ANNUAL REPORT AND ACCOUNTS 2013

PageGroup

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PageGroup is the trading name of Michael Page International plc

PROUD TO BE ONE OF THE WORLD’S MOST RESPECTED AND GLOBALLY DIVERSE RECRUITMENT CONSULTANCIES

OUR CORE VALUES

Our five values are key to our success. They form a platform for our methods, approach to business and staff motivation. More than mere words, we believe our values are the essence of our brand and influence the way we work, day in, day out.

TAKE PRIDE

We take pride in what we do, in who we are and what we stand for. We are proud of our brand, our colleagues and our achievements.

BE PASSIONATE

Our passion to provide the best service for our clients and candidates drives us to triumph over our competition.

NEVER GIVE UP

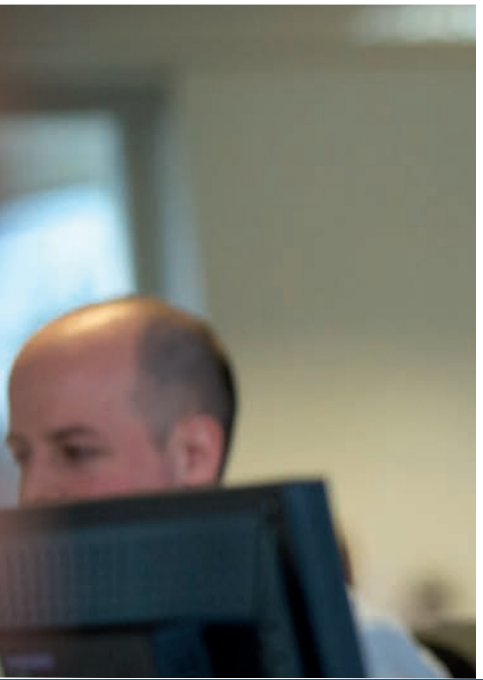
We welcome a challenge; we show strength of character and resilience in our approach. We see difficulty as an opportunity to demonstrate ability.

WORK AS A TEAM

Working as one team makes us stronger, more efficient and adds value to the business and our brand.

MAKE IT FUN

We recognise that fun is a key factor within our working environment; we’re sociable and enjoy celebrating our successes.



OUR PERFORMANCE IN 2013

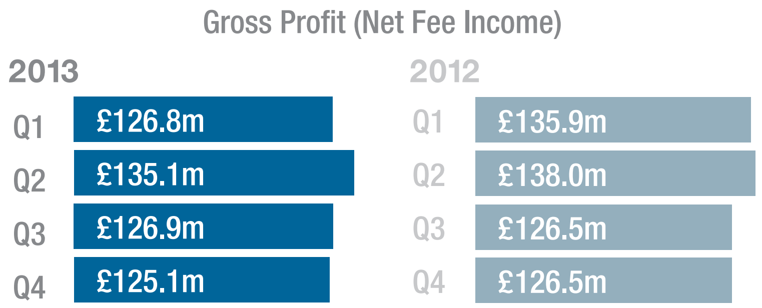
Although 2013 was a challenging year for the recruitment industry and the global economy in general, PageGroup was able to deliver a robust performance. We were pleased with the strong results from many of our businesses, including the UK and the US, and saw some signs of recovery in Continental Europe towards the end of the year. Together, these performances resulted in our key measure of gross profit (net fee income) being just 2.5% lower than 2012, at £513.9m. 2013 was also a year when we focused on operational efficiencies, enabling us to return an operating profit before exceptional items of £68.2m, exceeding the prior year by 4.7%.

Key performance data summary:

			Growth rates	
	2013	2012	Reported rate	Constant currency
Revenue	**£1,005.5m**	£989.9m	+1.6%	+1.2%
Gross profit (net fee income)	**£513.9m**	£526.9m	-2.5%	-2.7%
Admin expenses before exceptional items	**(£445.7m)**	(£461.7m)	-3.5%	
Operating profit before exceptional items	**£68.2m**	£65.1m	+4.7%	
Profit before tax	**£64.1m**	£57.0m	+12.4%	
Conversion (operating profit/gross profit)	**13.3%**	12.4%		
Basic EPS before exceptional items	**15.1p**	13.6p	+11.0%	
Headcount	**5,130**	5,099	+0.6%	

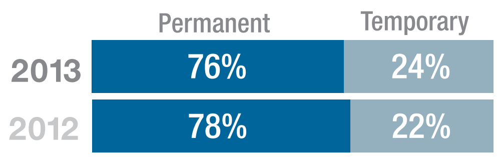
PAGEGROUP

GROSS PROFIT AND HEADCOUNT

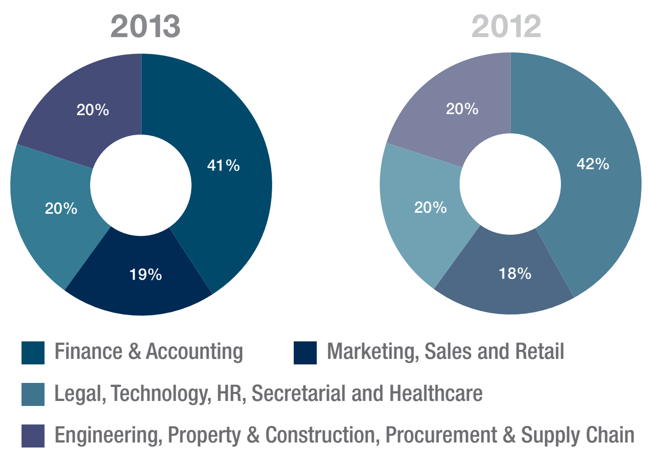


HEADCOUNT (YEAR END)

GROSS PROFIT PERMANENT TO TEMPORARY RATIO



GROSS PROFIT BY DISCIPLINE



HIGHLIGHTS

- Operating profit before exceptional items up 4.7%
- Strong performances in UK, USA and Asia and signs of recovery in Europe
- Australia continues to be a challenging market
- Strong balance sheet with £85m net cash

£513.9m
Gross profit
(-2.5%)

£68.2m
Operating profit before exceptional items
(+4.7%)

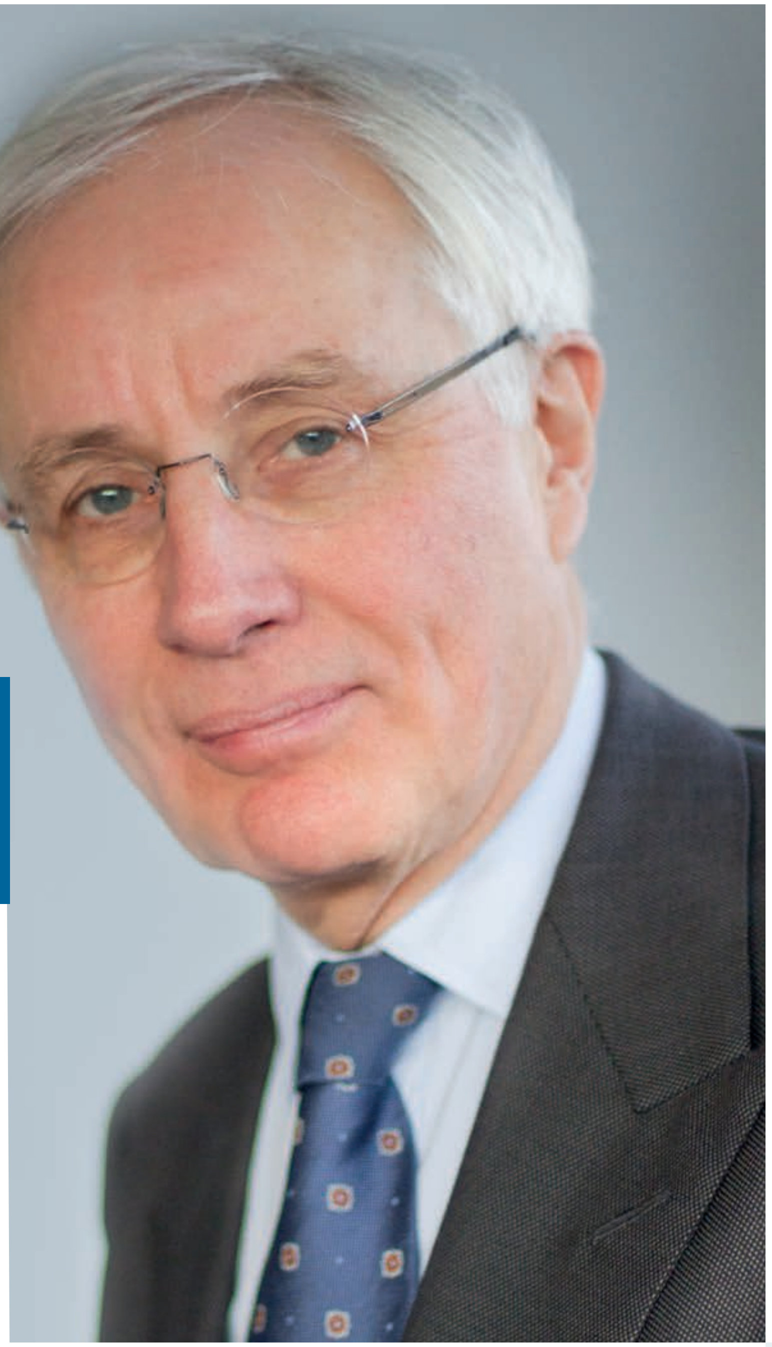
£64.1m
Profit before tax
(+12.4%)

15.1p
Basic EPS before exceptional items
(+11.0%)

5,130
Headcount
(+0.6%)

10.5p
Dividend
(including proposed dividend)
(+5.0%)

CHAIRMAN'S STATEMENT



Robin Buchanan (Chairman)

2013 has been a year of delivering benefits from the alterations to the management structure we made in 2012, continuing our investment in people and technology, bedding-in our Board and governance changes, and laying the foundations for sustainable future growth around the world. In each area PageGroup has made good progress.

Performance

The macro-economic headwinds which had been holding us back for much of the year started to abate, especially in the USA and the UK. Continental Europe's economic decline slowed and the emerging markets, with some exceptions, have continued to grow. Within that changing environment PageGroup delivered a creditable performance with gross profit of £514 million, down 2.5% on 2012.

In order to prepare the business for a more favourable global economy, PageGroup management further streamlined our support functions. We also started the roll-out of our new operating system and related applications, which will improve both our consultants' effectiveness and our operational efficiency.

Our focus on sustainable profitable growth is also reflected in your Board's decision to step up investment across our large high potential markets – China, South East Asia, Germany, USA and Latin America. We look forward to the results from those investments in the years to come.

Dividend

Your Board is mindful of the role the dividend has to play in delivering shareholder value. We are committed to increasing the dividend over the course of the economic cycle in line with our long-term growth rate. That way we can maintain a sustainable level of dividend payment during downturns, as well as during more prosperous times. Given our results and our cash position, we intend to increase the final dividend to 7.25p, which together with the interim dividend paid in October of 3.25p, delivers an increase of 5% on 2012.

The Board

The changes we made to your Board in 2012 have also borne fruit. In the last Annual Report I explained that we had appointed a new Remuneration Committee Chairman, David Lowden, and were about to appoint a new Audit Committee Chairman, Simon Boddie. Both have performed with distinction during 2013, adding to the effectiveness of our Board and our governance. We have also put in place a new remuneration plan for Executive Directors, better aligning their interests and objectives with those of our shareholders.

The appointment of Kelvin Stagg as Acting Chief Financial Officer immediately following the resignation of Andrew Bracey in October reflects the focus we have given to succession planning. Kelvin had already been identified as the leading internal succession candidate given his considerable experience of the business as Group Financial Controller and Company Secretary for over seven years. Development and succession planning remains one of your Board's most important priorities.

In last year's Chairman's Statement I mentioned that a higher proportion of women on our Board would not only bring different skills and perspectives, but also support our gender diversity objectives across the Group. So we are delighted that Danuta Gray joined our Board in December, adding considerable international line leadership and non-executive experience as well as a strong technology background. Together with Ruby McGregor-Smith, our Senior Independent Director, women now make up 40% of our independent non-executive directors and 29% of our Board. Over 80% of our Board members also have considerable international business experience. This is critical given the global nature of PageGroup.

There is much more on our Board and our governance, including the results of our independent board effectiveness review, in our report on Corporate Governance.

Strategic Report

Following my statement is the Strategic Report where we describe more fully PageGroup's performance during 2013, along with our business model, our strategy and the people behind the business. We also outline the key performance indicators we use to measure our business and the principal risks and uncertainties we face along with our approach to corporate responsibility.

Looking Ahead

Our priorities for 2014 are clear. We will continue to refine and execute on our organic growth strategy. We will enhance the development of our worldwide leadership team. We will maintain and strengthen our performance culture. We will continue both the roll-out of our improved operating systems and the efficiency improvements of our support teams. Your Board will concentrate on supporting and challenging the executive management to ensure this happens.

PageGroup continues to grow, develop and change. I never cease to be impressed by the can-do attitude of PageGroup people as they grasp the challenges – and the opportunities – that the economy and this dynamic business provide.

We are very grateful to them.

Robin Buchanan
Chairman

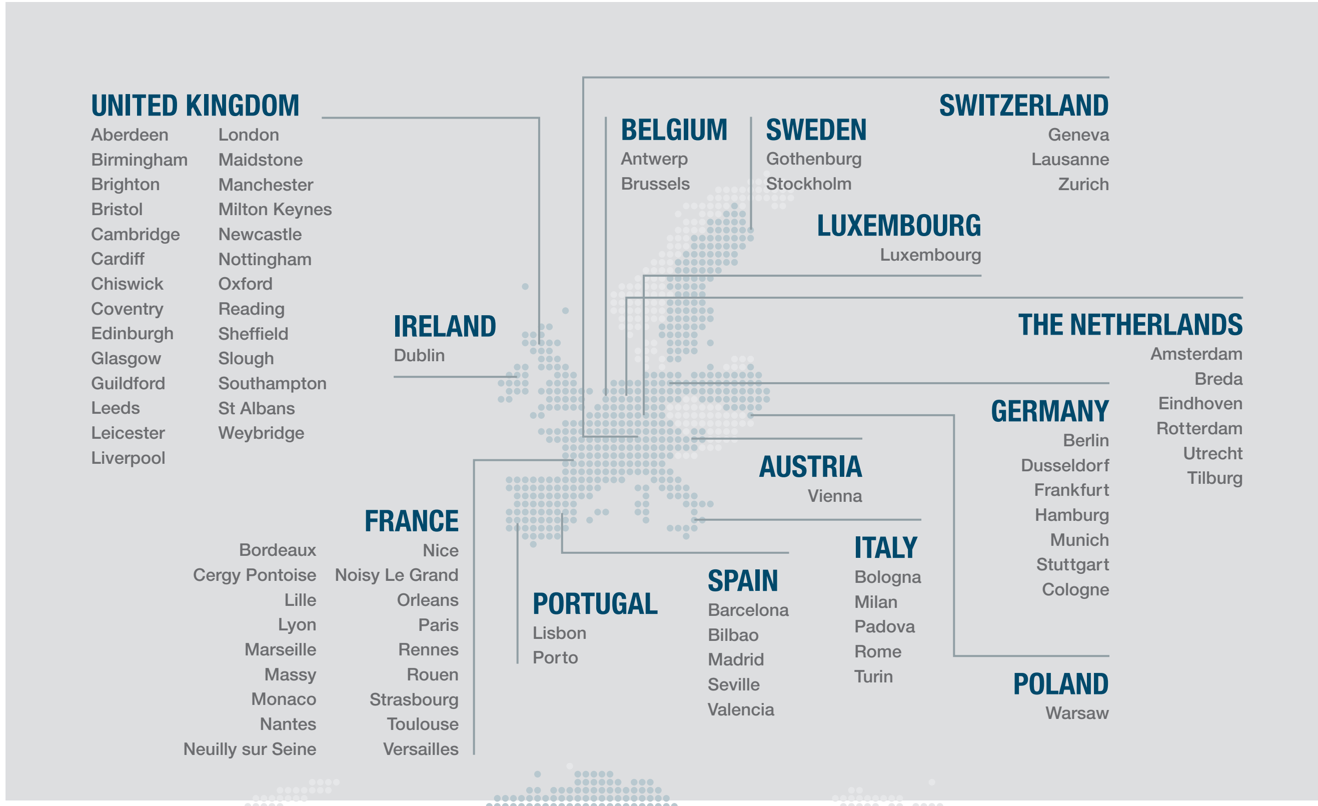
4 March 2014

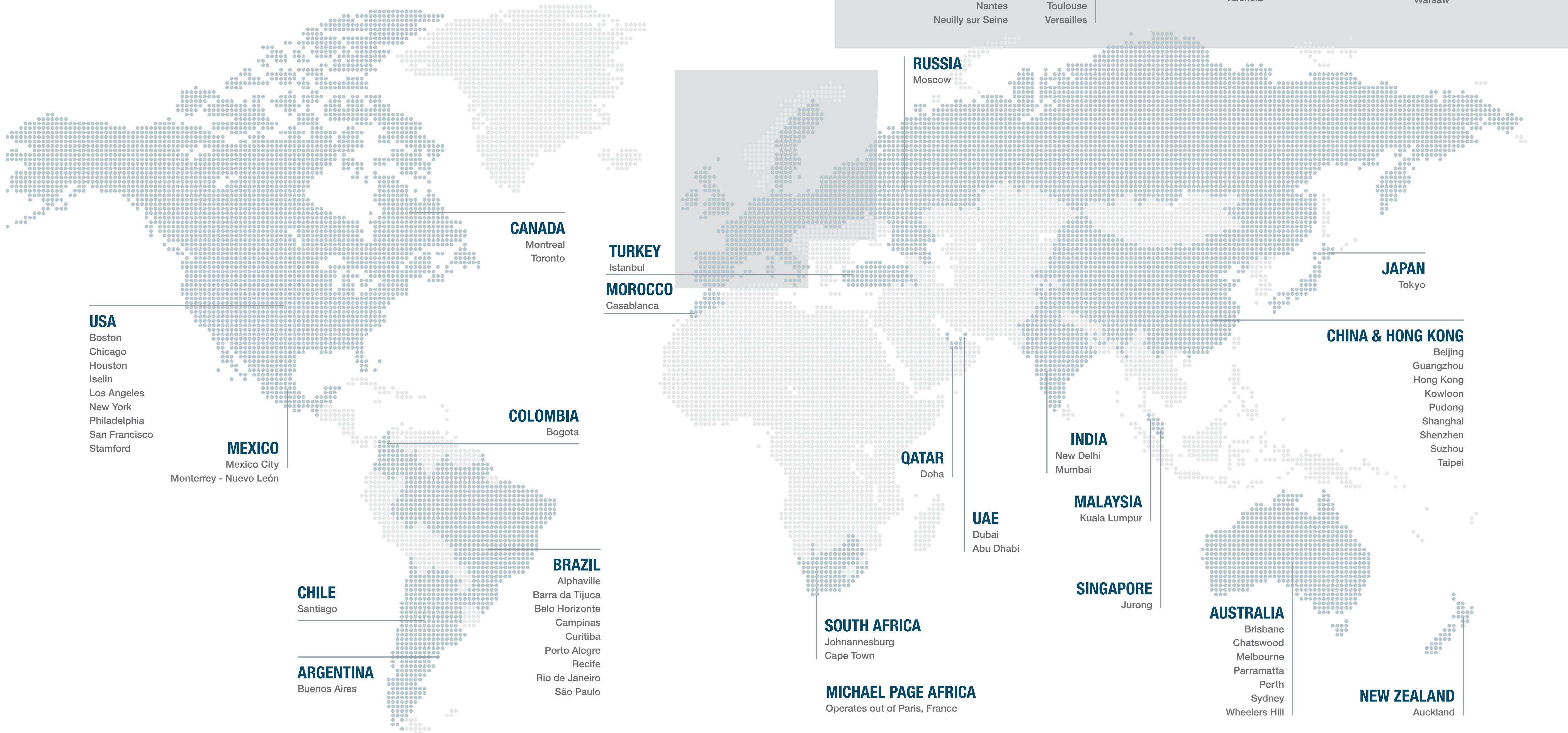
OUR GLOBAL PRESENCE AT A GLANCE

With over 76% of gross profit (net fee income) generated outside the UK, PageGroup is a truly international business with operations in 34 countries. We manage the business in 4 regions.

EMEA	UK	Asia Pacific	The Americas
£208m gross profit	£124m gross profit	£106m gross profit	£76m gross profit
40% of group	24% of group	21% of group	15% of group
1,886 staff	1,319 staff	1,111 staff	814 staff

See page 25 | See page 27 | See page 29 | See page 31



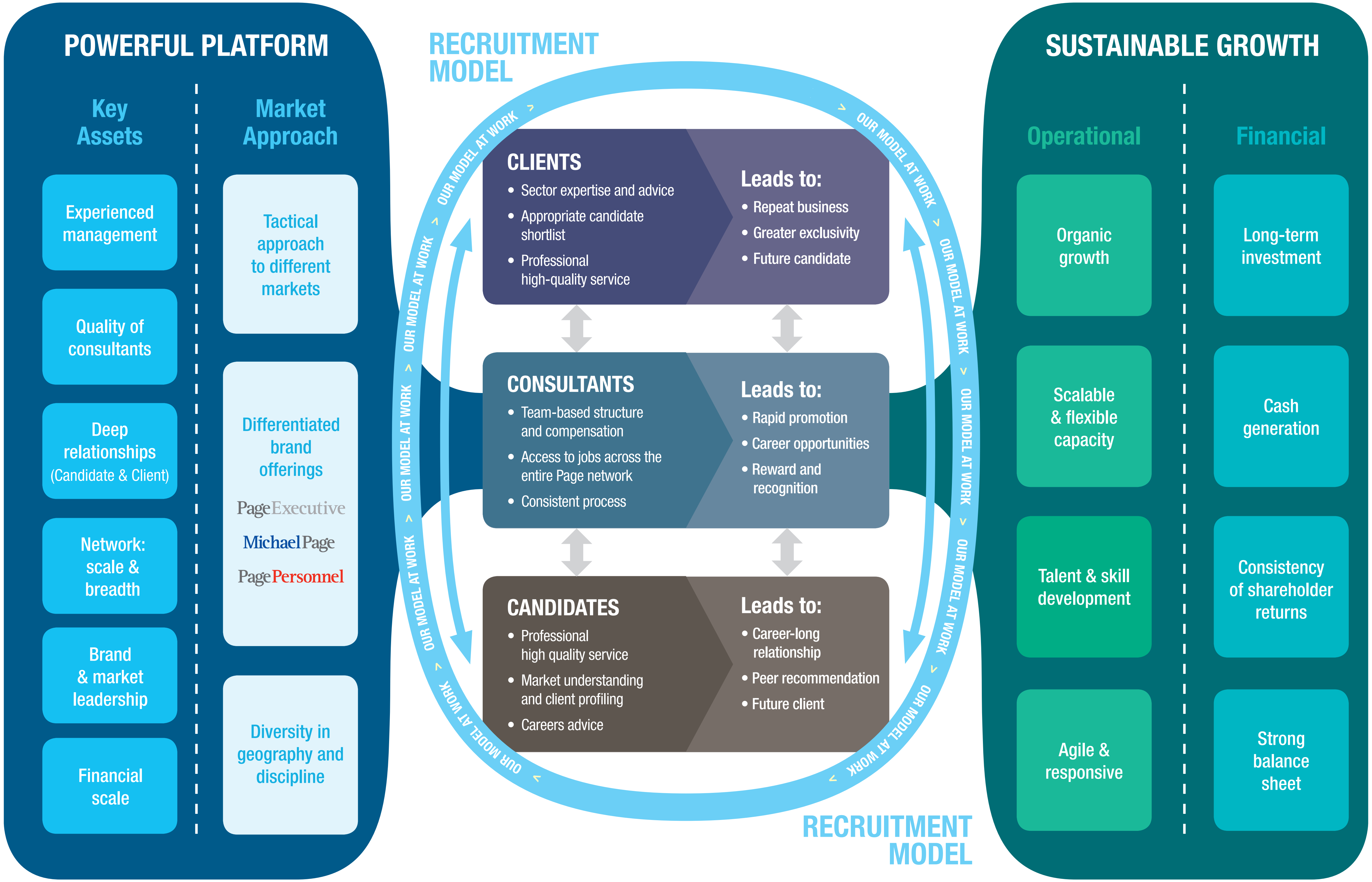


OUR BUSINESS MODEL

HOW WE GENERATE VALUE

We achieve our objectives by utilising our assets, executing our strategic priorities and operating our business responsibly through effective governance and adherence to our core values.

