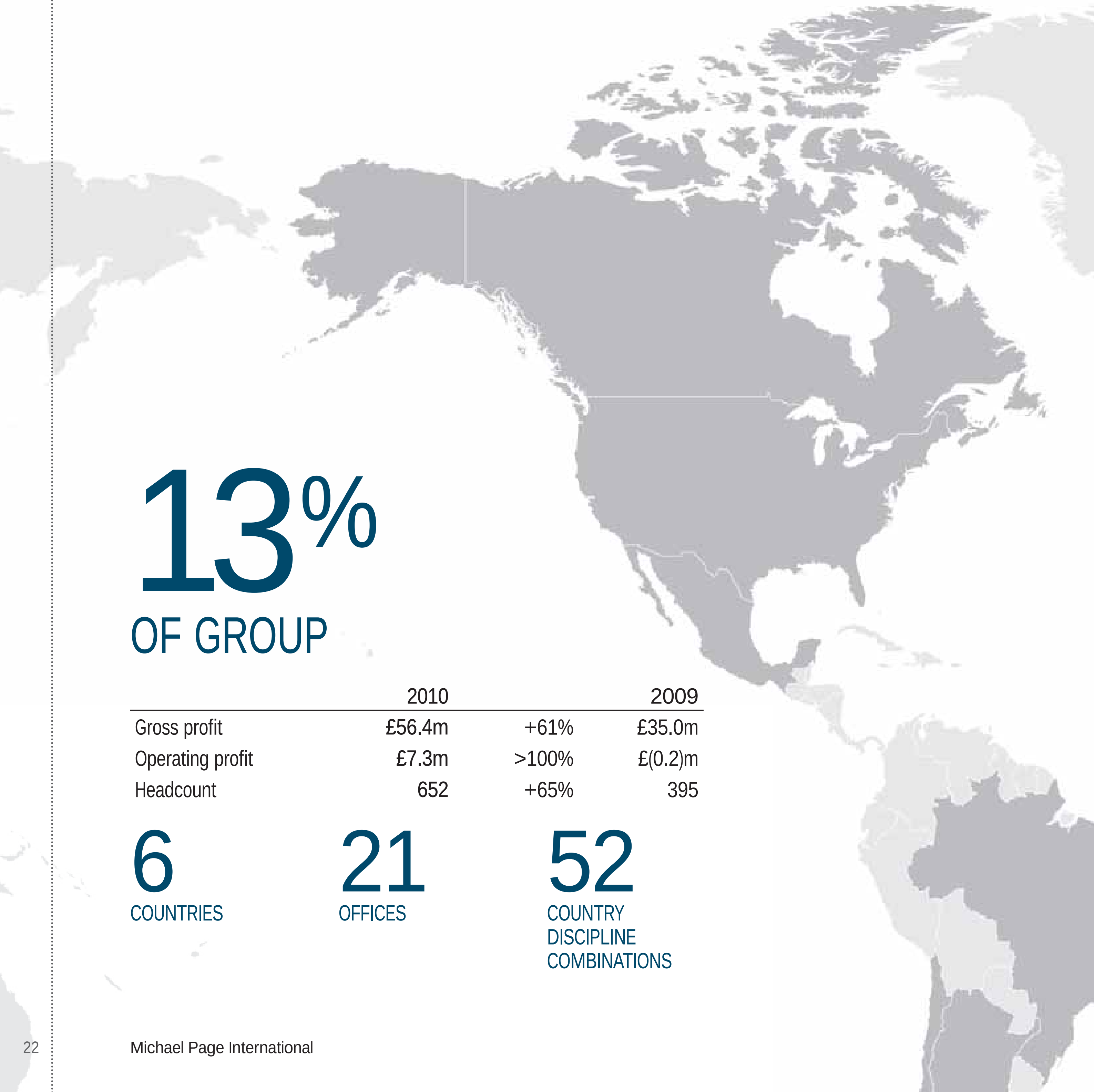
*Growth rates in local currency

REGIONAL REVIEW OF 2010

The Americas

Revenue for the region grew by 49.5% (38.9%*) to £77.2m (2009: £51.6m) and gross profit grew by 61.4% (48.1%*) to £56.4m (2009: £35.0m). With strong growth in revenue and gross profit, the region produced operating profit of £7.3m (2009: loss £0.2), representing a conversion† rate of 13%. Headcount in the region increased from 395 at the start, to 652 at the end of the year, with a greater proportion being added in the second half.

Approximately two thirds of the Americas region is in Latin America, of which our largest business is in Brazil. During the course of 2010, we invested to continue our growth and maintain our market-leading position. In Brazil, we opened offices in Alphaville (São Paulo), Barra da Tijuca (Rio de Janeiro), São José dos Campos and Recife. Our businesses in Mexico and Argentina continue to develop well and in the second half of 2010 we opened an office in our fourth Latin American country, in Santiago, Chile. In North America, market conditions have been slower to recover from the downturn, but we are now benefiting from maintaining our platform, recording 42% year-on-year growth in gross profit in the fourth quarter of 2010.



13%

OF GROUP

	2010		2009
Gross profit	£56.4m	+61%	£35.0m
Operating profit	£7.3m	>100%	£(0.2)m
Headcount	652	+65%	395

6
COUNTRIES

21
OFFICES

52
COUNTRY DISCIPLINE COMBINATIONS

HEADCOUNT AND GROSS PROFIT AS REPORTED

2010 HIGHLIGHTS

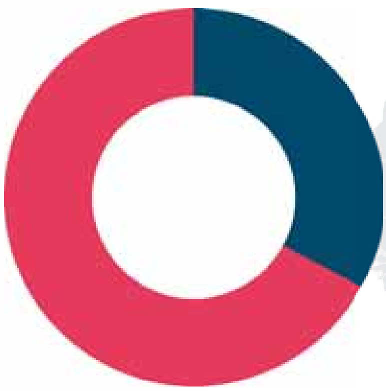
- Market conditions improving
- 21 offices at record level of headcount
- North America: +36%* YOY in spite of challenging conditions
- Latin America – two thirds of the region, limited competition
- Brazil, fourth largest country in the Group, opened 5 more offices, now 11
- Mexico and Argentina performing well
- Opened in Santiago, Chile

+61%
GROWTH IN GROSS PROFIT

£7m
OPERATING PROFIT, UP FROM BREAK EVEN IN 2009

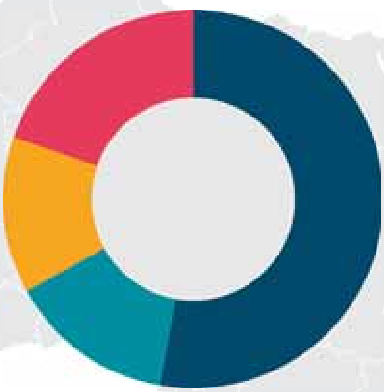
652
HEADCOUNT (+65%)

GROSS PROFIT BY REGION



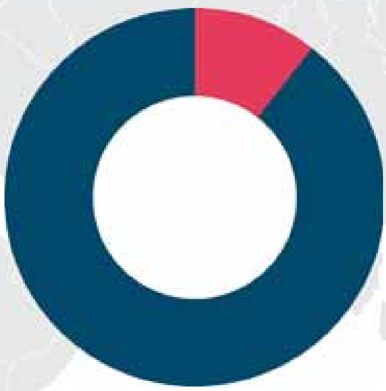
KEY:
- North America +36%*
- Latin America +56%*

GROSS PROFIT BY DISCIPLINE



KEY:
- Finance & Accounting
- Marketing, Sales & Retail
- Engineering, Property & Construction, Procurement & Supply Chain
- Legal, Technology, HR, Secretarial, Healthcare

TEMPORARY : PERMANENT



KEY:
- Permanent
- Temporary

*Growth rates in local currency

REGIONAL REVIEW OF 2010

Discipline development

Our strategy of diversifying the Group by professional disciplines has continued, by investing in the roll-out of existing and new disciplines throughout our country and office network. The heritage of the business is in placing people in Finance and Accounting roles, the large majority of which are professionally qualified accountants into industry and commerce. While this remains our largest area of business, it was less than half, at 47%, of the Group's 2010 gross profit. Revenue from Finance and Accounting placements grew by 10.2% (8.9%*) to £450.6m (2009: £409.0m) and gross profit grew by 19.0% (16.7%*) to £209.2m (2009: £175.7m).

Placements of Marketing, Sales and Retail professionals generated around 19% of the Group's gross profit. Revenue from these disciplines grew by 21.6% (19.7%*) to £111.7m (2009: £91.8m) and gross profit grew by 34.9% (32.8%*) to £82.8m (2009: £61.4m).

Legal, Technology, Human Resources, Secretarial and Other disciplines generated around 18% of Group gross profit. Revenue from these disciplines grew by 25.4% (23.9%*) to £157.0m (2009: £125.2m) and gross profit grew by 33.3% (31.5%*) to £81.6m (2009: £61.2m).

Engineering, Property & Construction and Procurement & Supply Chain accounted for around 16% of Group gross profit. Revenue from these disciplines grew by 24.6% (24.1%*) to £113.1m (2009: £90.8m) and gross profit grew by 28.6% (27.7%*) to £68.6m (2009: £53.3m).

FINANCIAL REVIEW OF 2010

Non-recurring items (NRI) - VAT

In 2003, the Group submitted an initial claim to Her Majesty's Revenue and Customs (HMRC) for overpaid VAT which was rejected. The Group appealed and subsequently filed amended claims for £26.5m, net of fees, covering the period from 1980 to 2004. In March 2009, the Group filed amended claims for a further refund of an additional £80m, net of fees, of overpaid VAT covering the same period.

In June 2009, the Group received a payment from HMRC of £26.5m, net of fees, as part settlement of these claims and in July 2009 received £10.5m, net of fees, of statutory interest. As a result, the principal and interest amounts were recognised in the half year to June 2009 results, with the interest receivable being recorded within working capital in the cash flow statement.

On 25 September 2009, the Group received a letter from HMRC, which stated that, 'HMRC have reviewed the recent payment and are now of the view that the claim in whole or in part should not have been paid'.

A number of discussions and meetings with HMRC followed and on 5 March 2010, the Group announced that an agreement had been reached in principle, subject to legal contract, for the Group to retain £28.4m (net of fees). However, given the background to the initial receipt, the subsequent review and reversal of HMRC's position, together with the remaining uncertainty pending formal contractual agreement, the Group reversed out the amounts originally recognised in the 2009 half year results and as such did not recognise any amount in the Income Statement in the 2009 full year.

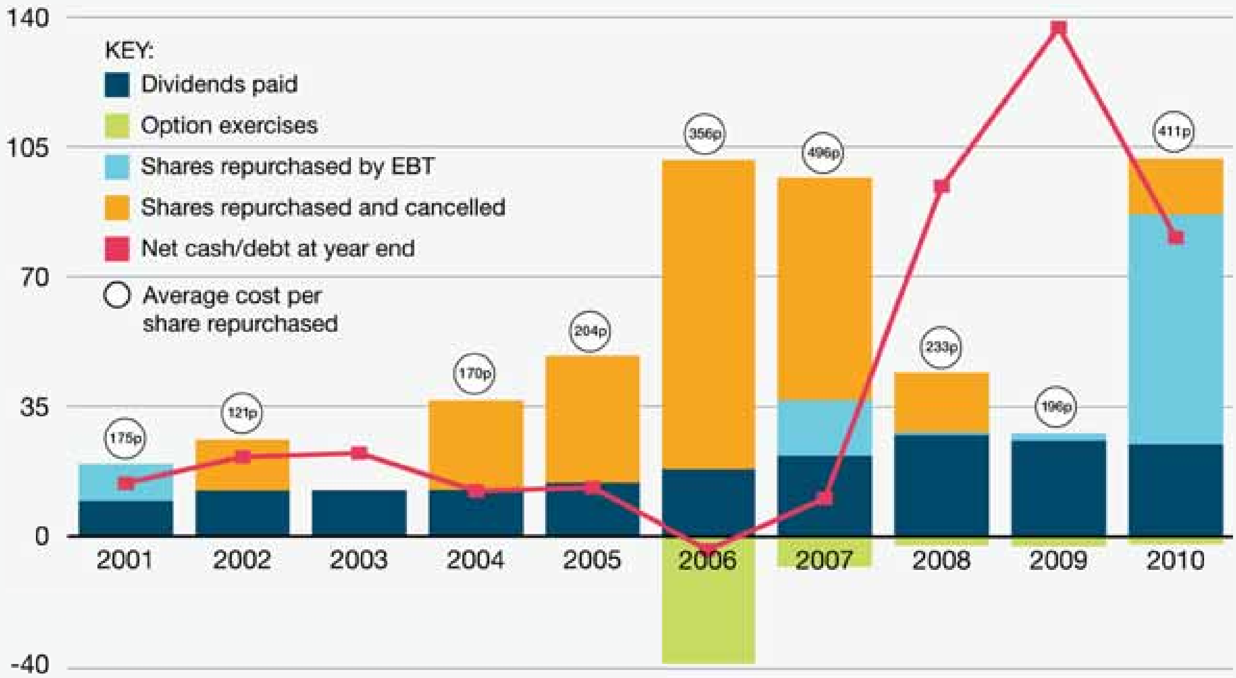
On 30 April 2010, a formal agreement was signed with HMRC. As a result, of the £50m originally received from HMRC, the Group retained £38.1m and returned £11.9m in May 2010. Accordingly, after fees, the Group has recognised £28.4m as non-recurring income in its 2010 Income Statement, of which £17.1m is in respect of refunded VAT and is included in operating profit and £11.3m is in respect of interest and is included in financial income.

In respect of the amended claims for a further refund of an additional £80m, net of fees, of overpaid VAT, the Group is continuing to pursue the claim.

Financial Income

The Group had financial income for the year of £1.1m (2009: £2.0m). As trading conditions and the economic outlook improved during 2010, we were able to return surplus cash to shareholders by way of share repurchases. As a result, the Group held less net cash and in consequence received less financial income. Thus, the lower level of financial income compared to 2009 reflected the strengthening of the Group's trading conditions. In addition, the Group received financial income from non-recurring activities of £11.3m that related to the VAT refund.

EFFECTIVE USE OF CASH



The chart above shows how the Group managed its cash resources in the years since flotation. The cash paid in dividends has increased or been maintained, while maintaining a net cash position within a relatively small range. During 2001 to 2007, surplus cash was used to repurchase and cancel shares.

As the downturn impacted the Group's trading during the second half of 2008, the Group stopped its share repurchase programme and the cash generated was retained on the balance sheet. This can be seen in the sharp increase in net cash during 2008 and 2009. As trading conditions improved during 2010, the Group resumed its share repurchases both into the employee benefit trust to satisfy current and future share plan obligations and for cancellation, and consequently the net cash reduced.

Taxation

Tax on profits was £33.2m (2009: £8.6m), representing an effective tax rate of 33.0% (2009: 41.0%). The rate is higher than the effective UK Corporation Tax rate for the year of 28%, due to disallowable items of expenditure and profits being generated in countries where the corporate tax rates are higher than in the UK. The effective rate was lower than in 2009, due to a large VAT reclaim taxed at 28% in the UK and higher overall profits diluting the effect of the share plan non-deductible charges, partially offset by an increase in European profits at generally higher rates than the Group average.

Share repurchases and share options

It is the Group's intention to continue to use share repurchases to return surplus cash to shareholders and to satisfy awards under the Group's incentive share plan, deferred annual bonus plan and share option scheme. During the year, 18.7m shares were repurchased at a cost of £76.8m. 3.7m of these shares were cancelled, with the remaining shares purchased by the Company's employee benefit trust to satisfy future share plan awards.

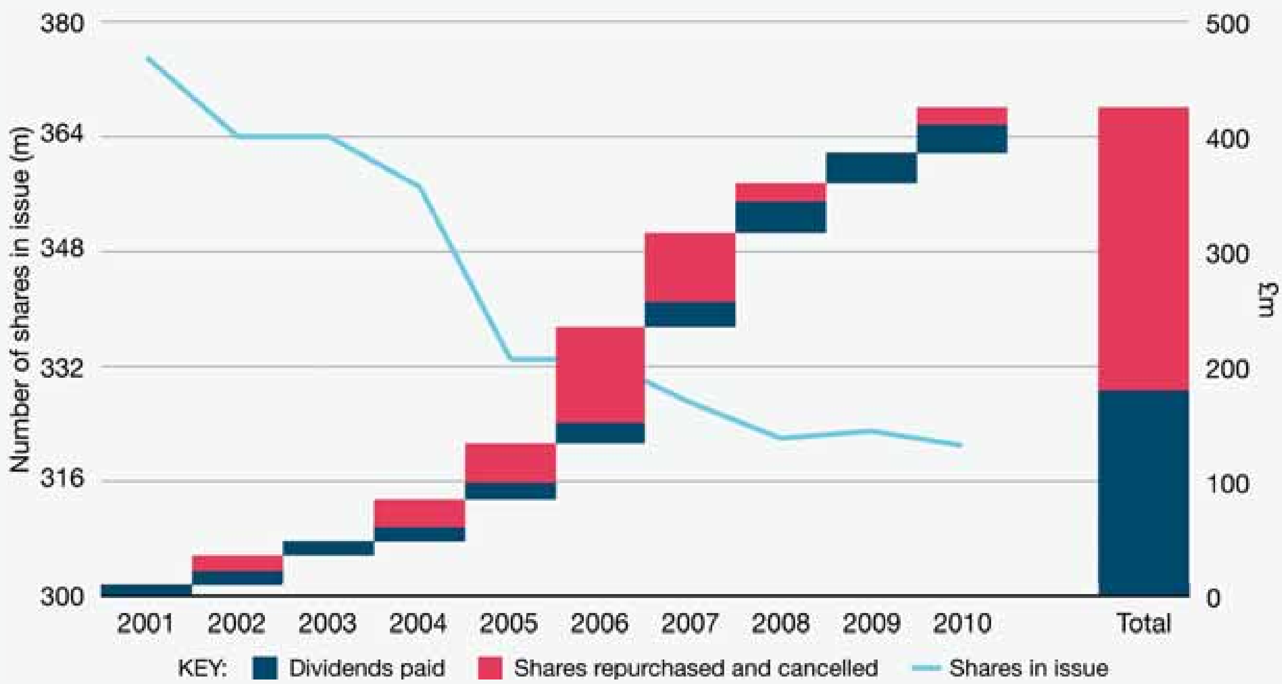
At the beginning of 2010, the Group had 16.6m share options outstanding, of which 4.2m had vested. In March 2011, 11.5m share options were granted under the Group's Executive Share Option Scheme. This award was larger than previous grants of share options, as no awards were made under the Incentive Share Plan. During the course of the year, options were exercised over 1.9m shares, generating £4.0m in cash and 3.1m share options lapsed. At the end of 2010, 23.4m share options remained outstanding, of which 2.1m had vested but had not been exercised. It is anticipated that 3.1m of these unvested options will lapse in March 2011.

Earnings per share and dividends

In 2010, basic earnings per share were 21.6p (2009: 3.9p) and diluted earnings per share were 21.1p (2009: 3.8p). The weighted average number of shares for the year was 311.8m (2009: 321.6m).

A final dividend of 6.12p, up 19.5%, (2009: 5.12p) per ordinary share is proposed which, together with the interim dividend of 2.88p (2009: 2.88p) per ordinary share, makes a 12.5% increase in the total dividend for the year to 9.0p per ordinary share. The proposed final dividend, which amounts to £18.8m, will be paid on 6 June 2011 to those shareholders on the register as at 6 May 2011.

CASH RETURNED TO SHAREHOLDERS



The chart above, on the right-hand axis, shows the annual and cumulative cash returns made to shareholders in the 10 years since the Group's flotation. In total, over £425m of cash has been returned, with £179m in dividends and £246m in share repurchases. In addition, net cash retained on the Group's balance sheet over the same period increased by £65m.

The left-hand axis shows the number of shares in issue at each year end. At flotation there were 375.0m shares in issue, with an additional 33.8m under option. However, share repurchases and subsequent cancellations have reduced the shares in issue to 321.6m at the end of 2010, at which point a further 23.1m shares were under option.

BALANCE SHEET

The Group had net assets of £177.4m at 31 December 2010 (2009: £197.0m). The decrease in net assets comprises profit for the year of £67.5m, currency movements of £0.3m, credits relating to share schemes of £10.3m and cash received from the exercise of share options of £4.0m, offset by share repurchases for cancellation of £15.1m, shares bought and held in the employee benefit trust of £61.8m and dividends paid of £24.9m.

Our capital expenditure is driven primarily by two main factors being headcount, in terms of office accommodation and infrastructure, and the development and maintenance of our IT systems. The project to replace our current IT recruitment system with the next generation continues to progress and we anticipate that the first full implementations will take place later this year, with the roll-out continuing throughout 2012 in order to mitigate the implementation risks. Capital expenditure, net of disposal proceeds, increased to £14.8m (2009: £11.3m), reflecting the investment in new systems and expenditure, where there is no longer spare capacity, due to headcount increasing in the year.

The most significant item in the balance sheet is trade receivables, which were £134.7m at 31 December 2010 (2009: £100.2m). The increase in trade receivables reflects both the increased activity and a small increase in debtor days to 47 (2009: 45 days). The movement in debtor days is due largely to the increased proportion of revenue being derived from permanent placements where our debtor days are higher than from temporary revenues.

CASH FLOW

The Group started the year with net cash of £137.2m. In 2010, we generated £69.1m from operations after NRI, after an increase in working capital of £10.6m, reflecting increased activity and cash outflows relating to the VAT claim of £12.6m. Tax paid was £12.4m and net capital expenditure was £14.8m, with net interest received of £0.7m. During the year, £61.8m was spent repurchasing shares into the employee benefit trust to satisfy employee share schemes, £15.1m was spent on the repurchase and cancellation of shares, £4.0m was received from the exercise of share options and dividends of £24.9m were paid. The Group had net cash of £80.5m at 31 December 2010.

Net cash and Group borrowing facilities

At 31 December 2010, the Group had net cash of £80.5m (2009: £137.2m). The net cash position comprised gross cash deposits of £80.5m with 19 separate banks.

The Group has a three year £50m multi-currency committed borrowing facility, which is currently undrawn, that expires in July 2012.

“”

THE GROUP RECOGNISED £28.5M AS NON-RECURRING INCOME, OF WHICH £17.1M IS IN RESPECT OF REFUNDED VAT AND £11.4M IS INTEREST

“”

OVER £100M OF CASH PAID IN DIVIDENDS AND SHARE REPURCHASES.

“”

STRONG BALANCE SHEET WITH OVER £80M IN CASH AT END OF 2010.

KEY PERFORMANCE INDICATORS ("KPIs")

Financial and non-financial key performance indicators (KPIs) used by the Board to monitor progress are listed in the table below.

The source of data and calculation methods year-on-year are on a consistent basis.

KPI	2010	2009	Definition, method of calculation and analysis
Gross margin	53.1%	49.1%	Gross profit as a percentage of revenue. Gross margin increased from last year largely as a result of the higher gross margin permanent placements growing at a faster rate than temporary placements. Source: Consolidated income statement in the financial statements.
Conversion	16.2%	5.7%	Operating profit as a percentage of gross profit showing the Group's effectiveness at controlling the costs and expenses associated with its normal business operations and the level of investment for the future. Conversion increased compared to last year, reflecting the improvement in economic conditions on demand for the Group's services, higher productivity and lower levels of spare capacity in the business. Source: Consolidated income statement in the financial statements.
Productivity (gross profit per fee earner)	£155.3k	£124.0k	Represents how productive fee earners are in the business and is calculated by dividing the gross profit for the year by the average number of fee earners and directors. The higher the number, the higher their productivity. Productivity is a function of the rate of investment in new fee earners, the impact of pricing and the general conditions of the recruitment market. The increase in productivity this year is as a result of the general improvement in market conditions, but would be higher without the investment in an additional 949 headcount.
Fee earner: support staff ratio	73:27	71:29	Represents the balance between operational and non-operational staff. The ratio of fee earners to support staff at the end of 2010 has increased from the level at the end of 2009. This ratio improves when the Group grows and headcount increases, but tends to decline when Group headcount reduces as the infrastructure staff to support a higher number of teams, offices and countries cannot be flexed as quickly as fee generating staff. Source: Internal data.
Debtor days	47	45	Represents the length of time taken for the Group to receive payments from its debtors. Calculated by comparing how many days' billings it takes to cover the debtor balance. The increase compared to last year relates to the shift towards permanent recruitment activity from temporary in a recovery. Permanent recruitment activity tends to have higher debtor days. Source: Internal data.

The movements in KPIs are consistent with the business performance as discussed in the Business Review.

GOING CONCERN

The Board has undertaken a recent and thorough review of the Group's budget, forecasts and associated risks and sensitivities and has concluded, given the level of cash in the business, the level of borrowing facilities available, the geographical and discipline diversification, limited concentration risk, as well as the ability to manage the cost base, 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 these accounts. As a result, the going concern basis continues to be appropriate in preparing the financial statements.

FOREIGN EXCHANGE

The Group now operates in 32 countries around the world and carries out transactions that are recorded in twenty-two local currencies. The Group reports its Income Statement and Cash Flow Statement results in Pounds Sterling, using the average exchange rate for each month to translate the local currency amounts into Sterling. The Balance Sheet is translated using the exchange rates at the Balance Sheet date.

As a service company, most of the Group's transactions are within the territory in which the local business operates and consequently there are few cross-border transactions between Group companies. However, royalties are charged for the use of the Group's trademarks and management fees are charged for Group and regional functions that provide services to other Group subsidiary companies. Foreign exchange gains and losses are recognised in accordance with IFRS on the settlement of these transactions where the cash received, when converted into Sterling, differs from the amounts previously recorded in the Income Statement. These exchange gains and losses are included within operating profit.

The table below shows the relative movements of the Group's main trading currencies against Pounds Sterling during 2010, when compared to those prevalent during 2009. Negative percentages indicate that Sterling has weakened against the foreign currency during the period. With the exception of the Euro, Sterling has weakened against these main trading currencies.

Currency	Movement in the average exchange rate used for Income Statement translation between 2009 and 2010	Movement in the year end exchange rate used for Balance Sheet translation between 2009 and 2010
Euro	4%	4%
Swiss Franc	-5%	-13%
Brazilian Real	-13%	-8%
US Dollar	-1%	-3%
Australian Dollar	-15%	-15%
Hong Kong Dollar	-1%	-3%
Singapore Dollar	-7%	-12%
Japanese Yen	-7%	-16%

TREASURY MANAGEMENT AND CURRENCY RISK

It is the Directors' intention to continue to finance the activities and development of the Group from retained earnings and to operate the Group's business while maintaining a strong balance sheet position. In a generally benign economic environment, this equates to maintaining the Group's net cash/debt position within a relatively narrow band, with cash generated in excess of these requirements being used to buy back the Group's shares. In a period of economic uncertainty, a more cautious funding position is adopted, with the Group being managed in a net cash position.

Cash surpluses are invested in short-term deposits, with any working capital requirements being provided from Group cash resources, Group facilities, or by local overdraft facilities. The Group has a multi-currency notional cash pool between the Euro zone subsidiaries and the UK-based Group Treasury subsidiary. The structure facilitates interest and balance compensation of cash and bank overdrafts. It is the intention to extend the scope of the participation to other Group companies.

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. Our policy is not to hedge this exposure.

In certain cases, where the Group gives or receives short-term loans to and from other Group companies with different reporting currencies, it may use foreign exchange swap derivative financial instruments to manage the currency and interest rate exposure that arises on these loans. It is the Group's policy not to seek to designate these derivatives as hedges.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks. The following section comprises a summary of the main risks Michael Page International plc believes could potentially impact the Group's operating and financial performance.

People

The resignation of key individuals and the inability to recruit talented people with the right skill-sets could adversely affect the Group's results. This is further compounded by the Group's organic growth strategy and its policy of not externally hiring senior operational positions. Mitigation of this risk is achieved by succession planning, training of staff, competitive pay structures and share plans linked to the Group's results and career progression.

Macro economic environment

Recruitment activity is largely driven by economic cycles and the levels of business confidence. The Board look to reduce the Group's cyclical risk by expanding geographically, increasing the number of disciplines, building part qualified and clerical businesses and continuing to build the temporary business. A substantial portion of the Group's gross profit arises from fees that are contingent upon the successful placement of a candidate in a position. If a client cancels the assignment at any stage in the process, the Group receives no remuneration. As a consequence, the Group's visibility of gross profits is generally quite short and reduces further during periods of economic downturn.

Competition

The degree of competition varies in each of the Group's main regions. In the UK, Australia and North America, the recruitment market is well developed, highly competitive and fragmented. The characteristics of a developed market are greater competition for clients and candidates, as well as pricing pressure. In EMEA, Latin America and Asia, the recruitment market is generally less developed, with a large proportion of all recruitment being carried out by companies' internal resources, rather than through recruitment specialists. This is changing due to changes in legislation, increasing job mobility and the difficulty internal resources face in sourcing suitably qualified candidates and managing compliance. If the Group does not continue to compete in its markets effectively, by hiring new staff, opening and expanding offices and continuing the discipline roll-outs, there is a risk that competitors may beat us to key strategic opportunities, which may result in lost business and a reduction in market share. This risk is mitigated by meetings of the Board, Executive Board and Regional and Country Management Boards where Group strategy is continually reviewed and decisions made over the allocation of the Group's resources, principally people.

Technology

The Group is reliant on a number of technology systems to provide services to clients and candidates. These systems are dependent on a number of important suppliers that provide the technology infrastructure and disaster recovery solutions. The performance of these suppliers are continually monitored to ensure business critical services are available and maintained as far as practically possible. Due to the rapid advancement of technology, there is a risk that systems could become outdated with the potential to affect efficiency and have an impact on revenue and client service. This risk is mitigated by regular reviews of the Group's technology strategy to ensure that it supports the overall Group strategy.

Legal

The Group operates in a large number of jurisdictions that have varying legal and compliance regulations. The Group takes its responsibilities seriously and ensures that its policies, systems and procedures are continually updated to reflect best practice and to comply with the legal requirements in all the markets in which it operates. In order to reduce the legal and compliance risks, fee earners and support staff receive regular training and updates of changes in legal and compliance requirements.

Update on VAT reclaims

We have had correspondence and discussions with HMRC concerning the amended claims for a further refund of VAT and related interest, but the eventual outcome and timing of any decision remains uncertain.

SUMMARY AND OUTLOOK

Having maintained our business platform during the economic downturn and retained our experienced and talented people, the Group was well positioned to benefit from the economic recovery during 2010. The diversification of the Group, both geographically and by discipline, has proved advantageous as the recovery has developed. Through the utilisation of spare capacity, the Group's profitability has improved significantly. We have maintained a strong balance sheet and, while increasing the returns to shareholders, we have also continued to take a long-term approach by making significant investments in the future of the business, both during 2010 and at the start of 2011.

Following the launch of new businesses in Chile, Qatar, Malaysia and India, we now operate in 32 countries. With the increase in headcount of 949 during 2010 and a further 258 in the first two months of 2011, achievable because of the strength and depth of our management, we are well positioned to continue our growth.

Since the start of 2011 we have seen strong growth in our EMEA region, Australia and North America and steady growth in our UK business where market conditions remain tough but stable. We continue to achieve our highest rates of growth in our Asian and Latin American regions where we have market leading positions.

We will next update the market on our first quarter trading in an announcement on 11 April 2011.

Steve Ingham
Chief Executive
4 March 2011

Stephen Puckett
Group Finance Director
4 March 2011

BOARD OF DIRECTORS

SIR ADRIAN MONTAGUE CBE

Chairman (63)

Sir Adrian is Chairman of Anglian Water Group Limited and of CellMark AB, the international forest products marketing group based in Gothenburg and in July 2010, he was appointed Chairman of the private equity firm 3i. From 1997 to 2001, he held senior posts concerned with the implementation of the 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 was Deputy Chairman of Network Rail from 2001 to 2004, Chairman of Cross London Rail Links Limited from 2004 to 2005, Chairman of British Energy from 2002 to 2009 and Chairman of Friends Provident plc from 2005 to 2009. He spent his early career as a solicitor with Linklaters & Paines before joining Kleinwort Benson in1994. Sir Adrian is also Chairman of London First, a Director of Skanska AB, the Swedish international construction group, and a Trustee of The Historic Royal Palaces. He is also a member of the Housing Finance Group of the Housing and Communities Agency and Chairman of the Advisory Board of Reform. He was awarded a CBE in 2001 and a knighthood in 2006. He is also Chairman of the Nomination Committee.

STEVE INGHAM

Chief Executive (48)

Steve 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 took additional responsibility for Michael Page's Retail, Technology, Human Resources and Engineering businesses. He was promoted to the Board as Executive Director of UK Operations in January 2001, and subsequently to Managing Director of UK Operations in May 2005. He was appointed Chief Executive on 6 April 2006. Steve is also a member of the Great Ormond Street Hospital's Corporate Partnership Board.

CHARLES-HENRI DUMON

Managing Director – Continental Europe and The Americas (52)

Charles-Henri 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 Managing Director for all Michael Page's European and South American businesses in January 2001. His responsibilities were increased to include North America in January 2006.

RUBY MCGREGOR-SMITH

Independent Non-Executive Director (48)

Ruby qualified as a Chartered Accountant with BDO Stoy Hayward and was appointed to the Board of Michael Page International plc on 23 May 2007. She is Chief Executive of MITIE Group PLC, a position she has held since March 2007. Previously to being appointed Chief Executive, she held the positions of Group Finance Director and then Chief Operating Officer. Prior to joining MITIE Group PLC, she held a range of senior roles within the support services sector, primarily at Serco Group plc. She is Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees.

DR TIM MILLER

Independent Non-Executive Director (53)

Tim was appointed a Director of Standard Chartered Bank in December 2004. Tim is responsible for the Corporate Real Estate, Corporate Secretariat, Legal, Compliance & Assurance, Internal Audit and Global Research functions. Tim is also Chairman of Standard Chartered Korea and Chairman of the Bank's Environment Committee. Outside the Bank, Tim is Chairman of the Governing Body, School of Oriental & African Studies ("SOAS") and a Member of the School Advisory Board, and a Special Professor of Strategy, at Nottingham University Business School, where, in 2007, he completed a Doctorate in Business Administration. Tim was appointed to the Board of Michael Page International plc on 15 August 2005 and was Chairman of the Remuneration Committee until 21 January 2011. He is now a member of the Audit, Nomination and Remuneration Committees.

STEPHEN PUCKETT

Group Finance Director (49)

Stephen 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 Group Finance Director of Stat Plus Group plc in 2000, and appointed Group Finance Director of Michael Page International plc in January 2001. He was a Non-Executive Director of SHL Group Plc from 2004 to 2006.

HUBERT REID

Independent Non-Executive Director
Senior Independent Director (70)

Hubert is Chairman of Enterprise Inns plc and of the Midas Income and Growth Trust PLC and Deputy Chairman of Majedie Investments PLC. He was previously Managing Director and then Chairman of the Boddington Group plc, and a Non-Executive Director and then Chairman of Ibstock Plc, Bryant Group plc and the Royal London Group. He was appointed a Non-Executive Director of Michael Page International plc on 25 February 2003. He is a member of the Audit, Nomination and Remuneration Committees.

REG SINDALL

Independent Non-Executive Director (56)

Reg is Executive Vice President of Corporate Resources for the Burberry Group PLC, which is headquartered in London. Reg has held this position for three years. Prior to this he was an Executive of GUS Plc, a FTSE 30 company which owned Burberry for fifty years. He was part of the team that led the IPO of Burberry in 2002. Before joining GUS in 2000, Reg held a variety of positions within the Bass Group, including Group HR Director, SVP of Customer Service, Reservations and HR. A psychologist by academic training, he is a Fellow of the Chartered Institute of Personnel Development and a Fellow of the Royal Society of Arts. He is Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees.

EXECUTIVE BOARD

In addition to the Executive Directors, the Executive Board comprises:

ALEXIS DE BRETTEVILLE

Regional Managing Director – The Americas (48)

Alexis joined Michael Page in 1993 as a Consultant in Paris, France. In 1997 he was appointed Managing Director of Michael Page Spain, launching Spain, Portugal and later, Brazil. In 2002, he moved to Germany, taking responsibility for Germany, Belgium and Sweden. In 2004, he moved to Belgium where his responsibilities also included Holland and the launch of Poland in 2005. In 2006, he became Regional Managing Director for the Americas, based in New York, having responsibility for Michael Page in USA, Canada, Brazil, Mexico and most recently Argentina.

GARY JAMES

Regional Managing Director – Asia Pacific (49)

Gary joined Michael Page Finance in London in 1984. He was appointed Director of Michael Page Sales & Marketing in 1994, Managing Director of Michael Page Marketing in 1997 and transferred to America in 2002 as Managing Director of North America. He moved to Australia and was appointed Managing Director of the Asia Pacific region in August 2006.

OLIVIER LEMAITRE

Regional Managing Director – Continental Europe (38)

Olivier joined Michael Page Finance in Paris in 1997, having worked previously as a Controller for Renault in Poland. In 1999, he moved to São Paulo to launch Michael Page Brazil, before returning to Europe in November 2002 to lead our Michael Page Frankfurt office. Appointed Managing Director of Michael Page Germany in 2004, he also took responsibility for Michael Page Switzerland in 2006 and the launch of Michael Page Austria in 2008. In 2007, he was appointed Regional Managing Director and is now in charge of Austria, Belgium, Germany, Holland, Luxembourg and Switzerland.

OLIVER WATSON

Regional Managing Director – UK (41)

Oliver joined Michael Page in 1995 as a consultant in London. He was appointed Director of Michael Page UK Sales in 1997 and then Managing Director in 2002. In 2006, he was appointed Regional Managing Director for Michael Page UK Sales, Marketing and Retail. In 2007, he launched Michael Page Middle East and has since developed our office network across the region. In 2009, he became Regional Managing Director for Michael Page UK Finance, Marketing and Sales, and Michael Page Middle East, Scotland and Ireland.

ANDREW WAYLAND

Chief Information Officer (44)

Andrew was the UK IT Business Management Director of PricewaterhouseCoopers where he worked for over 10 years in the internal IT functions. He brings extensive experience in establishing IT strategy and innovation to support the wider business strategy, and integrating technology teams. He was appointed Chief Information Officer of Michael Page in December 2005.

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Group, together with the Financial Statements and Auditor's Report for the year ended 31 December 2010.

Principal activity

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 58 to 88.

Business Review

The Company is required by the Companies Act to include a business review in their report. The information that fulfils the requirements of the business review can be found on pages 12 to 31 which are incorporated in this report by reference.

CORPORATE GOVERNANCE

The Company and the Group are committed to high standards of corporate governance, details of which are provided in the Corporate Governance Report on pages 42 to 47 and Remuneration Report on pages 48 to 55.

SIGNIFICANT AGREEMENTS

There are certain agreements to which the Company is party that take effect, alter or terminate upon a change of control of the Company following a takeover bid.

Details of the significant agreements of this kind are as follows:

- a £50m revolving credit facility that terminates on a change of control, with outstanding amounts becoming payable with interest; and
- provisions of the Company's share schemes and plans may cause options and awards granted to employees under such schemes and plans to vest on a takeover.

DIRECTORS AND INTERESTS

The following were Directors during the year and held office throughout the year other than as shown below.

- Sir Adrian Montague CBE‡ (Chairman)
- Steve Ingham (Chief Executive)
- Charles-Henri Dumon
- Ruby McGregor-Smith‡
- Dr Tim Miller‡
- Stephen Puckett
- Hubert Reid‡*
- Reg Sindall‡ (appointed 14 December 2010)

‡ Non-Executive Directors

* Senior Independent Director

On 14 December 2010, Reg Sindall was appointed to the Board as an Independent Non-Executive Director. Reg is Executive Vice President, Corporate Resources, at Burberry Group PLC, the international fashion and retail group. Reg has held this position for three years. Prior to this he was an Executive of GUS Plc, a FTSE 30 company which owned Burberry for fifty years. He was part of the team which led the IPO of Burberry in 2002. Before that, his career encompassed Human Resources and Customer Service positions at Bass, Grand Metropolitan and Whitbread. His experience at Burberry, a high-performing, people business with a broad international reach, has much in common with Michael Page, and he will be a most valuable addition to the Board.

In accordance with the new UK Corporate Governance Code, all the Directors will retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election. As Reg Sindall was appointed during the year, he will offer himself for election.

Biographical details for all the current Directors are shown on pages 32 and 33.

The beneficial interests of Directors in office at 31 December 2010 in the shares of the Company at 31 December 2010 and at 4 March 2011 are set out in the Remuneration Report on pages 48 to 55.

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

The Company has maintained throughout the year directors' and officers' liability insurance in respect of itself and its directors. The directors also have the benefit of the indemnity provision contained in the Company's Articles of Association. These provisions, which are qualifying third party indemnity provisions as defined by Section 234 of the Companies Act 2006, were in force throughout the year and are currently in force.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £67.5m (2009: £12.4m).

A final dividend for 2009 of 5.12 pence per ordinary share was paid on 7 June 2010. An interim dividend for 2010 of 2.88 pence per ordinary share was paid on 8 October 2010. The Directors recommend the payment of a final dividend for the year ended 31 December 2010 of 6.12 pence per ordinary share on 6 June 2011 to shareholders on the register on 6 May 2011 which, if approved at the Annual General Meeting, will result in a total dividend for the year of 9.0 pence per ordinary share (2009: 8.0 pence).

CREDITOR DAYS

The Company acts as a holding Company for the Group. Creditor days for the Company were nil (2009: nil) as the Company does not undertake any transactions with suppliers. The Group's creditor days at the year end were 39 (2009: 29 days).

SUBSTANTIAL SHAREHOLDINGS

As at 4 March 2011, the Company had been notified in accordance with Chapter 5 of the Disclosure and Transparency Rules of the following voting rights by shareholders of the Company as shown below.

Holder	Number of ordinary shares	% of issued share capital
Capital International Limited	31,307,869	9.73%
Sleep, Zakaria & Co	17,021,321	5.29%
Fidelity	15,886,847	4.94%
Lloyds Banking Group	15,351,191	4.77%
Standard Life Investments	13,357,067	4.15%
Legal & General	12,367,334	3.85%

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 21 May 2010, the Company renewed its authority to make market purchases of its own ordinary shares up to an increased maximum of 10% of the issued share capital.

During the year, the Company purchased 3.7m shares which were cancelled. A further 15m shares were also purchased by the employee benefit trust and held to fund share scheme awards. The total nominal value of all shares repurchased was £0.2m and represented 5.8% of the issued share capital. The shares were purchased for a consideration of £76.8m including expenses. 1.9m shares were also issued to satisfy share options exercised during the year.

CORPORATE RESPONSIBILITY (CR)

2010 saw Michael Page International continue to engage, encourage and equip our people to make a positive impact on the customers and communities we work with. It's all part of our commitment to causes and practices that we firmly believe in, spanning diversity, training, charity, community and environment. Our approach to CR touches all those we engage with; shareholders, clients, investors, employees and members of the wider community. Good CR is rewarding, as it doesn't just make us feel good about ourselves, it makes good business sense too.

DIVERSITY

Building on the positive steps we took in 2009, our diversity strategy describes our approach to monitoring (our own staff and candidate population), creating a diverse and inclusive workforce ourselves, and assisting clients in fulfilling their own diversity agenda by introducing candidates from the widest possible talent pool.

We know it; our diversity proposition forms part of our long-term global plans for growth. It is an integral part of our desire to consistently offer quality services to our stakeholders.

We embrace it; our activities involve every single person working within the Michael Page world. It is part of our everyday life, in every office, every country and in everything we do.

We encourage it; we not only practice what we preach, but continually encourage our staff to offer ideas on how we could operate more responsibly or implement our current policies more effectively.

Our Diversity Steering Committee meets quarterly to review and discuss new developments to engender an increasingly diverse workforce both for us and our clients. These meetings are chaired by our dedicated Head of Talent and attended by regional managing directors and our Director of Legal and Human Resources.

CORPORATE MEMBERSHIPS

We are members of the below organisations with the pure intention to work with and advise our clients and candidates on diversity. Our senior staff are actively involved with these bodies through work-streams and joint initiatives, ensuring we are constantly learning from their experience and indeed using our own resources to share best practice and ideas.

- Race for Opportunity – an organisation committed to improving employment opportunities for ethnic minorities across the UK.
- Opportunity Now – a membership organisation for employers who are committed to creating an inclusive workplace for women.
- Employers Forum for Disability – the world's leading employers' organisation focused on disability as it affects business.
- Employers Forum on Age – an independent network of leading employers, who recognise the need to attract and retain valuable employees, whatever their age.

OUR PEOPLE

Employee engagement

With our business poised for international growth, our vision of Maximising Potential exists for employees to articulate opportunity, development and the ambition of each individual. At the heart of our company is the camaraderie of team work, so much so that it is also one of our company values. We are a very sociable company with regular team activities in and out of the office including quarterly events and high profile exclusive trips for our 'High Flyers', the latter a reward for those who have performed exceptionally well.

Hiring the best

Sourcing and retaining the highest calibre employees from a wide range of backgrounds is key to our success.

The service we provide to all our customers is only as good as the people who represent our brand. Our strategy, to grow organically by promoting from within, presents enormous opportunities to employees who range from graduates to people changing careers – often from the disciplines we recruit for. It's also extremely important to us to recognise that when we recruit, we are hiring our managers, directors and indeed managing directors of the future.

Learning and Development - our future

One of the strengths of our organically grown company is that our approach to the development of employees has mirrored our expansion and thus become something we pride ourselves on.

We have a dedicated Learning & Development team networked across our international operations; comprising specialists with a total of over 100 years combined experience, many of whom started initially in operational roles. The team work alongside directors and managing directors who also act as trainers in all our internal interventions.

OUR CORE VALUES

Our five values are key to our success. They are the roots of Michael Page and the foundation of our methods, approach to business and motivating our staff. More than mere words, we believe our values are the essence of our brand and instrumental to the way we work and operate, day in, day out.

Take pride

This means taking pride in everything we do, who we are and what we stand for. We want every person who works for us to be proud, not just of their personal achievements, but of those of the company too.

Be passionate

Without passion, how could we be so successful? It's a key value that we see every day in our offices; from senior managers to new recruits. It's the ingredient that ensures the very best service for our clients and candidates. Ultimately, it's raw passion that has made us the strong, dynamic company we are today.

Make it fun

Of course we're serious about business, but we recognise that having fun is an important factor within any office environment. We encourage it and have learnt that the happier our people are, the more successful we'll be.

Never give up

A value few possess, but is essential in business, particularly ours. It means never allowing yourself to be knocked back by disappointment, refusing to give up and showing real resilience. 'When the going gets tough, the tough get going', is an apt phrase for Michael Page.

Work as a team

Teamwork is essential in any company and ours in no exception. We embrace it wholeheartedly and every employee is committed to working as part of a team. Teamwork makes us stronger, more efficient and the success that follows is so much more rewarding.

DIVERSITY AT MICHAEL PAGE

Our approach to diversity varies from country to country. In the UK, we have a dedicated UK Diversity Board. Consisting of senior directors, the board regularly reviews, initiates and drives our policies forward. The group takes its responsibilities very seriously and is totally committed to the cause. Determined to establish Michael Page as the leading authority on diversity within the recruitment industry, they also work closely with our clients advising on how to implement their own diversity policies.

Know it

Our diversity proposition forms part of our long-term global plans for growth. It is an integral part of our desire to consistently offer quality services to our stakeholders.

Embrace it

Our activities involve every single person working within the Michael Page world. It is part of our everyday life, in every office, every country and in everything we do.