We have developed a balanced business with geographic diversity, discipline diversity and a permanent and temporary placement mix according to the job types in the markets in which we operate. Our commitment to be a responsible business underpins everything we do, with strong attention to effective governance throughout. The PageGroup difference is a "make it happen" culture. Our core values reflect this.



OUR VALUES	Take pride	Be passionate	Never give up	Work as a team	Make it fun

OUR BUSINESS

We are one of the world's best known and most respected specialist recruitment consultancies. We deliver recruitment services to clients through a network of 153 offices across 34 countries.

OUR OBJECTIVE

To deliver above market returns to our shareholders by:

Being the leading specialist recruitment consultancy in each of our chosen markets	Delivering profitable growth across the business

OUR SERVICE

Over the last 38 years PageGroup has built a reputation for excellence by placing skilled candidates into specialist job roles. We build strong relationships with employers, enabling us to fully understand the needs of their individual businesses and, through our large candidate database and the implementation of rigorous candidate assessments, provide a best-in-class recruitment service in terms of speed of search and choice of candidates.

We provide recruitment services for permanent, contract and temporary staff at clerical professional, qualified professional and executive level. Our revenue (fee income) from permanent placements is based typically on a percentage of the candidate's remuneration package and is mainly derived from contingent fee based assignments, but also includes some retained assignments. There is no associated cost of sales with our permanent placements other than the cost of advertising so the majority of the revenue drops down to the gross margin (net fee income) line in our financial statements. Revenue from temporary, contract and interim placements represents amounts billed to clients for the services of temporary, contract or interim staff and, therefore, includes the salaries paid to those staff plus a margin. The salaries are included in cost of sales.

Gross profit growth is the key indicator which we monitor as gross profit represents total fee income for permanent placements after advertising costs and the margin on temporary placements. We call the ratio of operating profit to gross profit our "conversion rate". This is also a key measure in our business.

With skill shortages around the world, we believe that there remains a significant need for specialist recruitment services and we are optimistic about our ability to grow our business in the long-term.

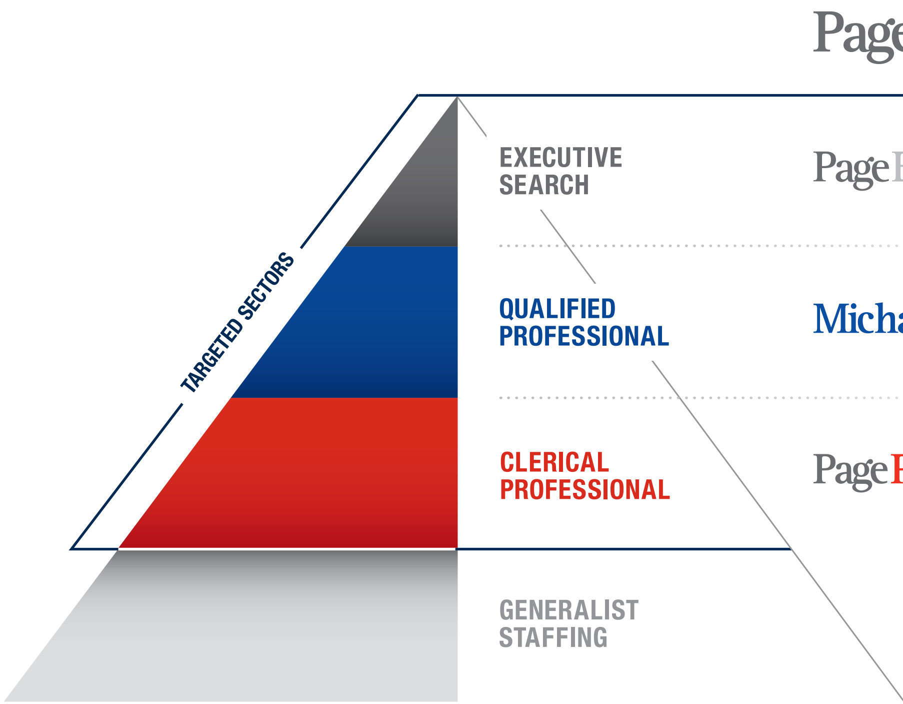
OUR BRANDS

PageGroup is organised into three brands operating at different levels of the recruitment market.

Michael Page is the original PageGroup brand and is normally established as the first business in each country we enter, operating at the qualified professional and management level. Page Personnel offers specialist recruitment services to organisations requiring technical and administrative support, professional clerical and junior management level staff.

Page Executive provides a range of search and selection services for organisations looking for leadership talent at senior management and board level.

More details are provided on pages 13 and 14.



OUR BRANDS

The executive search business of PageGroup, Page Executive, offers a range of search, selection and management solutions for organisations to attract and retain their leadership talent. The roles on which we focus typically sit at the sub-board and board levels. Page Executive has a global presence, operating across Africa, Asia Pacific, Europe, North and Latin America.

Our approach

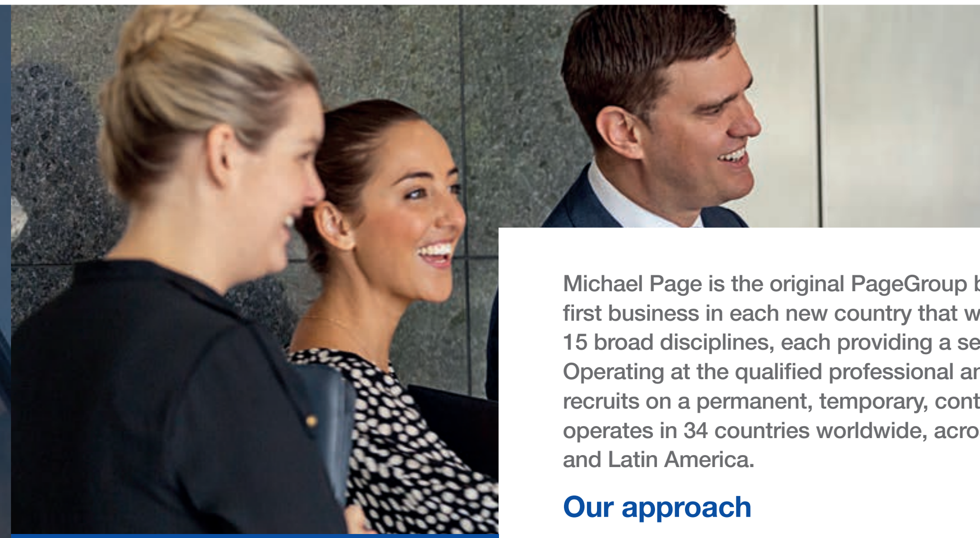
We have a flexible approach to talent attraction based on client requirements. We offer global reach combined with local expertise. Our diverse shortlists are based on a thorough search of the market. Results are delivered quickly and accurately.

How we reach our audience

Page Executive has a developed network of senior contacts across our operating territories and markets. This enables us to approach and attract the top talent in the market for organisations wishing to make a leadership hire. We also run managed selection campaigns which can include high profile or niche advertising.

Opportunities for growth

Page Executive aims to diversify by market sector and geography across our international network.



MichaelPage

Michael Page is the original PageGroup brand and is normally established as the first business in each new country that we enter. Michael Page is comprised of 15 broad disciplines, each providing a service to a specialist area of the market. Operating at the qualified professional and management level, Michael Page recruits on a permanent, temporary, contract or interim basis. Michael Page operates in 34 countries worldwide, across Africa, Asia Pacific, Europe, North and Latin America.

Our approach

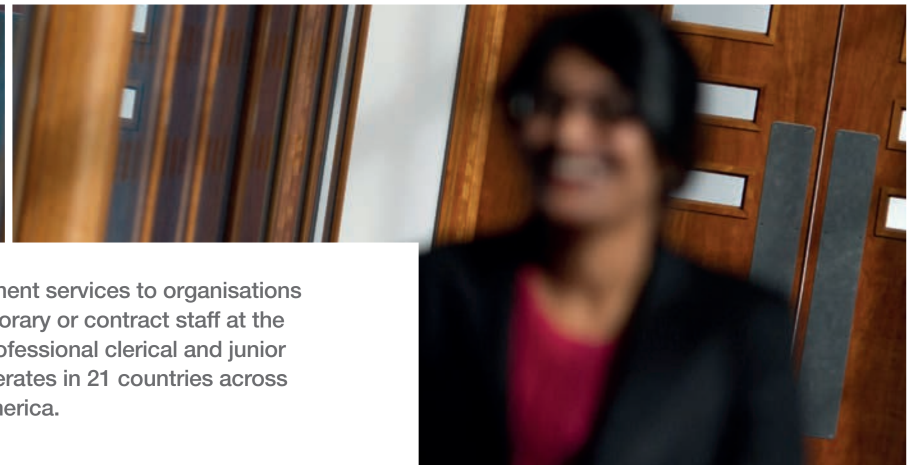
We focus on developing a thorough understanding of our clients' businesses, from technical and soft skill requirements to future growth plans. We are then able to partner effectively to manage their recruitment requirements to support expansion, diversification or change programmes.

How we reach our audience

Michael Page utilises a variety of methods to source candidates from our industry-leading databases through social media, networking and managed advertising campaigns.

Opportunities for growth

Michael Page aims to grow by organic expansion: by establishing new specialist disciplines in existing markets; by increasing operations geographically; and by moving into new market sectors in the geographic regions in which we currently operate.



PagePersonnel

Page Personnel offers specialist recruitment services to organisations requiring permanent employees or temporary or contract staff at the technical and administrative support, professional clerical and junior management levels. Page Personnel operates in 21 countries across Asia Pacific, Europe, North and Latin America.

Our approach

Employers and candidates in a high activity, high volume market require a responsive recruitment partner – a service that Page Personnel is proud to provide. Speed and accuracy define our proposition; we react quickly to ensure that organisations have access to the skills they require. Page Personnel operates in the permanent, contract and temporary recruitment fields.

How we reach our audience

Page Personnel supports employers needing to make hiring decisions quickly by maintaining and actively growing a pool of high quality candidates ready for their next opportunity.

Opportunities for growth

Page Personnel is one of the fastest growing PageGroup businesses, diversifying by market and geography across our international network.

OUR BUSINESS

OUR MARKETS

While the global economy remains challenging we are optimistic about the long-term future of the recruitment market.

During 2013, the difficult market conditions stemming from the 2008 global financial crisis continued to have an impact and many economies across the world remained weak, but with significant regional variations. This is particularly relevant to our business, since the provision of recruitment services is impacted strongly by confidence in the wider economy.

Business confidence is a major factor in determining the number of new job roles created and candidates' levels of confidence are a key determinant of the number of candidates seeking new roles. When the economy is strong the confidence of both businesses and candidates leads to a high recruitment churn rate, which is positive for the recruitment industry. Conversely, when macro-economic factors are weak and businesses and candidates have low confidence in the market, the market for recruitment services will contract. The key driver of growth in the recruitment market is churn rather than the creation of new jobs.

Our markets are not just defined by the countries within which we operate, but also the industry sectors. We are impacted significantly by the changes in fortunes of different sectors as well as different countries.

Peaks and troughs in different sectors have a huge impact on our business. For example, demand from China led to a huge boom in the mining and natural resources sector in both Australia and Brazil in 2010-2012 and our businesses in these countries grew rapidly as we fulfilled the crucial role of finding staff to satisfy the needs of this sector. However, the mining and natural resources sector slowed in the second half of 2012 and our revenue was impacted strongly. This has continued during 2013.

PERMANENT/TEMPORARY MIX

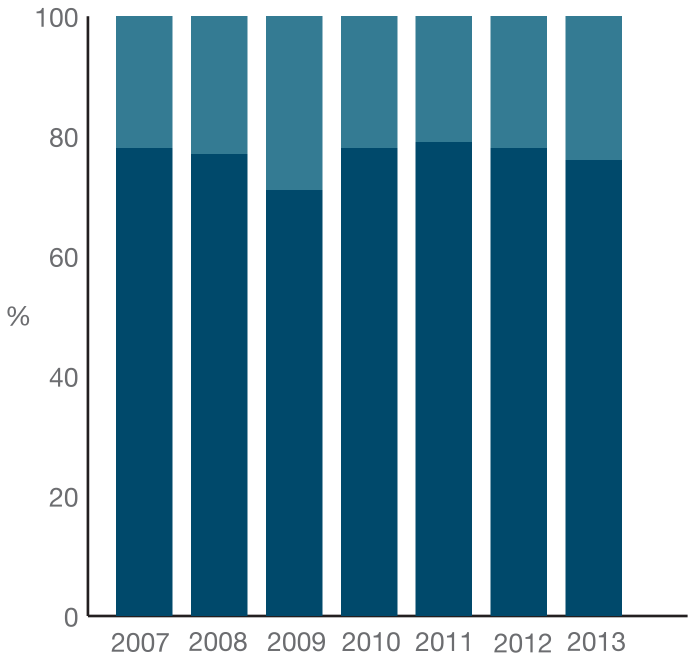
Our strategy is to achieve the same ratio of permanent to temporary recruitment as exists within the workforce of each of our geographic markets. We use all three brands to maximise this balance at all salary levels.

The ratio of permanent to temporary recruitment tends to be an indicator of where we are in the economic cycle. The proportion of gross profit arising from permanent placements generally varies between 70% and 80% depending on where we are in the economic cycle. In 2013, 76% of our gross profit was derived from permanent placements and 24% from temporary placements. The graph to the left shows the ratio over the last seven years.

In several of our core strategic markets, working in a temporary role, or as a contractor or interim employee, is not currently normal practice. This is the case, for example, in Greater China, Singapore, Malaysia and Latin America. The ratio of permanent to temporary placements in the future will, therefore, be in part determined by our success in diversifying into these markets.

The ratio is also impacted by the salary level at which we recruit. Our Page Personnel brand typically recruits a higher proportion of temporary staff compared to our other brands.

Gross Profit Permanent/Temporary Mix



% Permanent %Temporary

DIVERSIFICATION OF DISCIPLINES

In order to provide an added-value specialist recruitment service to our clients, we organise our staff into specialist teams, typically with consultants who were previously working within those specialist areas before moving into recruitment. We operate under four broad categories, which breakdown into 15 sub-disciplines as shown in the key below.

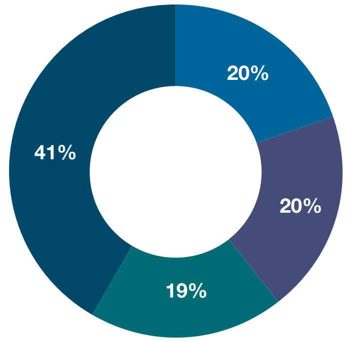
Below this level we specialise further to ensure our specialist recruitment services meet our clients' requirements. For example, tax and treasury services within Finance, and digital marketing within Marketing.

Each of the disciplines in which we operate respond differently to changes in market conditions and, therefore, diversification of discipline is key to reducing our risk in weak markets. In addition, different disciplines tend to dominate in different geographic regions. Therefore, as we expand geographically, new revenue opportunities arise from new disciplines.

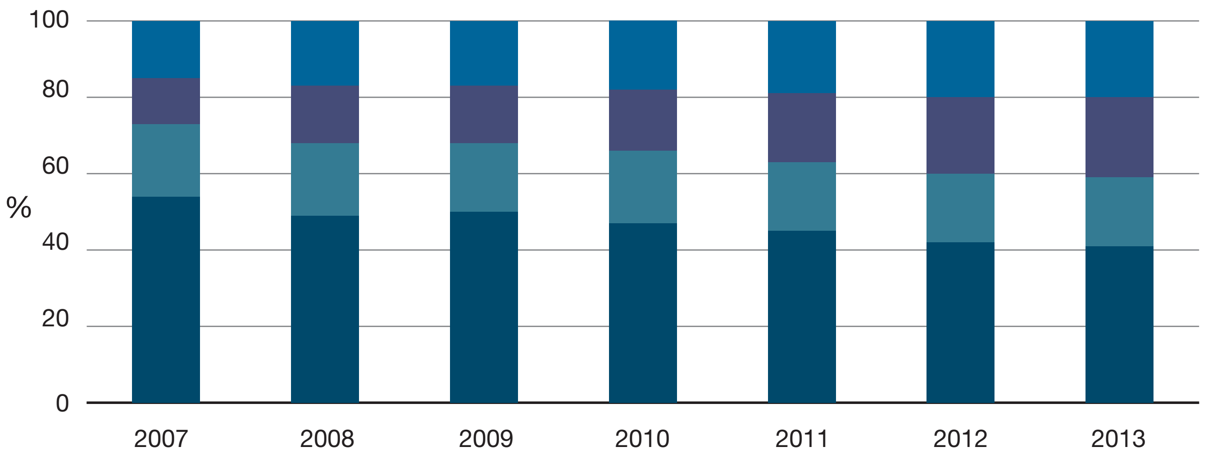
In the past, PageGroup has used its experience and track record to prioritise which disciplines it launches and grows. Historically, this has meant that we launched offices in new countries by focusing on the recruitment of Finance staff. However, today, we take a more proactive business approach, basing our decision on the size of the market, competitive landscape, fee rate potential, etc. In Southern Greater China for example, we are prioritising Engineering, Supply Chain and Logistics rather than our traditional core business area of Finance. The graph below demonstrates how the discipline mix has changed over the last five years. We can assume that this mix will continue to develop in the future.

Given these trends, we expect in the future to be more dependent on the technical disciplines such as Engineering, Technology and Marketing than we are today. We believe the more specialist we are, the greater leverage we will have to counter internal or outsourced resource teams who will advertise and/or use social media for more mainstream or commodity type roles.

Gross profit by discipline 2013



Gross Profit by Discipline



Finance and Accounting	Sales and Marketing	Engineering and Supply Chain	Legal, Technology, HR and other
Finance Financial Services	Sales Retail Marketing	Engineering Oil and Gas Property and Construction Procurement/Supply Chain/ Logistics	Legal Technology Assistant/Secretarial Human Resources Healthcare/Life Sciences Hotel and Catering

CHIEF EXECUTIVE'S PERFORMANCE OVERVIEW

Steve Ingham (Chief Executive Officer)

Although 2013 was a challenging year for the recruitment industry and the global economy in general, PageGroup was able to deliver a robust performance, with our key measure of gross profit (net fee income) just 2.5% lower than 2012, at £514m. However, as a result of our focus on operational efficiencies, we delivered an operating profit before exceptional items of £68.2m, exceeding the prior year by 4.7%.

We achieved good performances in our significant UK and US markets, and also in Spain, the UAE, Mexico and Japan. There were also some signs of recovery in Continental Europe towards the end of the year. In contrast, Australia remained a difficult market, with the continued downturn in the resources sector, and our largest business in Latin America, Brazil, felt the impact of more challenging conditions. The refocusing of the business in the USA has been highly successful. We now have a fast growing and profitable business in this region which has considerable potential for PageGroup. Overall, year-on-year gross profit growth was experienced in 20 of the 34 countries in which we operate.

A strategic objective in 2013 was to initiate a stronger focus on the consistency and efficiency of our operational support teams. Operational support headcount has been reduced by 155, while fee earner headcount has increased by 186, a net overall increase in headcount of 31. At the same time, we continue to work on ways to deliver the optimal infrastructure and technology to enable our people to best serve the needs of clients and candidates alike.

The savings made in operational support had a positive impact on our cost base of approximately £10m in 2013 and hence on our performance. In total, approximately £20m of recurring costs were removed from the business, with the full benefit to be felt in 2014. These savings will help mitigate cost base growth elsewhere, such as salary increases representing £14m at approximately 3% per head; investments in additional fee earner headcount; and in the supporting infrastructure, including the first full year of amortisation of the Gateway IT project intangible asset of around £8.5m (2013: £5.4m).

During 2013, we also continued to invest in our large, high potential markets of China, South East Asia, Germany, Latin America and the USA, identified in our long-term growth strategy. We see these markets as sizeable long-term opportunities to achieve, or in most cases improve, our significant market share and consolidate our position as the established market leader. We are also mindful that these markets will develop according to local conditions and market character, and along differing timeframes. Our financial commitment to these markets is coupled with the investment in transferring highly experienced PageGroup managers to lead the efforts in country which also ensures that the unique PageGroup culture and best practice is adopted from the outset. This is a significant advantage for us, and is fundamental to our consistent organic growth strategy, both across the economic cycle and as we look to grow in new markets.

Current trading and Outlook

The strength and timing of any recovery in world economic markets is uncertain, our visibility relatively short and we remain exposed to some volatile economies. This is demonstrated by the recent adverse movements in foreign currencies that are impacting our overseas results when translated into Sterling (impact on 2014 operating profit of approximately £4m at current exchange rates). However, we have continued to invest in additional fee earner headcount in selected markets since the start of the year. We believe our clear and consistent growth strategy, our geographic and discipline diversity and our strong balance sheet, with £85 million of net cash at year end, ensures that we remain in a strong position to respond to any improvements in market conditions in 2014. This is also reflected in our proposed increase of 5% in the total dividend to 10.5p.

We will next update the market on our first quarter trading for 2014 in an announcement on 15 April 2014.

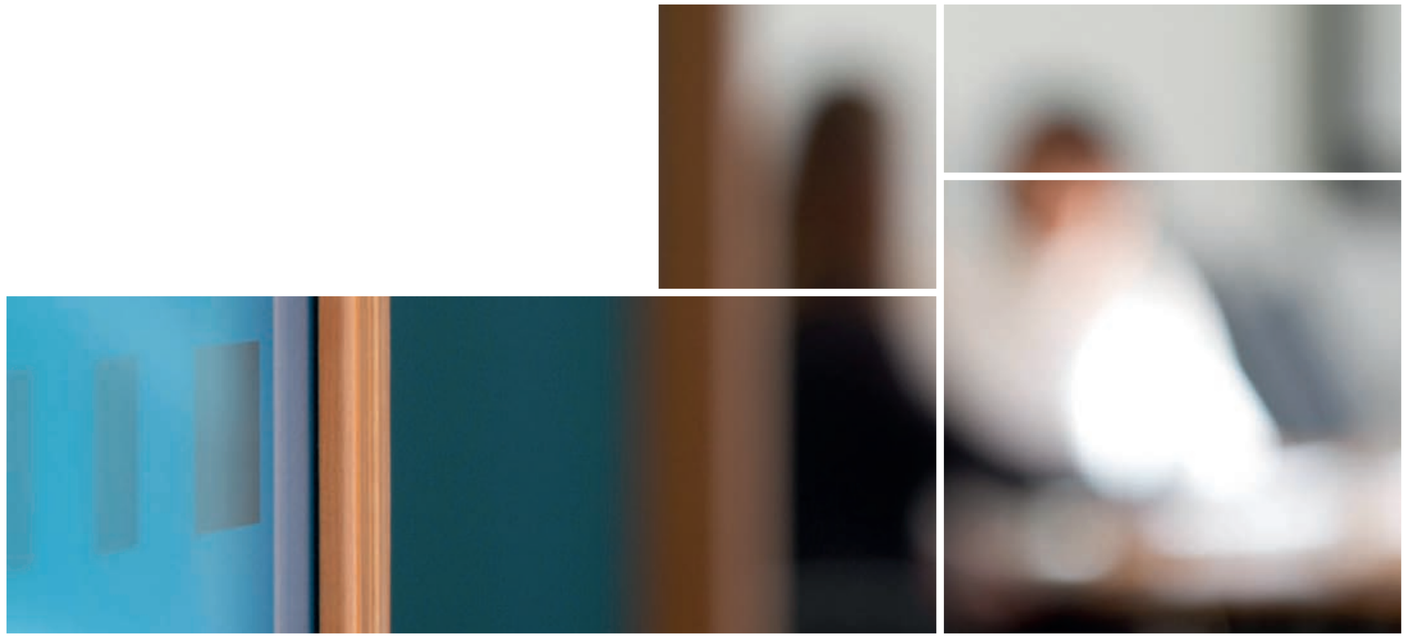
This Strategic Report set out on pages 7 to 49 was approved by the Board on 4 March 2014.