Encourage it

We not only practice what we preach, but continually encourage our staff to offer ideas on how we could operate more responsibly or implement our current policies more effectively.

rfo race for opportunity

opportunitynow men | women | workplace

employers' forum on disability

The Employers Forum on Age www.efa.org.uk

FTSE4Good

“”

On behalf of the children of Hong Kong and the world, thank you for the invaluable support Michael Page International has been giving to the St. Baldrick's Day Events and its beneficiary, the Children's Cancer Foundation in Hong Kong. The handsome donations raised in 2010 are presently funding three Childhood Cancer Research Projects being conducted in Hong Kong. With your continued participation in the St. Baldrick's Day Events, we will conquer kid's cancer.

**CHAIRMAN,
ST. BALDRICKS FOUNDATION**

“”

Operation Smile - China Medical Mission is grateful for the generous contributions and support that the caring employees at Michael Page International have shown over the years. This commitment allows us to continue expanding our medical activities throughout China, bringing new smiles to children and families in need, and changing their lives forever.

**MANAGING DIRECTOR,
OPERATION SMILE – CHINA MEDIAL MISSION**

“”

The Work & Learn scheme, unlike most student jobs, lets me get really involved in an interesting business and it's flexible enough to fit around my study. It gives me the chance to independently fund myself through university. Thanks to this scheme, I've got more than just a degree on my CV; I've got practical experience and commercial awareness. Not only is this useful in the short-term, it's also a great base on which to build my skills for the future.

**VICTORIA WOOLLEY,
MICHAEL PAGE WORK & LEARN UK**

“”

Pink Ribbon Day raises funds and awareness for breast cancer. Our vital support services and research programs could not be run without the generous support from organisations such as Michael Page.

**CORPORATE RELATIONSHIPS MANAGER,
CANCER COUNCIL NSW, AUSTRALIA**

Our L&D activities include:

- Induction training; diversity, customer service, behaviour, culture, legal & policy for example
- Business technology skills; preliminary and advanced
- Maximising Sales; core skills in three day module sessions
- Workshops; Self management, advanced interviewing, presentation skills for example
- Virtual office; Advanced skills training
- Management development for both fee earning and support staff; Operational management, financial/business management, succession planning, coaching and development, motivation,
- One to one coaching and mentoring
- Leadership programme for directors incorporating external 360 degree feedback
- Global director academy; Sharing global knowledge
- Talent management workshops for global managing director population

A fact we often use is that over 95% of our directors started as trainees within the company and have been promoted internally. This is testament to our commitment to individual development and organic growth.

Retaining the most talented people

With a solid strategy of organic growth, and using this expertise as a platform for growing into new markets, we have a strong commitment to internal promotion and employee empowerment which has continually helped us retain our very best people. At the highest level, we want people who are immersed thoroughly in our company culture and understand the intricacies of our business. Retaining our best people is fundamental to our long-term success and continuity.

Keeping in touch

- Regular 'state of the nation' broadcasts to our staff from our CEO
- 'More' – our internal intranet site offers discounts on a wide range of brands
- Monthly newsletters and global updates
- Quarterly team building events
- High Flyers events – premium international trips for high performing consultants and managers

Whistleblowing

The Company is committed to maintaining the highest ethical standards and the personal and professional integrity of its employees, suppliers, contractors and consultants.

Michael Page International plc at all times conducts its business with the highest standards of integrity and honesty. It expects all employees to maintain the same standards in everything they do. Employees are therefore encouraged to report any wrongdoing by Michael Page International plc or its employees that falls short of these business principles. The aim of this policy is to ensure that as far as possible, our employees are able to tell us about any wrongdoing at work which they believe has occurred, or is likely to occur.

Bribery and Anti-Corruption

Bribery and corruption is, unfortunately, a feature of corporate and public life in many countries across the world. Governments, businesses and non-governmental organisations such as Transparency International are working together to tackle the issue, but despite our collective efforts, eradicating all forms of bribery and corruption will take time. Michael Page International plc therefore has a clear policy and we support our employees to make decisions in line with our stated position.

Our corporate conduct is based on our commitment to acting professionally, fairly and with integrity. Michael Page International plc has adequate anti-corruption procedures in place and maintains a zero-tolerance approach against corruption. Facilitation payments are also not permitted within the Group's operations.

CHARITY AND COMMUNITY

The Group made charitable donations of £181k during the year (2009: £190k).

Giving something back

We continue to offer all our employees the opportunity to be involved in activities with a charity, community or environmental cause. In some of our regions we call this a 'More Giving Day'. With the permission from their director, employees are free to take a working day out of the office in order to give something back. Since we launched the scheme, we have committed more than 600 days to a worthy cause. We have helped at hospices, decorated schools, cleaned conservation areas, helped the elderly with their gardening, provided man power at large charity functions and even used our people skills to run workshops on behalf of others. It's another opportunity for us to show our values but also to help the community.

Helping young people prepare for employment

For the last five years, we have been proactively involved with several projects with youth employment schemes. We partnered with The Brokerage, a charity which works with businesses in the City of London and Docklands to provide work placement opportunities for under-graduates from inner city schools. We have provided internships for a number of these students during their summer holidays over the years, which have been a great success. In conjunction with Business In The Community, we have participated in The Prince's Seeing is Believing project, which is a high profile programme lead by The Prince Of Wales. A recent event involved a number of business leaders visiting a local college to interact with students with personal difficulties.

Another project saw us advise on life and employability skills for the homeless.

We not only work with external associations that help young people. We also launched our very own Work and Learn scheme in 2010. Unique not only for our industry, but also for many other FTSE listed businesses, Work and Learn offers university students paid work within a Michael Page office local to wherever they are studying. In four hour blocks adapted around their timetable, working for Michael Page will empower them with real commercial exposure and experience in a professional services business.

Charity partnerships around the world

We are proud of our commitment to different charities around the world. Examples include:

In Hong Kong and Southern China, Michael Page volunteers shaved their heads in aid of St. Baldrick's, the world's largest volunteer-driven fundraising initiative for childhood cancer research. This is now an annual event in our corporate giving programme.

Employees from Madrid sponsored a runner in Madrid's marathon who was promoting the Fundación Caico. The money collected was given to the Children's Hospital of Madrid, which battles diseases with therapies and music.

Consultants from Asia completed the Great Wall Marathon in Beijing in support of Operation Smile, a charity that contributes to surgery for children with facial deformities in China.

Six employees from Central Europe and Benelux took part in the Brussels 20km race "Run 4 Joyce" raising €2,800 in sponsorship money. The money will go toward helping Joyce who was born in Congo with a serious heart and lung disease. With the help of Chain of Hope, the money will help fund Joyce's treatment in Brussels.

109 people from Michael Page in the UK took part in the Yorkshire Three Peaks challenge, taking on three peaks in under 12 hours. Some ran, some walked and some struggled, but £46,000 was raised for Great Ormond Street Hospital Children's Charity.

In addition, UK employees were fortunate enough to go along to Silverstone to fundraise for Great Ormond Street Hospital Children's Charity, the official charity of the F1 event. Michael Page raised £7,500 through bucket collections.

Our Hong Kong and Southern China teams were again involved in the annual sedan chair race, the main fundraising event for Hong Kong's Matilda International Hospital. Teams must carry a sedan chair around the peak following one of two different routes.

In Japan, Michael Page consultants, friends and family annually attend the 'Run for the Cure for Breast Cancer' around the Tokyo Imperial Palace. We are also proud sponsors of the event. The team also participated in the Financial Industry Tokyo annual charity fundraising run in 2010, with the main benefactors being Tokyo homeless charities.

In November a number of our men across Australia and New Zealand sported moustaches in support of 'Movember', an initiative of the Cancer Council designed to raise funds and awareness for men's health.

38 Michael Page employees from Spain completed a gruelling cycling challenge across Madrid in a bid to raise plenty of money for Children in Need.

Spotlight on the UK

As well as running a 'Give As You Earn' scheme, matching any charitable donation made by an employee, our UK operations also has an official charity partner. In 2009, we set out to raise £120,000 for Great Ormond Street Hospital Children's Charity.

Employees undertook several activities, either on their own, as a team or even department wide. Quiz nights, tuck shops, dress-down days ensured a solid foundation of fundraising, however large company organised events such as running the Yorkshire Three Peaks Challenge for 100 plus staff helped the balance for Great Ormond Street Hospital Children's Charity. Now at the end of our two year partnership, we have raised in excess of £220,000.

Seeing our efforts come to life

Through our efforts for Great Ormond Street Hospital Children's Charity, we have fully funded a new adolescent recreation and dining room in the Neurosciences Ward and an isolation bedroom in the Cardiac Critical Care Unit, with both due for completion in 2012.

ENVIRONMENT

Taking responsibility for our environment

Michael Page is a typical office-based business. As such, our main environmental impacts come from the running of our businesses around the world, generating carbon emissions though the consumption of gas and electricity, transport activities and commuting, as well as office-based waste such as paper and toners.

As a company, we are acutely aware of our responsibility and work hard to minimise our impact on the environment. In a number of areas, we strive to make a difference and act responsibly in terms of recycling, conservation and usage.

Along with a number of policies on how to use our resources responsibly around the offices, we also have our own in-house "MoreGreen" scheme, which offers staff the opportunity to purchase 'green' products at reduced prices.

Reducing our carbon footprint

Michael Page International does not cause significant pollution, however we fully recognise our responsibilities. The Board is committed to improving the way in which our activities affect the environment by:

- Minimising the extent of the environmental impacts of operations within the Company's sphere of influence;
- Striving to minimise any emissions of effluents in our properties that may cause environmental damage;
- Conserving energy through minimising consumption and maximising efficiency;
- Promoting efficient purchasing, which will both minimise waste and allow materials to be recycled where appropriate;
- Employing sound waste management practices;
- Putting in place procedures and supporting information that enables compliance with the law, regulation and code of practice relating to environmental issues; and
- Monitoring environmental performance and making improvements where possible.

HEALTH & SAFETY

We recognise that Health and Safety is an integral part of our workforce. The day-to-day services we provide do not pose great risk to either our employees or our clients. However, we endeavour to maintain a safe and active environment. Each office is responsible for its own fire risk assessment and emergency procedures and has an allocated Facilities and Health and Safety Representative.

The above is only a summary of the many CR activities in which we are involved and the impact the Group has on its environment.

Further details of our CR activities and impacts are shown in our main CR report, a copy of which can be downloaded from our website at:

http://investors.michaelpage.co.uk/corporate_governance

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.

SHARE CAPITAL, RESTRICTIONS ON TRANSFER OF SHARES AND OTHER ADDITIONAL INFORMATION

To the extent not discussed in this Directors' Report, information relating to the Company's share capital structure, restrictions on the holding or transfer of its shares or on the exercise of voting rights attached to such securities required by Section 992 of the Companies Act 2006 is set out in the following sections of the Annual Report:

- Corporate Governance Statement (Directors);
- Remuneration Report (annual bonus plan);
- Remuneration Report (Directors' interests and share ownership requirements);
- Notes to the Accounts (Note 18: Called-up share capital); and
- Shareholder Information and Advisers (Articles of Association).

Each of the above sections is incorporated by reference into, and forms part of, this Directors' Report.

Information to Auditors

Each of the Directors at the date of approval of this report confirms that:

1. so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
2. the Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITORS

Deloitte LLP are willing to continue in office and accordingly resolutions to re-appoint them as auditor 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 20 May 2011, together with explanatory notes, appear in the Notice of Meeting set out on pages 98 to 104 and is available on our website at http://investors.michaelpage.co.uk.

There are no resolutions that have been classed as special business.

By order of the Board

Kelvin Stagg
Company Secretary
4 March 2011

CORPORATE GOVERNANCE

At the date of this report, the principal governance rules applying to UK companies listed on the London Stock Exchange are contained in the Combined Code on Corporate Governance (the “Code”), as adopted by the Financial Reporting Council (the “FRC”) in June 2008. In May 2010, the FRC published a new code, the UK Corporate Governance Code (the “Governance Code”), which will replace the Code for financial years beginning on or after 29 June 2010. The FRC has stated that changes have been made to help company boards to become more effective and more accountable to shareholders.

The Board of Directors has a strong commitment to high standards of corporate governance and has applied the main and supporting principles of corporate governance as recommended in Section 1 of the Code for the year ended 31 December 2010.

Where applicable, the Company has already adopted principles from the Governance Code. The Directors also seek to comply with guidelines issued by institutional investors and their representative bodies where it is practical to do so.

Compliance with the Code

The Directors consider that the Company has complied with all the Code provisions set out in Section 1 of the Code throughout the year ended 31 December 2010.

DIRECTORS

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.

The Board comprises currently the Chairman, who is deemed to be independent and has no operational responsibilities, three Executive Directors and four independent Non-Executive Directors. Collectively, they have a broad balance of skills and experience. The composition of the Board complies with Code Provision A.3.2. The Board annually reviews the composition of the Board and considers that there is an appropriate balance of Executive and Non-Executive Directors on the Board.

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. Decisions 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. The Chairman and Non-Executive Directors also met during the year without the Executive Directors being present.

Each of the Committees has formal written terms of reference, which were reviewed in 2010.

The terms of reference for the Audit, Remuneration and Nomination Committees are available on request and can be found on the Group's website. Their composition and the manner in which they discharge their responsibilities are described in this report.

The Executive Board, a Committee of the Board, meets formally at least four times a year, and is responsible for assisting the Chief Executive in the performance of his duties, including development and implementation of strategy, operational plans, policies, procedures and budgets.

These activities are performed at a regional level by four Regional Boards, Committees of the Board, for the UK, EMEA, Asia Pacific and the Americas. Each Regional Board meets at least four times a year.

Chairman

The Chairman, Sir Adrian Montague, is responsible for the leadership and efficient operation of the Board, setting its agenda and ensuring all Directors provide an effective contribution. The Chairman is also responsible for ensuring the provision of accurate and timely information to the Board and effective communications with shareholders.

It is the Group's policy that the roles of Chairman and Chief Executive are separate.

In July 2010, Sir Adrian Montague was appointed Chairman of listed private equity firm 3i.

Senior Independent Director

The Senior Independent Director is available to shareholders when they may have issues or concerns where contact through the normal channels of Chairman, Chief Executive or Finance Director has either failed to resolve concerns, or contact is deemed inappropriate.

The Senior Independent Director is Hubert Reid.

Re-election of Directors

It has been Board policy that 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. Subject to the Board being satisfied with the effectiveness, independence and commitment of a Non-Executive Director, there is no defined limit regarding the number of terms a Director may serve. All Directors are subject to election by the shareholders at the first Annual General Meeting following their appointment.

However, in accordance with the new Governance Code, the Directors have resolved that they will all submit themselves for annual re-election at each AGM. Accordingly, at the forthcoming AGM to be held on 20 May 2011, Reg Sindall will offer himself for election, with the remaining Directors offering themselves for re-election. As a result of their annual performance evaluation, the Board considers that their individual performances continue to be effective, with each Director demonstrating commitment to their role. The Board is therefore pleased to support their re-election at the forthcoming Annual General Meeting.

It is also the Board's view that the comparatively long tenure of some of the Directors has been key to the Board's in-depth understanding of the Group and its operation. Sir Adrian Montague has served on the Board for more than nine years. The Board does not believe that he has served for a period that could materially interfere with his ability to act in the best interests of the Group. The Board also believes that he has retained independence of character and judgement and has not formed associations with management (or others) that might compromise his ability to exercise independent judgement or act in the best interests of the Group.

Company Secretary

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.

Board appointments

The Board follows formal and transparent procedures when appointing directors. All candidates are interviewed by the

Chairman and the Chief Executive, and, all candidates in the final shortlist are interviewed by the Nomination Committee. Evaluations of all candidates are discussed with all members of the Nomination Committee and recommendations are subsequently made to the Board.

Nomination Committee

The Nomination Committee comprises the Non-Executive Directors and is chaired by Sir 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, the balance between Executive and Non-Executive Directors appointed to the Board and reviewing any conflicts of interest. The terms of reference of the Nomination Committee can be found on our website.

During the year, the Committee recommended the appointment of a Non-Executive Director. An external search firm was engaged and a detailed role profile was agreed by the Committee before a shortlist of suitable candidates was prepared to go forward to an interview process. This resulted in the recommendation of the appointment of Reg Sindall. Terms and conditions for Reg Sindall and the other Non-Executive Directors are available for inspection at the Company's registered office.

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 consist 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

The Board, as part of its commitment to ensuring effectiveness and evaluating its performance, together with that of its Directors and Committees, conducted an internal review comprising a questionnaire concerning all aspects of procedure and effectiveness.

Following completion of the questionnaires, the Chairman met with the individual Directors to discuss their views and to give feedback on their performance. The results of the evaluation were reported to the Board and where areas of improvement have been identified, actions have been agreed upon and training will be provided where required.

Fig. 1. Attendance at Board Meetings (Committee attendance shown for Committee members only)

	Board
Total meetings	12
Meetings attended	
Executive	
Steve Ingham	12
Charles-Henri Dumon	12
Stephen Puckett	12

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Total meetings	12	9	9	4
Meetings attended				
Non-Executive				
Sir Adrian Montague CBE	12	9	9	4
Ruby McGregor-Smith	12	9	9	4
Dr Tim Miller	9	9	7	2
Hubert Reid	12	9	9	4
Reg Sindall (appointed 14 December 2010)	1	0	1	0

Hubert Reid, as the Senior Independent Director, led a meeting of the Non-Executive Directors to appraise the performance of the Chairman. The meeting took into account any comments made by the Executive Directors. This evaluation is carried out annually.

Following the release of the Governance Code, an external Board evaluation will now be carried out every three years.

Succession planning

One of the basic premises behind the strategic development of the Michael Page business, is that growth is organic rather than through acquisitions of companies or hiring senior people in non-support roles. In order to achieve this organic growth, we require good people. It is therefore one of the fundamental principles and a major part of the philosophy of the Company that we train and develop our own people. This approach creates opportunities for career progression and helps us attract and retain high calibre individuals.

Due to this philosophy of nurturing our own talent, succession planning is inherently a key part of the business process. We do not make promotions or move people within the business unless there is a clear successor for the vacant position. It is, therefore, one of the key responsibilities of all levels of management, and not just the Board, to have a clear plan of development for their direct reports.

Conflicts of interest

The Company has implemented robust procedures, in line with the Companies Act 2006, requiring Directors to seek appropriate authorisation prior to entering into any outside business interests.

In all cases where a potential conflict is identified, it is Board policy that the Director in question is not involved in any discussion of the area or issue giving rise to the conflict.

During the course of the year, the Board reviewed and authorised, in accordance with the Company's Articles of Association, a small number of external directorships and other business interests held by individual directors. However, none were regarded as being of such significance as to give rise to a conflict of interest.

All Directors are aware of their continuing obligation to report any new interests or changes in existing interests that might amount to a possible conflict of interest in order that these may be considered by the Board and appropriate authorisations given.

Attendance at meetings

The number of meetings of the Board and Committees and individual attendance by the members of the Committees only are shown in Fig. 1 left.

REMUNERATION

Remuneration Committee

The Remuneration Committee comprises the independent Non-Executive Directors and, since 21 January 2011, is chaired by Reg Sindall, who took over the Chairmanship from Dr Tim Miller.

The Committee reviews the Group's policy on the Chairman's, Executive Directors' and senior executives' remuneration and terms of employment, makes recommendations upon this, along with the specific level of remuneration to the Board, and also approves the provision of policies for the incentivisation of senior 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 includes information on the Directors' service contracts. The terms of reference of the Remuneration Committee can be found on our website.

The Report of the Remuneration Committee can be found on pages 48 to 55 of the Annual Report.

ACCOUNTABILITY AND AUDIT

Audit Committee

The Audit Committee comprises the independent Non-Executive Directors and is chaired by Ruby McGregor-Smith. The Committee members have broad experience and knowledge of financial reporting. Their relevant qualifications and experience are shown in their biographies on the Board of Directors pages 32 and 33. The Board believes that Ruby McGregor-Smith and Hubert Reid have recent and relevant financial experience. The other members of the Audit Committee, Dr Tim Miller and Reg Sindall both have wide experience in regulatory and risk issues.

The Committee met nine times in 2010 to fulfil its duties and included attendance by the external auditor where required. The Committee also met with the external auditors during the year without the presence of management.

In 2010, the Audit Committee discharged its responsibilities as set out in the terms of reference, which can be found on our website, www.investors.michaelpage.co.uk. Its principal tasks are to ensure the integrity of the Company's Financial Reporting process, review the effectiveness of the Group's internal controls, internal audit and risk management function, review the scope of the external audit, consider issues raised by the external auditor, 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, as well as ensuring the independence of the external auditor and the provision of additional services to the Company.

Objectivity and independence of external auditor

Deloitte is employed to perform work in addition to their statutory duties where it is felt that they are best placed to carry out the engagement as a result of their being the Group's auditor. All other work is awarded on the basis of competitive tender.

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; and

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

   The following areas are considered to be unacceptable for the external auditor to undertake:

   - selection, design or implementation of key financial systems;
   - maintaining or preparing the accounting books and records or the preparation of financial accounts or other key financial data;
   - provision of outsourced financial systems;
   - provision of outsource operational management functions;
   - recruitment of senior finance or other executives;
   - secondment of senior finance or other executives;
   - provision of internal audit services;
   - valuation services or fairness opinions; and
   - any services specifically prohibited to be provided by a listed company's external auditors under UK regulations.

   The following criteria also need to be met before the external auditors are contracted to provide such services:

   - the firm has the necessary skills and experience to undertake the work;
   - there are no potential conflicts that may arise as a result of carrying out this activity;
   - the external audit firm is subject to the company's normal tendering processes; and
   - in addition to the normal authorisation procedures and prior to inclusion in a tender, approval has to be given by the Group Finance Director and, if the fee exceeds a certain level, the Audit Committee.

c. enforcing a policy of reviewing all cases where it is proposed that a former employee of the external auditor be employed by the Group in a senior management position; and

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

It is also the Committee's policy to consider whether there should be an audit tender process and whether using auditors from one audit network continues to enhance the quality of the audit. The Committee reviews the past service of the auditors who were first appointed in 1997.

The Committee has also considered the likelihood of a withdrawal of the auditor from the market and noted that there are no contractual obligations to restrict the choice of external auditors.

To assess the effectiveness of the external auditors, the Audit Committee reviewed:

- the arrangements for ensuring the external auditors' independence and objectivity;
- the external auditors' fulfilment of the agreed audit plan and any variations from the plan;
- the robustness and perceptiveness of the auditors in their handling of the key accounting and audit judgements; and
- the content of the external auditor's reporting on internal control.

Following the above, the Audit Committee has recommended to the Board that Deloitte LLP is re-appointed.

Internal control

The responsibilities of the Directors in respect of internal control are defined by the Financial Services Authority's Listing Rules that incorporate a Code of Practice known as the Combined Code, which requires that Directors review, at least annually, the effectiveness of the Group's system of internal controls. This requirement stipulates that the review shall cover all material 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, updated October 2005 and sets out best practice on internal audit for UK listed companies and assists them in applying Section C.2 of the Combined Code.

The Board has assessed existing risk management and internal control processes during the year ended 31 December 2010 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 2010 and at the date of this report.

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 reserved strictly for the Board. The Managing Director of each operating division is accountable for establishing and monitoring internal controls within that division;

- annual business plan.

  The Group has a comprehensive budgeting system with an annual budget approved by the Board;

- quarterly reforecasting.

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

- financial reporting.

  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 quarterly basis;

- Audit Committee.

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

- financial and operational controls.

  Individual operations complete an annual controls self assessment and certification statement. Each operational manager, in addition to the finance function for that operation, confirms the adequacy of their systems of internal control and compliance with Group policies. The statement also requires the reporting of any significant control issues, including suspected or reported fraud, that have emerged so that areas of Group concern can be identified and investigated as required;

- 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 (whistleblowing).

  The audit committee has reviewed arrangements by which staff of the company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action; and

- internal audit activities.