Steve Ingham,
Chief Executive Officer

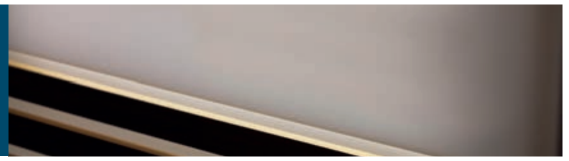
4 March 2014

WE BELIEVE THAT OUR GOAL OF GROWTH OVER THE NEXT FEW YEARS IS ACHIEVABLE

- **We have the management depth and experience**
- **We have a proven track record of scaling the business**
- **We have world-renowned and fully integrated brands**
- **We have highly trained and motivated consultants**
- **We have the financial resources**
- **We have the ability to improve the quality and cost effectiveness of the operational support functions**
- **We are at a promising point in the economic cycle with markets starting to show signs of improvement**



KEY PERFORMANCE INDICATORS



We measure our progress against our strategic objectives using the following key performance indicators:

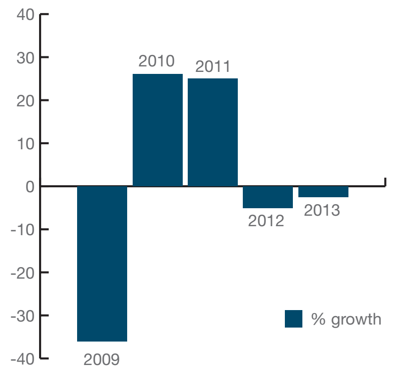
Gross profit growth

How measured: 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, ie. it represents net fee income. The measure used is the increase or decrease in gross profit as a percentage of the prior year gross profit.

Why it's important: The growth of gross profit relative to the previous year is an indicator of the growth of the net fees from the business as a whole. It demonstrates whether we are in line with our strategy to grow the business.

How we performed in 2013: With continued economic weakness in many of our markets, gross profit decreased by 2.5% in 2013. However, the Group remains profitable in all established markets and there were signs of improvement towards the end of the year.

Relevant strategic objective: Organic growth



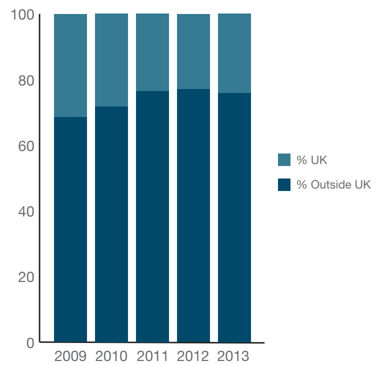
Percentage of gross profit generated outside the UK

How measured: Total gross profit from regions outside the UK expressed as a percentage of total gross profit.

Why it's important: To measure the success of our strategy to diversify into new markets which are less competitive/less developed than the UK market.

How we performed in 2013: 76% of our gross profit was generated outside the UK compared to 77% in 2012. We have continued our strategy of geographic diversification but the proportion of business generated outside the UK has fallen back slightly due to a good performance in the UK in 2013 and slightly weaker performances in EMEA and Asia Pacific relative to the prior year.

Relevant strategic objective: Diversification



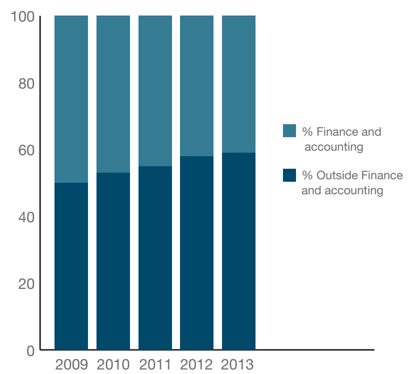
Gross profit outside finance and accountancy

How measured: Total gross profit from disciplines outside of finance and accounting expressed as a percentage of total gross profit.

Why it's important: We look at the proportion of gross profit from the different disciplines to measure the success of our strategy of diversification into more disciplines to reduce our exposure to any one sector. A key indicator is the percentage outside of our original core discipline of finance and accountancy.

How we performed in 2013: 59% of our gross profit was generated from disciplines outside the core areas of finance and accounting. This compares to 58% in 2012 as we continue to follow our diversification strategy.

Relevant strategic objective: Diversification



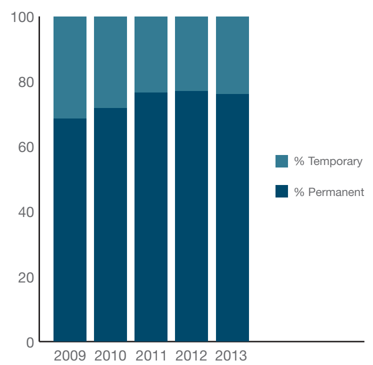
Ratio of gross profits generated from permanent and temporary placements

How measured: Gross profit from each type of placement expressed as a percentage of total gross profit.

Why it's important: This ratio helps us to understand where we are in the economic cycle since the temporary market tends to be more resilient when the economy is weak.

How we performed in 2013: In 2013, 76% of our gross profit was generated from permanent placements and 24% from temporary. This compares to 78% permanent and 22% temporary in 2012.

Relevant strategic objective: Diversification



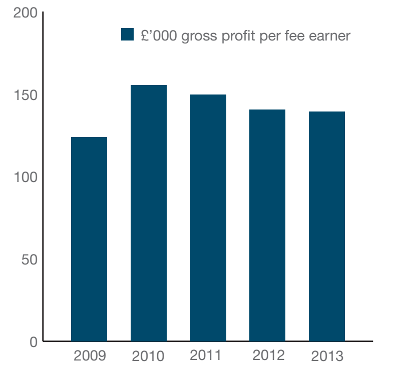
Gross profit per fee earner

How measured: Gross profit for the year divided by the average number of fee generating operating staff in the year.

Why it's important: This is a key indicator of productivity.

How we performed in 2013: Gross profit per fee earner was £139.2k in 2013 compared to £140.4k in 2012. There has been a marginal decrease in productivity compared to 2012 relating to continued competitive pressure on fees and investment in fee earning heads during the year who are not yet at full productivity.

Relevant strategic objective: Organic growth, Recruit and develop the best people



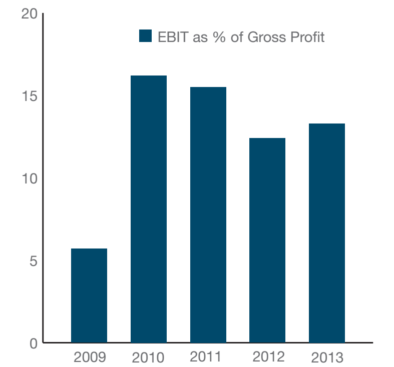
Conversion before exceptional items

How measured: Operating profit before interest and taxation (EBIT) before exceptional items as a percentage of gross profit.

Why it's important: This demonstrates the Group's effectiveness at controlling the costs and expenses associated with its normal business operations. It will be impacted by the level of productivity and the level of investment for future growth.

How we performed in 2013: Operating profit as a percentage of gross profit increased to 13.3% in 2013, up from 12.4% in the prior year. Improving efficiency is a strategic priority for the Group and during 2013 there has been a focus on streamlining support areas and cutting costs. Operational support heads were reduced by 155 during the year. However, there has been corresponding increase in fee earning heads and the benefits are not expected to feed through until 2014 when the new heads are fully productive.

Relevant strategic objective: Build for the long-term



Basic earnings per share before exceptional items

How measured: Profit for the year attributable to the Group's equity shareholders, divided by the weighted average number of shares in issue during the year.

Why it's important: This measures the overall profitability of the Group.

How we performed in 2013: Earnings per share in 2013 was 15.1p, an 11.0% improvement on the EPS in 2012 of 13.6 pence.

Relevant strategic objective: Build for the long-term, Organic growth

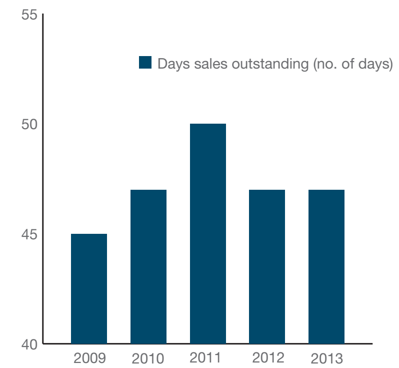
Days sales outstanding (DSO)

How measured: Calculated by comparing how many days' billings it takes to cover the outstanding debtor balance at the year end.

Why it's important: This measures the length of time taken for us to receive payment from our clients and indicates how well we are managing the Group's major asset.

How we performed in 2013: DSO was 47 days at the end of 2013 in line with the prior year (2012: 47 days).

Relevant strategic objective: Build for the long-term



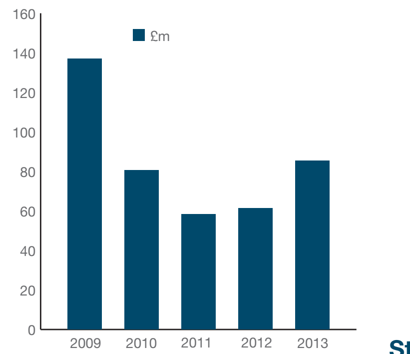
Net cash

How measured: Cash and short-term deposits less bank overdrafts and loans.

Why it's important: The level of net cash is a key measure of our success in managing our working capital and determines our ability to reinvest in the business and to return cash to shareholders.

How we performed in 2013: Net cash increased during the year to £85.4m (2012: £61.4).

Relevant strategic objective: Build for the long-term



OUR PERFORMANCE IN 2013

Market conditions in 2013 made for another challenging year, but the Group delivered an increase over 2012 in operating profit (before and after exceptional items), despite gross profit (net fee income) being down 2.5%. We were encouraged by our performance in Q4, which saw our first positive growth in constant currency since Q1 of 2012, and by the improvement in the year-on-year quarterly gross profit growth rate in each of the last three quarters. Year-on-year gross profit growth was experienced in 20 countries and we finished the year with a strong balance sheet and £85m of net cash.

Revenue

Revenue for the year ended 31 December 2013 was £1,005.5m, exceeding our revenue in 2012 of £989.9m by 1.6%. Our revenue from permanent placements decreased by 4.5% to £403.1m (2012: £422.0m), while revenue from temporary recruitment was up by 6.1% at £602.5m (2012: £567.9m). The differences in these performances are in line with what we would normally expect at this point in the cycle, as temporary recruitment tends to pick up earlier in the recovery but will be overtaken by the subsequent much faster recovery in permanent recruitment.

Gross Profit (net fee income)

Gross profit for the year fell by 2.5% to £513.9m (2012: £526.9m).

			Growth rates	
Perm/Temp gross profit	**2013 (£'m)**	**2012 (£'m)**	**Reported rate**	**Constant currency**
Permanent	**392.2**	409.7	-4.3%	-4.3%
Temporary	**121.7**	117.2	+3.8%	+2.7%
Total Gross Profit	**513.9**	526.9	-2.5%	-2.7%
Ratio (Perm/Temp)	**76:24**	78:22		

Gross profit from permanent placements decreased by 4.3% and represented 76.3% of Group gross profit (2012: 77.8%) while gross profit from temporary placements increased by 3.8% representing 23.7% (2012: 22.2%) of Group gross profit.

Group gross margin decreased to 51.1% (2012: 53.2%) reflecting the 1.5% growth in the proportion of temporary business and a small reduction in the gross margin achieved on temporary placements to 20.2% (2012: 20.6%), where strong pricing in rapidly growing markets has been offset by competitive pressures elsewhere.

Gross Profit by discipline

				Growth rates	
	Proportion	**2013 (£'m)**	**2012 (£'m)**	**Reported rate**	**Constant currency**
Finance & Accounting	41%	**211.7**	220.6	-4.0%	-4.4%
Legal, Technology, HR, Secretarial and other	20%	**105.2**	106.4	-1.1%	-1.5%
Engineering, Property & Construction Procurement & Supply Chain	20%	**101.0**	102.8	-1.8%	-1.6%
Marketing, Sales & Retail	19%	**96.0**	97.1	-1.1%	-1.4%
Total	100%	**513.9**	526.9	-2.5%	-2.7%

Diversification by discipline is a core element of our strategy. Our oldest discipline, Finance and Accounting, now represents just 41% of Group gross profit, while 59% is generated from other areas, significantly reducing our exposure to any particular market sector and reducing our overall risk. Our diversification into Engineering, Procurement & Supply Chain and Property & Construction has been particularly successful and this category now represents nearly 20% of our gross profit. Financial Services, once approximately 14% of Group gross profit, now only represents approximately 7% of Group and 4% of UK gross profit, but has remained stable at this level for the past six quarters.

Gross Profit by region

					Growth rates	
		Proportion	**2013 (£'m)**	**2012 (£'m)**	**Reported rate**	**Constant currency**
EMEA		40%	**207.8**	218.4	-4.9%	-8.2%
UK		24%	**124.1**	121.4	+2.2%	+2.2%
Asia Pacific –	Australia and New Zealand		**39.7**	51.7	-23.1%	-19.0%
	Asia		**66.1**	63.2	+4.6%	+6.9%
	Total	21%	**105.8**	114.9	-7.9%	-4.7%
Americas		15%	**76.2**	72.2	+5.6%	+8.7%
Group Total		100%	**513.9**	526.9	-2.5 %	-2.7%

Our strategy of diversification by region has reduced our exposure to changes in market conditions. The rate of growth is impacted by the strengths of the economies and the maturity/competitiveness of the recruitment markets in each region. We have continued to invest in the large, high potential markets of the US, Germany, Latin America, Greater China and South East Asia and have seen some of the benefits of this investment with year-on-year growth of 8.7% in the Americas and 6.9% in Asia. We delivered year-on-year gross profit growth in 20 countries and record breaking performances in China, Japan, Turkey, Russia, UAE, Malaysia, Mexico and Chile.

Administration costs and conversion of gross profit to operating profit

During the year we remained focused on the conversion of gross profit to operating profit through improved operational efficiency. During 2013 we undertook an exercise to standardise and streamline many of our operational support functions, which drove significant cost savings; a reduction of approximately £10m in operational support costs in 2013 and run-rate savings of approximately £20m by the end of the year. With around 75% of our cost base relating to employee costs, a decrease of 155 operational support staff during 2013 drove significant savings. Most of this decrease was in our European operations, which with relatively high employment and social charges meant that associated one-off costs offset some of the savings achieved in 2013. The full benefit of this exercise will be seen in 2014.

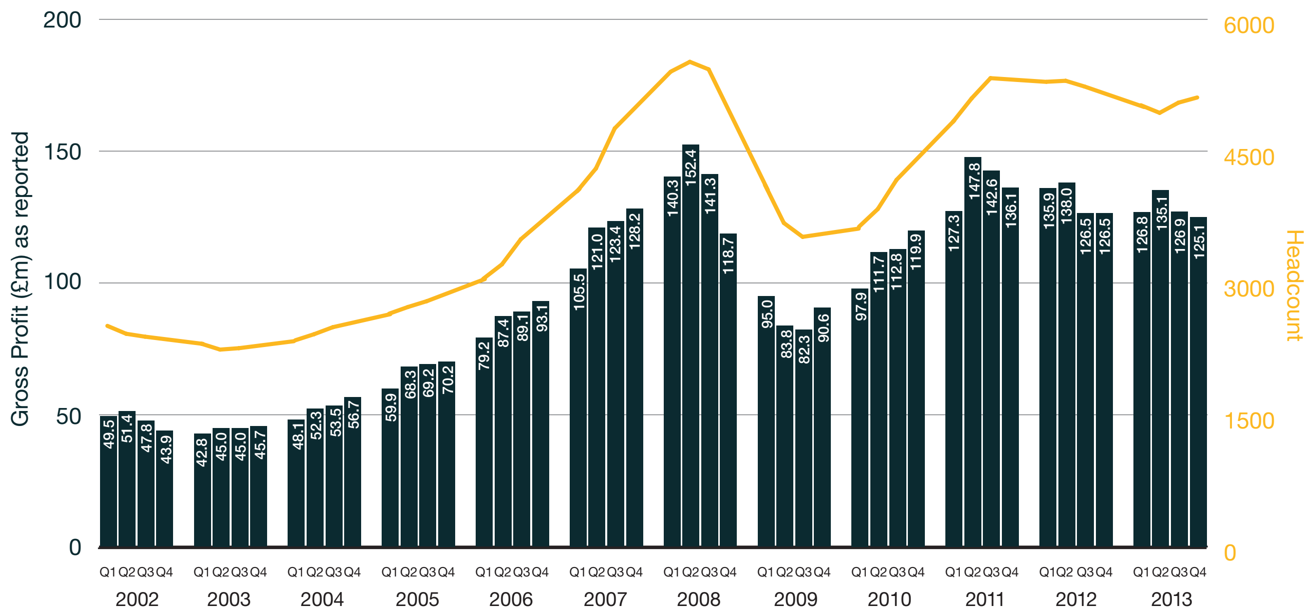
The conversion of gross profit to operating profit is also impacted by our investment strategy. In 2013 we continued to pursue our strategy of investing in our high potential markets as well as investing in our existing markets to drive their long-term potential. Overall, we increased our fee-earner headcount by 186 during the year. Naturally it takes some time before these new fee-earners reach full productivity and this, together with the other start-up costs incurred as investments are made to open or expand new offices, adversely impacted the conversion rate.

Administration expenses in the year included share based charges of £6.8m, including social security, (2012: £13.2m) in respect of the Group's deferred annual bonus scheme, long-term incentive plan and share option schemes. The reduction in the charge compared to 2012 was primarily due to some performance elements not being met, causing charges for these plans made in previous years to be credited in 2013.

The net position taking into account savings made from our operational support efficiency initiatives, the cost of investments in fee-earners and our operating platform and share costs was an overall net increase of 31 heads, but a decrease of £16.0m in our administration costs (before exceptional items), a 3.5% reduction on 2012. Our conversion rate of gross profit to operating profit increased to 13.3% during the year (2012: 12.4%).

In normal circumstances, the operational gearing of the business model leads us to expect that a decline in gross profit will lead to a larger proportionate decrease in operating profit. However, in 2013, although there was a 2.5% decrease in gross profit, operating profit before exceptional items increased by 4.7%, as a result of the streamlining of our operational support functions.

Group quarterly Headcount and Gross Profit



OUR PERFORMANCE IN 2013

Exceptional Items

French Profit Share

In October 2013, Page Personnel France (PPF) received notice from the Competent Authorities of the UK and France of their decision regarding a transfer pricing case that had arisen as a result of a French tax audit in March 2008. The decision, which was unexpected, increased the profit generated by PPF, which, as per the mandatory profit share or "participation aux résultats de l'entreprise" that is particular to France, drove a requirement to pay increased employee profit share, both to employees of PPF and also to the temporary workers placed by that company. As a result, the Group has taken in 2013, an exceptional operating profit charge of £2.5m, interest expense on late payment of corporation tax and profit share of £0.6m and an additional tax charge on the exceptional item of £0.7m relating to prior periods. A further £0.6m relating to 2013 is included within operating profits from underlying activities, together with a tax credit of £0.1m, which have not been treated as exceptional items. A proportion of these charges were determined by the tax ruling, with the remainder for other years based on assumptions.

Restructuring charge

In 2012 there was an exceptional restructuring charge of £7.8m, relating to the removal of a layer of management in Continental Europe and the Americas.

Amortisation of intangible assets

In May, we commenced use of our new operating system and related applications in Boston, USA, and accordingly, began the amortisation of these intangible assets over a five year period. The 2013 charge for these intangible assets was £5.4m, reflecting the eight months of amortisation in 2013.

Taxation

Tax on profit was £21.5m (2012: £20.8m). This represented an effective tax rate of 33.5% after exceptional items (2012: 36.5%). Before exceptional items the Group's effective tax rate was 30.9% (2012: 36.0%). The rate is higher than the effective UK Corporation Tax rate for the year of 23.25% due to disallowable items of expenditure and profits being generated in countries where corporation tax rates are higher than in the UK. The effective tax rate is lower than in 2012 due to the benefit of additional net future and current deductions for share based reward plans in the UK and overseas territories of approximately 4.1%, partially offset by taxes on the current year exceptional item of approximately 1.1%.

Share Options and Share repurchases

At the beginning of 2013, the Group had 22.8m share options outstanding, of which 3.5m had vested, but had not been exercised. During the year, options were granted over 4.6m shares under the Group's Share Option Plans, options were exercised over 4.5m shares, generating £14.4m in cash, and options lapsed over 1.1m shares. At the end of 2013, options remained outstanding over 21.8m shares, of which 7.9m had vested but had not been exercised. During 2013, the Group's Employee Benefit Trust did not purchase any shares to satisfy employee share plan awards (2012: £18m) and no shares were repurchased by the Company and cancelled during the year (2012: nil).

Earnings per share and dividends

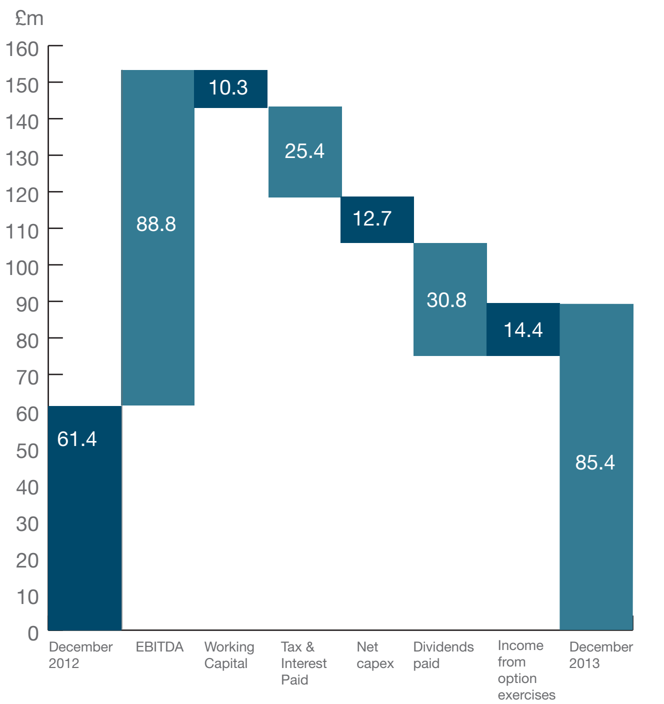
In 2013, basic earnings per share before exceptional items increased by 11.0% to 15.1p (2012: 13.6p), reflecting our focus on improving efficiency, and a lower effective tax rate. Diluted earnings per share, before exceptional items, which takes into account the dilution effect of share plans, was 14.9p (2012: 13.5p). After exceptional items, basic earnings per share was 13.8p, an increase of 16.0% on 11.9p in 2012 and diluted earnings per share was 13.7p (2012: 11.7p).

The Group's strategy is to pay dividends to shareholders at a level that the Board believes is sustainable through economic cycles, while maintaining a strong balance sheet to support the required investment in the growth and development of the Group. In line with the increase in operating profits, the improved gross profit growth rates experienced as the year progressed and the improved outlook in a number of the Group's markets, a final dividend of 7.25p (2012: 6.75p) per ordinary share is proposed, which, together with the interim dividend of 3.25p (2012: 3.25p) per ordinary share, increases the total dividend for the year by 5.0% over 2012 to 10.5p per ordinary share. The proposed final dividend, which amounts to £22.2m, will be paid on 23 June 2014 to shareholders on the register as at 23 May 2014, subject to shareholder approval at the Annual General Meeting.

Cash Flow and Balance Sheet

Cash flow in the year was strong with £24.0m of net cash being generated to bring the closing net cash balance to £85.4m at 31 December 2013. The Group has a £50m invoice financing arrangement and a £10m committed overdraft facility in place to ease cash flow across its operations and ensure access to funds should they be required, but neither of these were in use at the year end.

The diagram below shows the main drivers of our cash flow during the year:



The movements in the Group's cash flow in 2013 reflected improvements in many of the Group's markets as the year progressed. The increase of 1.6% in the Group's revenue drove a £10.3m increase in working capital. This comprised an increase of £8.5m in receivables, compared to a decrease of £7.5m in 2012, as well as a decrease in payables of £1.8m, compared to last year's decrease of £5.1m.

Capital expenditure was £3.6m lower in 2013 at £13.3m (2012: £16.9m). Our capital expenditure is driven primarily by headcount, in terms of expenditure on office accommodation and infrastructure, and by the development and maintenance of our IT systems. The lower level of capital expenditure reflects the reduced spending on software development.

Dividend payments were in line with the prior year at £30.8m (2012: £30.6m). However, there were sizeable differences in cashflow as a result of the purchase and issue of shares related to share options. In 2013, £14.4m was received by the Group from the exercise of options compared to only £7.8m received in 2012. In addition, in 2013, no cash was used to purchase shares for the Employee Benefit Trust to satisfy future employee share awards, whereas, in 2012, £18.0m was used for this purpose.

The most significant item in our balance sheet is trade receivables which amounted to £146.7m at 31 December 2013 (2012: £141.7m). Days sales in debtors at 31 December 2013 was 47 days (2012: 47 days).

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.

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 Eurozone subsidiaries and the UK-based Group Treasury subsidiary which facilitates interest and balance compensation of cash and bank overdrafts.

Foreign Exchange Translation risk

In 2013 the Group operated in 34 countries around the world and carried out transactions recorded in twenty five local currencies. In line with normal accounting policies, the Group's Income Statement and Cash Flow Statement are reported in Pounds Sterling using the average exchange rate for each month to translate the local currency into Sterling and the balance sheet is translated at the closing rate of exchange at the balance sheet date. The Group is therefore exposed to foreign currency translation differences in accounting for its overseas operations. Our policy is not to hedge this exposure.

Foreign Exchange Transaction risk

As a service company, most of the Group's transactions are within the respective territories in which the local businesses operate and therefore there are few cross-border transactions between Group companies. This means that the Group does not have a material exposure to transactional currency risk nor a material exposure to foreign denominated monetary assets and liabilities.

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.

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.

The table below shows the relative movements of the Group's main trading currencies against Sterling during 2013, when compared to those prevalent during 2012. Negative percentages indicate that Sterling has weakened against the foreign currency during the period.

Currency	Movement in the average exchange rate used for Income Statement translation between 2012 and 2013	Movement in the year end exchange rate used for Balance Sheet translation between 2012 and 2013
Euro	-4%	-3%
Swiss Franc	-2%	-1%
Brazilian Real	10%	17%
US Dollar	-1%	2%
Australian Dollar	7%	18%
Hong Kong Dollar	-1%	2%
Singapore Dollar	-1%	5%
Chinese Renminbi	-4%	-1%
Japanese Yen	20%	24%

A table showing the impact of a 10% strengthening of Sterling against the main currencies to which the Group is exposed on both the Group's equity at the balance sheet date and on profit before tax for the year is shown on page 121.

CONTINENTAL EUROPE, MIDDLE EAST & AFRICA

2013 Regional Review

EMEA is our largest region, representing 40% of the Group's gross profit for the year (2012: 41%). Revenue in the year was £407m, which was 1% higher than 2012 (constant currency -2.9%). However, gross profit at £208m was 4.9% lower than 2012 (constant currency -8.2%).

Market conditions remained challenging across the region, particularly in our largest markets of France and Germany, which is a predominantly permanent recruitment business. France and Germany make up 50% of our EMEA region and both countries saw gross profit decrease in the year. However, while these two markets remain challenging, they improved as the year progressed and our optimism has increased with regard to their outlook. In France we operate under all three of our brands; Page Executive, Michael Page and Page Personnel. Page Personnel alone would be France's market leader in professional recruitment with over 250 consultants and a focus on salaries below 45,000 Euro. It is primarily a temporary recruitment business, but also undertakes permanent recruitment. In the fourth quarter this business grew 9.1%, with permanent recruitment up 1.2% and temporary recruitment up 15.2%.

Germany is seen as a strategic high potential growth market for the Group. As discussed in the strategy section, we remain, therefore, committed to continuing our investment in Germany to grow the business despite continued challenging trading conditions.

While our businesses in EMEA experienced a decline of 8.2% in gross profit at constant currency over the year, there were encouraging signs of improvement as the year progressed, with the decline in the fourth quarter only 1.3%. At the end of the year, France and Germany looked close to returning to positive growth. In addition, strong performances were seen in many countries, most notably in the UAE (+15%), Turkey (+46%) and Spain (+9%), as well as in Portugal, Sweden, Poland, Ireland, Russia and Qatar.

Our headcount in the region declined during the year by 154 heads. This was largely a result of our strategy to seek out efficiencies and consistency across the regions, with 130 of the decrease related to operational support roles, representing a 21% decrease in operational support heads. Fee-earner headcount declined by 24 during the year, but was up 47 in the fourth quarter, reflecting our growing optimism in the region.

	2013	2012	Growth rates Reported rate	 Constant currency
Revenue	£407.0m	£403.2m	+0.9%	-2.9%
Gross Profit (net fee income)	£207.8m	£218.4m	-4.9%	-8.2%
Operating profit before exceptional items	£25.9m	£22.1m	+17.5%	
Conversion (operating profit/gross profit)	12.5%	10.1%		
Year end staff headcount	1,886	2,040	-7.5%	
Percentage of Group gross profit	40.4%	41.4%		

EMEA

GROSS PROFIT AND HEADCOUNT

Gross Profit (Net Fee Income)

	2013	2012
Q1	£52.1m	£60.3m
Q2	£55.1m	£57.6m
Q3	£48.5m	£49.0m
Q4	£52.1m	£51.5m

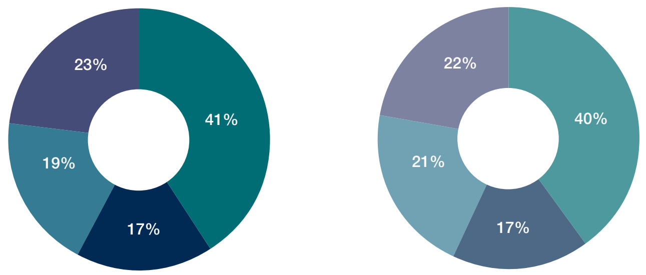
HEADCOUNT (YEAR END)

2013: 1,886 | 2012: 2,040

GROSS PROFIT PERMANENT TO TEMPORARY RATIO

	Permanent	Temporary
2013	72%	28%
2012	75%	25%

GROSS PROFIT BY DISCIPLINE



HIGHLIGHTS

- EMEA gross profit declined by 4.9% at reported rates and 8.2% in constant currency
- However, growing optimism in the outlook for the region
- Operational support heads decreased by 21%
- 9 countries experienced gross profit growth

£207.8m
Gross profit

£25.9m
Operating profit before exceptional items

40%
of PageGroup gross profit

1,886
Headcount

71
Offices

14
Disciplines

UK

2013 Regional Review

The UK is the most established and largest business in the Group, but following our strategy of geographic diversification now represents just 24% of Group gross profits. Growth returned to the UK in the second quarter of 2013 and full year revenue increased by 0.9% on 2012 to £299m. Full year gross profit grew by 2.2% to £124m, with gross profit growth rates increasing throughout 2013.

The UK business is highly diverse, recruiting for many industries and professions and across a broad salary spectrum. Although markets remained challenging in 2013, we continued to capitalise on our discipline diversification and depth of management experience. Strong performances were seen in our Logistics, Procurement & Supply Chain, and Property & Construction businesses. Our newer disciplines such as Digital Marketing and Design also performed very well year-on-year. Public sector, which comprises just over 13% of the UK business, grew 25% year-on-year while growth in the private sector remained flat. The UK region's dependence on financial services has fallen considerably in recent years and now represents a stable 4% of UK gross profit, compared to its peak of approximately 11% in 2007.

Our Page Personnel brand, representing 19% of the UK business, grew by 21% in the fourth quarter of the year, with permanent recruitment up 27% and temporary recruitment up 13%. Page Personnel focuses on roles with a salary below £40,000 and, therefore, in line with the job market at this level, recruits a higher proportion of temporary roles. Typically, as markets recover, lower-level job recruitment tends to improve first, which was reflected in the growth rate for permanent recruitment being higher than in temporary.

We continue to focus on our conversion rate. Operating profit before exceptional items increased by 16.6% to £18.4m and conversion of gross profit to operating profit increased to 14.8% in the year, from 13% in 2012.

Headcount increased by 82 during 2013, the majority of which were fee earners, reflecting stronger market conditions and, with confidence slowly improving, we believe that we are well positioned to take advantage should the economy continue its recovery in 2014.

	2013	2012	Growth rate
Revenue	£298.6m	£295.9m	+0.9%
Gross Profit (net fee income)	£124.1m	£121.4m	+2.2%
Operating profit before exceptional items	£18.4m	£15.8m	+16.6%
Conversion (operating profit/gross profit)	14.8%	13.0%	
Year end staff headcount	1,319	1,237	+6.6%
Percentage of Group gross profit	24.1%	23.0%	

UK

GROSS PROFIT AND HEADCOUNT

Gross Profit (Net Fee Income)

	2013		2012
Q1	£30.4m	Q1	£30.6m
Q2	£31.2m	Q2	£31.1m
Q3	£31.0m	Q3	£29.5m
Q4	£31.5m	Q4	£30.2m

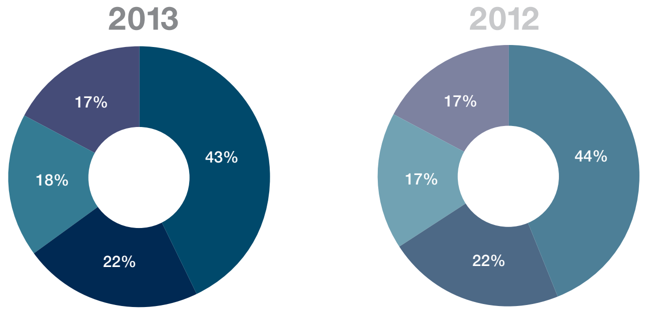
HEADCOUNT (YEAR END)

2013: 1,319 | 2012: 1,237

GROSS PROFIT PERMANENT TO TEMPORARY RATIO

	Permanent	Temporary
2013	71%	29%
2012	70%	30%

GROSS PROFIT BY DISCIPLINE



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

HIGHLIGHTS

- UK market showing signs of recovery
- Gross Profit grew 2.2% in 2013 with the growth rate improving each quarter
- Page Personnel (19% of UK) gross profit up 14%
- Michael Page/Page Executive (81% of UK) gross profit in line with 2012
- Procurement and Supply Chain, Digital Marketing, Property and Construction all performed strongly

£124.1m
Gross profit

£18.4m
Operating profit before exceptional items

24%
of PageGroup gross profit

1,319
Headcount

28
Offices

13
Disciplines

ASIA PACIFIC

2013 Regional Review

Trading in our Asia Pacific region continued to be impacted by the difficult trading conditions in Australia. The region contributed 21% of Group gross profit in 2013 (2012: 22%). Revenue decreased 1.5% to £189.4m, gross profit decreased by 7.9% and operating profit decreased by 33.6%.

In constant currency gross profit for the region decreased by 4.7%, with combined gross profit for Australia and New Zealand down 19% on the previous year as a result of the continued slow-down in the mining and natural resources sector in Australia and its effect on the wider economy. Consequently, having represented 44% of the region's gross profit in 2012, this fell to 36% in 2013. In 2011 and 2012, we achieved an exceptional performance from our Australian business, largely driven by the expansion of the mining and natural resources sector that drove the Australian economy, despite the effects of the global financial crisis experienced in most major economies around the world. However, as the resources sector slowed impacting the wider economy, our Australian business found trading conditions difficult during 2013 and gross profit declined by 20% in constant currency to approximately £38m. Market conditions in Australia remain difficult but stable.

In contrast, our Asia businesses continued to grow year-on–year delivering a record gross profit performance in 2013 with growth of 7% on the prior year. Asia now represents 62% of the region's gross profit, compared to 55% in 2012 and only 39% in 2008. Greater China grew by 1% in terms of gross profit year-on-year, India by 23%, Malaysia by 80% and Japan grew by 25% and finished the year with a record quarterly performance in quarter four.

Headcount across the region as a whole increased by 75 (7%), with Australasia headcount down by 8% and Asia up by 18%. We expect that headcount will continue to increase in Asia in 2014 in line with our strategy of investing in our strategic high-potential growth markets, which include Greater China and South East Asia.

			Growth rates	
	2013	2012	Reported rate	Constant currency
Revenue	£189.4m	£192.2m	-1.5%	+3.4%
Gross Profit (net fee income)	£105.8m	£114.9m	-7.9%	-4.7%
Operating profit before exceptional items	£19.2m	£29.0m	-33.6%	
Conversion (operating profit/gross profit)	18.2%	25.2%		
Year end staff headcount	1,111	1,036	+7.2%	
Percentage of Group gross profit	20.6%	21.8%		

ASIA PACIFIC

GROSS PROFIT AND HEADCOUNT

Gross Profit (Net Fee Income)

	2013		2012
Q1	£26.1m	Q1	£26.3m
Q2	£28.2m	Q2	£30.6m
Q3	£27.3m	Q3	£30.2m
Q4	£24.2m	Q4	£27.8m

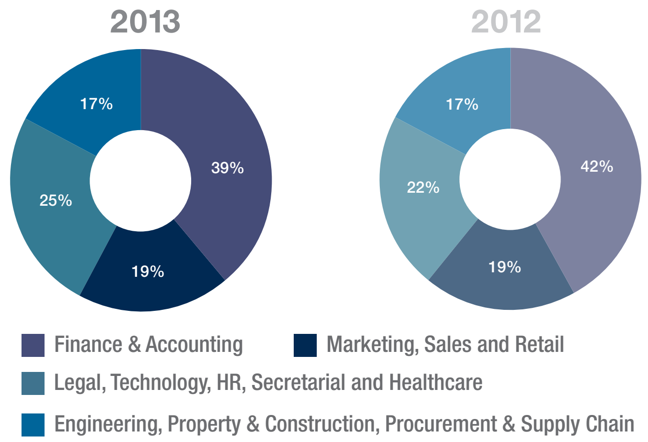
HEADCOUNT (YEAR END)

2013: 1,111 | 2012: 1,036

GROSS PROFIT PERMANENT TO TEMPORARY RATIO

	Permanent	Temporary
2013	85%	15%
2012	85%	15%

GROSS PROFIT BY DISCIPLINE



HIGHLIGHTS

- Asia delivered record gross profit
- Headcount in Greater China up over 19% in 2013
- Australia still experiencing difficult trading conditions and adverse foreign exchange movements

£105.8m
Gross profit

£19.2m
Operating profit before exceptional items

21%
of PageGroup gross profit

1,111
Headcount

23
Offices

13
Disciplines

THE AMERICAS
2013 Regional Review

The Americas region represented 15% of the Group's gross profit during 2013 (2012: 14%). Revenue increased by 12.1% to £111m (2012: £99m) and gross profit increased by 5.6% to £76m (2012: £72m). In constant currency, gross profit grew by 8.7%.

Operating profit increased significantly to £4.6m from a loss of £1.7m in 2012, with the conversion rate increasing to 6.1% from -2.3% in 2012.

In North America, the USA performed particularly well with gross profit growing 31% to £25.8m. Market sentiment continued to improve in the USA and this, along with the management changes in 2012 and subsequent investments made in 2013 to strengthen the teams across the region, has driven improvements in gross profit and the conversion rate. The USA business now operates from nine offices, having opened an office in Los Angeles during the year.

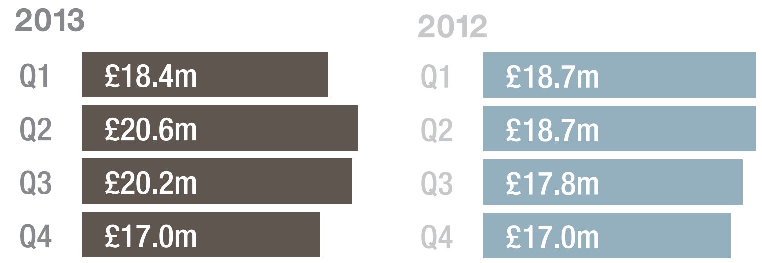
In Latin America, our largest business, Brazil, felt the impact of tougher economic conditions and consequently gross profit fell by 8%. However, overall gross profit in Latin America increased by 1% due to our other Latin American countries, representing 37% of our Latin American region, performing extremely well, with Mexico increasing gross profit by 22% to £8.2m, Chile increasing its gross profit by 20% to £5.0m, and our newer business in Colombia growing gross profit in excess of 100%; all three recorded record gross profit years.

Overall headcount in the Americas region increased by 28. Headcount in the USA was up by 20% and is now approaching 250, and we have over 500 heads in Latin America.

	2013	2012	Growth rates: Reported rate	Growth rates: Constant currency
Revenue	£110.5m	£98.6m	+12.1%	+15.1%
Gross profit (net fee income)	£76.2m	£72.2m	+5.6%	+8.7%
Operating profit before exceptional items	£4.6m	-£1.7m	+374%	
Conversion (operating profit/gross profit)	6.1%	-2.3%		
Year end staff headcount	814	786	3.6%	
Percentage of Group gross profit	14.8%	13.7%		

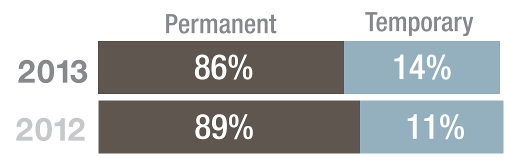
THE AMERICAS

GROSS PROFIT AND HEADCOUNT

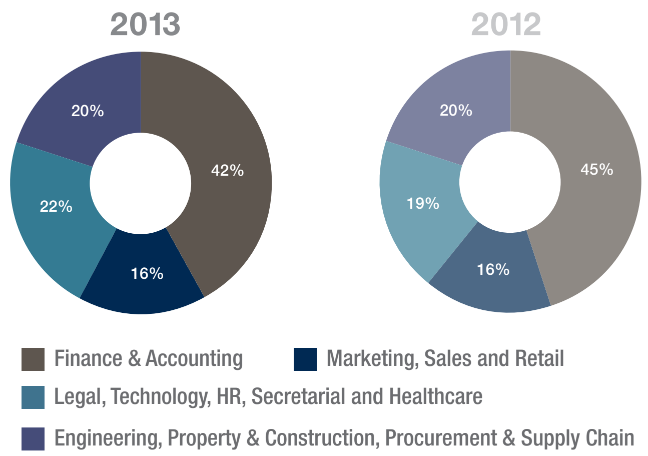


HEADCOUNT (YEAR END)

GROSS PROFIT PERMANENT TO TEMPORARY RATIO



GROSS PROFIT BY DISCIPLINE



HIGHLIGHTS

- Strong regional performance led by the USA
- Gross profit in USA up 31%, with a new office in Los Angeles
- Tough economic conditions in Brazil, but a record year for Mexico, Colombia and Chile

£76.2m
Gross profit

£4.6m
Operating profit before exceptional items

15%
of PageGroup gross profit

814
Headcount

31
Offices

13
Disciplines

OUR STRATEGY

OUR STRATEGY IS CLEAR AND CONSISTENT

ORGANIC GROWTH

Our strategy is to grow organically, achieved by drawing upon the skills and experiences of proven PageGroup management, ensuring we have the best and most experienced, home-grown talent in each key role. Our team-based structure and profit share business model is highly scalable. The small size of our specialist teams means we can increase headcount rapidly to achieve growth when market conditions are good. Conversely, when market conditions tighten, these entrepreneurial, profit sharing teams reduce in size through natural attrition. Consequently, our cost base contracts during the lean times.

Our strategy for organic growth has served the business well over the thirty-eight years since its inception and we believe it will continue to do so. We have grown from a small, single discipline management recruitment company operating in one country to a large multidiscipline, multinational business, operating in 34 countries represented by three key brands.

DIVERSIFICATION BY REGION AND DISCIPLINE

Our strategy is to expand and diversify the Group by industry sectors, professional disciplines, geography and level of focus, be it Page Executive, Michael Page or Page Personnel, with the objective of being the leading specialist recruitment consultancy in each of our chosen markets.

As recruitment is a cyclical business, impacted significantly by the strength of economies, diversification is an important element of our strategy in order to reduce our dependency on individual businesses or markets and to increase the resilience of the Group.

This strategy is pursued entirely through the organic growth of existing and new teams, offices, disciplines and countries, maintaining a consistent team and meritocratic culture as we grow.

Current strategic priorities are highlighted on page 35.

BUILD FOR THE LONG-TERM

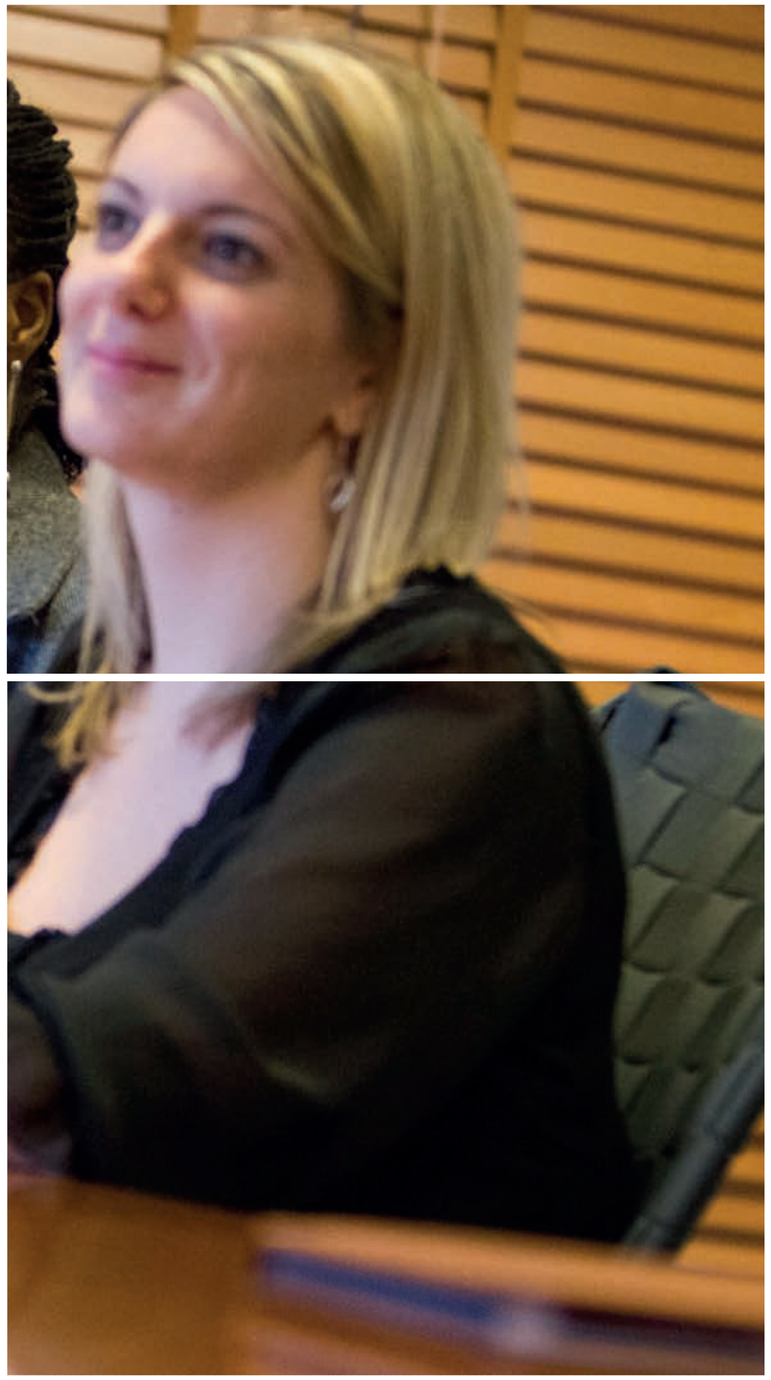
When we invest in a new business, be it a new country, a new office or a new discipline, we do so for the long-term. Downturns in the general economy of a country or in specific industries will inevitably have a knock-on effect on the recruitment market. However, it has been our practice in the past, and remains our intention, to maintain our presence in our chosen markets through these downturns, while closely controlling our cost base. In this way, we are able to retain our highly capable management teams in whom we have invested and, normally, we find that we gain market share during downturns which positions our business for market-leading rates of growth when the economy improves.