  The internal audit function is an independent, dedicated Internal Audit team, comprising the Head of Internal Audit and an Internal Auditor. Businesses are visited on a risk- based and rotational basis to assess the effectiveness of controls in mitigating specific risks. In addition, risks are regularly reviewed 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 monitored and reviewed the effectiveness of the internal audit activities.

  The Board has applied principle C.2 of the Combined Code and 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.

RELATIONS WITH SHAREHOLDERS

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 Group 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.

Shareholders are invited to attend the Annual General Meeting where they are able to discuss any concerns with the Non-Executive Directors.

When requested by shareholders, individual matters can be discussed with the Chairman or Senior Independent Director. The Group also has a website with an investor section (http://investors.michaelpage.co.uk) 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 Business Review provides an assessment of the Group’s affairs and position. The Annual Report and Interim Report are sent to all shareholders on the Register.

The Directors acknowledge their responsibility for the preparation of the Annual Report. The Statement of Directors’ Responsibilities is shown on page 105. A statement by the auditors about their reporting responsibilities is shown in the Independent Auditors’ Report on page 57.

REMUNERATION REPORT

DEAR SHAREHOLDER

As the new Chairman of Michael Page's Remuneration Committee I am pleased to present the Committee's Remuneration Report for 2010 for which we will be seeking approval from shareholders at our AGM in May.

Following my appointment, the Remuneration Committee has started to undertake a review of the Company's current remuneration arrangements to ensure that they remain appropriate in the current environment and are well aligned with the business strategy and creation of shareholder value. It is intended that a revised remuneration structure will be developed during 2011, to be implemented in 2012. In doing so, the Remuneration Committee has established a number of key principles which it intends will form the basis of the revised remuneration structure. These key principles have been outlined below.

Business context

Following a very challenging year in 2009, with significant fall in demand in our key markets, the Company took a number of actions to reduce its cost base, whilst retaining the existing platform of business disciplines in established countries and cities, and cautiously invested for the future.

Economic recovery remained uncertain during 2010, and as such we have continued to operate in a difficult environment. However, as a result of the actions taken over the last two years the Company has continued to perform strongly, delivering an operating profit of £71.5m (more than three times reported profit for 2009) and delivering significant value to shareholders with a 50% increase in share price during 2010.

The Committee's intention is that the future remuneration structure will support the Company's continued growth over both the medium and longer term whilst becoming further aligned with the interests of shareholders.

Principles of the review

The current remuneration structure was established when Michael Page was appreciably smaller. It has served the business well in some respects, being strongly aligned to profit and based on a simple and transparent structure.

However, shareholder representative bodies have expressed concerns about the structure of the arrangements and that some of the share elements of the package are not based on longer term performance. As economic volatility continues, the Board is also concerned that the current highly geared package is significantly more volatile than the underlying business, which may reduce the ability to retain the strong management team. This management continuity is critical for a business which has built its success on organic growth and promotion from within.

The principles we intend to apply to our review of remuneration are:

- Moderate the volatility in remuneration arrangements so they are more in line with business performance;
- Encourage active investment in Company shares linked to performance;
- Establish longer term incentives less dependent on short-term performance.

The intention is that the revised structure will take due account of the relevant guidelines regarding remuneration policy published by the ABI and other representatives of institutional shareholders.

Reg Sindall
Remuneration Committee Chairman
7 April 2011

This report has been prepared in accordance with Schedule 8 to The Accounting Regulations under the Companies Act 2006. The report also meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the principles relating to Directors' remuneration in the Combined Code. As required by the Act, a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the financial statements will be approved.

Scope and membership of Remuneration Committee

The Remuneration Committee, which meets not less than three times a year, comprises the independent Non-Executive Directors. The Chief Executive attends the meetings as required, 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 Chairman, 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 strongly the interests of Executive Directors with those of the shareholders. Reg Sindall, who joined the Main Board and its Committees on 14 December 2010, was appointed as Chairman of the Remuneration Committee on 21 January 2011, replacing Dr Tim Miller. The Board would like to thank Dr Tim Miller for his valuable contribution in this role for the past five years.

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, annual bonus and long-term incentives and other benefits. It receives advice from independent remuneration consultants, Deloitte, and makes comparisons with similar organisations. Deloitte are also the Group's auditors and have provided remuneration services in compliance with the Ethical Standards of the Auditing Practices Board. Both Deloitte and the Group are comfortable that appropriate measures and controls are in place to ensure that there is no conflict arising by providing both these services. 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 strategic objectives, as well as to establish a framework for remunerating all employees.

It is the Company's policy that all Executive Directors' service contracts contain a 12 month notice period.

The Non-Executive Directors do not have service contracts with the Company. They are appointed for an initial three year term and thereafter may be reappointed for a further two terms of three years, subject to re-election at Annual General Meetings. Additional details of service contracts are shown on page 55.

The remuneration agreed by the Committee for the Executive Directors contains the following elements: a base salary and benefits, an annual bonus, share plan awards and pension benefits. The remuneration of the Non-Executive Directors is determined by the Board. The Non-Executive Directors do not receive any other benefits, other than out-of pocket expenses, from the Group, nor do they participate in any of the bonus or share schemes.

The following sections provide details of the Company's remuneration policy during 2010. It is the intention that the Remuneration Committee will review the remuneration structure during 2011.

BASE SALARY AND BENEFITS

The Committee establishes salaries and benefits by reference to those prevailing in the employment market generally for Executive Directors of companies 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. The Group operates a policy of providing below median salaries, with the balance of the package provided through incentives aligned with Group performance and shareholder value to ensure a total remuneration package geared to performance.

As the Remuneration Committee is currently reviewing the structure of the Executive Directors' remuneration packages, no changes have been made to their current base salaries or benefits.

ANNUAL BONUS PLAN

Annual bonuses for the Executive Directors are based on the division of a pool of profits earned during the financial year. In 2010, the bonus pool for Executive Directors was equal to 3.85% of profits earned above a threshold equal to half of targeted profits for the year. If profits exceed 1.1 times the targeted level, then an additional 1.3% of profits earned above the targeted level is added to the bonus pool. The Remuneration Committee retains the discretion to review this arrangement and set different rates and thresholds as it deems appropriate for the business.

Profits are defined as Group profit before taxation, exceptional 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.

The bonus pool calculation is not entirely formulaic as the Committee has the ability to vary the pool both up and down, by up to 10%, to reflect its view of the performance of the Company relative to its directly comparable peers. Reflecting the strong recovery of the business and its performance compared to the peer group in the year, the Committee increased the 2010 bonus pool by 10%.

The targeted level of profits for 2010 was £46.8m and was set at the end of 2009 by reference to market expectations and internal forecasts at that time. The Committee retains the discretion to review this arrangement and to set different rates and thresholds as it deems appropriate for the business.

Unlike all other employees who receive their annual bonuses in cash, the Executive Directors' cash element of their annual bonus is restricted to a multiple of salary. In the event that the Executive Director's annual bonus entitlement is greater than 150% of salary, only an amount equal to 150% of the executive's salary is paid in cash. To reward service over a longer period, any amount of the bonus pool above 150% of the individual's salary level is deferred, paid into an employee benefit trust and invested in the Company's shares with no matching investment by the Company. Such shares are reserved for the executive and vest in equal annual tranches over two years, normally so long as the executive is still in employment at that time. The Income Statement for the year carries a charge for the Directors' annual bonus paid in cash while the deferred amount is charged in subsequent years until the shares vest. Based on the 2010 results, the aggregate amount deferred for the three Executive Directors is £1.8m (2009: £nil).

The intention is that the Annual Bonus Plan will operate as normal in 2011. The target will be set for 2011 by reference to market expectations and internal forecasts and will be disclosed in next year's Remuneration Report.

LONG-TERM INCENTIVES

The Company currently operates two forms of long-term incentive for Executive Directors and senior management:

Incentive Share Plan (ISP)

The ISP, which was approved by shareholders in 2003, is funded with a percentage, currently 6%, of Group profits. Not more than 30% of this amount is available for awards to the Executive Directors, the balance being available for awards to senior employees. Awards vest after a three year period, with vesting of one-third of the award subject to achievement of additional performance conditions. Group profits are defined as Group profit before taxation, before exceptional items and charges or credits resulting from the plan or other share option grants. Awards under the ISP are satisfied in shares of the Company, which are market purchased and held by the employee benefit trust.

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

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 deferred for three years, but are subject to earnings per share ("EPS") growth targets over the three year period.

Performance share awards of up to 50% of a Director's or senior employee's salary 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 only vests 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 is 10% over the growth in UK RPI per annum over the three year period. If awards do not vest after three years, they automatically lapse.

There was no award in 2010. Based on the 2010 results, for awards to be made in 2011, the total award available was £5,011,080. Of this, £1,503,324 (30%) was allocated to the Executive Directors. Awards totalling £3,375,000 will be made to senior employees. Details of the awards made to the Executive Directors are disclosed on page 53.

The performance criteria on the Performance shares and Performance share options awarded under the Incentive Share Plan in 2008 were tested at the end of 2010 and did not meet the EPS growth criteria. As no retesting after the initial vesting period is permitted, these awards have now lapsed in full.

Executive Share Option Scheme (ESOS)

This was established on flotation in 2001. Vesting of share option awards made under the scheme is subject to performance conditions. For awards made between 2002 and 2008, a growth in earnings per share of at least 3% per annum above the growth in the UK Retail Price Index (RPI), over the three year performance period is required for vesting. There were no awards under the plan in 2009. In 2010, Executive Directors' awards had a performance condition based on 2012 PBT, where the vesting percentage is on a straight-line basis from 0% at £48m to 100% at £66m. The Executive Directors and senior employees are eligible to participate in the ESOS. No payment is required on the grant of an option and no share options are granted at a discount. Benefits received under the ESOS are not pensionable. Retesting after the initial vesting period is not permitted for any grants awarded in 2004 and subsequent years. As, this year, the Executive Directors will receive awards under the ISP, no awards will be made to the Executive Directors under the ESOS (2009: 400,000 options).

The performance criteria on the options awarded under the Executive Share Option Scheme in 2008 was tested at the end of 2010 and did not meet the EPS growth criteria. As no retesting after the initial vesting period is permitted, these awards have now lapsed in full.

EMOLUMENTS

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

2010	Salary and fees £'000	Benefits (Note 3) £'000	Annual Bonus £'000	Deferred Annual Bonus £'000	Incentive Share Plan (note 4) £'000	Total £'000
Executive						
Steve Ingham (Note 1)	380	34	570	689	334	2,007
Charles-Henri Dumon (Note 2)	395	72	435	549	334	1,785
Stephen Puckett	290	28	435	549	334	1,636
Non-Executive						
Sir Adrian Montague CBE	130	–	–	–	–	130
Reg Sindall	2	–	–	–	–	2
Ruby McGregor-Smith	49	–	–	–	–	49
Dr Tim Miller	43	–	–	–	–	43
Hubert Reid	46	–	–	–	–	46
Total	1,335	134	1,440	1,787	1,002	5,698

2009	Salary and fees £'000	Benefits (Note 3) £'000	Annual Bonus £'000	Deferred Annual Bonus £'000	Incentive Share Plan £'000	Total £'000
Executive						
Steve Ingham (Note 1)	371	27	413	–	–	811
Charles-Henri Dumon (Note 2)	357	67	315	–	–	739
Stephen Puckett	283	22	315	–	–	620
Non-Executive						
Sir Adrian Montague CBE	110	–	–	–	–	110
Stephen Box	18	–	–	–	–	18
Ruby McGregor-Smith	47	–	–	–	–	47
Dr Tim Miller	43	–	–	–	–	43
Hubert Reid	43	–	–	–	–	43
Total	1,272	116	1,043	–	–	2,431

Notes to the emoluments:

1. Steve Ingham is the highest paid director.
2. Charles-Henri Dumon's salary and benefits are paid in Swiss Francs. In line with the other Executive Directors, he received a 2.5% increase in salary in 2010 and therefore the additional change in reported salary is due to movements in foreign exchange.
3. Benefits include, inter alia, items such as company car or cash alternative, fuel and medical insurance.
4. Represents the non-performance proportion of the Incentive Share plan to be awarded in March 2011.

PENSION BENEFITS

Executive Directors are eligible to participate in the Group pension plan which is a defined contribution scheme. In 2010, each Executive Director received a pension contribution equal to 25% (2009: 20%) of their base salary or a cash alternative.

Pension contributions	2010 £'000	2009 £'000
Steve Ingham	95	74
Charles-Henri Dumon	99	66
Stephen Puckett	73	57

DIRECTORS' INTERESTS AND SHARE OWNERSHIP REQUIREMENTS

It is Michael Page policy that Executive Directors are required to build and hold, as a minimum, a direct beneficial interest in the Company's ordinary shares equal to their base salary. As at 31 December 2010, all Executive Directors complied with this requirement.

The beneficial interests of the Directors who served during the year and their families in the ordinary shares of the Company of 1p each are shown below. For the Directors in office at the balance sheet date there has been no change in these interests from 31 December 2010 to 4 March 2011.

	Ordinary shares of 1p	At 1 January 2010	Transferred in year: ISP	Transferred in year: ABP	Total transferred in year	Disposal in year	At 31 December 2010
Steve Ingham	Direct Holding	1,555,439	52,684	204,864	257,548	(600,000)	1,212,987
Charles-Henri Dumon	Direct Holding	1,230,107	89,702	275,945	365,647	(967,754)	628,000
Stephen Puckett	Direct Holding	720,016	52,683	161,996	214,679	(500,000)	434,695

1. Steve Ingham transferred 52,684 shares from the Incentive Share Plan and 204,864 from the Deferred Annual Bonus Plan into his direct holding and also disposed of 600,000 out of his direct holding in the year.
2. Charles-Henri Dumon transferred 89,702 shares from the Incentive Share Plan and 275,945 from the Deferred Annual Bonus Plan into his direct holding and also disposed of 967,754 out of his direct holding in the year.
3. Stephen Puckett transferred 52,683 shares from the Incentive Share Plan and 161,996 from the Deferred Annual Bonus Plan into his direct holding and also disposed of 500,000 out of his direct holding in the year.

No other Director has a holding in the Company.

INCENTIVE SHARE PLAN

Details of awards made under the Incentive Share Plan that remain outstanding at 31 December 2010 are as follows:

	Total award at 1 January 2010			Vested in year	Lapsed in year	Total award at 31 December 2010			Lapsing in March 2011
	Performance shares	Non-performance shares	Total shares			Performance shares	Non-performance shares	Total shares	Performance shares
Steve Ingham	306,198	612,393	918,591	(89,702)	(44,851)	261,347	522,691	784,038	(107,562)
Charles-Henri Dumon	306,198	612,393	918,591	(89,702)	(44,851)	261,347	522,691	784,038	(107,562)
Stephen Puckett	306,198	612,393	918,591	(89,702)	(44,851)	261,347	522,691	784,038	(107,562)

1. There were no awards made under the Incentive Share Plan in 2010. The market value of the shares vested in the year at the date of award was 285p.
2. The total value of awards at 31 December 2010 for each individual Director in office at the balance sheet date is £4,351,411 and is calculated using the closing market price of the Company's ordinary shares at 31 December 2010 of 555p.
3. Both the Performance shares and the Performance options awarded under the Michael Page Incentive Share Plan in 2008 did not meet their vesting criteria and have lapsed as at the end of 2010.

DEFERRED ANNUAL BONUS

As described on pages 50 and 51, in the event that the Executive Directors' bonus entitlement is greater than 150% of salary, the excess above the individual's salary is deferred, invested in the Company's shares and delivered to the individual in two equal tranches on the first two anniversaries of the grant. In respect of 2010, a total of £1.8m will be awarded to the Executive Directors in March 2011, representing this excess, and has been included in the emoluments table for the year as shown on page 52. There has been no charge made to the income statement in the year for the deferred element of the 2010 annual bonus. The charge for the year will be spread over future periods as described in the accounting policies in Note 1 on page 69. For full descriptions of the vesting conditions, see "Annual Bonus Plan" on pages 50 and 51.

Details of awards made under the deferred Annual Bonus Plan that remain outstanding at 31 December 2010 are as follows:

	Total award at 1 January 2010 (shares)	Vested in year (shares)	Total award at 31 December 2010 (shares)
Steve Ingham	492,078	(348,963)	143,115
Charles-Henri Dumon	389,709	(275,945)	113,764
Stephen Puckett	389,709	(275,945)	113,764

The average market value of the shares vested in the year at the date of award was 244.9p.

BENEFICIAL INTERESTS

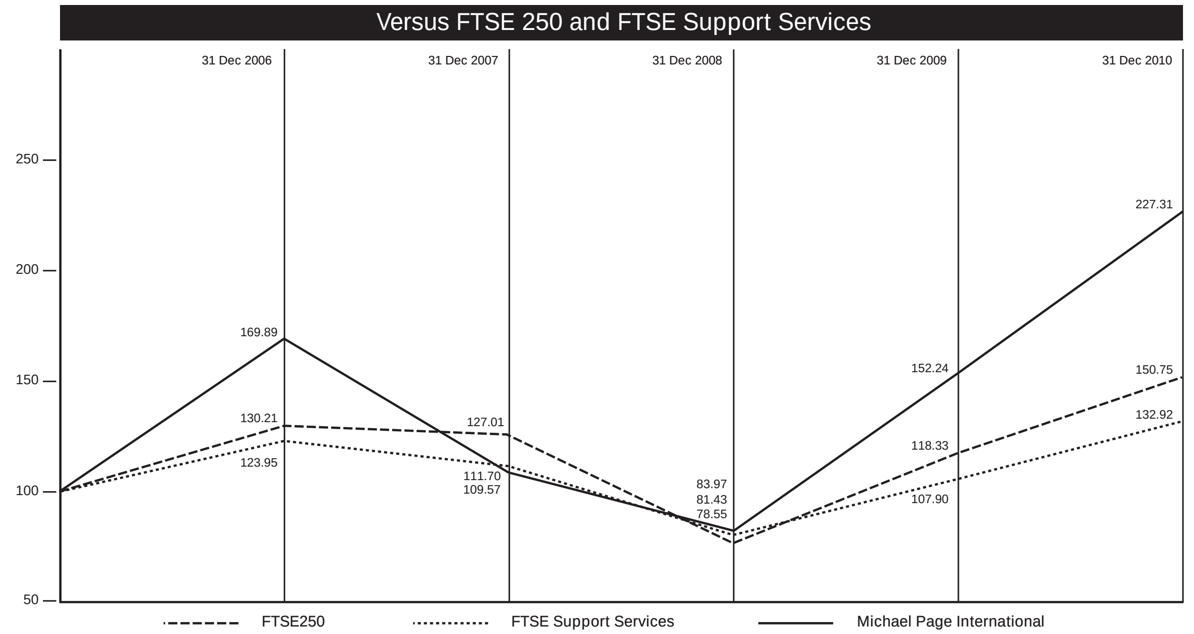
The beneficial interests of the Executive Directors who served during the year and their families in share options of the Michael Page International plc Executive Share Option Scheme at 31 December 2010 were as follows:

	Date of Grant	At 1 January 2010 (shares)	Granted in year	At 31 December 2010 (shares)	Exercise price (pence)	Period of exercise
Steve Ingham	2001	93,471	–	93,471	175	2004-2011
	2005	50,000	–	50,000	190.75	2008-2015
	2010	–	400,000	400,000	381.5	2013-2020
Charles-Henri Dumon	2001	140,209	–	140,209	175	2004-2011
	2005	50,000	–	50,000	190.75	2008-2015
	2010	–	400,000	400,000	381.5	2013-2020
Stephen Puckett	2001	93,471	–	93,471	175	2004-2011
	2005	50,000	–	50,000	190.75	2008-2015
	2010	–	400,000	400,000	381.5	2013-2020

The market price of the shares at 31 December 2010 was 555p with a range during the year of 346.4p to 565.5p.

TOTAL SHAREHOLDER RETURN (TSR)

The graph below shows Total Shareholder Return (TSR) relative to a base index of 100 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.



OUTSIDE APPOINTMENTS

The Remuneration Committee recognises that Non-Executive Directorships have significant benefit in broadening executives' experience. Subject to review in each case, the Remuneration Committee's general policy is that Executive Directors may accept Non-Executive Directorships with other companies, so long as there is no conflict of interest and their effectiveness is not impaired. The executives are permitted to retain any fees for their service.

SERVICE CONTRACTS

A general review of all the Executive Directors' contracts was carried out during 2010 to ensure they remain legally current and a number of minor amendments were made. All Executive Directors' service contracts contain a twelve 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 twelve months following termination of employment. On termination, any compensation payments due to a Director are calculated in accordance with normal legal principles, including mitigation, as appropriate.

	Contract date	Unexpired term at 31 December 2010	Notice period	Provision for compensation on early termination	Other termination provisions
Executive					
Steve Ingham	31/12/10	no specific term	12 months	12 months salary plus other contractual benefits	None
Charles-Henri Dumon	13/06/03	no specific term	12 months	12 months salary plus other contractual benefits	None
Stephen Puckett	31/12/10	no specific term	12 months	12 months salary plus other contractual benefits	None
Non-Executive					
Sir Adrian Montague CBE (Note 1)	27/02/10	26 months	None	None	None
Ruby McGregor-Smith (Note 2)	23/05/10	29 months	None	None	None
Dr Tim Miller (Note 4)	15/08/08	8 months	None	None	None
Hubert Reid	25/02/09	14 months	None	None	None
Reg Sindall (Notes 3 & 4)	14/12/10	36 months	None	None	None

1. Sir Adrian Montague's contract was renewed for a further three year term on 27 February 2010.
2. Ruby McGregor-Smith's contract was renewed for a further three year term on 23 May 2010.
3. Reg Sindall was appointed to the Main Board and the Audit, Remuneration and Nomination Committees for an initial three year term on 14 December 2010.
4. Dr Tim Miller stood down and Reg Sindall was appointed as Chairman of the Remuneration Committee on 21 January 2011.

ANNUAL RESOLUTION

Shareholders will be given the opportunity to approve the Remuneration Report at the Annual General Meeting (resolution 11) on 20 May 2011.