Pursuing this approach means that we carry spare capacity during the downturn, which has a negative effect on profitability in the short-term. A strong balance sheet is, therefore, essential to support the business through these times.

RECRUIT THE BEST PEOPLE, DEVELOP THEIR TALENT AND PROMOTE FROM WITHIN

We recognise that it is our people who are at the heart of everything we do, particularly as an organically grown business. Investing in them is, therefore, a vital element of our strategy. Our strategy is to find the highest calibre staff from a wide range of backgrounds and then do our very best to retain them through a team-based structure, a profit share business model and continuous career development, often internationally. Our strong track record of internal career moves and promotion from within means that people who join us know that one day they can be our future senior managers and main Board directors. Steve Ingham, our Chief Executive Officer, joined PageGroup 27 years ago at recruitment consultant level. Similarly, all of the operational members of our Executive Committee started their PageGroup careers at consultant level and have a total of 125 years of PageGroup experience across the five individuals.

The key performance indicators used to measure our progress against our strategy can be found on pages 19 and 20.



OUR STRATEGY

OUR PLAN FOR GROWTH

Our Goal

Our strategic goal is to move back to and then exceed the peak gross profit performance achieved in each region in 2008 prior to the impact of the global financial crisis of late 2008. The achievement of this goal will be driven largely by consultant headcount and a return to higher levels of consultant productivity. A focus on the improvement of overall operational efficiency will be used to increase conversion rates and profit before tax.

Current Strategic Priorities

- Increase the scale and diversification of PageGroup by growing organically existing and new teams, offices, disciplines and countries (see pages 8, 16 and 33)
- Scale the business with a team and meritocratic culture whilst delivering a consistent and high quality client and candidate experience (see pages 33, 34, 40 and 41)
- Invest principally in identified large, high potential markets – Greater China, Germany, Latin America, South East Asia and the USA (see page 37)
- Manage our fee earner headcount in other markets to reflect market conditions (see page 34)
- Focus on operational support consistency and efficiency including the rollout of our new operating system (see page 39)
- Focus on succession planning and international career paths to encourage retention and development of key staff (see pages 34 and 41)

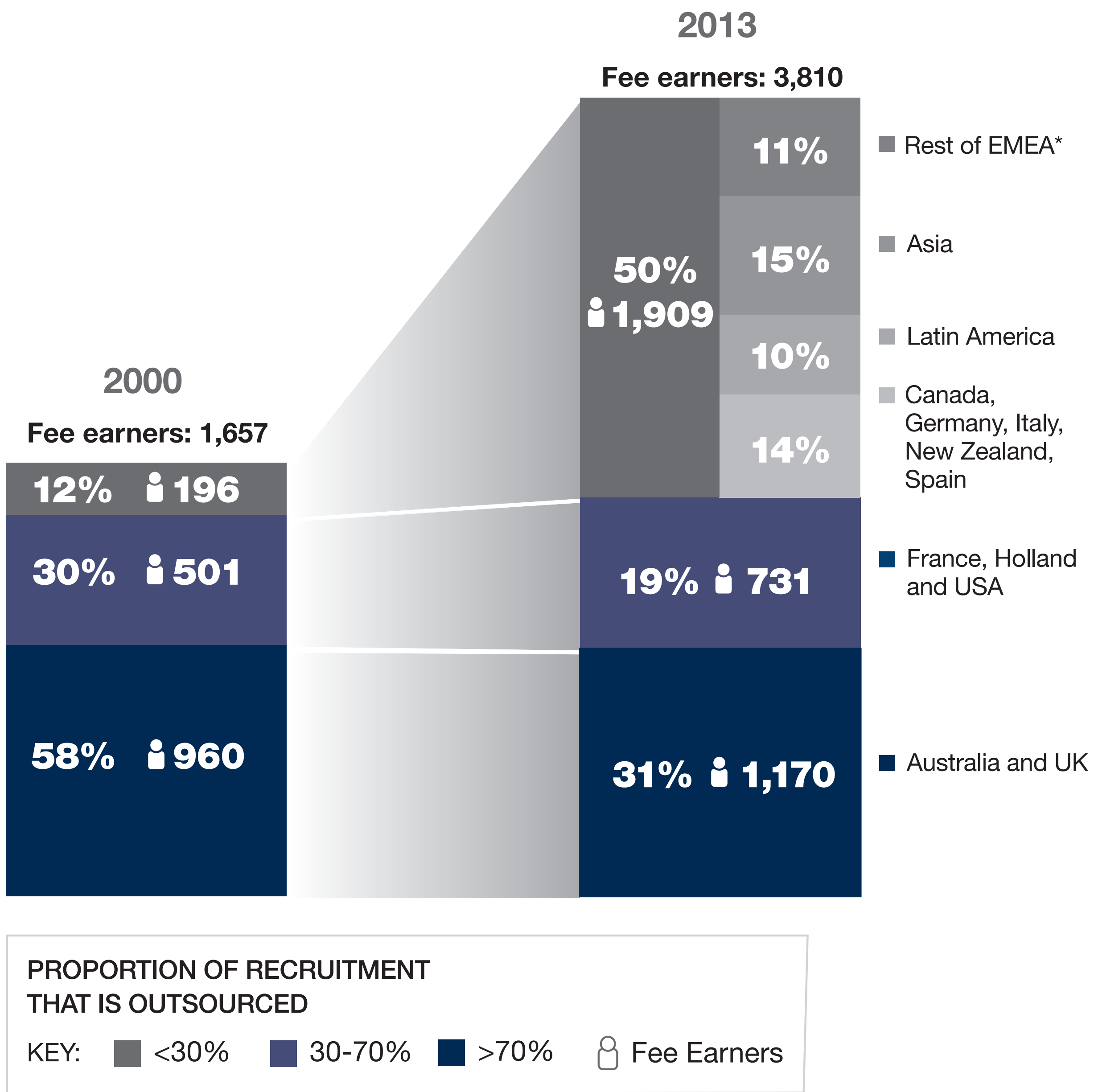
Positioned for Growth

Constant investment has transformed the shape of our business and will continue to transform it in the future.

We have identified Greater China, Germany, Latin America, South East Asia and the USA as large, high potential markets in which we intend to focus our investment in the next few years. In the main these are less developed recruitment markets where competition is limited. Many of our new markets are emerging economies and are growing more quickly than established markets. Naturally our strongest opportunity to grow quickly is in markets which have the potential to develop and where competition is weak.

In 2000, 58% of our fee earners were based in the UK and Australia, the most developed and competitive recruitment markets, and only 12% in the least developed and least competitive markets. However, as shown in the diagram opposite, at the end of December 2013 half of our fee earners were based in these high potential markets. We are now well positioned for growth.

THE GROUP HAS TRANSFORMED OVER THE PAST THIRTEEN YEARS, WITH 50% OF OUR FEE EARNERS NOW POSITIONED IN THE LEAST COMPETITIVE MARKETS



* Austria, Belgium, Ireland, Luxembourg, Morocco, Poland, Portugal, Qatar, Russia, South Africa, Sweden, Switzerland, Turkey, UAE

OUR STRATEGY

SPOTLIGHT ON LARGE, HIGH POTENTIAL MARKETS

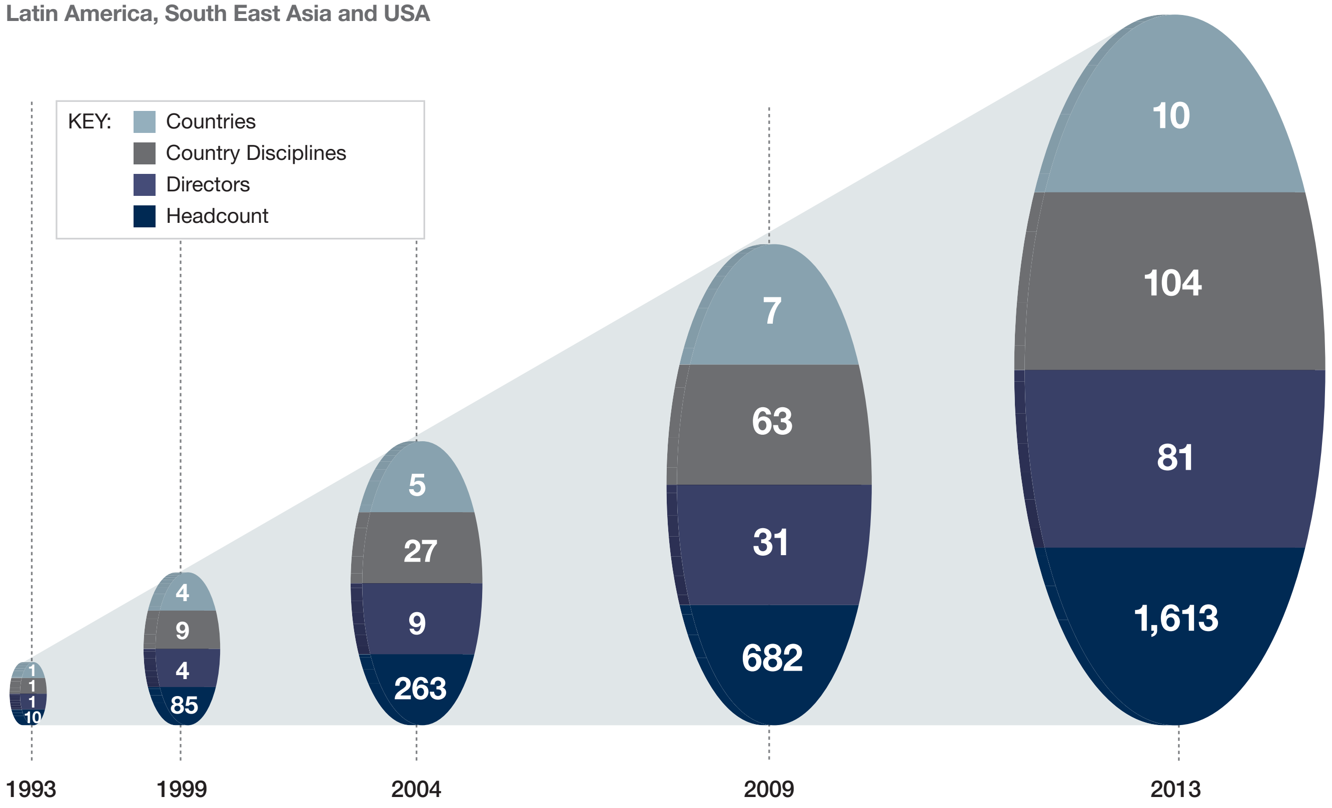
Historically, when economic growth has slowed, we have reduced consultant headcount and not reinvested until the market recovered. However, in the five markets identified as large, high potential markets – Greater China, Germany, Latin America, South East Asia and USA – we will now take a more proactive approach with increased and sustained investment through economic cycles. This will require setting targets for consultant remuneration appropriate for the market conditions.

The markets identified are substantial, high potential markets for recruitment. In the main, they are under-developed, less competitive recruitment markets where PageGroup has already met the criteria it uses to assess business potential and, therefore, we can have confidence that we can now successfully scale up our success.

The criteria are as follows:

Criteria:	Strength of management
Factors:	Ability to hire, train, retain, promote locals Ability to adapt PageGroup culture to local culture Ability to roll out disciplines and open offices
Criteria:	Conversion rates
Factors:	High fee rates/salaries High gross profit per fee earner
Criteria:	Size and prospects of economy
Factors:	Competitor landscape Client/candidate receptiveness Employee/employer legislation
Criteria:	Track record
Factors:	PageGroup growth rates Progress on gross profit/operating profit

Year End headcount and discipline track record in Greater China, Germany, Latin America, South East Asia and USA



GREATER CHINA

Approximate headcount: 450
Offices: 10

In Greater China we have had considerable success in recent years, principally as a result of our investment in management and by transferring proven managers from other established PageGroup offices. As the market leader in Greater China by offices, headcount, gross profit and trading profit, we are well positioned.

Our track record of growing headcount, training, retaining, promoting locals, opening offices, strong conversion rates, developing international and Chinese clients, leads us to be optimistic about future prospects in this territory. Numerous opportunities exist to expand existing offices and open new ones, launch and roll out disciplines, and, therefore, grow both headcount and gross profit.

GERMANY

Approximate headcount: 250
Offices: 7

To date, our main focus in Germany has been on permanent recruitment and we are widely regarded as the market leader in this area. However, in weaker market conditions, Germany's strong employment legislation encourages clients to avoid hiring permanent employees and to 'switch' to hiring temporary staff.

Our opportunity is to grow further our permanent recruitment business and to create a robust temporary business. In 2013 we strengthened the management team with the transfer in of two Senior Directors, both of whom have temporary recruitment experience and, combined, have over 30 years of PageGroup experience.

Germany's economy, based on GDP, is approximately 40% larger than the UK economy, is more de-centralised and has a far less developed recruitment market compared to the UK and other major European economies. These factors make it a very attractive opportunity for PageGroup.

SOUTH-EAST ASIA

Approximate headcount: 200
Offices: 2

Of the five markets we have identified as high potential strategic markets, South East Asia is PageGroup's least developed market. Currently our presence consists of a market-leading position in Singapore and a new but rapidly growing business in Malaysia.

Outside of Singapore, South East Asia's recruitment market is under-developed. We have proven that the region is capable of high margins. We are currently in the process of establishing the necessary licences for an Indonesian operation – we have an 'Indonesian team' with over 20 years of PageGroup experience operating from Kuala Lumpur. Our depth of management experience is very strong and is overweight for the size of the operations we have today.

USA

Approximate headcount: 250
Offices: 9

Despite difficult trading conditions and poor performances during 2008-2012, we have renewed confidence in the USA market and our USA business. Our gross profit growth rate year-on-year was 31% in 2013. In 2012, we made key management changes and over the last year we have realigned our US business, transforming it back into a typical PageGroup business and culture. Several more key managers have transferred into the US business and we expect there to be a steady flow of additional international transfers to the USA which is an attractive market for many of our current employees.

The USA recruitment market is very competitive, though less so than the UK and Australia. It is driven mostly by contingent fees, but with higher salaries and fee rates than we see in the UK. In addition, the typical cut-off between what is contingent and what is seen as the start of the head-hunter market is set at a higher level; the contingency market can reach as high as $250k. As the world's largest economy, the USA offers PageGroup numerous opportunities for growth.

LATIN AMERICA

Approximate headcount: 550
Offices: 20

In Latin America, we are clear market leaders. Our largest presence is in Brazil and we also have offices across Mexico, Chile, Argentina and Colombia. We plan to continue to invest in the region and build on our clear market leadership.

Latin America is a region where the recruitment of middle management or professionally qualified staff is largely done 'in-house' and the recruitment industry is very immature. The combined GDP of the five countries in which we operate would rank fourth in the world below Japan and above Germany. The immaturity of these markets represents a huge opportunity.

Strength of management has been consistently high and is improving further as management matures. Given the challenges experienced in the recruitment market in Spain and Portugal over the last few years, we have taken the opportunity to successfully transfer a number of Spanish and Portuguese speaking staff to Latin America.

The PageGroup LatAm culture is strong, encouraging the retention of staff and we have proved we can roll out profitable new offices and disciplines across the region. Currently this market is almost entirely driven by permanent recruitment but we have successfully rolled out Page Personnel in preparation for when temporary recruitment becomes more culturally acceptable.

Approximate headcount is based on February 2014 data.

OPERATIONAL SUPPORT STRATEGY

The core operational support strategy is to have a consistent, market-leading operational support on a highly cost-effective basis. We are targeting to improve the delivery of support services across the business while reducing costs as much as possible. The actions being taken in each of the core areas are as follows:

Finance and Administration Strategy

In order to improve efficiency we are reviewing the current provision of these services and their delivery mechanisms. For example, the use of the shared service centre model will be used across a greater proportion of the Group.

Investor Relations

We have appointed a Director of Investor Relations to focus on communication with our shareholders.

Information Technology Strategy

We have recently made significant changes in the delivery of IT to the PageGroup business. A new Chief Information Officer has been hired and substantial changes have been made to the senior IT team. In terms of delivery, we are moving away from an approach of building, owning and maintaining core IT infrastructure and applications, and are generally moving to a delivery that is based on a web applications model where the key applications and data are third-party hosted on a global industrial framework in the Cloud.

In May, we piloted the new version of our operating system and related applications in our Boston office and these are planned to be rolled out further in 2014. Work on modifications to the system that were noted in the pilot is developing in line with expectations and the roll-out plan. The total system covers a wide range of our operating activities, being broadly:

- CRM (Customer Relationship Management system) – recruitment process management
- Search – global search capability over all databases and social streams
- Reporting and analytics – covering operational and financial data Group-wide
- CV parsing – automatic coding and loading of CVs
- Job posting – managing and tracking jobs and applications
- Finance systems and interfaces – full integration into finance systems for billing, temporary workers' timesheets and payroll
- Single global website – responsive to any device.

The systems are being delivered on the latest versions of the host applications and have been developed to be agile, so that we can always take advantage of the latest versions without significant upgrade costs or timelines. They are also utilising Cloud based solutions, with the related improvements in scalability, cost and flexibility.

Elements of our IT strategy have commenced roll-out elsewhere in the Group, for example, the next generation website has been launched in Asia Pacific.

Human Resources

During the year we appointed a Group Human Resources Director and are taking a co-ordinated global approach to recruitment, retention, training and development, promotion, international transfers, succession management and remuneration.

Procurement and property strategy

We have appointed a Global Procurement Director with the aim of moving to common procurement processes across the business in order to improve operational efficiency and reduce costs.

Marketing

In the Michael Page name we have a strong established brand in our major markets. We still face challenges in achieving better awareness for Michael Page in our newer markets and across all markets for our other core brands, Page Executive and Page Personnel. In 2012, we re-branded to PageGroup, with clarity on brand hierarchy and consistency in brand deployment.

With the rise of digital media, the way customers become aware of and interact with brands in the recruitment space has changed significantly and will continue to change. We have established significant presence in the digital space but we recognise the need to remain consistent in approach and agile in marketing our services in order to continue to be the recruitment brand of choice in the business sectors in which we operate.

We have appointed a Group Marketing Director who now has global control of the marketing function and will ensure the key focus is towards activity that drives added value to the brand. We will continue to empower the business with sales support activity that is responsive to local and cultural factors but this tactical activity can be delivered using technology based on a simple centralised approach. Future strategy will be through a marketing function with fewer people but more expertise in essential marketing skills with a bias towards online and social channels.

We will use our internal expertise, supplemented with external advice in both marketing and technology, to monitor and evaluate emerging trends, particularly in the digital space. Our aim will be to build on our hard won brand reputation by maximising the application of new technology.

We have appointed a Director of Investor Relations to focus on communication with our shareholders.

THE PEOPLE BEHIND THE PLAN

Our Employees

We never forget that the people who work at PageGroup will always be our most valuable assets. It is these individuals who drive the Company forward and take it in the right direction. We, therefore, value their ideas and contribution, encourage them to maximise their potential and invest heavily in learning and development. This means that every member of staff has a fair opportunity to excel and to develop a full and rewarding career, potentially rising to Executive Director level.

Our Clients

We have always treated our clients as our partners and recognise that we have a responsibility to represent them in the best possible way. We spend time getting to know our clients so that we understand their businesses. In order to present the widest possible pool of talent to our clients, we ensure diversity in our candidate shortlists by conducting searches which reach minority groups.

Our Candidates

Candidates can be assured that they will always be assessed purely on their skill-set and presented to clients without bias, to ensure competition for jobs is on a level playing field. We value our candidates and enjoy keeping in touch with them – yesterday's candidate is frequently tomorrow's client.

Our Investors

We communicate regularly with our investors, keeping them well informed of our activities. Feedback from investors has helped shape our clear business strategy. More information on how we communicate with our investors is shown on page 60 in the Corporate Governance section.

Our Community

Throughout the world we seek to work closely with local communities, looking to give something back to the societies in which we operate. Further details can be found in the Corporate Responsibility section on page 43.

THE PEOPLE BEHIND THE PLAN

OUR EMPLOYEES

Hiring the best

Sourcing and retaining the highest calibre employees from a wide range of backgrounds is key to our strategy. 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 for employees who range from new graduates to experienced professionals from other disciplines – normally from the disciplines we recruit for. It is also extremely important to us to recognise that when we recruit we are hiring our senior management of the future. We aspire to help people maximise their potential.

Learning and Development

It is visible both inside and out, that at PageGroup we are passionate about developing our people. We support our employees to develop in their roles, and build a solid foundation for their future career with us, through a diverse range of education and experience opportunities. This includes encouraging international assignments within PageGroup. From their first day with us, our people continuously undertake development and succession planning programmes including induction training, quarterly appraisals, coaching, and people management training using 360 degree feedback. Our focus on the provision of a specialised service has led us to establish dedicated Learning & Development teams across the Group who customise our programmes to ensure training is appropriate for different cultures and working environments across the world.

Retaining the most talented people

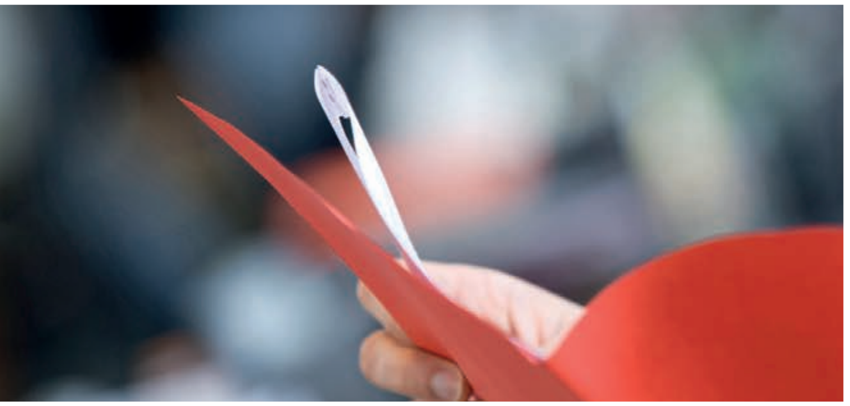
With a solid strategy of organic growth and using existing expertise as a platform for growing into new markets, we have a strong commitment to internal promotion, international career moves and employee empowerment which has continually helped us retain our very best people. At the highest level, we 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. Due to this philosophy of nurturing our own talent, succession planning is an inherent part of the business process. It is one of the key responsibilities of all levels of management to have a clear plan of development for their direct reports and for themselves.