AUDIT REQUIREMENT

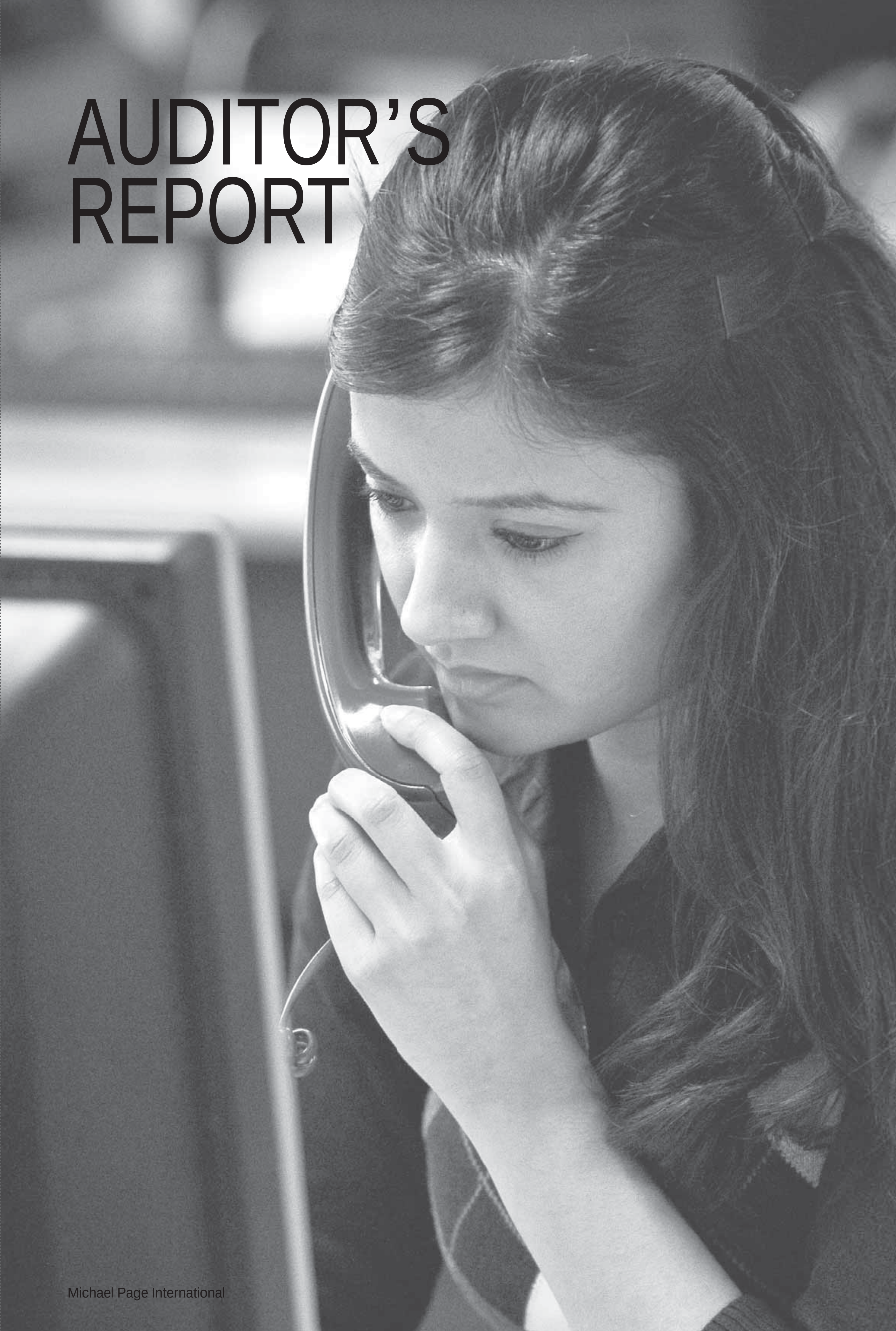
Within the Remuneration Report, the sections on Emoluments, and Directors' interests and share ownership requirements, on pages 52 to 54 inclusive, are audited. All other sections of the Remuneration Report are unaudited.

Reg Sindall

Reg Sindall

Chairman – Remuneration Committee
4 March 2011

AUDITOR'S REPORT



INDEPENDENT AUDITOR'S 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 2010 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Consolidated and Parent Company Statements of Changes in Equity, the Group and Parent Company Cash Flow Statements and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement contained within the Business Review in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Peter O'Donoghue

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
4 March 2011

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Revenue	2	832,296	716,722
Cost of sales		(390,089)	(365,028)
Gross profit	2	442,207	351,694
Administrative expenses		(370,680)	(331,491)
Operating profit before non-recurring items	2	71,527	20,203
Other income - non-recurring items	5	17,125	–
Operating profit		88,652	20,203
Financial income	6	1,107	2,027
Financial income - non-recurring items	5	11,335	–
Financial expenses	6	(438)	(1,162)
Profit before tax	2	100,656	21,068
Income tax expense	7	(25,203)	(8,638)
Income tax expense - non-recurring items	5, 7	(7,969)	–
Profit for the year	3	67,484	12,430
Attributable to:			
Owners of the parent		67,484	12,430
Earnings per share			
Basic earnings per share (pence)	10	21.6	3.9
Diluted earnings per share (pence)	10	21.1	3.8

The above results relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	2010 £'000	2009 £'000
Profit for the year	67,484	12,430
Other comprehensive income for the year		
Currency translation differences	290	(11,978)
Total comprehensive income for the year	67,774	452
Attributed to:		
Owners of the parent	67,774	452

CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS

As at 31 December 2010

		Group		Company	
	Note	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Non-current assets					
Property, plant and equipment	2, 11	28,526	31,432	–	–
Intangible assets	2, 12	27,574	20,051	–	–
Investments	13	–	–	421,545	422,577
Deferred tax assets	17	12,441	10,179	–	–
Other receivables	14	1,145	2,021	–	–
		69,686	63,683	421,545	422,577
Current assets					
Trade and other receivables	14	168,305	133,402	552,108	481,679
Current tax receivable	8	2,810	14,174	1,305	1,305
Cash and cash equivalents	21	80,531	137,228	–	–
		251,646	284,804	553,413	482,984
Total assets	2	321,332	348,487	974,958	905,561
Current liabilities					
Trade and other payables	15	(122,795)	(142,750)	(510,830)	(450,492)
Bank overdrafts	16	–	(43)	–	(43)
Current tax payable	8	(16,583)	(5,470)	–	–
		(139,378)	(148,263)	(510,830)	(450,535)
Net current assets		112,268	136,541	42,583	32,449
Non-current liabilities					
Other payables	15	(4,156)	(2,881)	–	–
Deferred tax liabilities	17	(364)	(327)	–	–
		(4,520)	(3,208)	–	–
Total liabilities	2	(143,898)	(151,471)	(510,830)	(450,535)
Net assets		177,434	197,016	464,128	455,026
Capital and reserves					
Called-up share capital	18	3,216	3,234	3,216	3,234
Share premium	19	55,607	51,589	55,607	51,589
Capital redemption reserve	19	875	838	875	838
Reserve for shares held in the employee benefit trust	19	(75,361)	(19,409)	–	–
Currency translation reserve	19	33,691	33,401	–	–
Retained earnings		159,406	127,363	404,430	399,365
Total equity		177,434	197,016	464,128	455,026

These financial statements of Michael Page International plc, Company Number 3310225, were approved by the Board of Directors and authorised for issue on 4 March 2011. On behalf of the Board of Directors.

S Ingham
Chief Executive

S R Puckett
Group Finance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

Group	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Reserve for shares held in the employee benefit trust £'000	Currency translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2009		3,220	48,856	838	(21,078)	45,379	133,449	210,664
Currency translation differences		–	–	–	–	(11,978)	–	(11,978)
Net expense recognised directly in equity		–	–	–	–	(11,978)	–	(11,978)
Profit for the year		–	–	–	–	–	12,430	12,430
Total comprehensive (loss)/income for the year		–	–	–	–	(11,978)	12,430	452
Purchase of shares held in the employee benefit trust		–	–	–	(1,903)	–	–	(1,903)
Issue of share capital		14	2,733	–	–	–	–	2,747
Transfer to reserve for shares held in the employee benefit trust		–	–	–	3,572	–	(3,572)	–
Credit in respect of share schemes		–	–	–	–	–	8,491	8,491
Credit in respect of tax on share schemes		–	–	–	–	–	2,418	2,418
Dividends	9	–	–	–	–	–	(25,853)	(25,853)
		14	2,733	–	1,669	–	(18,516)	(14,100)
Balance at 31 December 2009 and 1 January 2010		3,234	51,589	838	(19,409)	33,401	127,363	197,016
Currency translation differences		–	–	–	–	290	–	290
Net expense recognised directly in equity		–	–	–	–	290	–	290
Profit for the year		–	–	–	–	–	67,484	67,484
Total comprehensive income for the year		–	–	–	–	290	67,484	67,774
Purchase of own shares for cancellation		(37)	–	37	–	–	(15,086)	(15,086)
Purchase of shares held in the employee benefit trust		–	–	–	(61,757)	–	–	(61,757)
Issue of share capital		19	4,018	–	–	–	–	4,037
Transfer to reserve for shares held in the employee benefit trust		–	–	–	5,805	–	(5,805)	–
Credit in respect of share schemes		–	–	–	–	–	10,049	10,049
Credit in respect of tax on share schemes		–	–	–	–	–	280	280
Dividends	9	–	–	–	–	–	(24,879)	(24,879)
		(18)	4,018	37	(55,952)	–	(35,441)	(87,356)
Balance at 31 December 2010		3,216	55,607	875	(75,361)	33,691	159,406	177,434

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

For the year ended 31 December 2010

Company	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2009		3,220	48,856	838	351,651	404,565
Profit for the year		–	–	–	73,567	73,567
Total comprehensive income for the year		–	–	–	73,567	73,567
Issue of share capital		14	2,733	–	–	2,747
Dividends	9	–	–	–	(25,853)	(25,853)
		14	2,733	–	(25,853)	(23,106)
Balance at 31 December 2009 and 1 January 2010		3,234	51,589	838	399,365	455,026
Profit for the year		–	–	–	45,030	45,030
Total comprehensive income for the year		–	–	–	45,030	45,030
Purchase of own shares for cancellation		(37)	–	37	(15,086)	(15,086)
Issue of share capital		19	4,018	–	–	4,037
Dividends	9	–	–	–	(24,879)	(24,879)
		(18)	4,018	37	(39,965)	(35,928)
Balance at 31 December 2010		3,216	55,607	875	404,430	464,128

CONSOLIDATED AND PARENT COMPANY CASH FLOW STATEMENTS

For the year ended 31 December 2010

		Group		Company	
	Note	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Cash generated from underlying operations	20	81,650	73,759	48,598	45,074
Net cash (paid)/received in respect of non-recurring items (NRI)		(12,558)	41,018	(12,558)	41,018
Cash generated from operations	20	69,092	114,777	36,040	86,092
Income tax paid		(12,408)	(28,196)	–	–
Net cash from operating activities		56,684	86,581	36,040	86,092
Cash flows from investing activities					
Purchases of property, plant and equipment		(7,371)	(5,757)	–	–
Purchases of computer software		(8,774)	(7,645)	–	–
Proceeds from the sale of property, plant and equipment, and computer software		1,392	2,061	–	–
Interest received		1,107	2,027	72	448
Net cash (used in)/received from investing activities		(13,646)	(9,314)	72	448
Cash flows from financing activities					
Dividends paid		(24,879)	(25,853)	(24,879)	(25,853)
Interest paid		(439)	(1,160)	(141)	(780)
Issue of own shares for the exercise of options		4,037	2,747	4,037	2,747
Purchase of own shares for cancellation		(15,086)	–	(15,086)	–
Purchase of shares held in the employee benefit trust		(61,757)	(1,903)	–	–
Net cash used in financing activities		(98,124)	(26,169)	(36,069)	(23,886)
Net (decrease)/increase in cash and cash equivalents		(55,086)	51,098	43	62,654
Cash and cash equivalents at the beginning of the year		137,185	94,283	(43)	(62,697)
Exchange loss on cash and cash equivalents		(1,568)	(8,196)	–	–
Cash and cash equivalents at the end of the year	21	80,531	137,185	–	(43)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

Michael Page International plc is a company incorporated in the United Kingdom under the Companies Act. The financial statements have been prepared under the historical cost convention and in accordance with current International Financial Reporting Standards (IFRS). The financial statements have been prepared in accordance with IFRS adopted for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation.

Basis of preparation

The financial statements of Michael Page International plc consolidate the results of the Company and all its subsidiary undertakings. As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company has not been included as part of these financial statements. The Company's profit for the financial year amounted to £45.0m (2009: £73.6m). The decrease in the Company's profit this year is as a result of decreased dividend income. The financial statements have been prepared on a going concern basis. Refer to page 28 for further details.

Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iii) Employee Benefit Trust

Shares in Michael Page International plc held by the trust are shown as a reduction in shareholders' funds. Other assets and liabilities held by the trust are consolidated with the assets of the Group.

The policies, set out below, have been consistently applied to all the periods presented.

New standards and interpretations

The accounting policies applied by the Group in these Consolidated Financial Statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009 except as described below.

(a) New and amended standards adopted by the group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010. None of these new standards or amendments to standards have had a significant impact on the Group.

IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. IAS 27 (revised) has had no impact on the current period, as all subsidiaries in the Group are 100% owned; there have been no transactions whereby an interest in an entity is retained after the loss of control of that entity, and there have been no transactions with non-controlling interests.

IFRS 2 (amendments), 'Group cash-settled share-based payment transactions', effective form 1 January 2010. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation.

(b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the group (although they may affect the accounting for future transactions and events).

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2010 or later periods, but the group has not early adopted them.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards and interpretations (continued)

IAS 1 (amendment 2009), 'Presentation of financial statements'. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

IAS 36 (amendment), 'Impairment of assets', effective 1 January 2010. The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8, ' Operating segments' (that is, before the aggregation of segments with similar economic characteristics).

IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

IFRS 3 (revised) has had no impact on the Group, as the Group is organically grown and does not follow a strategy of acquisitions.

IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'. The amendment clarificaties that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirements of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation was published in November 2008. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

(c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2010 and not early adopted. The group's and parent entity's assessment of the impact of these new standards and interpretations is set out below.

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted. However, the standard has not yet been endorsed by the EU.

The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The group will apply the revised standard from 1 January 2011. When the revised standard is applied, the group and the parent will need to disclose any transactions between its subsidiaries and its associates. The group is currently putting systems in place to capture the necessary information. It is, therefore, not possible at this stage to disclose the impact, if any, of the revised standard on the related party disclosures.

'Classification of rights issues' (amendment to IAS 32), issued in October 2009. The amendment applies to annual periods beginning on or after 1 February 2010. Earlier application is permitted. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment applies retrospectively in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors'. The group will apply the amended standard from 1 January 2011.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards and interpretations (continued)

IFRS 9, 'Financial instruments', issued in November 2009. This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets. While the Group is yet to assess IFRS 9's full impact, it is unlikely to significantly affect the Group's accounting for financial assets. The standard is not applicable until 1 January 2013, but is available for early adoption. However, the standard has not yet been endorsed by the EU.

'Prepayments of a minimum funding requirement' (amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented. The group will apply these amendments for the financial reporting period commencing on 1 January 2011.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The group will apply the interpretation from 1 January 2011, subject to endorsement by the EU. It is not expected to have any impact on the group or the parent entity's financial statements.

The Directors anticipate that the adoption of the above Standards and Interpretations in future periods will have little or no impact on the financial statements of the Group when the relevant Standards come into effect for periods commencing on or after 1 January 2011.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Business Review on page 28.

a) Revenue and income recognition

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

- revenue 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;
- revenue from permanent placements is typically 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 revenue 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
- revenue from amounts billed to clients for expenses incurred on their behalf (principally advertisements) is recognised when the expense is incurred.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

b) Cost of sales

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

c) Gross profit

Gross profit represents revenue less cost of sales and consists of the total placement fees of permanent candidates, the margin earned on the placement of temporary candidates and the margin on advertising income.

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Sterling, which is the Company's functional and presentation currency.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards and interpretations (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the respective functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

e) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries is included in intangible assets.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised, but is tested at least annually for impairment (see accounting policy h). Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Computer software

Computer software acquired by the Group is stated at cost less accumulated amortisation (see below). Included with computer software, are assets under construction which are amortised from the point they go live.

(iii) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill has an indefinite useful life. Computer software is amortised at 20% per annum. The cumulative amount of goodwill written off directly to retained earnings in respect of acquisitions prior to 31 December 1997 is £311.7m (2009: £311.7m).

f) Property, plant and equipment

Property, plant and equipment 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

g) Investments

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

h) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events has had a negative effect on the estimated future cash flows of that asset. For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

j) 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 income statement represent the contributions payable by the Group to the funds during each period.

k) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Rentals under operating leases are charged to the income statement on a straight-line basis over the term of the lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

l) Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive to allocate resources to the segments and to assess their performance. Information provided to the Chief Executive is focused on regions and as a result, reportable segments are on a regional basis.

m) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. Their accounting treatments are described below:

(i) Share option schemes

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, earnings per share). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the estimate of the number of options that are expected to become exercisable is revised. The Group recognises the impact of the revision of original estimates, if any, in the income statement, and the corresponding adjustment to equity over the remaining vesting period.

(ii) Deferred Annual Bonus and Long Term Incentive Plans

Where deferred awards are made to Directors and senior executives under either the Incentive Share Plan or the Annual Bonus Scheme, to reflect that the awards are for services over a longer period, the value of the expected award is charged to the income statement on a straight-line basis over the vesting period to which the award relates.

o) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including any directly attributable costs, is recognised as a change in equity.

p) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

q) Borrowing costs

All borrowing costs are accrued in the income statement on a time basis.

r) Financial assets and liabilities

Financial assets and liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents includes cash-in-hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade and other payables are stated at cost. Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

The Group has derivative contracts at the balance sheet date that have been valued at fair value through the income statement.

s) Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management anticipate that any estimates and judgements made do not have a material effect on the results.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Critical accounting estimates and judgements (continued)

- Note 1 – revenue recognition

In making its judgement, management considered the detailed criteria for the recognition of revenue from permanent placements where a position has been accepted by a candidate, a start date agreed, but employment has not yet commenced. A provision is made by management, based on past historical experience, for the proportion of those placements where the candidate is expected to reverse their acceptance prior to the start date.

- Note 14 – trade and other receivables

There is uncertainty regarding customers who may not be able to pay as their invoices fall due. In reviewing the appropriateness of the provisions in respect of recoverability of trade receivables, consideration has been given to the economic climate in the respective markets, the ageing of the debt and the potential likelihood of default.

- Note 17 – deferred tax

Management has estimated the likely value of deferred tax assets in respect of trading losses carried forward.

- Note 18 – share-based payments

The Group's policy for share-based payments is stated in note 1 (n). The fair value of equity settled share-based payments is partly derived from estimates of factors such as lapse rates and achievement of performance criteria. It is also derived from assumptions such as the future volatility of the Company's share price, expected dividend yields and risk-free interest rates.

t) Non-recurring items

Non-recurring items are those items the Group considers to be one-off or material in nature that should be brought to the reader's attention in understanding the Group's financial performance.

2. SEGMENT REPORTING

All revenues disclosed are derived from external customers.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment operating profit represents the profit earned by each segment without allocation of central administration costs and certain recharges. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

(a) Revenue, gross profit and operating profit by reportable segment

		Revenue		Gross Profit		Operating Profit	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000	2010 £'000	2009 £'000
EMEA		332,202	311,070	188,706	163,729	22,272	1,055
United Kingdom		302,567	274,599	124,858	110,784	19,630	11,275
Asia Pacific	Australia and New Zealand	81,676	59,108	37,645	23,881	9,754	4,287
	Asia	38,630	20,301	34,569	18,329	12,562	3,798
	Total	120,306	79,409	72,214	42,210	22,316	8,085
Americas		77,221	51,644	56,429	34,971	7,309	(212)
		832,296	716,722	442,207	351,694	71,527	20,203
Non-recurring items (NRI)		–	–	–	–	17,125	–
		832,296	716,722	442,207	351,694	88,652	20,203
Interest income		–	–	–	–	12,004	865
Profit before tax		–	–	–	–	100,656	21,068

The above analysis by destination is not materially different to the analysis by origin.

Non-recurring items (NRI) relate wholly to the United Kingdom.

The analysis below is of the carrying amount of reportable segment assets, liabilities and non-current assets. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The individual reportable segments exclude income tax assets and liabilities. Non-current assets include property, plant and equipment, computer software and goodwill.

2. SEGMENT REPORTING (CONTINUED)

(b) Segment assets, liabilities and non-current assets by reportable segment

		Total Assets		Total Liabilities	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
EMEA		136,159	117,863	60,744	49,504
United Kingdom		96,563	161,653	41,359	83,341
Asia Pacific	Australia and New Zealand	28,292	18,025	10,410	6,622
	Asia	24,471	13,025	5,352	2,322
	Total	52,763	31,050	15,762	8,944
Americas		33,037	23,747	9,450	4,212
Segment assets/liabilities		318,522	334,313	127,315	146,001
Income tax		2,810	14,174	16,583	5,470
		321,332	348,487	143,898	151,471

		Property, Plant and Equipment		Intangible Assets	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
EMEA		10,104	13,016	776	1,166
United Kingdom		9,090	9,985	25,810	17,933
Asia Pacific	Australia and New Zealand	2,104	2,411	148	258
	Asia	996	708	369	310
	Total	3,100	3,119	517	568
Americas		6,232	5,312	471	384
		28,526	31,432	27,574	20,051

The analyses below in notes (c) revenue and gross profit by discipline (being the professions of candidates placed) and (d) revenue and gross profit generated from permanent and temporary placements have been included as additional disclosure over and above the requirements of IFRS 8 "Operating Segments".

(c) Revenue and gross profit by discipline

	Revenue		Gross Profit	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Finance and Accounting	450,573	408,951	209,176	175,743
Marketing, Sales and Retail	111,661	91,811	82,834	61,404
Legal, Technology, HR, Secretarial and Other	156,993	125,199	81,597	61,217
Engineering, Property & Construction, Procurement & Supply Chain	113,069	90,761	68,600	53,330
	832,296	716,722	442,207	351,694

(d) Revenue and gross profit generated from permanent and temporary placements

	Revenue		Gross Profit	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Permanent	355,979	260,161	343,787	249,387
Temporary	476,317	456,561	98,420	102,307
	832,296	716,722	442,207	351,694

3. PROFIT FOR THE YEAR

		2010 £'000	2009 £'000
Profit for the year is stated after charging/(crediting):			
Employment costs (Note 4)		255,435	226,692
Net exchange losses		307	144
Depreciation of property, plant and equipment - owned		9,310	9,926
Amortisation of computer software		1,269	1,342
Impairment of trade receivables		6,370	8,665
Loss on sale of property, plant and equipment and computer software		151	383
Fees payable to the company's auditor for the audit of the company's annual accounts		67	65
Fees payable to the company's auditor and their associates for other services to the group:			
	- The audit of the company's subsidiaries pursuant to legislation	463	466
Total audit fees		530	531
	- Other services pursuant to legislation	23	22
	- Tax services	195	114
	- Other services	66	78
Total non-audit fees		284	214
Total fees		814	745
Operating lease rentals	- land and buildings	25,226	25,794
	- plant and machinery	4,832	5,785

4. EMPLOYEE INFORMATION

The average number of employees (including Executive Directors) during the year and total number of employees (including Executive Directors) at 31 December 2010 were as follows:

	2010 Average No.	2009 Average No.	2010 No.	2009 No.
Management	175	172	184	165
Client services	2,652	2,664	3,089	2,351
Administration	1,108	1,099	1,225	1,033
	3,935	3,935	4,498	3,549

Employment costs (including Directors' emoluments) comprised:

	2010 £'000	2009 £'000
Wages and salaries	203,653	182,656
Social security costs	29,858	27,007
Pension costs - defined contribution plans	9,496	8,538
Share-based payments	12,428	8,491
	255,435	226,692

Details of Directors' remuneration for the year are provided in the Directors' Remuneration Report on pages 48 to 55.

No staff are employed by the parent company (2009: none) hence no remuneration has been disclosed.

5. NON-RECURRING ITEMS (NRI) – VAT

In 2003, the Group submitted an initial claim to Her Majesty's Revenue and Customs (HMRC) for overpaid VAT which was rejected. The Group appealed and subsequently filed amended claims for £26.5m, net of fees, covering the period from 1980 to 2004. In March 2009, the Group filed amended claims for a further refund of an additional £80m, net of fees, of overpaid VAT covering the same period.

In June 2009 the Group received a payment from HMRC of £26.5m, net of fees, as part settlement of these claims and in July 2009 received £10.5m, net of fees, of statutory interest. As a result, the principal and interest amounts were recognised in the half year to June 2009 results, with the interest receivable being recorded within working capital in the cash flow statement.

On 25 September 2009, the Group received a letter from HMRC which stated that, 'HMRC have reviewed the recent payment and are now of the view that the claim in whole or in part should not have been paid'.

A number of discussions and meetings with HMRC followed and on 5 March 2010, the Group announced that an agreement had been reached in principle, subject to legal contract, for the Group to retain £28.4m (net of fees). However, given the background to the initial receipt, the subsequent review and reversal of HMRC's position, together with the remaining uncertainty pending formal contractual agreement, the Group reversed out the amounts originally recognised in the 2009 half year results and as such did not recognise any amount in the Income Statement in the 2009 full year.

On 30 April 2010, a formal agreement was signed with HMRC. As a result, of the £50m originally received from HMRC, the Group retained £38.1m and returned £11.9m in May 2010. Accordingly, after fees, the Group has recognised £28.4m as non-recurring income in its 2010 Income Statement, of which £17.1m is in respect of refunded VAT and is included in operating profit and £11.3m is in respect of interest and is included in financial income.