Employee engagement

At the heart of our company is the camaraderie of team work, so much so that “team work” 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 team building events and premium international trips to reward our high performing consultants and managers. Our way of rewarding consultants through bonuses is different to the rest of the industry. At PageGroup we reward teams with profit share which is then allocated to the individuals based on their total contribution to the team.

We run several initiatives worldwide to monitor employee engagement. For example, in the UK, we participate, in the Sunday Times ‘Best 100 Companies to Work For’ survey, and have been recognised for the last nine consecutive years as one of the top 100 companies to work for in the UK. In 2013 we were also recognised in Crain’s ‘Best places to work in New York City’, and in Apertura Magazine’s ‘Best employers’ in Argentina. We were delighted to be recognised in the Recruitment International Awards 2013 as the best recruitment company to work for in the £100m+ category.

In 2013, we also undertook an employee engagement and diversity survey which was externally managed to allow employees an opportunity to provide candid feedback in the knowledge that their views and opinions were confidential and anonymous.



DIVERSITY AND INCLUSION

OpenPage

Inclusion for all

Pursuing an agenda of diversity and inclusion in the workplace is not only ethically right but, given its importance to the liberation of the full potential of the labour market, it is also critical to our strategy as a leading global recruitment company. PageGroup is an equal opportunities employer and a strong advocate in the industry encouraging other businesses to give every individual the same opportunities for employment and promotion based on their ability, qualifications and suitability for the position.

Inclusion in recruitment and employment is about recognising and appreciating that every individual is different. It is about ensuring that everyone, whether they are a candidate seeking work through PageGroup or one of our own employees, is valued and respected. Regardless of individual characteristics, suitability for recruitment, training or promotion is always based on professional merit.

At PageGroup, we are committed to promoting inclusion and continually developing our understanding and approach to upholding an inclusive working environment. We are determined to lead the way on inclusion within the recruitment industry and we work closely with our clients to support their diversity strategies, from consultation through to delivery.

To further our insight into inclusion issues we work with a number of external organisations such as Race for Opportunity, the Business Disability Forum and the Employers’ Network for Equality and Inclusion. Our senior staff are actively involved with these and many other organisations through work-streams and joint initiatives, ensuring we are constantly learning from their experience and using our own resources to share best practice and ideas.

Women@Page

Since 2012 we have operated the Women@Page initiative to help us achieve better gender diversity across all levels of our global business. We aim to create an inclusive working environment by developing the pipeline of female talent and retaining that talent. The first tangible step for Women@Page was a Global Mentoring Programme to support talented women at management level. Mentors include senior managers within the Group who undergo external training to better equip them to provide key guidance to their mentees. In particular, mentors challenge their mentees to think differently, consider their options and honestly analyse their strengths and weaknesses. This programme was initially introduced in the UK and France in 2012 and has now been rolled out across ten countries. We have also set clear maternity guidelines for all managers to better support staff during their maternity period including during their return to work.

In addition to the global initiatives run by Women@Page, there are also a large number of initiatives being driven locally. For example, in South Africa, Michael Page has continued its learning scheme for women, the Michael Page South Africa Learnership Programme, to show its commitment to skills development and female empowerment in South Africa. In 2013, the 12 month programme offered five women from disadvantaged backgrounds the opportunity to gain professional hands-on experience across Michael Page disciplines and to attend a fully funded course in Business Administration.

Gender diversity

At 31 December 2013

	Male	%	Female	%	Total
Number of people on Board of Directors	5	71%	2	29%	7
Number of senior managers excluding Directors	276	77%	83	23%	359
Total number of employees in PageGroup	2,520	49%	2,610	51%	5,130

At 31 December 2012

	Male	%	Female	%	Total
Number of people on Board of Directors	6	86%	1	14%	7
Number of senior managers excluding Directors	273	82%	58	18%	331
Total number of employees in PageGroup	2,548	50%	2,551	50%	5,099

Further diversity statistics and information regarding our approach to diversity and corporate social responsibility can be found in our 2013 Corporate Responsibility Report which can be found on our website at **www.page.com/investors**

CORPORATE RESPONSIBILITY

OUR CORPORATE RESPONSIBILITY VISION

To engage, encourage and equip all our people to make a positive impact on the clients and communities with which we work.

Ethical, responsible practices and total commitment to minimising our impact on the environment are the key motivators behind our corporate responsibility strategy.

Communities and Charities

As a company we pride ourselves on our integrity and we take our corporate responsibility very seriously. Throughout the world, we seek to work closely with local communities, looking to give something back to the societies in which we operate. To achieve this, we encourage our staff to be pro-active in seeking projects within their own communities. Projects include consultants going into schools and giving CV and interview advice, volunteers helping out on community and environmental projects and raising funds for charitable causes. For example, in the UK we have committed to a two year partnership with Alzheimer's Research UK Association and aim to raise £200,000 over the two year period to provide two three year PhD scholarships for work on key research projects related to the prevention or cure of this debilitating disease. To this end, during the year, our employees have participated enthusiastically in a variety of fund raising events including, triathlons, cake sales, pub quizzes, and the Yorkshire Three Peaks Challenge. In addition, our CEO and 100 employees participated in the Great Wall of China marathon in Beijing in 2013.

This hard work and dedication to give back saw our 5,130 employees globally raise around £123,000 in 2013, and the Group donated a further £134,000 so making a total close to £257,000 donated to charitable causes during the year.

Human rights

Our policy with regard to human rights is included in our Group Code of Conduct which is communicated to all new employees as part of the induction process. We require that all staff treat colleagues, candidates, clients and business partners with equality, fairness and respect, regardless of their gender, race, colour, ethnic or national origins, marital status, family circumstances, age, disability, sexual orientation, political or religious belief. We uphold the right of our employees and candidates to work in a safe environment, free from discrimination, bullying and harassment. We are supportive of upholding human rights principles and take into account internationally accepted human rights standards. We will not engage in or support the use of forced labour and do not tolerate the use of child labour.

Further information on our approach to corporate responsibility can be found in our Corporate Responsibility Report at:

www.page.com/investors

Environmental matters

We fully recognise our responsibilities in relation to the environment and our carbon footprint. As an office-based business, our main environmental impact comes from the generation of carbon emissions through the consumption of gas and electricity in order to heat, cool and light our offices and from business travel by road, rail or air, as well as office-based waste such as paper and toners.

Our 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 Group'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 waste and maximising efficiency
- Promoting efficient procurement, which will both minimise waste and allow materials to be recycled where appropriate
- Employing sound waste management practices and encouraging re-use and recycling
- Putting in place procedures and supporting information that enables compliance with the law, regulation and code of practice relating to environmental issues
- Adopting a systematic energy use data collection procedure and audit across all sites with annual monitoring
- Deploying an environmental monitoring system across PageGroup operations which will ensure systematic, robust, effective environmental data collection

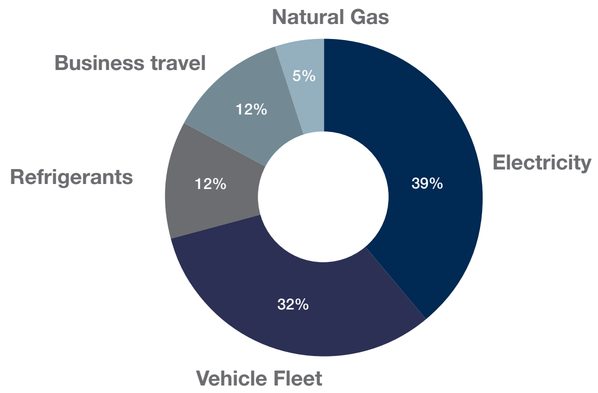
Greenhouse gas emissions

We commissioned Trucost, a specialist company working in the area of environmental risk, to analyse energy use and business travel data collected by PageGroup in order to provide an overview of the carbon performance and efficiency of our global operations. Trucost identifies GHG emissions to air in line with the Greenhouse Gas Protocol, an international corporate accounting and reporting framework developed by the World Resources Institute and the World Business Council for Sustainable Development.

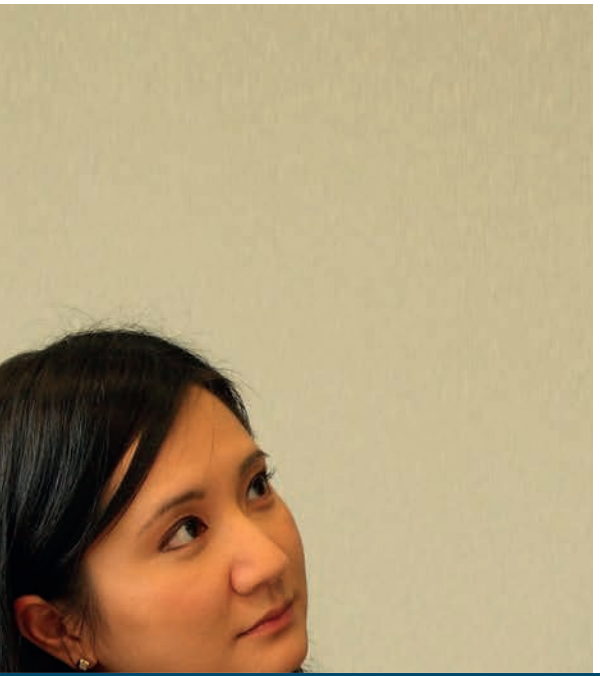
The overall, global GHG footprint of PageGroup's operations in 2013 was calculated to be 12,472 tonnes of carbon dioxide equivalent (CO2e). 39% of emissions resulted from electricity use, 32% from the group's vehicle fleet, 12% from the use of refrigerants, 12% from business travel by rail and air and 5% from the use of natural gas for operations.

As we have only recorded similar GHG data in respect of the UK in previous years, we are not able to provide a global comparative for 2012. In future years a comparative will be shown.

Total Emissions CO2e in 2013 from global operations



Greenhouse Gas Protocol 2013		Tonnes CO2e	% of measured emissions
Scope 1 direct emissions from sources which a company owns	Fuel use for operations	626	5%
	Vehicle Fleet	3,939	32%
	Total scope 1 direct emissions	**4,565**	**37%**
Other direct emissions not included in scope 1 by the Kyoto Protocol	**Refrigerants**	**1,559**	12%
Scope 2 indirect emissions re-generation of purchased electricity	Electricity	4,842	
	District heating	1	
	Total scope 2 indirect emissions	**4,843**	**39%**
Scope 3 other indirect emissions including business travel	Rail Travel	181	
	Air travel	1,324	
	Total scope 3 other indirect emissions	**1,505**	**12%**
Total GHG emissions		**12,472**	**100%**
Total tonnes CO2e per employee (5,130 employees)		**2.43**	



PRINCIPAL RISKS AND UNCERTAINTIES

As with any business, we face risks and uncertainties every day. The careful management of risk is, therefore, important to the achievement of our strategic objectives and to sustainable growth for the Group.

An annual review of risks is a well established process within the Group. Historically this has been undertaken at Group level in conjunction with operational management, supported by the completion of internal control checklists by senior management from each country to identify any key risks locally. In 2013, the Board commissioned a review of risk and controls supported by staff from Deloitte LLP with specialist experience in this area.

The purpose of this review was:

- to identify and quantify the key risks for PageGroup
- to confirm key controls and mitigating factors
- to establish a plan for rolling out and embedding the process at region/country level
- to further develop the reporting and governance framework

The review included interviews with key stakeholders, including Board members and senior managers from the Group functional areas. The key risks and controls were then summarised in a Group Risk Profile for review by the Executive Committee and then subsequently by the Audit Committee and the Board of Directors.

This approach is being rolled out across the regional businesses, supported by the Internal Audit function.

OUR APPROACH TO MANAGING RISK

BOARD

Ultimate accountability for ensuring that risk is managed effectively

Risk is considered in all strategic decision-making

Review the Group Risk Profile annually and challenge constructively.

AUDIT COMMITTEE

On behalf of the Board, the Audit Committee has oversight of the risk management process, reviews annually the Group Risk Profile and ensures the adequacy and effectiveness of the Group Risk Process.

EXECUTIVE COMMITTEE

Reviews the Group Risk Profile annually and validates its contents before it is submitted to the Board. Monitors the ongoing status and progress of mitigating actions.

GROUP RISK CO-ORDINATOR

This role is undertaken by the Group Internal Audit Director who consolidates the risks identified by operating companies and managers of each group function into a risk register, with key Group risks and mitigating actions reported to the Audit Committee annually in the form of a Group Risk Profile. Internal Audit's role is to review the risk process and provide assurance.

SENIOR MANAGEMENT OF GROUP FUNCTIONS

Finance, Marketing, Procurement, IT and HR identify and assess key risks and mitigating actions and pass to Group Risk Co-ordinator annually.

EMEA UK ASIA PAC AMERICAS

Senior management in the regions identify and assess key risks and mitigating actions locally and pass to Group Risk Co-ordinator annually.

PRINCIPAL RISKS & UNCERTAINTIES

GROUP RISK PROFILE

Risk	Actions to mitigate risk
Our people The Group's strategy of organic growth, with nearly all senior operational positions being filled from within, relies on its ability to recruit, develop and retain high performing individuals. The failure to attract and retain employees with the right skill-set, particularly the resignation of key individuals, may adversely affect the Group's operating performance and financial results.	We have a strong focus on succession planning at all levels of the business with particular focus on the development of high-performing individuals identified as future leaders. We continue to have a strategy of filling senior operational positions from within, which is a key part of our retention strategy. Our employees observe high performers being rewarded with promotion and know that PageGroup provides sustainable career opportunities. Key high performing individuals are identified and have progression plans, recognising their specific needs at different stages of their development. PageGroup targets its recruitment process to attract and employ high quality people. We have a strong sense of pride in everything we do, with a strong sense of teamwork core to PageGroup culture. This drives determination to succeed, both individually and as a team, increasing the motivation of our staff and making their careers more rewarding. We have a well established appraisal process where personal development as well as progress against sales targets is discussed. We make significant investments in employee training and development across the organisation, including the opportunity for international career development. Training is aligned at the consultant level, set at a high standard and is both broad based and individually focused to support leaders as they develop through PageGroup. We are committed to a competitive pay and benefits structure and use benchmarking to ensure we remain competitive. We operate a performance-led culture with bonus representing a proportion of pay. This bonus structure is based on team profitability, which has been shown to encourage the retention of high-performing individuals even in economic downturns. We make awards of share options linked to the Group's financial performance to key senior employees which provide a long-term retention incentive and align their motivations with those of our shareholders. PageGroup employment contracts contain protection in the event of an employee leaving, which, at a senior level, usually contain notice periods and provisions relating to confidentiality and non-solicitation.
Shift in business model The emergence of new technology platforms including, for example, the growing use of social media, may lead to increased competition and pressure on margins which may adversely affect the Group's results if it is unable to respond effectively.	We actively monitor developments in the recruitment industry and have a pro-active social media strategy. The use of social media, newspapers, the Internet and other forms of media involve additional and highly skilled internal resources for clients and so it may prove less costly for PageGroup to provide the service. We have access to an extensive, qualified candidate database through highly trained and often specialised consultants. We partner with the large providers, such as LinkedIn and Facebook, to ensure that we use this form of media to enhance our value to clients. All consultants are trained in utilising the benefits of social media.

Risk	Actions to mitigate risk
Macro economic exposure – risk of downturn Recruitment activity is driven largely by economic cycles and the levels of business confidence. Businesses are less likely to need new hires and employees are less likely to move jobs when they do not have confidence in the market so leading to reduced recruitment activity. A substantial proportion of the Group's profit arises from fees that are contingent upon the successful placement of a candidate in a position. If the client cancels the assignment at any stage in the process, the Group receives no remuneration.	We have diversified our business by expansion geographically, by increasing the number of disciplines in which we specialise, and by establishing three brands to address the different levels of the recruitment market; the clerical professional sector; the qualified professional market; and the executive search sector. We also continue to balance our business between permanent and temporary staff in line with the ratio of permanent to temporary in each of the markets in which we operate. The temporary business tends to be more resilient in times of economic downturn. The relatively low fixed cost base allows the Group to scale up and down according to the economic environment, with circa 75% of the Group's cost base being employment related costs, so mitigating the impact of the downturn on Group profitability.
Damage to reputation or PageGroup Brands Our brands are material assets of the Group and maintaining their reputation is key to continued success. Any event that could cause reputational damage is a risk to PageGroup such as a failure to comply with legislation, or other regulatory requirements, or confidential data being lost or stolen.	We have a process to identify risks, allocate owners and monitor actions with the Internal Audit Function providing assurance over key risks. Our corporate governance framework includes a review of internal controls. We have comprehensive policies for key areas including Social Media, Data Protection and Information Security. We actively monitor media to identify where there are unusually high references to the PageGroup/Michael Page name. We have a clear escalation/reporting path so that any potential incidents can be managed effectively. We are supported by FTI Consulting who provide on-going advice on the protection and management of our brand. Other mitigating actions are included under legal compliance and data management.
Technology The Group is reliant on a number of IT systems to provide its services to clients and candidates. The current IT infrastructure is complex and ageing, increasing the risk of significant systems failure. A serious system disruption, loss of data or security breach could have a material impact on our operations and on the Group's financial results.	Our technology strategy is a regular focus at Board meetings and at meetings of the Executive Committee to ensure that it supports the strategic objectives of the Group. A programme of work has commenced to update the IT infrastructure and deliver a new operating system and related applications. The Group has a Disaster Recovery Plan which includes the storing of back-up data off-site and the ability to quickly establish disaster recovery sites should there be a critical systems failure. The performance of external technology suppliers is continually monitored to ensure business critical services are maintained.
IT Transformation and Change The new suite of operating software and related applications was piloted in the Boston office from May 2013 and is planned to be rolled out further during 2014. There is a risk of disruption to the business should the software fail to function adequately or if staff are not properly trained. If the system failed it could affect our ability to provide a high-quality recruitment service to our clients and could affect our operational and financial performance.	This project is reviewed regularly by both the Board and Executive Committee to ensure that it is on target. The roll-out will be done in stages so that there is limited interruption to the business. Any issues that arise during the pilot in Boston will be resolved at that location before it is implemented elsewhere in North America and then on to other global offices. The plan includes a significant investment in staff training. The risks to the delivery of a high-quality service and the consequent impacts upon our business performance are mitigated by the greater part of the recruitment service not being system dependent, for example, candidate interviews, telephone activity, client meetings, etc.

PRINCIPAL RISKS & UNCERTAINTIES

GROUP RISK PROFILE (CONTINUED)

Risk	Actions to mitigate risk
Data Management Confidential, sensitive and personal data is held across the Group. Failure to handle this data properly could expose the Group to financial penalties and reputational risk.	We have adopted a comprehensive IT security strategy and have management policies and control documents which include metrics on performance and risk. These are reviewed regularly. We have a global security team and established IT governance to ensure defined controls are operating as expected. IT risk management is also in place, which reports directly to the Chief Information Officer. This team ensures the effectiveness of the Group's security solution and controls, monitors and addresses any cyber security threats, in partnership with our external security partner. Security vulnerability is assessed and the remediation of identified risks and alerts is tracked. Regular security assurance checks take place across all regions and penetration testing is undertaken. To date this has not identified any material issues. We have comprehensive data protection policies in place and procedures for the handling and storing of confidential, sensitive and personal data.
Legal Compliance and contracts The Group operates in a large number of legal jurisdictions that have varying legal and compliance regulations. Any non compliance with client contract requirements and legislative or regulatory requirements could have an adverse effect on the Group's financial results.	The Group's Legal department, the Company Secretary, and local legal and compliance teams are advised by leading external advisors, as required, in regard to changes in legislation that affect the Group's business, including employment legislation and corporate governance. Our consultants and operational support staff receive induction training and regular update training regarding the Group's policies and procedures and compliance with relevant legislation and regulations, for example, around discrimination legislation and pre-employment checks. The Group holds all normal business insurance cover including employers' liability, public liability and professional indemnity insurance. Contracts include clauses to ensure PageGroup's rights are protected.
Foreign Exchange – translation risk 73% of the Group's operating profit is derived from operations outside the UK, so material changes in the strength of sterling against the main functional currencies could have an adverse effect on the Group's reported sterling profits in the financial statements. The main functional currencies in addition to sterling, are the Euro, Australian Dollar, US Dollar, Chinese Renminbi and Brazilian Real.	Our strategy of continued geographical diversification reduces our exposure to translation risk. The Group does not actively attempt to hedge the exposure from translation risk as this is a reporting risk only and not an operational risk. The Group does not have material transactional currency exposures nor is there a material exposure to foreign denominated monetary assets and liabilities. Note 21 to the financial statements includes a sensitivity analysis showing the effect of a 10% strengthening of sterling against other key currencies.

CHAIRMAN'S INTRODUCTION TO CORPORATE GOVERNANCE

Robin Buchanan (Chairman)

Dear Shareholder,

At PageGroup we are committed to high standards of corporate governance. Good governance underpins sustainable performance. We welcome warmly the movement to increased openness, transparency and clarity brought by the new reporting requirements.

There are three elements of our governance that are particularly important. The Board debates and decides on strategy, holding the Executive team accountable for its execution. We ensure that we have and will have the most talented leadership, both within the Executive team and on the Board. We always ask, "What is the right thing to do?" so that everyone involved with PageGroup can continue to be proud of us. My job is to make sure these three things happen.

The Board of Directors has overall responsibility for the running of the business and therefore must be equipped with the character, skills and experience required to direct a global recruitment consultancy with large ambitions. Over the last two years we have built a strong, well balanced Board which operates in a trusting and honest environment. During 2013 this team made good progress and the Board is well positioned for the coming year.

We were delighted to appoint Danuta Gray as a Non-Executive Director on 10 December 2013. Danuta's considerable international experience, both in line leadership roles and non-executive directorships, will be very valuable. Her background in technology as well as in sales and marketing is also particularly useful. With Danuta's appointment, we have added another talented woman to your Board. Given the gender mix of our clients, candidates and staff, it is a strategic as well as a governance imperative to improve the diversity of the Board. We will continue to seek to add to your Board people who have the character, skills and experience the business requires.

The recruitment industry is more exposed to global economic troubles than many other sectors. As a result, the Group has operated in a difficult environment for the last few years. A high quality Board applying strong corporate governance, including rigorous risk management, has been particularly useful during this time. Going forward your Board, within this strong governance framework, will continue to challenge and support management as they implement our strategies for growth.

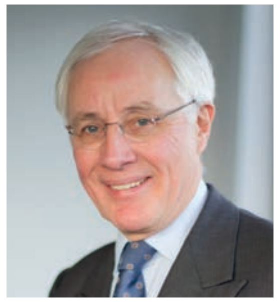
Further details of how PageGroup is governed and how the Board is run are laid out in the pages that follow.

Robin Buchanan
Chairman

4 March 2014

OUR BOARD OF DIRECTORS

Our business is led by our Board of Directors (the "Board"). Biographical details of the Directors as at 4 March 2014 are as follows:



Robin Buchanan – Chairman

Skills and Experience: Prior to joining the Board of Michael Page, Robin served as Dean and President of London Business School and as the Senior Partner of Bain & Company in the United Kingdom. Past Board appointments include Bain & Company Inc, Shire plc and Liberty International plc. Robin qualified as a Chartered Accountant with a predecessor firm of Deloitte Touche Tohmatsu.

Other current appointments:

Non-Executive Director, Schroders plc • Non-Executive Director, Lyondell Basell Industries NV
Member of Remuneration Committee, Coller Capital Ltd • Senior Advisor to Bain & Company
Member of the International Advisory Council of Recipco

Date of Appointment: Director August 2011, Chairman December 2011
Board Committees: Nomination Committee (Chairman)

Steve Ingham – Chief Executive Officer, Executive Director

Skills and Experience: 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 Steve 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 February 2001 and subsequently to Managing Director of UK Operations in May 2005. Steve was appointed Chief Executive Officer in April 2006.

Other current appointments:

Non-Executive Director, Debenhams plc • Member of the Corporate Partnership Board, Great Ormond Street Hospital

Date of Appointment: Director February 2001, Chief Executive Officer April 2006 | Board Committees: None

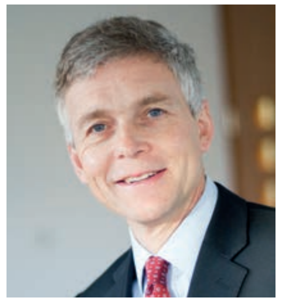
Ruby McGregor-Smith CBE – Senior Independent Director

Skills and Experience: Ruby is the Chief Executive of Mitie Group plc. She qualified as a Chartered Accountant with BDO Stoy Hayward. In December 2002 Ruby joined MITIE Group PLC as Group Finance Director and was appointed Chief Operating Officer in September 2005 before being appointed CEO in March 2007.

Other current appointments:

Chief Executive Officer MITIE Group PLC • Member of Board of Trustees, Business in the Community
Chairperson of the Women's Business Council

Date of Appointment: May 2007 | Board Committees: Audit, Remuneration, Nomination



Simon Boddie – Independent Non-Executive Director

Skills and Experience: Simon is a Chartered Accountant and has been Group Finance Director of Electrocomponents plc since September 2005. Simon joined Electrocomponents plc from Diageo where he held a variety of senior finance positions over a 13 year career, latterly as Finance Director of Key Markets.

Other current appointments:

Group Finance Director, Electrocomponents plc

Date of Appointment: September 2012 | Board Committees: Audit (Chairman), Remuneration, Nomination

Danuta Gray – Independent Non-Executive Director

Skills and Experience: Danuta was Chairman of Telefónica O2 in Ireland until December 2012, having previously been its Chief Executive from 2001 to 2010. Prior to that, Danuta was a Senior Vice President for BT Europe in Germany and during her career gained experience in sales, marketing, customer service and technology and in leading and changing large businesses. She previously served for seven years on the board of Irish Life and Permanent plc and was a director of Business in the Community Ireland and Aer Lingus plc.

Other current appointments:

Non-Executive Director, Old Mutual plc • Non-Executive Director, Paddy Power plc

Date of Appointment: December 2013 | Board Committees: Audit, Remuneration, Nomination

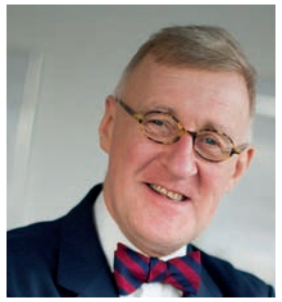
David Lowden – Independent Non-Executive Director

Skills and Experience: David was a member of the Board of TNS plc, the marketing services business, from 1999 to 2009, becoming Chief Executive Officer in 2006. Before joining TNS plc David held senior finance positions in Asprey plc, A. C. Nielsen Corporation and Federal Express Corporation.

Other current appointments:

Senior Independent Director and Chairman of the Remuneration Committee, Berensden plc
Non-Executive Director and Chairman of the Audit Committee, William Hill plc • Chairman, Rice 2 Limited

Date of Appointment: August 2012 | Board Committees: Remuneration (Chairman), Audit, Nomination



Tim Miller – Independent Non-Executive Director

Skills and Experience: Tim was appointed a Director of Standard Chartered Bank in December 2004. In July 2013 he was appointed Vice-Chairman, Governance as well as continuing to be Chairman of Standard Chartered Bank Korea.

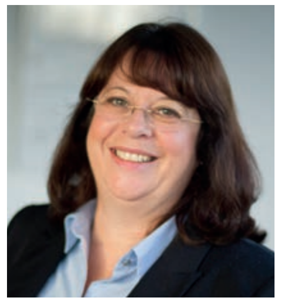
Other current appointments:

Director, Standard Chartered Bank • Chairman of the Environment Committee, Standard Chartered Bank • Chairman, Standard Chartered Korea • Chairman of Governors, School of Oriental & African Studies and Member of the School Advisory Board • Special Professor of Strategy, Nottingham University Business School

Date of Appointment: August 2005 | Board Committees: Audit, Remuneration, Nomination

Kelvin Stagg – Acting Chief Financial Officer

Appointed 14 October 2013.
See page 53 for biography.



Elaine Marriner Company Secretary

Appointed 10 December 2013. Prior to this appointment Elaine was Company Secretary and General Counsel of HMV Group plc.

EXECUTIVE COMMITTEE

The Executive Committee is a committee of the Board and is known within PageGroup as the 'Executive Board'.

Steve Ingham

Chief Executive Officer, Executive Director

See biography on page 51.

Patrick Hollard

Executive Board Director, Latin America, Southern & Western USA

Patrick joined Michael Page in France in 1996, having worked previously for KPMG Peat Marwick. Prior to that, he had been Vice-President of AISEC International, the student led organisation, from 1991 to 1992. Appointed Director in 1999, he moved to Sao Paulo to launch Michael Page Brazil, and then launched offices in Mexico in 2006, Argentina in 2008, Chile in 2010 and Colombia in 2011. Appointed Regional Managing Director in 2007, he is now responsible for PageGroup's operations in Latin America, and Southern and Western USA.

Gary James

Executive Board Director, Asia Pacific

Gary joined Michael Page Finance in London in 1984. He was appointed Director of Michael Page UK Sales & Marketing in 1994 and Managing Director of Michael Page UK Marketing in 1997. In 2002 he transferred to the USA on his appointment as Managing Director of our business in North America. He was appointed Managing Director of the Asia Pacific region in August 2006, based initially in Australia and more recently in Singapore.

Fabrice Lacombe

Executive Board Director, France, Central & Eastern Europe

Fabrice joined Michael Page Finance in 1994 as a consultant in Paris. In 1996, he launched Michael Page Engineering and became a Director in 1998. In 1999, he was appointed Executive Director and then, in 2001, Managing Director of Michael Page France. He launched Michael Page Africa in 2005 and in 2007 took responsibility for Page Personnel France. He became Regional Managing Director for France and Africa in 2010. He is now responsible for PageGroup operations in France, and Central and Eastern Europe.

Olivier Lemaitre

Executive Board Director, Continental Europe & Africa

Olivier joined Michael Page Finance in Paris in 1997, having worked previously as a Controller for Renault in Poland. In 1999, he moved to Sao Paulo to launch Michael Page Brazil, before returning to Europe in November 2002 to lead our Michael Page Frankfurt office. He was appointed Managing Director of Michael Page Germany in 2004. In 2007, he was appointed Regional Managing Director in charge of Austria, Belgium, Germany, Holland, Luxembourg and Switzerland. He is now responsible for PageGroup's operations in Continental Europe and North and West Africa.

Mark Lockton-Goddard

Chief Information Officer

Mark joined PageGroup from PricewaterhouseCoopers where he was a Director in the Business and Technology Transformation Consulting business for three years. Prior to that he worked for other "Big 4" accounting and consulting firms for over fifteen years. In that time he assisted a range of FTSE 250 businesses across multiple market sectors, including recruitment and professional services, to reduce complexity and drive operational performance through the better use of technology.

Kelvin Stagg

Acting Chief Financial Officer

Kelvin joined PageGroup in July 2006 as Group Finance Controller and Company Secretary. Prior to joining PageGroup, Kelvin spent six years at Allied Domecq and three years at Unilever in a variety of finance functions. He has significant international experience and has high levels of compliance, change management, large teams and systems experience, across almost every finance discipline. He is a Chartered Management Accountant. Kelvin was appointed Acting CFO in October 2013 and he held the title of Company Secretary up until December 2013.

Oliver Watson

Executive Board Director, UK, Middle East, South Africa, Eastern USA & Canada

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, Middle East, Scotland and Ireland. He is now responsible for PageGroup operations in the UK, Middle East, South Africa, Eastern USA and Canada.

Kelvin Stagg (Acting Chief Financial Officer)

OUR CORPORATE GOVERNANCE FRAMEWORK

THE BOARD

The Board's role is to provide entrepreneurial leadership of the Group within a framework of prudent and effective controls which enable risk to be assessed and managed. It has a formal schedule of matters reserved for its decision.

More details on pages 55 to 60.

CHIEF EXECUTIVE OFFICER (CEO)

Key responsibility is to develop and deliver the Group's strategy within the policies and values established by the Board.

Details on page 56.

CHIEF FINANCIAL OFFICER (CFO)

Responsible for managing the financial risks, reporting and planning of the Group.

Details on page 56.

NOMINATION COMMITTEE

Responsible for ensuring that the Company has the executive and non-executive Board leadership it requires.

Details on page 61.

EXECUTIVE COMMITTEE

The Executive Committee is chaired by the CEO and includes the CFO. The Committee is responsible for overseeing operations in our regions and for overseeing business operational functions Group-wide.

Details on page 55.

AUDIT COMMITTEE

Responsible for the integrity of the Company's financial statements and performance, ensuring the necessary internal controls and risk management systems are in place and effective.

Details on page 63.

COMPANY SECRETARY

Responsible for ensuring the Board comply with all legal, regulatory and governance requirements.

Details on page 56.

REMUNERATION COMMITTEE

Responsible for the review, recommendation and implementation of the Group's remuneration strategy, its framework and cost

Details on page 67.

Compliance with the UK Corporate Governance Code

During the year ended 31 December 2013 and to the date of this document, the Company has complied with the provisions of the UK Corporate Governance Code 2012 (the "Code"). The Code is publicly available on the FRC website (www.frc.org.uk). In the following "Corporate Governance" section, together with the "Directors' Remuneration Report" on page 67 and the "Directors' Report" on page 87, we describe how we have applied the main principles of the Code.

HOW OUR GOVERNANCE FRAMEWORK OPERATES

LEADERSHIP

The Board and its operation

The Board of Michael Page International plc is the body responsible for the overall conduct of the Group's business and has the powers and duties set out in relevant laws of England and Wales and in its Articles of Association.

The Board's role is to provide entrepreneurial leadership of the Group within a framework of prudent and effective controls which enable risk to be assessed and managed. It has a formal schedule of matters reserved for its decision which includes:

- Group strategy and corporate objectives
- determining the nature and extent of the significant risks the Board is willing to take in achieving the strategic objectives of the Company
- major changes to the nature, scope or scale of the business of the Group
- corporate governance matters
- approval of Nomination Committee recommendations on the appointment and removal of Directors and succession planning
- changes to the Group's capital structure and approval of any business plan prior to a new entity being established in a new territory
- financial reporting, audit and tax matters
- material contracts and transactions not in the ordinary course of business
- material capital expenditure projects
- approval of the annual budget
- obtaining major finance
- communications with stakeholders and complying with regulatory requirements

The Board meets regularly throughout the year, usually nine times a year.

Composition of the Board

The Board currently comprises the Chairman, the Chief Executive Officer and five Non-Executive directors. The biographies of each of these Directors can be found on pages 51 to 52. Six of these Directors served throughout the year under review. Andrew Bracey resigned as Chief Financial Officer on 11 October 2013. Danuta Gray was appointed a Non-Executive Director on 10 December 2013.

Executive and Non-Executive Directors are equal members of the Board and have collective responsibility for Board decisions. The Non-Executive Directors bring a wealth of skills and experience to the Board and its standing committees. Their role in particular is to:

- challenge constructively managements' proposals on strategy
- challenge constructively the performance of management in meeting agreed goals and objectives
- bring a strong, independent and external perspective to Board discussions
- assess risk and the integrity of the financial statements and system of internal controls
- determine the Group's policy for executive remuneration, in particular the specific remuneration package for the Executive Directors and the fees for the Chairman

Board Committees

The Board has a Nomination Committee, an Audit Committee and a Remuneration Committee. The Chairman of the Board is Chairman of the Nomination Committee. All other Committee members are independent Non-Executive Directors. Each of the Audit and Remuneration Committees comprise solely independent Non-Executive Directors. Reports from these three Committees can be found on pages 61 to 86. The Company Secretary acts as secretary to each of the Committees. Minutes of Committee meetings are circulated to all Committee members and to all members of the Board unless it would be inappropriate to do so.

The terms of reference for the Nomination Committee, Audit Committee and Remuneration Committee were reviewed and updated by the Board in February 2014 and these can be found on the Group's website – **www.page.com/investors**

The Executive Committee

The Executive Committee (known within PageGroup as the 'Executive Board') has been established by the Board, is chaired by the Chief Executive Officer and includes the Acting Chief Financial Officer and other senior executives, biographies of whom can be found on page 53. The Executive Committee usually meets four times a year and is responsible for assisting the Chief Executive Officer in the performance of his duties, including the development and implementation of strategy, operational plans, policies, procedures and budgets. These activities are performed at a regional level by Regional Boards for each of the UK, EMEA, Asia Pacific and the Americas. Each Regional Board usually meets at least four times a year.

Chairman and Chief Executive

To ensure that no one individual has unfettered powers of decision, there is a clear division of responsibilities between the role of the Chairman, Robin Buchanan, and the role of the Chief Executive Officer, Steve Ingham. The roles are set out in writing and have been approved by the Board. Their different roles and responsibilities are set out on the opposite page.

Steve Ingham (Chief Executive Officer)

KEY ROLES AND RESPONSIBILITIES:

The Chairman – Robin Buchanan

- leadership and development of the Board
- setting the agenda for the Board, including strategy, leadership, performance, financial strength, risk and governance
- effectiveness of Board operations
- chairing the Board and the Nomination Committee
- setting the style and tone of Board discussions, including promoting openness and debate
- ensuring that all Directors receive accurate, timely and clear information

The Chief Executive Officer – Steve Ingham

- developing vision and strategy for the Board's review and approval
- implementing Board approved strategic objectives and policies
- day-to-day management of PageGroup's operations
- maintaining a good working relationship with the Chairman and the Board
- chairing the Executive Committee to execute the delivery of the annual operating plans
- leading the programme of communication with shareholders

Senior Independent Director – Ruby McGregor-Smith

- acting as a sounding board for the Chairman
- serving as an intermediary for other Directors
- providing a point of contact for those shareholders who wish to raise issues with the Board, other than through the normal channels of the Chairman or Chief Executive Officer
- leading the annual appraisal of the Chairman's performance by the Non-Executive Directors

Acting Chief Financial Officer – Kelvin Stagg

- acting as a strategic partner and advisor to the CEO
- responsible for accurate and timely financial information, including forecasting and modelling
- stakeholder engagement, including shareholders, analysts, creditors, employees and management
- capital structure strategy
- leadership of the finance and support functions

Company Secretary – Elaine Marriner

- responsible for providing legal and governance support to the Board and to individual directors
- ensuring the Board complies with all legal, regulatory and governance requirements
- assisting the Chairman in ensuring that all Directors have timely access to accurate and clear information
- assisting the Chairman by organising induction and training programmes

Biographical details of the Chairman, Chief Executive Officer and Senior Independent Director can be found on page 51 and on the Group's website at **www.page.com/investors**

BOARD FOCUS IN 2013

STRATEGY DEVELOPMENT	SUCCESSION PLANNING	
RISK EVALUATION AND MANAGEMENT	CEO AND CFO UPDATE	PRESENTATIONS TO THE BOARD FROM MEMBERS OF THE EXECUTIVE BOARD
REVIEW OF QUARTERLY FORECASTS AND BUDGET	APPROVAL OF QUARTERLY TRADING UPDATES/INTERIM/FULL YEAR ANNOUNCEMENTS	DIVIDEND RECOMMENDATIONS
IT UPDATE AND REVIEW	OPERATIONAL SUPPORT STRUCTURE AND COSTS REVIEW	REVIEW OF CENTRAL RESOURCES

HOW OUR GOVERNANCE FRAMEWORK OPERATES

EFFECTIVENESS

The Board annually reviews its composition to ensure there is an appropriate balance between Executive and Non-Executive Directors and an appropriate mix of skills, experience, and knowledge to enable the Directors to effectively discharge their respective duties and responsibilities.

Tenure of Non-Executive Directors

The Code suggests that length of tenure is one factor to consider when determining the independence of Non-Executive Directors. The table below shows the tenure and independence of the Board Chairman and each of our Non-Executive Directors. The Board considers all Non-Executive directors to be independent.

Director		Date first elected by share-holders	Years from first elect-ion to 2014 AGM	Consid-ered to be independ-ent by the Board
Robin Buchanan	Chairman	May 2012	2	Note 1
Ruby McGregor-Smith	SID	May 2007	7	Yes
Simon Boddie	NED	June 2013	1	Yes
David Lowden	NED	June 2013	1	Yes
Tim Miller	NED	May 2006	8	Yes
Danuta Gray	NED	Standing for election June 2014	n/a	Yes

Note 1: Robin Buchanan was considered to be independent on his appointment as Chairman

Board appointments and diversity

The Nomination Committee leads the process for Board appointments. A description of the Nomination Committee and its work can be found on page 61.

Commitment

To enable Executive Directors to gain external Board exposure as part of their personal development, whilst at the same time ensuring that sufficient time and focus is spent on the Company's business, the Board has established a policy permitting Executive Directors to hold external non-executive directorships, subject to Board approval. The Executive Directors are allowed to retain any fees from their Non-Executive Director roles. Details of these fees are shown in the Directors' Annual Remuneration Report on page 86.

The external commitments of the Non-Executive Directors are disclosed, together with their biographies, on pages 51 and 52. Their key commitments are reviewed each year to ensure they are able to give sufficient time to their PageGroup responsibilities.

Board Attendance in 2013

Attendance at meetings of the Board is summarised below:

Director		A	B	Percentage of meetings attended
Robin Buchanan	Chairman	10	10	100%
Steve Ingham	CEO	10	10	100%
Andrew Bracey*	CFO	9	8	89%
Ruby McGregor-Smith	SID	10	9	90%
Simon Boddie	NED	10	10	100%
David Lowden	NED	10	9	90%
Tim Miller	NED	10	8	80%
Danuta Gray **	NED	1	1	100%

A = Maximum number of meetings the Director could have attended

B = Number of meetings the Director actually attended

*Andrew Bracey resigned as CFO on 11 October 2013 and he did not attend the Board meeting on the day prior to his resignation

** Danuta Gray was appointed on 10 December 2013

The other instances of non-attendance arose where the Director had a conflict with another business meeting.

Directors unable to attend a Board meeting are provided with full sets of briefing papers and can discuss any matters with the Chairman and/or Chief Executive Officer.

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.

Induction and training programme

The Chairman is responsible for the induction of new directors and is assisted by the Company Secretary. On appointment to the Board, each Director discusses with the Chairman and the Company Secretary the extent of training required. A tailored induction programme to cover their individual requirements is then compiled. Elements of the programme typically consist of meeting senior management, site visits, attending internal conferences and consultant shadowing to understand the day-to-day activities of a recruitment consultant. In addition, information is provided on the Company's services, Group structure, Board arrangements, financial information, major competitors and major risks. The content of the induction programme is reviewed annually to ensure it remains relevant and appropriate.

To maintain their effectiveness it is essential for all Directors to be kept up to date with the business, corporate governance, legal and regulatory matters as they develop. This is achieved through the following:

- presentations on different aspects of the Company's business from members of the Executive Committee or other members of senior management
- the Non-Executive Directors meet senior operational management at the annual global senior management conference
- financial plans, including budgets and forecasts are regularly discussed at Board meetings
- feedback from investor road shows is provided to the Directors via reports from the Company's brokers
- Directors are provided with written briefings and meetings to keep them up to date on legal, regulatory and governance matters by the Company Secretary, the Company's Auditors and other external advisers where appropriate

The Chairman regularly reviews and agrees with each Director their training needs. In particular, the Chairman discusses development and training requirements with individual Directors as part of their annual performance evaluation.

Performance evaluation

In line with the Code, the Board undertakes a formal and rigorous annual evaluation of its own performance, that of its Committees and its individual Directors. The Chairman holds meetings with the Directors to appraise their individual performance and the Senior Independent Director meets with the Non-Executive Directors, without the Chairman present, to appraise the performance of the Chairman.

In 2013 the evaluation was undertaken by an external facilitator. As reported in the 2012 Annual Report, this external evaluation had originally been planned for 2012 but was delayed until 2013 due to the extensive changes to the Board made during 2012. A thorough performance evaluation was undertaken over the period April to June 2013 by Ffion Hague of Independent Board Evaluation, a specialist in such reviews. Mrs Hague has no other connection with the Company. The review was conducted through Board and Committee meeting observations and interviews with each of the Directors and key non-Board contributors.

The findings of this external evaluation process were presented in report format and then discussed with the relevant parties. Board performance was discussed with the whole Board. Feedback regarding Board Committees was presented to the Chairman of the Board and to the relevant Committee Chairmen. Individual Board member reports were presented to the Chairman of the Board who subsequently had one-to-one discussions with each of the Directors. A report on the Chairman of the Board was presented to the Senior Independent Director who then consulted with the other Non-Executive Directors before giving feedback to the Chairman.

The main message from this evaluation process was that the PageGroup Board was bedding down well after very considerable change in the previous 18 months – a new Chairman, two of the three Executive Directors and two Non-Executive Directors departing, the appointment of a new Chief Financial Officer and two new Non-Executive Directors.

The feedback from the Board members and senior executives within the Company was distinctly positive.

The main areas for improvement cited were the need for further development of the strategy, greater attention to development and succession plans for the most senior executives, additional time to be spent on risk management, and the beefing up of the company secretarial support function.

As a result of these recommendations the Board agreed to:

- develop further its approach to strategic planning
- increase its focus on development and succession planning, especially for our most senior positions
- develop further its approach to risk management
- appoint a dedicated Company Secretary

Good progress has already been made in all of these areas: the Board held a well received Strategy Day with an in-depth review of the economics of our business model; we have appointed a Group Human Resources Director with the specific remit of ensuring that we further upgrade the development and succession plans of our most important executives; a review of the Group's risk management process was undertaken as reported on page 45 in the Strategic Report section and is being developed further in 2014; and the Board has appointed Elaine Marriner as a dedicated, experienced Company Secretary.

Succession Planning

Executive succession planning discussions were held in the summer focusing especially on succession candidates for the Chief Executive Officer and Chief Financial Officer. This was particularly useful given the then Chief Financial Officer's departure in October allowing the Board to appoint Kelvin Stagg, Acting Chief Financial Officer.

Succession and development planning is a critical part of the Chief Executive Officer's performance objectives for annual bonus and long-term remuneration.

Re-election of Directors

Danuta Gray, who was appointed a Director since the last Annual General Meeting (AGM), will stand for election at the forthcoming AGM. All other Directors shall, in accordance with the Code, submit themselves for annual re-election at the AGM.

Following the annual performance evaluation, the Board considers that each Director continues to be effective and has demonstrated commitment to their role. The Board, therefore, strongly supports their re-election at the forthcoming AGM.

Conflicts of interest

The Company has implemented robust procedures, in line with the Companies Act 2006, requiring Directors to seek appropriate authorisation from the Board prior to entering into any outside business interests which have, or could have, a direct or indirect interest that conflicts, or may conflict, with the Group's interests. The Nomination Committee is responsible for reviewing any potential conflicts of interest. It makes recommendations to the Board as to whether such a conflict should be authorised and the terms and conditions on which any such authorisation should be given by the Board. Only Directors without an interest in the matter being considered will be involved in the decision and each Director must act in a way they consider, in good faith, will promote the success of the Group. 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.