In respect of the amended claims for a further refund of an additional £80m, net of fees, of overpaid VAT, the Group is continuing to pursue the claim.

Taxation of £8.0m on non-recurring items, net of expenses, has been provided representing an effective tax rate of 28.0%.

A summary of the effects of the non-recurring item (NRI) is shown in the tables below:

Effect on profit after tax	Underlying 2010 £'000	NRI 2010 £'000	Total 2010 £'000
Operating profit	71,527	17,125	88,652
Net interest	669	11,335	12,004
Profit before tax	72,196	28,460	100,656
Taxation	(25,203)	(7,969)	(33,172)
Profit after tax	46,993	20,491	67,484

There is no effect on profit after tax in the prior year.

Effect on balance sheet	Total 2010 £'000	Total 2009 £'000
Other debtors - balance due from advisor	–	8,972
Other tax and social security - balance due back to HMRC	–	(49,990)
	–	(41,018)

Effect on cash flows	Total 2010 £'000	Total 2009 £'000
Decrease/(increase) in VAT related receivables	8,972	(8,972)
(Decrease)/increase in VAT related payables	(49,990)	49,990
Non-recurring income recognised in the profit and loss account	28,460	–
Net affect on cash flows	(12,558)	41,018

6. FINANCIAL INCOME/(EXPENSES)

	2010 £'000	2009 £'000
Financial income		
Bank interest receivable	1,107	2,027
Interest on non-recurring items (note 5)	11,335	–
	12,442	2,027
Financial expenses		
Bank interest payable	(438)	(1,162)

7. TAXATION ON PROFITS ON ORDINARY ACTIVITIES

The charge for taxation is based on the annual tax rate of 33.0% on profit before tax (2009: 41.0%).

Analysis of charge in the year

	2010 £'000	2009 £'000
UK income tax at 28% (2009: 28%) for year	17,379	8,556
Adjustments in respect of prior year	1,126	(2,536)
Overseas income tax	13,790	4,589
	32,295	10,609
Deferred tax expense		
Origination and reversal of temporary differences	(1,184)	(1,639)
Charge/(benefit) of tax losses recognised	2,061	(332)
Deferred tax expense/(benefit)	877	(1,971)
Total income tax expense in the income statement	33,172	8,638

Reconciliation of effective tax rate

	2010 £'000	%	2009 £'000	%
Profit before taxation	100,656		21,068	
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK	28,184	28.0	5,899	28.0
Effects of:				
Disallowable items and other permanent timing differences	1,292	1.3	894	4.2
Unrelieved overseas losses	1,304	1.3	2,051	9.7
Utilisation of losses not previously recognised	(4)	–	–	–
Derecognition of overseas losses	–	–	2,256	10.7
Movement on deferred tax not recognised	(1,385)	(1.4)	–	–
Higher tax rates on overseas earnings	2,655	2.7	74	0.4
Adjustment to tax charge in respect of prior periods	1,126	1.1	(2,536)	(12.0)
Tax expense and effective rate for the year	33,172	33.0	8,638	41.0

Tax recognised directly in equity	2010 £'000	2009 £'000
Relating to equity settled transactions	280	2,418

8. CURRENT TAX ASSETS AND LIABILITIES

The current tax asset of £2.8m (2009: £14.2m), and current tax liability of £16.6m (2009: £5.5m) for the Group, and current tax asset of £1.3m (2009: £1.3m) for the parent company, represent the amount of income taxes recoverable and payable in respect of current and prior periods.

9. DIVIDENDS

	2010 £'000	2009 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2009 of 5.12p per ordinary share (2008: 5.12p)	16,066	16,487
Interim dividend for the year ended 31 December 2010 of 2.88p per ordinary share (2009: 2.88p)	8,813	9,366
	24,879	25,853
Amounts proposed as distributions to equity holders:		
Proposed final dividend for the year ended 31 December 2010 of 6.12p per ordinary share (2009: 5.12p)	18,755	16,535

The proposed final dividend had not been approved by shareholders at 31 December 2010 and therefore has not been included as a liability. The comparative final dividend at 31 December 2009 was also not recognised as a liability in the prior year.

The proposed final dividend of 6.12p (2009: 5.12p) per ordinary share will be paid on 6 June 2011 to shareholders on the register at the close of business on 6 May 2011, subject to approval by shareholders.

When the Company pays a dividend to shareholders, there may be income tax consequences. The impact will depend upon the individual circumstances of the shareholder.

10. EARNINGS PER ORDINARY SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings	2010	2009
Earnings for basic and diluted earnings per share (£'000)	67,484	12,430
Non-recurring items (NRI) (£'000) (note 5)	(20,491)	–
Earnings for basic and diluted earnings per share before NRI (£'000)	46,993	12,430
Number of shares		
Weighted average number of shares used for basic earnings per share ('000)	311,821	321,643
Dilution effect of share plans ('000)	7,653	7,412
Diluted weighted average number of shares used for diluted earnings per share ('000)	319,474	329,055
Basic earnings per share (pence)	21.6	3.9
Diluted earnings per share (pence)	21.1	3.8
Basic earnings per share before NRI (pence)	15.1	3.9
Diluted earnings per share before NRI (pence)	14.7	3.8

The above results relate to continuing operations.

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Employee Benefit Trust and held in the reserve.

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. This calculation determines the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated in the basic earnings per share is then adjusted to reflect the number of shares deemed to be issued for nil consideration as a result of the potential exercise of existing share options.

The remaining share options that are currently not dilutive and hence excluded from the dilutive earnings per share calculation remain potentially dilutive until they are either exercised or they lapse.

Potential future ordinary share transactions

It remains the Company's intention to use surplus cash to repurchase and cancel its shares.

11. PROPERTY, PLANT AND EQUIPMENT

Group	2010 Leasehold improvements £'000	2010 Furniture, fixtures and equipment £'000	2010 Motor vehicles £'000	2010 Total £'000	2009 Leasehold improvements £'000	2009 Furniture, fixtures and equipment £'000	2009 Motor vehicles £'000	2009 Total £'000
Cost								
At 1 January	27,775	44,286	2,332	74,393	29,184	45,895	3,108	78,187
Additions	2,684	3,933	754	7,371	1,346	3,859	552	5,757
Disposals	(974)	(3,893)	(953)	(5,820)	(1,765)	(3,846)	(1,319)	(6,930)
Effect of movements in foreign exchange	309	809	29	1,147	(990)	(1,622)	(9)	(2,621)
At 31 December	29,794	45,135	2,162	77,091	27,775	44,286	2,332	74,393
Depreciation								
At 1 January	14,878	27,050	1,033	42,961	13,099	24,823	1,168	39,090
Charge for the year	3,609	5,167	534	9,310	3,781	5,496	649	9,926
Disposals	(675)	(2,932)	(700)	(4,307)	(1,182)	(2,587)	(780)	(4,549)
Effect of movements in foreign exchange	(15)	492	124	601	(820)	(682)	(4)	(1,506)
At 31 December	17,797	29,777	991	48,565	14,878	27,050	1,033	42,961
Net book value								
At 31 December	11,997	15,358	1,171	28,526	12,897	17,236	1,299	31,432

12. INTANGIBLE ASSETS

Group	2010 Computer software £'000	2010 Computer software, assets under construction £'000	2010 Goodwill £'000	2010 Total £'000	2009 Computer software £'000	2009 Computer software, assets under construction £'000	2009 Goodwill £'000	2009 Total £'000
Cost								
At 1 January	9,977	15,867	1,539	27,383	9,518	9,131	1,539	20,188
Additions	667	8,107	–	8,774	902	6,743	–	7,645
Disposals	(1,036)	–	–	(1,036)	(253)	–	–	(253)
Effect of movements in foreign exchange	158	12	–	170	(190)	(7)	–	(197)
At 31 December	9,766	23,986	1,539	35,291	9,977	15,867	1,539	27,383
Amortisation								
At 1 January	7,332	–	–	7,332	6,333	–	–	6,333
Charge for the year	1,269	–	–	1,269	1,342	–	–	1,342
Disposals	(1,005)	–	–	(1,005)	(190)	–	–	(190)
Effect of movements in foreign exchange	121	–	–	121	(153)	–	–	(153)
At 31 December	7,717	–	–	7,717	7,332	–	–	7,332
Net book value								
At 31 December	2,049	23,986	1,539	27,574	2,645	15,867	1,539	20,051

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the country of operation. A summary of the goodwill allocation is presented below.

	2010 £'000	2009 £'000
UK	1,274	1,274
USA	214	214
Singapore	51	51
	1,539	1,539

12. INTANGIBLE ASSETS (CONTINUED)

In assessing value in use, the estimated future cash flows are calculated by preparing cash flow forecasts derived from the most recent financial budget, management projections for five years, followed by an assumed growth rate of 3%, which does not exceed the long-term average growth rate of the relevant markets and reflects long-term wage inflation fee growth. Management applied a discount rate of 10% to the estimated future cash flows to calculate the terminal value of those cash flows. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. It is the opinion of the Directors that at 31 December 2010 there was no impairment of intangible assets.

13. INVESTMENTS

Company	Subsidiary undertakings £'000
Cost	
At 1 January 2010	422,577
Derecognised on vesting of LTIPs and deferred bonus shares	(1,032)
At 31 December 2010	421,545

The derecognition of assets represents a decrease in the parent company's holding of its own shares where share plan liabilities have vested and shares have been transferred to the beneficial holders.

The Company's principal subsidiary undertakings at 31 December 2010, 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 Holdings Limited	United Kingdom	Holding company
Michael Page International Recruitment Limited*	United Kingdom	Recruitment consultancy
Michael Page International Southern Europe Limited*	United Kingdom	Holding company
Michael Page UK Limited	United Kingdom	Recruitment consultancy
Michael Page Limited	United Kingdom	Recruitment consultancy
Page Personnel (UK) Limited	United Kingdom	Recruitment consultancy
Michael Page International Austria GmbH	Austria	Recruitment consultancy
Michael Page International (Belgium) NV/SA	Belgium	Recruitment consultancy
Page Interim (Belgium) NV/SA	Belgium	Recruitment consultancy
Michael Page International (France) SAS	France	Recruitment consultancy
Michael Page Financial Services SAS	France	Support services
Page Personnel SAS	France	Recruitment consultancy
Michael Page International (Deutschland) GmbH	Germany	Recruitment consultancy
Page Personnel (Deutschland) GmbH	Germany	Recruitment consultancy
Michael Page International (Ireland) Limited	Ireland	Recruitment consultancy
Michael Page International Italia Srl	Italy	Recruitment consultancy
Page Personnel Italia SpA	Italy	Recruitment consultancy
Michael Page International (Nederland) BV	Netherlands	Recruitment consultancy
Page Interim BV	Netherlands	Recruitment consultancy
Michael Page International (Poland) Sp.z.o.o	Poland	Recruitment consultancy
Michael Page International Empressa de Trabalho Temporário e Serviços de Consultadoria Lda	Portugal	Recruitment consultancy
Michael Page International RU LLC	Russia	Recruitment consultancy
Michael Page International (SA) (Pty) Limited	South Africa	Recruitment consultancy
Michael Page International (Espana) SA	Spain	Recruitment consultancy
Michael Page Holding (Espana) SL	Spain	Holding company
Page Personnel Seleccion España SA	Spain	Recruitment consultancy
Michael Page International (Sweden) AB	Sweden	Recruitment consultancy
Michael Page International (Switzerland) SA	Switzerland	Recruitment consultancy
Michael Page International NEM Istihdam Danismanligi Limited Sirketi	Turkey	Recruitment consultancy
Michael Page International (UAE) Limited	United Arab Emirates	Recruitment consultancy
Michael Page International (Australia) Pty Limited	Australia	Recruitment consultancy
Michael Page International (Hong Kong) Limited	Hong Kong	Recruitment consultancy
Michael Page (Beijing) Recruitment Co. Ltd	China	Recruitment consultancy

13. INVESTMENTS (CONTINUED)

Name of undertaking	Country of incorporation	Principal activity
Michael Page (Shanghai) Recruitment Co. Ltd	China	Recruitment consultancy
Michael Page International (Shanghai) Consulting Ltd	China	Recruitment consultancy
Michael Page International (Japan) K.K.	Japan	Recruitment consultancy
Michael Page International (NZ) Limited.	New Zealand	Recruitment consultancy
Michael Page International Pte Limited*	Singapore	Recruitment consultancy
Michael Page International Argentina SA	Argentina	Recruitment consultancy
Michael Page Do International (Brasil) Recrutamento Especializado Ltda	Brazil	Recruitment consultancy
Page Personnel Do Recruit. Especializ. E Servs. Corpor. Ltda	Brazil	Recruitment consultancy
Michael Page International Canada Limited	Canada	Recruitment consultancy
Michael Page International Chile Ltda	Chile	Recruitment consultancy
Michael Page International Mexico Reclutamiento Especializado, S.A. de C.V.	Mexico	Recruitment consultancy
Michael Page International Inc*	United States	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 operate 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. TRADE AND OTHER RECEIVABLES

	Group		Company	
Current	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Trade receivables	141,120	107,156	–	–
Less provision for impairment of receivables	(6,397)	(6,959)	–	–
Net trade receivables	134,723	100,197	–	–
Amounts due from Group companies	–	–	552,102	472,676
Other receivables	5,035	13,102	–	8,972
Prepayments and accrued income	28,547	20,103	6	31
	168,305	133,402	552,108	481,679
Non-current				
Prepayments and accrued income	1,145	2,021	–	–

Within other receivables in the 2009 comparative is a balance of £9.0m for fees paid in respect of the VAT refund by HMRC (note 5).

All non-current receivables are due within five years from the balance sheet date.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in Note 22.

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Current				
Trade payables	9,091	7,304	–	–
Amounts owed to Group companies	–	–	510,819	400,476
Other tax and social security	33,900	75,262	–	49,990
Other payables	20,340	18,583	–	–
Accruals	58,248	40,223	11	26
Deferred income	1,216	1,378	–	–
	122,795	142,750	510,830	450,492
Non-current				
Deferred income	1,830	2,334	–	–
Other tax and social security	2,326	547	–	–
	4,156	2,881	–	–

15. TRADE AND OTHER PAYABLES (CONTINUED)

Within other tax and social security in the 2009 comparative is a balance of £50.0m relating to VAT repaid by HMRC (note 5).

The fair values of trade and other payables are not materially different to those disclosed above. There is no material effect on pre-tax profit if the instruments are accounted for at fair value or amortised cost.

The total liability relating to other tax and social security includes a balance of £3.9m (2009: £2.5m) relating to social charges on share based payments.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 22.

16. BANK OVERDRAFTS

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Bank overdrafts	–	43	–	43

The carrying amounts of the Group's borrowings are all denominated in sterling.

Bank overdrafts are repayable on demand.

At 31 December 2010, the Group had available £50.0m (2009: £50.0m) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

The Group's exposure to interest rate, foreign currency and liquidity risk for financial assets and liabilities is disclosed in Note 22.

17. DEFERRED TAX

The following are the major deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the current and prior reporting periods.

	Share-based payments £'000	Tax losses £'000	Other £'000	Total £'000
At 1 January 2009	(1,415)	(2,646)	(1,538)	(5,599)
Recognised in equity for the year	(2,283)	–	–	(2,283)
Recognised in profit or loss for the year	(740)	(331)	(899)	(1,970)
Exchange differences	–	–	–	–
At 1 January 2010	(4,438)	(2,977)	(2,437)	(9,852)
Recognised in equity for the year	(3,698)	–	–	(3,698)
Recognised in profit or loss for the year	1,184	2,060	(2,367)	877
Exchange differences	–	–	596	596
At 31 December 2010	(6,952)	(917)	(4,208)	(12,077)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for balance sheet purposes:

	2010 £'000	2009 £'000
Deferred tax assets	(12,441)	(10,179)
Deferred tax liabilities	364	327
	(12,077)	(9,852)

At 31 December 2010, unremitted earnings of overseas Group companies amounted to £60.9m (2009: £52.2m). Unremitted earnings may be liable to some overseas tax, but should not be liable to UK tax if they were to be distributed as dividends.

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 £8.2m (2009: £5.5m) in respect of tax losses of overseas companies. These tax losses are available to offset future taxable profits in the respective jurisdictions.

All of the deferred tax asset for losses of £0.9m is dependent on generating future taxable profits. Of the recognised deferred tax asset, £0.3m is recognised within territories that were loss making in the current year.

18. CALLED-UP SHARE CAPITAL

	2010 £'000	2010 Number of shares	2009 £'000	2009 Number of shares
Authorised				
Ordinary shares of 1p each	5,713	571,250,000	5,713	571,250,000
Allotted, called-up and fully paid				
At 1 January	3,234	323,424,875	3,220	321,990,067
Shares issued	19	1,874,930	14	1,434,808
Cancellation of own shares	(37)	(3,709,658)	–	–
At 31 December	3,216	321,590,147	3,234	323,424,875

Share Option Plans

The Group currently has share option awards outstanding under an Executive share option scheme (ESOS) and a share option scheme (SOS). These plans are described below.

At 31 December 2010 the following options had been granted and remained outstanding in respect of the Company's ordinary shares of 1p under both the Michael Page Executive Share Option Scheme and the Share Option Scheme. All options granted are settled by the physical delivery of shares. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Year of grant	Balance at 1 January 2010	Granted in year	Exercised in year	Lapsed in year	No. of options outstanding at 31 December 2010	Base EPS	Exercise price per share	Exercise period
2001 (Note 1)	1,670,017	–	(532,149)	(65,946)	1,071,922	n/a	175p	March 2004 - March 2011
2002 (Note 2)*	115,000	–	(48,700)	–	66,300	10.6	186p	March 2005 - March 2012
2002 (Note 2)*	107,500	–	(39,500)	–	68,000	5.8	186p	March 2006 - March 2012
2003 (Note 2)*	235,000	–	(99,700)	–	135,300	5.8	81.5p-86.1p	April 2006 - April 2013
2004 (Note 2)*	439,000	–	(156,000)	–	283,000	4.1	171p-190.3p	March 2007 - March 2014
2005 (Note 2)*	1,080,000	–	(425,381)	–	654,619	7.5	190.75p-191.5p	March 2008 - March 2015
2006 (Note 2)*	1,256,312	–	(573,500)	(51,312)	631,500	15.5	309.9p	March 2009 - March 2016
2007 (Note 2)	2,181,889	–	–	(2,181,889)	–	21.3	464.5p-494.1p	March 2010 - March 2017
2008 (Note 2)	2,622,500	–	–	(241,919)	2,380,581	30.4	255.94-285p	March 2011 - March 2018
2009 (Note 3)	6,910,000	–	–	(459,089)	6,450,911	n/a	187.5-211.84p	March 2012 - March 2019
2010 (Note 2)	–	11,467,500	–	(112,917)	11,354,583	n/a	381.5-383.0p	March 2013 - March 2020
Total 2010	16,617,218	11,467,500	(1,874,930)	(3,113,072)	23,096,716			
Weighted average exercise price 2010 (£)	2.46	2.15	3.82	3.91	2.98			
Total 2009	12,200,942	7,205,000	(1,434,808)	(1,353,916)	16,617,218			
Weighted average exercise price 2009 (£)	2.79	1.91	1.91	3.04	2.46			

*These options have fully vested

2,161,716 options were exercisable at the end of 2010 at a weighted average exercise price of £2.14 (2009: £2.14). The weighted average share price at the date of exercise was £4.55.

Executive Share Option Scheme (ESOS)

Using the ESOS, awards of share options can be made to key management personnel and senior employees to receive shares in the entity. Share options are exercisable at the market price of the shares at the date of the grant.

Two grants under the ESOS were made before 7 November 2002. The recognition and measurement principles in IFRS 2 have been applied to all grants after 7 November 2002. They have not been applied to the two grants made prior to 7 November 2002 in accordance with the transitional provisions in IFRS 1 “First-time Adoption of International Financial Reporting Standards” and IFRS 2 “Share-based Payment”.

No awards were made under the ESOS scheme in 2009.

18. CALLED-UP SHARE CAPITAL (CONTINUED)

ESOS plan details

Note 1 Pre flotation options

On flotation, options over 33,750,000 (9%) ordinary shares were granted to the Executive Directors and 427 employees.

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 one third 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. At 31 December 2010, the performance conditions were met for 81.8% (2009: 81.8%) of the outstanding share price dependent options.

At 31 December 2010, 18.2% of the options remained unvested (2009: 18.2%). In order for these remaining options to have vested by 31 December 2010 a share price of £12.57 (2009: £10.96) would have been required.

At this stage it is not expected that the remaining 18.2% of options will vest prior to the awards lapsing on 31 March 2011.

Note 2 Grants post flotation

For grants since 2004, the performance condition is tested on the third anniversary and no retesting will occur thereafter. 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 of at least 3% per annum above the growth in the UK Retail Price Index. The respective base earnings per share for each grant are shown in the table on page 80.

For the 2010 share option grant for Executive Directors only, the vesting of awards will be subject to profit before tax performance conditions measured over a three year period. Vesting will occur on a phased basis, with 30% of the award vesting for threshold performance, increasing on a straight line basis to 100% of the award for maximum performance.

Share Option Scheme (SOS)

Note 3

Executive Directors of the Company are not eligible to participate in this scheme. Any exercises of awards made under this plan must be settled by market purchased shares.

This new scheme was created in 2009 to provide an effective plan under which to grant awards in 2009. It was the Board's view that grants made under the existing ESOS plan, which would have required an increase over the 2008 base earnings per share of at least 3% per annum above the growth in the UK Retail Price Index by 2011, would be achievable due to the impact of the global downturn on the Group's EPS and thus would not provide the required retention incentive.

The 2009 grant made under the SOS plan is subject to a performance condition that will be tested, initially, three years after the date of grant and then annually until either the entire grant has vested, or ten years from the date of the award have elapsed, in which case any awards outstanding under the grant will lapse. The performance condition is directly linked to the Group's Operating Profit. If Operating Profit is £30m then 30% of the award would vest. For every £1m of Operating Profit over £30m, a further 1% would vest. 100% of the award would vest if Operating Profit was £100m.

Share Option valuation and measurement

In 2010, options were granted on 9 March with the estimated fair values of the options granted on that day of £1.17. In 2009, options were granted on 9 March. The estimated fair values of the options granted on that date was £0.76.

Share options are granted under service and non-market performance conditions. These conditions are not taken into account in the fair value measurement at grant date. There are no market conditions associated with the share option grants other than those on the initial grant in 2001.

18. CALLED-UP SHARE CAPITAL

Share Option valuation and measurement

The options outstanding at 31 December 2010 have an exercise price in the range of 81.5 pence to 494.1 pence and a weighted average contractual life of 7.8 years. The fair values of options granted during the year were calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	Share Option Plans		Incentive Share Scheme		Deferred Bonus Shares	
	2010	2009	2010	2009	2010	2009
Share price (£)	3.82	1.88	–	1.88	–	1.88
Average exercise price (£)	3.82	1.91	–	Nil	–	Nil
Weighted average fair value (£)	1.17	0.76	–	1.88	–	1.88
Expected volatility	38%	63%	–	63%	–	63%
Expected life	5 years	5 years	–	3 years	–	2 years
Risk free rate	2.99%	2.19%	–	2.04%	–	1.46%
Expected dividend yield	2.10%	4.27%	–	Nil	–	Nil

Expected volatility was determined by reference to historical volatility of the Company's share price since flotation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Expectations of early exercise are incorporated into the Black-Scholes option pricing model.

The Group recognised total expenses of £10.0m (2009: £8.5m) related to equity-settled share-based payment transactions during the year.

Other share-based payment plans

The Company also operates an Incentive Share Plan for the Executive Directors and senior employees and an Annual Bonus Plan for the Executive Directors. Details of these schemes are disclosed on pages 50 and 51, and are settled by the physical delivery of shares, currently satisfied by shares held in the Employee Benefit Trust, to the extent that service and performance conditions are met.

19. RESERVES

Share premium

The share premium account has been established to represent the excess of the exercise share price over the nominal value of the shares on the exercise of share options.

Capital redemption reserve

The movement in the capital redemption reserve relates to the cancellation of the Company's own shares.

Reserve for shares held in the employee benefit trust

At 31 December 2010, the reserve for shares held in the employee benefit trust consisted of 18,955,701 ordinary shares (2009: 5,925,597 ordinary shares) held for the purpose of satisfying awards made under the Incentive Share Plan, the Annual Bonus Plan and the Share Option Scheme (SOS), representing 5.9% of the called-up share capital with a market value of £105.2m (2009: £22.5m).

A total of 6,941,429 shares have been allocated to satisfy share awards made under the Incentive Share Plan, 370,643 deferred shares have been allocated to the Annual Bonus Plan and 6,307,500 shares have been allocated to satisfy share options. Dividends are paid on 4,778,489 of these shares and they are included in the EPS calculation.

Following the allocation of awards made under the above mentioned plans, to date 5,336,129 ordinary shares remain unallocated in the reserve and there are 14,177,212 shares that are treated as non-dilutive and on which dividends are waived.

Currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are integral to the operations of the Company.

20. CASH FLOWS FROM OPERATING ACTIVITIES

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Profit before tax	100,656	21,068	45,030	73,567
Non-recurring income	(17,125)	–	(17,125)	–
Profit before tax and non-recurring income	83,531	21,068	27,905	73,567
Depreciation and amortisation charges	10,579	11,268	–	–
Loss on sale of property, plant and equipment, and computer software	151	383	–	–
Share scheme charges	10,049	8,491	–	–
Net finance (income)/expense - including NRI	(12,004)	(865)	(11,264)	332
Operating cash flow before changes in working capital and NRI	92,306	40,345	16,641	73,899
(Increase)/decrease in receivables	(41,107)	70,911	(79,404)	(90,895)
Increase/(decrease) in payables	30,451	(37,497)	111,361	62,070
Cash generated from underlying operations	81,650	73,759	48,598	45,074
Decrease/(increase) in VAT claim related receivables	8,972	(8,972)	8,972	(8,972)
(Decrease)/increase in VAT claim related payables	(49,990)	49,990	(49,990)	49,990
Non-recurring income	28,460	–	28,460	–
Cash generated from operations	69,092	114,777	36,040	86,092

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Cash at bank and in hand	73,178	127,293	–	–
Short-term deposits	7,353	9,935	–	–
Cash and cash equivalents	80,531	137,228	–	–
Bank overdrafts	–	(43)	–	(43)
Cash and cash equivalents in the statement of cash flows	80,531	137,185	–	(43)
Net funds/(debt)	80,531	137,185	–	(43)

The Group operates a multi-currency notional cash pool. Currently the main Eurozone subsidiaries and the UK-based Group Treasury subsidiary participate in this cash pool, although it is the Group's intention to extend the scope of the participation to other Group companies going forward. The structure facilitates interest and balance compensation of cash and bank overdrafts.

22. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

(i) credit risk

(ii) liquidity risk

(iii) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from clients and investment securities. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Trade and other receivables

Total trade receivables (net of allowances) held by the Group at 31 December 2010 amounted to £134.7m (2009: £100.2m).

An initial credit period is made available on invoices. No interest is charged on trade receivables from the date of the invoice during this credit period. Thereafter, interest is charged on the outstanding balance. The Group has provided fully for all receivables over 150 days because historical experience is such that receivables past due beyond 150 days are generally not recoverable. Trade receivables below 150 days are provided for based on estimated irrecoverable amounts from the provision of our services, determined by reference to past default experience.

Included in the Group's trade receivables balance are debtors with a carrying amount of £54.0m (2009: £37.4m) that are past due at the reporting date for which the Group has not provided as the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 41 days in excess of the initial credit period (2009: 40 days).

The ageing of trade receivables at the reporting date was:

	Gross trade receivables 2010 £'000	Provision 2010 £'000	Gross trade receivables 2009 £'000	Provision 2009 £'000
Not past due	81,685	982	62,942	167
Past due 0-30 days	38,755	162	27,880	85
Past due 31-150 days	16,145	718	11,466	1,839
More than 150 days	4,535	4,535	4,868	4,868
	141,120	6,397	107,156	6,959

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each client. The demographics of the Group's client base, including the country in which clients operate, also has an influence on credit risk. Less than 3% of the Group's revenue is attributable to sales transactions with a single client. The geographic diversification of the Group's revenue also reduces the concentration of credit risk.

The majority of the Group's clients have been transacting with the Group for several years, with losses rarely occurring. In monitoring client credit risk, clients are grouped according to their credit characteristics, including geographic location, industry, ageing profile, maturity and existence of previous financial difficulties.

Movement in the allowance for doubtful debts

	2010 £'000	2009 £'000
Balance at beginning of the year	6,959	7,708
Impairment losses recognised on receivables	6,370	8,665
Amounts written off as uncollectable	(1,279)	(1,932)
Amounts recovered during the year	(3,062)	(4,131)
Impairment losses reversed	(2,591)	(3,351)
Balance at end of the year	6,397	6,959

The majority of the allowance for doubtful debts are individually impaired trade receivables with a balance of £3.2m (2009: £3.4m) which have been placed in litigation, as well as a further provision for debts of 150 days and over.

The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The Group does not hold any collateral over these balances.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Exposure to credit risk

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying amount 2010 £'000	2009 £'000
EMEA	68,043	55,783
United Kingdom	40,142	28,705
Asia Pacific	15,098	9,384
Americas	11,440	6,325
	134,723	100,197

The maximum exposure to credit risk for accrued income at the reporting date by geographic region was:

	Carrying amount 2010 £'000	2009 £'000
EMEA	1,079	586
United Kingdom	8,713	5,830
Asia Pacific	5,983	3,577
Americas	3,026	1,183
	18,801	11,176

The entire accrued income balance is not past due. The fair values of trade and other receivables are not materially different to those disclosed above and in note 14. There is no material effect on pre-tax profit if the instruments are accounted for at fair value or amortised cost.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework that aims to ensure that the Group has sufficient cash or credit facilities at all times to meet all current and forecast liabilities as they fall due. It is the Directors' intention to continue to finance the activities and development of the Group from retained earnings.

Cash surpluses are invested in short-term deposits, with any working capital requirements being provided from Group cash resources, Group facilities, or by local overdraft facilities. Cash generated in excess of these requirements will be used to buy back the Company's shares. The Group also operates a multi-currency notional cash pool to facilitate interest and balance compensation of cash and bank overdrafts.

The following are the contractual maturities of financial liabilities.

	Carrying amount			
2010	Less than 1 month £'000	1-3 months £'000	3-12 months £'000	More than 12 months £'000
Trade payables	5,625	3,010	456	–
Accruals and other payables	37,597	24,885	25,386	4,156
Bank overdraft	–	–	–	–

	Carrying amount			
2009	Less than 1 month £'000	1-3 months £'000	3-12 months £'000	More than 12 months £'000
Trade payables	5,360	1,728	216	_
Accruals and other payables	26,849	71,327	13,425	2,881
Bank overdraft	43	–	–	–

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Market risk and sensitivity analysis

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates, but these risks are not deemed to be material. However, a sensitivity analysis showing hypothetical fluctuations in Pounds Sterling against the Group's main exposure currencies is shown on page 87. There has been no material change in the Group's exposure to market risks or the manner in which it manages and measures the risk.

For additional information on market risk, refer to 'Treasury management and currency risk' in the Business Review.

Interest rate risk management

Borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Group does not consider this risk as significant. The benchmark rates for determining floating rate liabilities are based on relevant national LIBOR equivalents.

The average interest rate paid on bank overdrafts was 1.82% (2009: 2.4%).

Currency rate risk

We publish our results in Pounds Sterling and conduct our business in many foreign currencies. As a result, we are subject to foreign currency exchange risk due to exchange rate movements. We are exposed to foreign currency exchange risk as a result of transactions in currencies other than the functional currencies of some of our subsidiaries and the translation of the results and underlying net assets of our foreign subsidiaries.

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.

In certain cases, where the Group gives or receives short-term loans to and from other Group companies with different reporting currencies, it may use foreign exchange swap derivative financial instruments to manage the currency and interest rate exposure that arises on these loans. It is the Group's policy not to seek to designate these derivatives as hedges.

All derivative financial instruments not in a hedge relationship are classified as derivatives at fair value through the income statement. The group does not use derivatives for speculative purposes. All transactions in derivative financial instruments are undertaken to manage the risks arising from underlying business activities.

Information on the fair value of derivative financial instruments held at the balance sheet date is shown in the table below.

	Contract amounts		Derivatives at fair value	
Derivatives Financial Instruments	2010 £m	2009 £m	2010 £m	2009 £m
Derivative Assets	30.8	10.0	31.1	10.0
Derivative Liabilities	30.8	(10.0)	30.9	(10.1)

Sensitivity analysis - currency risk

A 10 percent strengthening of Sterling against the following currencies at 31 December would have increased/(decreased) equity and profit or loss by the amounts shown on page 87. This analysis is applied currency by currency in isolation, i.e. ignoring the impact of currency correlation, and assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2009.

The amounts generated from the sensitivity analysis are forward-looking estimates of market risk assuming certain adverse market conditions occur. Actual results in the future may differ materially from those projected, due to developments in the global financial markets which may cause fluctuations in interest and exchange rates to vary from the hypothetical amounts disclosed in the table below, which therefore should not be considered a projection of likely future events and losses.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis - currency risk (continued)

	2010 Equity £'000	PBT £'000
Euro	(2,816)	287
Australian Dollar	(1,799)	(819)
Swiss Franc	(1,879)	(751)
Hong Kong Dollar	(642)	(369)
Brazilian Real	(1,333)	(743)
United States Dollar	356	618
Other	(1,609)	(656)

	2009 Equity £'000	PBT £'000
Euro	(3,915)	5,167
Australian Dollar	(1,342)	1,317
Hong Kong Dollar	(706)	486
Swiss Franc	(492)	711
Brazilian Real	(1,035)	25
United States Dollar	169	641
Other	(783)	950

A 10 percent weakening of sterling against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

23. COMMITMENTS

Operating lease commitments

At 31 December 2010 the Group was committed to make the following payments in respect of non-cancellable operating leases:

	Land and buildings		Other	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Leases which expire:				
Within one year	2,758	1,677	1,150	316
Within two to five years	32,566	38,034	3,942	4,901
After five years	54,174	55,386	–	–
	89,498	95,097	5,092	5,217

The Group leases various offices under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The Group also leases various plant and machinery under operating lease agreements. The Group is required to give a varying notice for the termination of these agreements.

Capital commitments

The Group had contractual capital commitments of £1.2m as at 31 December 2010 (2009: £0.1m) relating to property, plant and equipment. The Group had contractual capital commitments of £2.0m as at 31 December 2010 (2009: £1.6m) relating to computer software.

24. CONTINGENT LIABILITIES

The Company has provided guarantees to other Group undertakings amounting to £80k (2009: £2.3m) in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.

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 2010 amounted to £4.6m (2009: £2.6m).

25. EVENTS AFTER THE BALANCE SHEET DATE

Between 31 December 2010 and 4 March 2011, 114,007 options were exercised, leading to an increase in share capital of £1,140 and an increase in share premium of £234,422.

26. RELATED PARTY TRANSACTIONS

Identity of related parties

The Group has a related party relationship with its Directors and members of the Executive Board, and subsidiaries (Note 13).

Transactions with key management personnel

Key management personnel are deemed to be the Directors and members of the Executive Board. The remuneration of Directors and members of the Executive Board is determined by the Remuneration Committee having regard to the performance of individuals and market trends. For transactions with Directors see the Remuneration Report on pages 48 to 55. Over and above these transactions, equity settled transactions for the year were £1.6m (2009: £1.1m). Transactions with the remaining members of the Executive Board are disclosed below:

	2010 £'000	2009 £'000
Short-term employee benefits	1,853	1,822
Pension costs - defined contribution plans	91	112

The decrease in emoluments in the current year represents a decrease in the bonus award.

In addition to their salaries, the Group also provides non-cash benefits to members of the Executive Board, and contributes to a post-employment defined contribution pension plan on their behalf, details of which are given in Note 1.

Transactions between the Group and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the parent company and subsidiary undertakings are shown below.

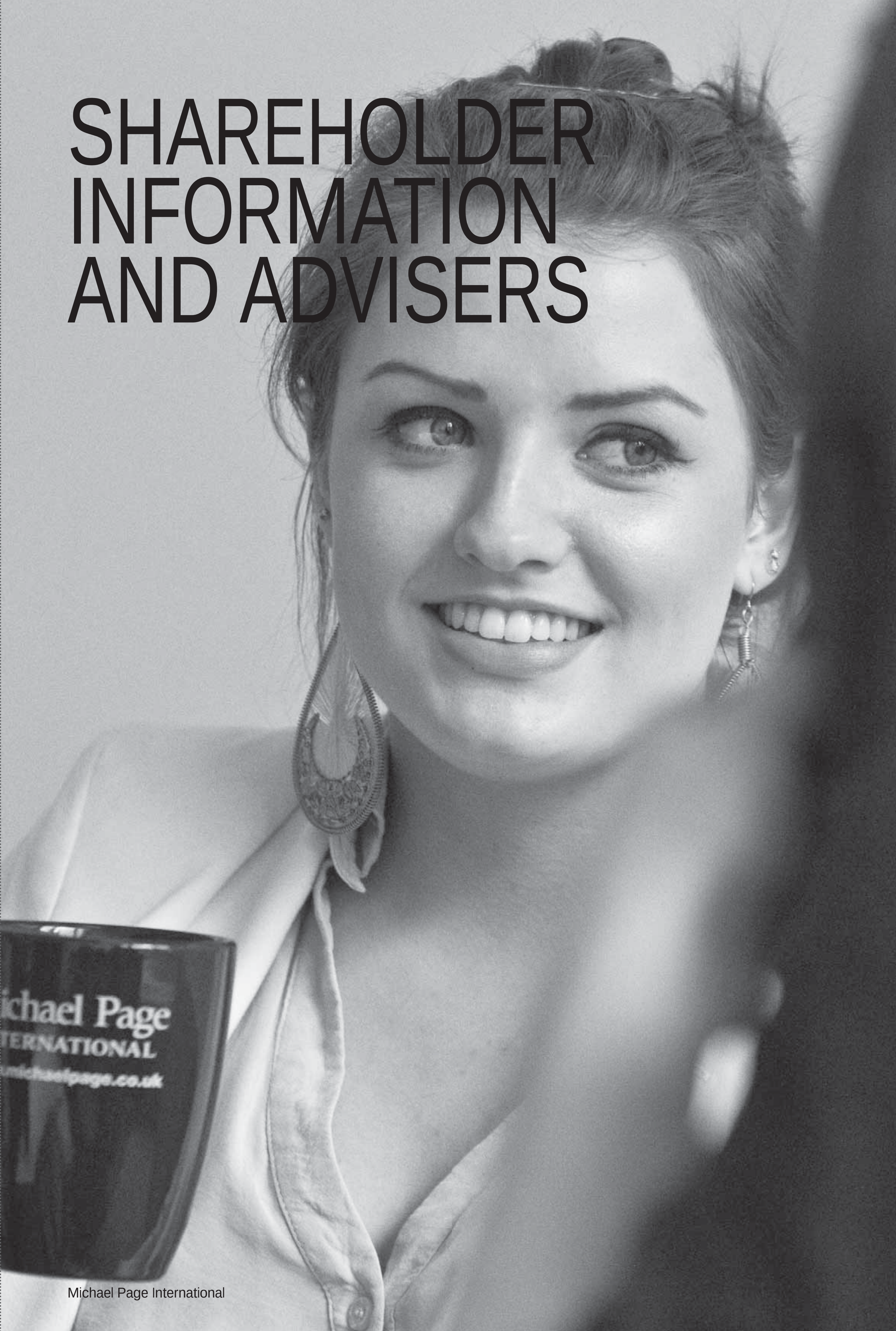
	Dividends received		Amounts owed by related parties		Amounts owed to related parties	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000	2010 £'000	2009 £'000
	17,671	75,965	552,102	472,676	510,819	400,476

5-YEAR SUMMARY

	2006 £'000	2007 £'000	2008 £'000	2009 £'000	2010 £'000
Revenue	649,060	831,640	972,782	716,722	832,296
Gross profit	348,817	478,094	552,702	351,694	442,207
Operating profit	97,367	149,432	140,501	20,203	88,652*
Profit before tax	96,959	147,441	140,056	21,068	100,656*
Profit attributable to equity holders	65,447	101,734	97,339	12,430	67,484*
Conversion	27.9%	31.3%	25.4%	5.7%	20.0%*
Basic earnings per share (pence)	19.6	31.1	30.3	3.9	21.6*

*Includes non-recurring items (Note 5).

SHAREHOLDER INFORMATION AND ADVISERS



ANNUAL GENERAL MEETING

To be held on 20 May 2011 at 12.00 noon at Page House, The Bourne Business Park, 1 Dashwood Lang Road, Addlestone, Weybridge, Surrey, KT15 2QW. Every shareholder is entitled to attend and vote at the meeting.

FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2010

To be paid (if approved) on 6 June 2011 to shareholders on the register on 6 May 2011.

COMPANY SECRETARY

Kelvin Stagg

COMPANY NUMBER

3310225

REGISTERED OFFICE, DOMICILE AND LEGAL FORM

The Company is a limited liability company incorporated and domiciled within the United Kingdom.
The address of its registered office is:

Page House, The Bourne Business Park, 1 Dashwood Lang Road, Addlestone, Weybridge, Surrey KT15 2QW.

Tel: 01932 264144
Fax: 01932 264297

Auditor

Deloitte LLP
Chartered Accountants
2 New Street Square
London EC4A 3BZ

Solicitors

Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2HS

Registrars

Capita Registrars Ltd
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Joint Corporate Brokers

Citigroup
33 Canada Square
Canary Wharf
London E14 5LB

Deutsche Bank
Winchester House
1 Great Winchester Street
London EC2N 2DB

Bankers

HSBC Bank plc
West End Business
Banking Centre
70 Pall Mall
London SW1Y 5GZ

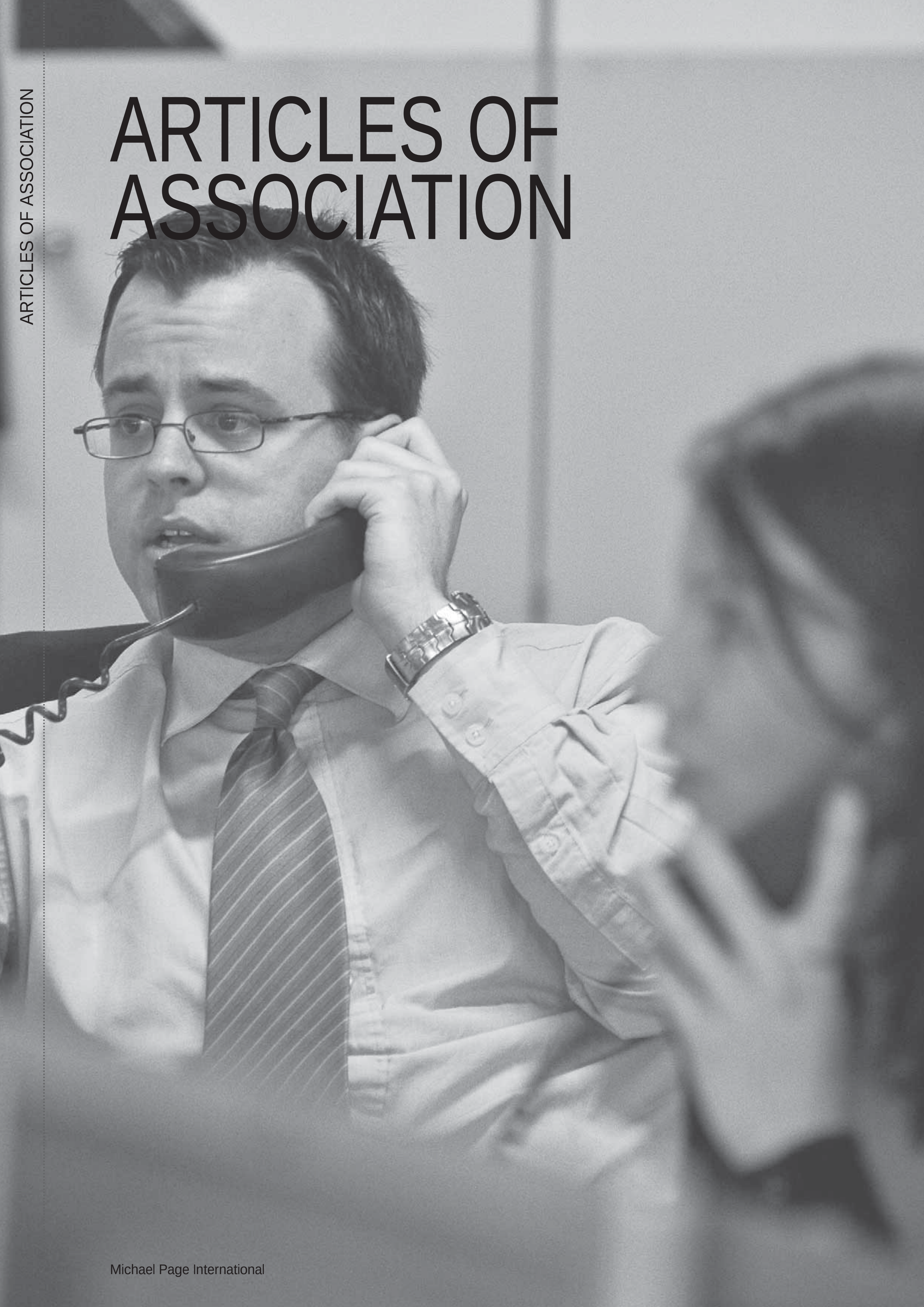
ABN AMRO Bank N.V.
Corporate Clients
De Entree 99
1101 HE Amsterdam
The Netherlands

KEY DATES

Ex-Dividend date	4 May 2011
Record date	6 May 2011
Annual General Meeting	20 May 2011
Payment of proposed final ordinary dividend	6 June 2011
Interim results announcement	15 August 2011

ARTICLES OF ASSOCIATION

ARTICLES OF ASSOCIATION



Michael Page International

The following summarises certain provisions of the Company's Articles of Association (as adopted on 21 May 2010) and applicable English Law. The summary is qualified in its entirety by reference to the Companies Act 2006 of Great Britain (the "Act"), as amended, and the Company's Articles of Association.

Under the Act, the Memorandum of Association of the Company has now become a document of record, and no longer contains any operative provisions.

INCORPORATION

The Company is incorporated under the name Michael Page International plc and is registered in England and Wales with registered number 3310225.

SHARE CAPITAL

The Act abolished the concept of, and requirement for a company to have, an authorised share capital. As such, the Company no longer has an authorised share capital.

ALTERATION OF CAPITAL

The Company may from time to time by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) sub-divide its shares, or any of them, into shares of a smaller amount than its existing shares; and

(c) determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others.

Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account, in any way.

PURCHASE OF OWN SHARES

Subject to the provisions of the Act, the Company may purchase its own shares, including redeemable shares. The Company proposes to renew its authority to purchase its own shares for another year in item 17 of the Annual General Meeting notice.

GENERAL MEETINGS AND VOTING RIGHTS

The Directors may call general meetings whenever and at whatever time and location they so determine. Subject to the provisions of the Act, an annual general meeting and all general meetings (which shall be called extraordinary general meetings) shall be called by at least 21 clear days' notice. Subject to the provisions of the Act, the Company may resolve to reduce the notice period for general meetings (other than annual general meetings) to 14 days on an annual basis. The Company proposes to renew its authority to hold general meetings on 14 days' notice for another year in item 18 of the Annual General Meeting notice. Two persons entitled to vote upon the business to be transacted shall be a quorum.

The Articles of Association provide that subject to any rights or restrictions attached to any shares, on a show of hands every member and every duly appointed proxy present shall have one vote. Every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to. On a poll every member present in person or by a duly appointed proxy or corporate representative shall have one vote for every share of which he is a holder or in respect of which his appointment as proxy or corporate representative has been made. No member shall be entitled to vote in respect of any share held by him if any call or other sum payable by him to the Company remains unpaid.

If a member or any person appearing to be interested in shares held by a member has been duly served with a notice under the Act and is in default for the prescribed period in supplying to the Company information thereby required, unless the Directors otherwise determine, the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general or class meeting of the Company or on any poll or to exercise any other right conferred by membership in relation to such meeting or poll. In certain circumstances, any dividend due in respect of the default shares shall be withheld and certain certificated transfers may be refused.

A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and speak and vote at a meeting of the Company. A proxy need not be a member. A member may appoint more than one proxy to attend on the same occasion. This does not preclude the member from attending and voting at the meeting or at any adjournment of it.

LIMITATIONS AND NON-RESIDENT OR FOREIGN SHAREHOLDERS

English law treats those persons who hold the shares and are neither UK residents nor nationals in the same way as UK residents or nationals. They are free to own, vote on and transfer any shares they hold.

VARIATION OF RIGHTS

If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class of may be varied either:

(a) in such manner (if any) as may be provided by those rights; or

(b) in the absence of any such provision, with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class,

but not otherwise, and may be so varied either whilst the Company is a going concern or during, or in contemplation of, a winding-up. At every such separate general meeting the necessary quorum shall be at least two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares), save that at any adjourned meeting any holder of shares of the class (other than treasury shares) present or by proxy shall be a quorum. Unless otherwise expressly provided by the rights attached to any class of shares, those rights shall be deemed not to be varied by the purchase by the Company of any of its own shares or the holding of such shares as treasury shares.

DIVIDEND RIGHTS

Holders of the Company's ordinary shares may by ordinary resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors. If, in the opinion of the Directors, the profits of the Company available for distribution justify such payments, the Directors may, from time to time, pay interim dividends on the shares of such amounts and on such dates and in respect of such periods as they think fit. The profits of the Company available for distribution and resolved to be distributed shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid. The members may, at a general meeting declaring a dividend upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of specific assets.

No dividend shall be paid otherwise than out of profits available for distribution as specified under the provisions of the Act.

Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall, if the Directors so resolve, be forfeited and shall revert to the Company.

CALLS ON SHARES

Subject to the terms of allotment, the Directors may make calls upon members in respect of any amounts unpaid on their shares (whether in respect of nominal value or premium) and each member shall pay to the Company as required by the notice the amount called on his shares.

TRANSFER OF SHARES

Any member may transfer all or any of his shares in certificated form by instrument of transfer in the usual common form or in any other form which the Directors may approve. The transfer instrument shall be signed by or on behalf of the transferor and, except in the case of fully-paid shares, by or on behalf of the transferee.

Where any class of shares is for the time being a participating security, title to shares of that class which are recorded as being held in uncertificated form, may be transferred (to not more than four transferees) by the relevant system concerned.

The Directors may in their absolute discretion refuse to register any transfer of shares (being shares which are not fully paid or on which the Company has a lien), provided that if the share is listed on the Official List of the UK Listing Authority such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

The Directors may also refuse to register a transfer of shares (whether fully paid or not) unless the transfer instrument:

(a) is lodged at the registered office, or such other place as the Directors may appoint, accompanied by the relevant share certificate(s);

(b) is in respect of only one class of share; and

(c) is in favour of not more than four transferees.

The Directors of the Company may refuse to register the transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirements) under the Uncertificated Securities Regulations 2001 to register the transfer.

DIRECTORS

The Company's Articles of Association provide for a Board of Directors, consisting of (unless otherwise determined by the Company by ordinary resolution) not fewer than two Directors, who shall manage the business of the Company. The Directors may exercise all the powers of the Company, subject to the provisions of the Articles of Association and any directions given by special resolution. If the quorum is not fixed by the Directors, the quorum shall be two.

Subject to the provisions of the Company's Articles of Association, the Directors may delegate any of their powers:

(a) to such person or committee;

(b) by such means (including power of attorney);

(c) to such an extent;

(d) in relation to such matters or territories; and

(e) on such terms and conditions

as in each case they think fit, and such delegation may include authority to sub-delegate all or any of the powers delegated, may be subject to conditions and may be revoked or varied.

The Directors may also, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the Directors, to be the agent of the Company for such purposes and subject to such conditions as they think fit, and may delegate any of their powers to such an agent.

The Articles of Association place a general prohibition on a Director voting on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through the Company), unless his interest arises only because the case falls within one or more of the following:

(a) the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any of its subsidiary undertakings;

(b) the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;

(c) the giving to him of any other indemnity which is on substantially the same terms as indemnities given or to be given to all of the other directors and/or the funding by the Company of this expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors have been given or are to be given substantially the same arrangements;

(d) the purchase or maintenance for any director or directors of insurance against liability;

(e) his interest arises by virtue of his being, or intending to become a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of the Company for subscription, purchase or exchange;

(f) any arrangement for the benefit of the employees and directors and/or former employees and former directors of the Company or any of its subsidiaries and/or the members of their families or any person who is or was dependent on such persons, including but without being limited to a retirement benefits scheme and an employees' share scheme, which does not accord to him any privilege or advantage not generally accorded to employees and/or former employees to whom the arrangement relates; and

(g) any transaction or arrangement with any other company in which he is interested, directly or indirectly (whether as a director or shareholder or otherwise), provided that he is not the holder of or beneficially interested in at least one per cent of any class of shares of that company (or of any other company through which his interest is derived), and is not entitled to exercise at least one per cent of the voting rights available to members of the relevant company.

If a question arises at a Directors' meeting as to the right of a Director to vote, the question may be referred to the Chairman of the meeting (or if the Director concerned is the Chairman, to the other Directors at the meeting), and his ruling in relation to any Director (or, as the case may be, the ruling of the majority of the other Directors in relation to the Chairman) shall be final and conclusive.

The Act requires a Director of a company who is in any way interested in a proposed transaction or arrangement with the company to declare the nature of his interest at a meeting of the Directors of the company (save that a director need not declare an interest if it cannot reasonably be regarded as giving rise to a conflict of interest). The definition of "interest" includes the interests of spouses, civil partners, children, companies and trusts.

BORROWING POWERS OF THE DIRECTORS

The Directors shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group), shall not at any time, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to three times the aggregate of:

(a) the amount paid up on the share capital of the Company; and

(b) the total of the capital and revenue reserves of the Group, including any share premium account, capital redemption reserve, capital contribution reserve and credit balance on the profit and loss account, but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiary undertakings of the Company and deducting any debit balance on the profit and loss account, all as shown in the latest audited consolidated balance sheet and profit and loss account of the Group, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account of the Company since the date of that balance sheet and further adjusted as may be necessary to reflect any change since that date in the companies comprising the Group.

DIRECTOR'S APPOINTMENT, RETIREMENT AND REMOVAL

At each annual general meeting, there shall retire from office by rotation:

(a) all Directors of the Company who held office at the time of the two preceding annual general meetings and who did not retire by rotation at either of them; and

(b) such additional number of Directors as shall, when aggregated with the number of Directors retiring under paragraph (a) above, equal either one third of the number of Directors, in circumstances where the number of Directors is three or a multiple of three, or in all other circumstances, the whole number which is nearest to but does not exceed one-third of the number of Directors (the "Relevant Proportion") provided that:

   (i) the provisions of this paragraph (b) shall only apply if the number of Directors retiring under paragraph (a) above is less than the Relevant Proportion; and

   (ii) subject to the provisions of the Act and to the relevant provisions of these Articles of Association, the Directors to retire under this paragraph (b) shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

If the Company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless a resolution not to fill the vacancy or not to reappoint that Director is passed.

In addition to any power of removal under the Act, the Company may, by special resolution, remove a director before the expiration of his period of office (without prejudice to any claim for damages for breach of any contract of service between the director and the Company) and, subject to the Articles of Association, may by ordinary resolution, appoint another person who is willing to act as a director, and is permitted by law to do so, to be a director instead of him. The newly appointed person shall be treated, for the purposes of determining the time at which he or any other director is to retire as if he had become a director on the day on which the director in whose place he is appointed was last appointed or reappointed as a Director.

A Director shall be disqualified from holding office as soon as:

(a) that person ceases to be a director under the provisions of the Act or is prohibited by law from being a Director;

(b) a bankruptcy order is made against that person;

(c) a composition is made with that person's creditors generally in satisfaction of that person's debts;

(d) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;

(e) notification is received by the Company from that person that he is resigning or retiring from his office as director, and such resignation or retirement has taken effect in accordance with its terms;

(f) in the case of an Executive Director, his appointment as such is terminated or expires and the Directors resolve that he should cease to be a Director;

(g) that person is absent from Directors' meetings for more than six consecutive months (without permission of the other Directors) and the Directors resolve that he should cease to be a Director; or

(h) a notice in writing is served on him signed by all the Directors stating that that person shall cease to be a Director with immediate effect.

There is no requirement of share ownership for a Director's qualification.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Subject to the Act, the Articles of Association of the Company can be altered by special resolution of the members.

WINDING-UP

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law:

(a) divide among the members in kind the whole or any part of the assets of the Company and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out between the members; and

(b) vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit, but no member shall be compelled to accept any assets upon which there is a liability.

ANNUAL GENERAL MEETING

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at Page House, The Bourne Business Park, 1 Dashwood Lang Road, Addlestone, Weybridge, Surrey, KT15 2QW on 20 May 2011 at 12.00 noon for the following purposes:

1. To receive the accounts and the reports of the directors and the auditors for the year ended 31 December 2010.
2. To declare a final dividend on the ordinary share capital of the Company for the year ended 31 December 2010 of 6.12p per share.
3. To re-elect Sir Adrian Montague as a director of the Company (Note 8).
4. To re-elect Steve Ingham as a director of the Company (Note 8).
5. To re-elect Charles-Henri Dumon as a director of the Company (Note 8).
6. To re-elect Ruby McGregor-Smith as a director of the Company (Note 8).
7. To re-elect Dr. Tim Miller as a director of the Company (Note 8).
8. To re-elect Stephen Puckett as a director of the Company (Note 8).
9. To re-elect Hubert Reid as a director of the Company (Note 8).
10. To elect Reg Sindall as a director of the Company (Note 8).
11. To propose the following ordinary resolution:

    That the Directors' Remuneration Report for the year ended 31 December 2010 be received and approved.
12. To re-appoint Deloitte LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.
13. To authorise the directors to determine the remuneration of the auditors.
14. To propose the following ordinary resolution (Note 9):

    That in accordance with section 366 and 367 of the Companies Act 2006 (the '2006 Act') the Company, and all companies that are subsidiaries of the Company at the date on which this Resolution 14 is passed or during the period when this Resolution 14 has effect, be generally and unconditionally authorised to:

    (a) make political donations to political parties (or independent election candidates), as defined in the 2006 Act, not exceeding £25,000 in total;

    (b) make political donations to political organisations other than political parties, as defined in the 2006 Act, not exceeding £25,000 in total; and

    (c) incur political expenditure, as defined in the 2006 Act, not exceeding £25,000 in total;

    during the period commencing on the date of passing this resolution and ending on the date of the next Annual General Meeting of the Company provided that the authorised sum referred to in paragraphs (a), (b) and (c) above, may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sum, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or the first business day thereafter) or, if earlier, on the day in which the Company enters into any contract or undertaking in relation to the same provided that, in any event, the aggregate amount of political donations and political expenditure made or incurred by the Company and its subsidiaries pursuant to this Resolution shall not exceed £75,000.
15. To propose the following ordinary resolution (Note 10):

    That the directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £1,062,543, provided that this authority, shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on 20 August 2012, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or Rights to be granted after such expiry and the directors shall be entitled to allot shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired; and all unexercised authorities previously granted to the directors to allot shares and grant Rights be and are hereby revoked.
16. To propose the following special resolution (Note 11):

    That the directors be and they are hereby empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash either pursuant to the authority conferred by Resolution 15 above or by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment provided that this power shall be limited to:

(a) the allotment of equity securities in connection with an offer of securities in favour of the holders of ordinary shares on the register of members at such record date as the directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held or deemed to be held by them on any such record date, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter; and

(b) the allotment (otherwise than pursuant to sub-paragraph (a) of this Resolution 16) to any person or persons of equity securities up to an aggregate nominal amount of £160,991, and shall expire upon the expiry of the general authority conferred by Resolution 15 above, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

17. To propose the following special resolution (Note 12):

That the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 1p each of the Company on such terms and in such manner as the directors may from time to time determine, provided that:

(a) the maximum number of ordinary shares hereby authorised to be acquired is 32,198,282 representing approximately 10% of the issued ordinary share capital of the Company as at 15 April 2011;

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

(c) the maximum price which may be paid for any such ordinary share does not exceed either;

(i) where the Company makes market purchases (either directly or through a broker), 105% of the average of the middle market quotations for an ordinary share in the Company as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; or

(ii) £8.00, in circumstances where the Company makes market purchases of ordinary shares as part of a share purchase programme entered into with a third party executing dealer where that executing dealer acquires ordinary shares as principal for delivery to the Company.

(d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting or 20 August 2012 whichever is earlier unless previously renewed, varied or revoked by the Company in general meeting; and

(e) the Company may make a contract to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its ordinary shares in pursuance of any such contract.

18. To propose the following special resolution (Note 13):

That a General Meeting other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

The Board consider that all the proposals to be considered at the Annual General Meeting are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount to 2,275,682 shares representing 0.7% of the existing issued share capital of the Company (excluding treasury shares).

By order of the Board

Kelvin Stagg
Company Secretary

Michael Page International plc
Page House, 1 Dashwood Lang Road
Addlestone, Weybridge, Surrey, KT15 2QW
Registered in England No. 3310225

15 April 2011

NOTES

1. A member entitled to attend and vote at the meeting (the 'Meeting') may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. A proxy does not need to be a member of the Company, but must attend the Meeting to represent you. Your proxy will vote as you instruct and must attend the Meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the Meeting and voting in person. If you attend the Meeting in person, your proxy appointment will automatically be terminated.
3. A proxy form which may be used to make this appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, please contact Capita Registrars on, 0871 664 0300 (calls cost 10p per minute plus network extras) lines are open Monday to Friday, 8.30am to 5.30pm. If you require additional copies you may photocopy the proxy.
4. In order to be valid an appointment of proxy must be returned (together with any authority under which it is executed or a copy of the authority certified (or in some other way approved by the directors)) by one of the following methods:
   - in hard copy form by post, by courier or by hand to the Company's Registrar, at, PXS, 34 Beckenham Road, Beckenham BR3 4TU;
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in Note 6 below; or

   and in each case must be received by the Company not less than 48 hours before the time of the Meeting.
5. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy can not be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website (www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number – RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

8. Resolutions 3 to 10 – election/re-election of directors

   Resolutions 3 to 10 deal with the election/re-election of the directors in accordance with the UK Corporate Governance Code (which has replaced the Combined Code on Corporate Governance). The Governance Code provides for all directors of FTSE 350 companies to be subject to election/re-election by their shareholders every year. The Governance Code applies on a “comply or explain” basis and applies to financial years beginning on or after 29 June 2010. Accordingly, in keeping with the Board’s aim of following best corporate practice, each member of the board is standing for re-election, and in the case of Reg Sindall for election, by the shareholders for the first time at this year’s Annual General Meeting. Biographical information on each of the directors is contained on pages 32 and 33 of the Annual Report and Accounts. The Chairman confirms that, following formal performance evaluation, all directors standing for election/re-election continue to perform effectively and demonstrate commitment to the role.

9. Resolution 14 - political donations:

   For the purpose of this resolution, ‘political donations’, ‘political organisations’ and ‘political expenditure’ have the meanings given to them in Section 363-365 of the 2006 Act.

   In accordance with its Business Principles, it is the Company’s policy not to make contributions to political parties. There is no intention to change it. However, what constitutes a ‘political party’, a ‘political organisation’, ‘political donations’ or ‘political expenditure’ under the Companies Act 2006 is not easy to decide as the legislation is capable of wide interpretation. Sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, among other things, may fall within this. Therefore, notwithstanding that the Company has not made a political donation in the past, and has no intention of, either now or in the future, making any political donation or incurring any political expenditure in respect of any political party, political organisation or independent election candidate, the Board has decided to put forward Resolution 14 to renew the authority granted by shareholders at the last Annual General Meeting of the Company. This will allow the Company to continue to support the community and put forward its views to wider business and Government interests without running the risk of being in breach of the law. As permitted under the 2006 Act, Resolution 14 has also been extended to cover any of these activities by the Company’s subsidiaries.

10. Resolution 15 - directors’ authority to allot shares:

    If passed, Resolution 15 will give the directors authority to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £1,062,543 representing approximately 33% of the Company’s issued ordinary share capital (excluding treasury shares) as at 15 April 2011 (the latest practicable date before publication of this notice). This power will last until the conclusion of the next Annual General Meeting in 2012.

    The directors have no present intention of exercising this authority.

    As at the date of this letter the Company does not hold any ordinary shares in the capital of the Company in treasury.

11. Resolution 16 – disapplication of pre-emption rights:

    Resolution 16 will give the directors authority to allot shares in the capital of the Company pursuant to the authority granted under Resolution 15 for cash without complying with the pre-emption rights in the Companies Act 2006 in certain circumstances. This authority will permit the directors to allot:

    (a) shares up to a nominal amount of £1,062,543 , (representing one-third of the Company’s issued share capital) on an offer to existing shareholders on a pre-emptive basis (in each case subject to adjustments for fractional entitlements and overseas shareholders as the directors’ see fit); and

    (b) shares up to a maximum nominal value of £160,991, representing approximately 5% of the issued ordinary share capital of the Company as at 15 April 2011 (the latest practicable date prior to publication of this notice) otherwise than in connection with an offer to existing shareholders.

    The directors have no present intention of exercising this authority.

    The directors confirm their intention to follow the provisions of the Pre-emption Group’s Statement of Principles regarding cumulative usage of authorities within a rolling three-year period. The Principles provide that companies should not issue for cash shares representing in excess of 7.5% of the Company’s issued share capital in any rolling three-year period, other than to existing shareholders, without prior consultation with shareholders.

12. Resolution 17 – buyback authority:

Resolution 17 gives the Company authority to buy back its own ordinary shares in the market as permitted by the Companies Act 2006. The authority limits the number of shares that could be purchased to a maximum of 32,198,282 (representing approximately 10% of the Company's issued ordinary share capital (excluding treasury shares) as at 15 April 2011 (the latest practicable date prior to publication of this notice)) and sets minimum and maximum prices. This authority will expire at the conclusion of the Annual General Meeting of the Company in 2012.

The Company may implement a purchase of ordinary shares pursuant to an arrangement entered into with a third party executing dealer where that executing dealer acquires ordinary shares as principal for delivery to the Company. Resolution 17 stipulates that, in the case, the maximum price which may be paid by the Company for the shares is £8.00. This maximum amount has been set to give the Company flexibility to make market purchases using this arrangement and the actual price paid by the Company may be less than this. If shares were purchased in this way, the arrangement with the executing dealer would provide that the actual price per ordinary share paid by the Company would not be more than the average of the volume weighted average price at which the Company's ordinary shares trade over a specific period to be agreed by the Company and the executing dealer being the period during which the executing dealer may make purchases of ordinary shares for delivery to the Company. This would be subject to a maximum price of £8.00 or such lesser amount as the Company and the executing dealer may agree. The actual price paid by the Company may also be subject to a minimum price as the Company and the executing dealer may agreed. The price paid by the executing dealer for the ordinary shares acquired by it for delivery to the Company would not be more than (a) 105 per cent of the average of the middle market quotations for the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days before the purchase is made by the executing dealer and (b) the higher of the price of the last independent trade and the highest current independent bid on the market where the purchase is carried out.

The directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The authority will be exercised only if the directors believe that to do so would result in an increase in earnings per share and would be in the interests of shareholders generally. Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange.

Listed companies purchasing their own shares are allowed to hold them in treasury as an alternative to cancelling them. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares.

If Resolution 17 is passed at the Meeting, it is the Company's current intention to cancel all of the shares it may purchase pursuant to the authority granted to it. However, in order to respond properly to the Company's capital requirements and prevailing market conditions, the directors will need to reassess at the time of any and each actual purchase whether to hold the shares in treasury or cancel them, provided it is permitted to do so.

As at 15 April 2011 (the latest practicable date prior to the publication of this notice), there were warrants and options over 26,271,063 ordinary shares in the capital of the Company representing 8.2% of the Company's issued ordinary share capital (excluding treasury shares). If the authority to purchase the Company's ordinary shares was exercised in full, these options would represent 9.1% of the Company's issued ordinary share capital (excluding treasury shares).

13. Resolution 18 – length of notice for general meetings:

This is a resolution to allow the Company to hold general meetings (other than Annual General Meetings) on 14 days notice.

Before the introduction of the Companies (Shareholders' Rights) Regulations 2009 on 3 August 2009, the minimum notice period permitted by the 2006 Act for general meetings (other than annual general meetings) was 14 days. One of the amendments made to the 2006 Act by the Shareholders' Rights Regulations was to increase the minimum notice period for general meetings of listed companies to 21 days, but with an ability for companies to reduce this period back to 14 days (other than for annual general meetings) provided that two conditions are met. The first condition is that the Company offers a facility for shareholders to vote by electronic means. This condition is met if the Company offers a facility, accessible to all shareholders, to appoint a proxy by means of a website. The second condition is that there is an annual resolution of shareholders approving the reduction of the minimum notice period from 21 days to 14 days.

The Board is therefore proposing Resolution 18 as a special resolution to approve 14 days as the minimum period of notice for all general meetings of the Company other than annual general meetings. The approval will be effective until the Company's next annual general meeting, when it is intended that the approval be renewed. The Board will consider on a case by case basis whether the use of the flexibility offered by the shorter notice period is merited, taking into account the circumstances, including whether the business of the meeting is time sensitive.

14. To have the right to attend and vote (whether in person or by proxy) at the Meeting or adjourned 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 6.00pm on 18 May 2011 (or if the Meeting is adjourned, at 6.00pm on the date which is two days prior to the adjourned 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.
15. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
16. As at 15 April 2011 (being the latest business day prior to the publication of this notice), the Company's issued share capital consists of 321,982,816 ordinary shares. The Employee Benefit Trust holds 14,407,545 ordinary shares of the Company carrying no voting rights. No shares are held in treasury. Therefore the total voting rights in the Company are 307,575,271.
17. The contents of this notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Meeting, details of the totals of the voting rights that members are entitled to exercise at the Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website: http://investors.michaelpage.com.
18. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that is to be laid before the Meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required to publish on its website.
19. The Company must cause to be answered at the Meeting any question relating to the business being dealt with at the Meeting that is put by a member attending the Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered or if to do so would involve the disclosure of confidential information.
20. Copies of the directors' service contracts with the Company, and the terms and conditions of the non-executive directors, are available for inspection at the registered office of the Company during usual business hours (Saturdays, Sundays and public holidays excepted) and will be available at the place of the Meeting from 8.00 am until its conclusion.
21. You may not use any electronic address in this notice of meeting to communicate with the Company for any purpose other than those expressly stated.

Cautionary statement

The Business Review has been prepared solely to provide additional information to shareholders to assess the company's strategies and the potential for those strategies to succeed.

The Business Review contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors underlying any such forward-looking information.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations. Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the European Union. Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

We confirm to the best of our knowledge:

1. the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and

2. the Business Review, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

S Ingham
Chief Executive
4 March 2011

S Puckett
Group Finance Director
4 March 2011