HOW OUR GOVERNANCE FRAMEWORK OPERATES

ACCOUNTABILITY

Responsibilities

The Directors acknowledge their responsibility for the preparation of the Annual Report. The Statement of Directors' Responsibilities is shown in the Directors' Report on page 90. A statement by the Auditor concerning their reporting responsibilities is shown in the Independent Auditor's Report on page 92. A statement regarding going concern is included in the Directors' Report on page 89.

Strategy

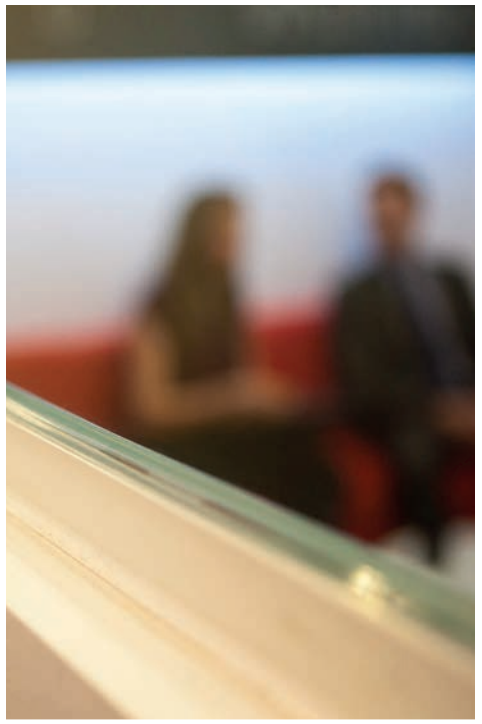
A detailed explanation of the basis on which the Company generates value over the longer term and the strategy for delivering the objectives of the Company is included in the Strategic Report on pages 7 to 49.

Risk Management and Internal Control

Internal control

The Board has overall responsibility for the Group's system of internal control. The procedures established by the Board provide an ongoing process for identifying, evaluating and managing significant risks and implementing the Turnbull Guidance, "Internal Control: Revised Guidance for Directors on the Combined Code". The system of internal control includes financial and operational controls which are designed to meet the Group's particular needs. They aim to safeguard Group assets, ensure that 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 or loss.

In practice the Board delegates the implementation of the Board's policy on risk and control to executive management and this is monitored by an independent Internal Audit Function which reports back to the Board through the Audit Committee.



Key elements of our system of internal control are as follows:

- **Group organisation**

The Board of Directors meets at least nine times a year, focusing both on strategic issues and operational and financial performance. There is also a defined policy on matters reserved strictly for the Board. The Regional Managing Director of each of our four regions is accountable for establishing and monitoring internal controls within their respective divisions.

- **Annual Business Plan**

The Board reviews the Group strategy and approves an annual Group budget. Performance is then monitored by the Board through the review of monthly reports showing comparisons of results against budget, quarterly forecasts and the prior year, with explanations provided for significant variances.

- **Policies and Procedures**

Policies and procedures are documented over both financial controls and non-quantifiable areas such as the Group's Whistleblowing policy and Code of Conduct and Ethics.

- **Risk Management**

The Board has established a framework for identifying and managing risk, both at a strategic and operational level. An overview of this framework and a summary of the principal risks identified, together with mitigating actions, can be found in the Strategic Report on pages 45 to 49.

- **Internal Audit**

The Group Internal Audit Function examines business processes throughout the Group on a risk basis and reports to the Audit Committee.

- **Confirmations from Executive Management**

The Managing Director and Finance Director of our operations in each country formally certify annually whether the business has adhered to the system of internal control during the period including compliance with Group policies. The statement also requires the reporting of any significant control issues that have emerged, including suspected or reported fraud, so that areas of Group concern can be identified and investigated as required. These confirmations and supporting Controls Self Assessment Questionnaires are reviewed by the Internal Audit Function and a summary of findings is provided to the Audit Committee for review.

Review of Effectiveness of Internal Controls

The Board, with the assistance of the Audit Committee, have reviewed the effectiveness of the Group's system of internal controls including financial, operational and compliance controls, and risk management in accordance with the Code for the period from 1 January 2013 to the date of this Annual Report. No significant failings or weaknesses were identified. A confirmation of any necessary actions is, therefore, not provided. However, had there been any such failings or weaknesses, the Board confirms that necessary actions would have been taken to remedy them.

RELATIONS WITH SHAREHOLDERS

Board contact with shareholders

Communications with shareholders are given a high priority. The majority of contact between the Board and shareholders is through the Chief Executive Officer and the Acting Chief Financial Officer who make themselves available, where possible, to meet with shareholders and analysts at their request. These meetings frequently take place in the UK but also in other countries when the Chief Executive Officer and the Acting Chief Financial Officer are visiting on business.

The Group has a website with an investor section (**www.page.com/investors**) that contains Company announcements and other shareholder information. Quarterly trading updates are presented live by conference call with slide presentations and live telephone question and answer sessions. These conference calls are recorded and made available on our website. Live presentations of preliminary annual and interim results announcements are made to analysts and shareholders and these can also be found on our website.

The Chief Executive Officer and the Acting Chief Financial Officer also undertake two major investor "road shows" each year in the Spring and Autumn, in which numerous one-to-one meetings are held with shareholders. The outcome of these meetings and the views of shareholders are then relayed back to the Board by the Company's corporate brokers. 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.

When requested by shareholders, individual matters can be discussed with the Chairman or, if appropriate, the Senior Independent Director. In addition, the Chairman of the Remuneration Committee is available to discuss remuneration matters with shareholders.

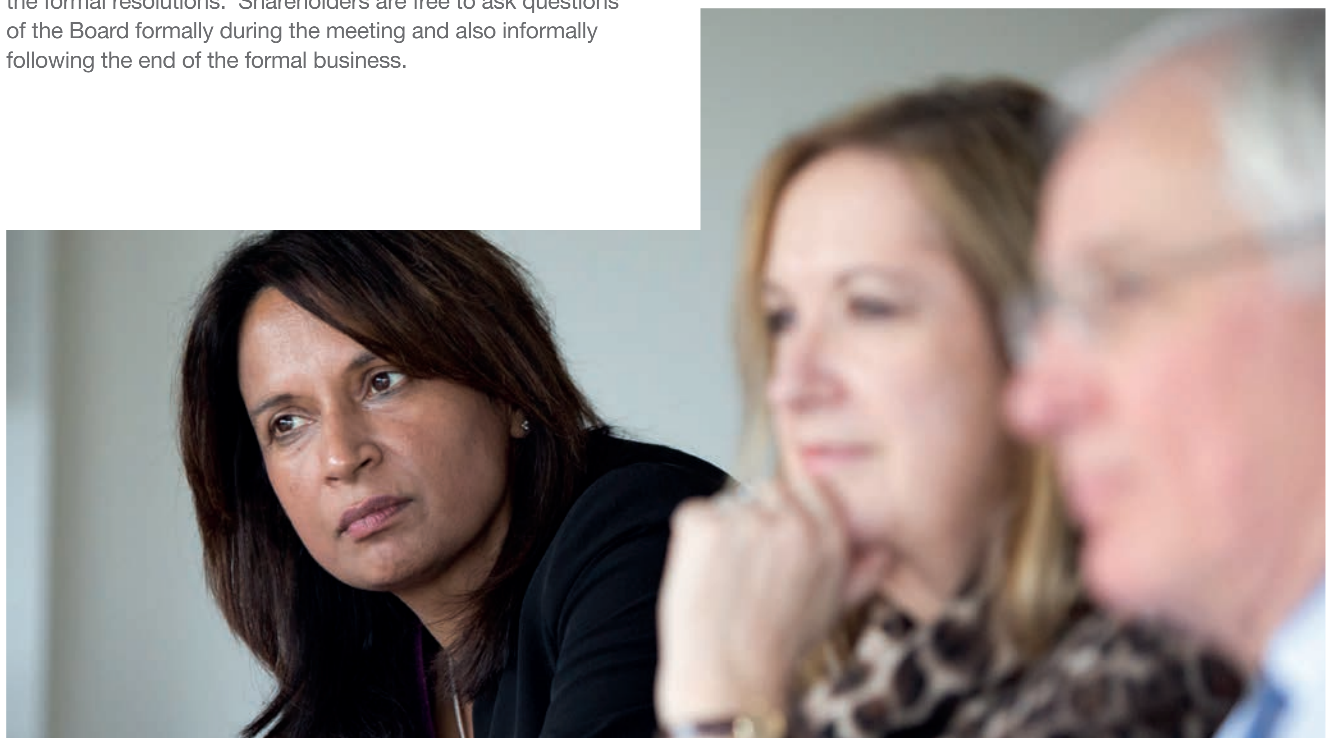
Annual General Meeting (AGM)

All shareholders are entitled to attend the AGM. It provides an ideal opportunity for investors, including private investors, to raise any questions with the Board and the Chairmen of the Standing Committees, as well as an opportunity to vote on the formal resolutions. Shareholders are free to ask questions of the Board formally during the meeting and also informally following the end of the formal business.

The notice of the AGM is on page 127. Voting on all resolutions at the next AGM will be by way of a poll. The results of shareholder voting are published on the Company's website and announced via the Regulatory News Service after the close of the AGM.

Annual Report and Accounts

The Annual Report and Accounts is designed to present a fair, balanced and understandable view of the Group's position and prospects and, therefore, is an important part of our communication with shareholders. We welcome the introduction this year of the Strategic Report as a separate section of the Annual Report and Accounts. It includes a description of the Group's objectives, strategy and business model, the main trends and factors affecting the Company, a description of the key risks facing the business, the key performance indicators, an analysis of the development and performance of the business, and disclosures around the environment, employees, social issues, and diversity.
The Annual Report and Accounts is sent to all shareholders on our Register and is also available on our website.
An interim report is also produced at the end of the half year and this is available for download from our website (**www.page.com/investors**).



NOMINATION COMMITTEE REPORT

Nomination Committee Chairman's Overview

During the year the Committee has focused on strengthening, broadening and balancing the range of skills, experience and diversity on the Board and its Committees. We were delighted to secure the appointment of Danuta Gray as a Non-Executive Director on 10 December 2013.

The Board follows formal and transparent procedures when appointing Directors, with appointments being made on merit against objective criteria. All shortlisted candidates are interviewed by the Chairman and the Chief Executive Officer with the final shortlist of candidates being interviewed by the Nomination Committee members. Thereafter a recommendation of appointment is made to the Board.

Diversity at Board level is as important as diversity at every other level in the business. It is our policy to seek diversity in order to create a talented high-performing Board with a suitable mix of experience and capability.

Who is on our Nomination Committee?

Director	From	A	B	Percentage of meetings attended
Robin Buchanan (Committee Chairman)	10 Aug 2011	7	7	100%
Simon Boddie	24 Sept 2012	7	6	86%
Danuta Gray	10 Dec 2013	1	1	100%
David Lowden	22 Aug 2012	7	6	86%
Ruby McGregor-Smith	23 May 2007	7	7	100%
Tim Miller	15 Aug 2005	7	6	86%

A = Maximum number of meetings the Director could have attended
B = Number of meetings the Director actually attended

The instances of non-attendance arose where the Director had a conflict with another business meeting.

What is the purpose of the Committee?

The Nomination Committee is responsible for ensuring that the Company has the executive and non-executive Board leadership it requires, both now and in the future.

What are its key responsibilities?

- to assess and nominate members to the Board
- to maintain the right mix of character, skills and experience on the Board and its committees
- to make recommendations to the Board on succession and development plans for members of both the Board and senior management
- to approve job descriptions and written terms of appointment for Directors
- to review the independence of Non-Executive Directors, taking into account their other directorships.

Who attends meetings?

Only the members of the Committee are entitled to attend the meetings. Other individuals such as the Chief Executive Officer, the Group Human Resources Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

What were the main activities of the Committee during the year?

The main activities of the Committee during the year were focused on succession planning throughout the business including the appointment of an additional Non-Executive Director. The Company was assisted in its search for a new Non-Executive Director by an independent executive search company, The Zygos Partnership, which has no connection with the Company other than the provision of this service. A detailed role profile was agreed by the Committee and candidates were identified and selected on merit against objective criteria and with due regard to the benefits of diversity on the Board, including gender. A shortlist of candidates was interviewed by the Chairman of the Board, the Chief Executive Officer and members of the Nomination Committee. As described in the Chairman's Statement, this resulted in a recommendation to the Board of the appointment of Danuta Gray. Danuta joined the Board as a Non-Executive Director on 10 December 2013.

The Board was also delighted to appoint Elaine Marriner as Company Secretary on the same date.

What is the plan for 2014?

The Committee will continue to review the size of the Board and its mix of skills and experience.

Robin Buchanan
Chairman

4 March 2014

AUDIT COMMITTEE REPORT

Simon Boddie (Committee Chairman)

Audit Committee Chairman's Overview

The main role of the Audit Committee is to support the Board in ensuring the integrity of the financial statements. All financial information published by the Group is subject to the approval of the Audit Committee. The activities of the Committee through the year are, therefore, largely determined by the corporate timetable for the announcement of quarterly, interim and annual results. In order to fulfil its responsibilities the Committee met ten times during the year.

This Audit Committee Report summarises the responsibilities of the Committee and how it has discharged those responsibilities during 2013.

This is the first year of the new regulations which require the Board to consider whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and the Board has updated the Terms of Reference of the Committee to add to its responsibilities the task of considering this question in detail and advising the Board accordingly. We welcome this new approach to ensuring that our shareholders are well informed and welcome your feedback with regard to our Annual Report and Accounts.

What is the purpose of the Committee?

The Audit Committee is the guardian of the integrity of the Company's financial statements and external reporting of performance. The Audit Committee also has the responsibility for ensuring that the necessary internal controls and risk management systems are in place and effective.

Who is on our Audit Committee?

Director	From	A	B	Percentage of meetings attended
Simon Boddie (Committee Chairman)	24 Sept 2012	10	10	100%
Danuta Gray	10 Dec 2013	1	1	100%
David Lowden	22 Aug 2012	10	9	90%
Ruby McGregor-Smith	23 May 2007	10	9	90%
Tim Miller	15 Aug 2005	10	10	100%

A = Maximum number of meetings the Director could have attended

B = Number of meetings the Director actually attended

The instances of non-attendance arose where the Director had a conflict with another business meeting.

The Committee members have broad experience and knowledge of financial reporting. Their relevant qualifications and experience are shown in their biographies on pages 51 and 52. The Chairman of the Audit Committee, Simon Boddie, is a Chartered Accountant and is currently the Chief Financial Officer of Electrocomponents plc. The Board also considers David Lowden and Ruby McGregor-Smith to have recent and relevant financial experience.

What are its key responsibilities?

- to advise the Board on whether the Committee believes the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy
- to monitor the integrity of the financial statements, including the annual and half-yearly reports, interim management statements and any other formal announcement relating to financial performance, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain, having regard to matters communicated to it by the Company's external advisers
- to report to shareholders in the Annual Report and Accounts the primary areas of judgement considered by the Committee and how these were addressed
- to keep under review the adequacy and effectiveness of the Company's internal financial controls, internal control and risk management systems
- to review the Company's overall risk tolerance and monitor the risk profile against this tolerance, with the Board approving the risk tolerance limits for the Group
- to monitor and review annually the external auditor's independence and objectivity and the effectiveness of the audit process
- to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant guidance regarding the provision of non-audit services by the external audit firm
- to make recommendations to the Board, for it to put to shareholders for their approval in general meeting, in relation to the appointment, reappointment or removal of the external auditor and to approve their remuneration and terms of engagement
- to report to the Board on the appropriateness of our accounting policies and practices
- to review the scope, resources, results and effectiveness of the activity of the Group Internal Audit Function
- to review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns in confidence about any possible wrongdoing in financial reporting and other matters
- to review the Company's procedures for detecting fraud
- to report to the Board on how it has discharged its responsibilities

Who attends meetings?

Only the members of the Committee are entitled to attend the meetings, but the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, the Company Secretary, the Head of Internal Audit and the external audit partner are regularly invited to attend meetings to make proposals as appropriate and necessary. The Committee can invite others to attend as appropriate.

The Audit Committee met with the external auditor during the year without the presence of management in order to provide the opportunity for confidential discussion. The Head of Internal Audit and the external auditor have direct access to the Chairman of the Audit Committee throughout the year.

What were the main activities of the Committee during the year?

During the year under review the Committee has fulfilled its responsibilities in each of the key areas highlighted above in order to assist the Board in carrying out its overall responsibilities in relation to financial reporting requirements, risk management and the assessment of internal controls.

The main activities of the Committee during 2013 were:

- reviewing quarterly, interim and annual results for publication
- reviewing the annual audit plan and reviewing the results of the audit
- reviewing the Annual Report and Accounts to ensure, taken as a whole, it is fair, balanced and understandable and reporting the primary areas of judgement
- further developing the Group's risk process and the matrix of key risks
- reviewing the independence and effectiveness of the external auditor and considering their reappointment
- reviewing the scope and work plan of the Group Internal Audit Function and reviewing its findings
- reviewing the Group's Whistleblowing policy and procedures
- recommending to the Board revised Terms of Reference for the Committee

Further information on these activities is given below.

Financial Reporting

With regard to its role in ensuring that the Annual Report and Accounts complies with relevant statutory and Listing requirements, the Committee has, amongst other things, reviewed the appropriateness of accounting policies and controls, the financial and narrative disclosures and the areas where significant judgement has been applied.

The significant issues considered by the Audit Committee, including the primary areas of judgement, in relation to the 2013 financial statements were:

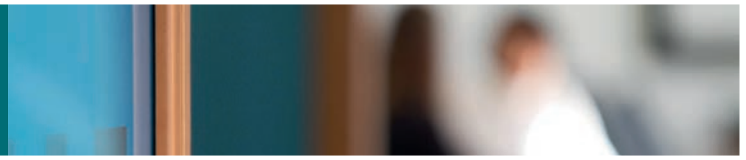
- The appropriateness of the accounting for the new operating system intangible asset

  The operating system and related applications were piloted in the Boston office from May 2013 and are planned to be rolled out further during 2014. Work on modifications to the system is developing in line with expectations and the roll-out plan. The Committee reviewed the status of the project with management and also considered the intangible assets for any indications of impairment. The Committee agreed with management's conclusion that there were no indications of impairment. Another key area of judgement was the estimation of their useful economic lives and thus the appropriate amortisation periods. The Committee agreed that the assets should be amortised on a straight-line basis over five years, starting from the date the operating system and related applications were first piloted in Boston.

- Direct and indirect taxes and related accounting issues

  The Committee discussed with management the latest position on all significant open tax matters and the reconciliation of the effective tax rate. We also reviewed with management the appropriateness of the tax provision, particularly in relation to profit sharing in France and the related tax and interest elements that have been recognised as exceptional items and are explained in note 5 to the financial statements.

AUDIT COMMITTEE



What were the main activities of the Committee during the year? (continued)

- Revenue recognition for permanent and temporary placements

  The main areas of judgement in our revenue recognition are the provisions for revenue earned but not yet invoiced and for non-completion of contractual placements. The Committee regularly reviews these areas with management and remains satisfied that Group accounting policies with regard to revenue recognition have been adhered to and that the year end provision for bad debt is appropriate.

- Annual Report and Accounts (ARA)

  The Committee was required to use its judgement to determine whether the ARA is fair, balanced and understandable and provides the shareholder with the information required to assess the Company's performance, business model and strategy. The Committee based its judgement on its discussions with management regarding the procedure followed in compiling the ARA and through the members of the Committee reviewing the ARA in the light of their collective experience and knowledge of the business. The Committee judged that the ARA, taken as a whole, is fair, balanced and understandable.

External Auditor's Independence

The Audit Committee continually monitors the objectivity and independence of the external auditor. Ernst & Young LLP were appointed as auditor of the Company in 2011 following a tender process. Prior to that Deloitte LLP had been the auditor since the Company's listing in 2001. The Company is mindful that the Code and best practice now require the external audit contract to be put out to tender at least every ten years. In addition, in accordance with professional standards, Ernst & Young LLP operate a policy of rotating the Audit Partner at least every five years.

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

- 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)
- 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
- monitoring the external auditor's compliance with applicable UK ethical guidance on the rotation of audit partners
- enforcing a policy concerning the provision of non-audit services by the auditor which governs the types of work:

  i. from which the external auditor is excluded

  ii. for which the external auditor can be engaged without referral to the Audit Committee

  iii. for which a case-by-case decision is required

The Audit Committee has recommended and the Board has determined that it is not acceptable for the external auditor to undertake any of the following non-audit services:

- election, 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 outsourced operational management functions
- recruitment of senior finance or other executives
- secondment of senior finance or other senior executives
- provision of internal audit services
- valuation services or fairness opinions
- any services specifically prohibited to be provided by a listed company's external auditor under UK regulations

The following criteria also need to be met before the external auditor is contracted to provide any non-audit 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 the activity
- the external audit firm is subject to the Company's normal tendering processes
- in addition to the normal authorisation procedures and prior to inclusion in a tender, approval has to be given by the Chief Financial Officer and, if the fee exceeds a certain level, the Audit Committee

Fees paid to Ernst & Young LLP during 2013 in respect of non-audit services are shown in the Financial Statements on page 106.

External Auditor's Evaluation

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

- the arrangements for ensuring the external auditor's independence and objectivity
- the robustness of the external auditor's plan and its identification of key risks
- the fulfilment of the agreed external audit plan and any variations from the plan
- the robustness and perceptiveness of the external auditor in handling key accounting and audit judgements
- the content of reports provided to the Audit Committee by the external auditor including reporting on internal control
- feedback from management

The review of the robustness of the external auditor's plan is vital given that the effectiveness of the external audit process is dependent on appropriate audit risk identification. At the start of the audit cycle the Company received a detailed audit plan from Ernst & Young LLP identifying their assessment of the key risks.

Due to the judgements necessarily required in these areas, for 2013 these risks were:

- Revenue recognition for permanent and temporary placements, with particular focus on period end cut off and appropriate accounting treatment in accordance with IFRS and Group accounting policies
- Accounting for the new operating system and related applications intangible assets, with particular focus on appropriate cost capitalisation and carrying value

The Committee reviewed with Ernst & Young LLP the methodology used to test the assumptions and estimates made by management in each of these areas.

To provide additional opportunity for open dialogue and feedback from the Committee and the external auditor, meetings are held between the Chairman of the Audit Committee and the external auditor during the year without management being present. Matters typically discussed may include, amongst other items, the auditor's assessment of business risks and related management activity, external auditor independence and confirmation that there has been no restriction in scope placed on them by management, the transparency and openness of interactions with management, records made available and how they have exercised their professional scepticism.

External Auditor's Reappointment

Following a full evaluation of the external auditor at the end of the 2013 audit the Committee recommended to the Board the reappointment of Ernst & Young LLP as auditor of the Company at the forthcoming AGM.

Risk Management and Internal Control

During the year, in accordance with its Terms of Reference, the Audit Committee, with the assistance of the Internal Audit Function, reviewed the adequacy and effectiveness of the Group's internal financial controls and the Group's risk management and internal control systems. The identification of major business risks was carried out at Group level in conjunction with operational management. The Audit Committee reviewed and further developed the Group's risk assessment procedure, the risks identified and the steps taken to monitor and mitigate risk to ensure that appropriate action is being taken.

The risk process together with the key risks identified and mitigating actions are described in the Strategic Report on pages 45 to 49.

Internal Audit Activities

During the year, the Audit Committee monitored and reviewed the effectiveness of the Internal Audit Function in accordance with the Code.

The Group's Internal Audit Function comprises a Group Internal Audit Director and a team of internal auditors. Although the Group Internal Audit Director reports to the Chief Financial Officer on a day-to-day basis, he has direct access to the Audit Committee in order to ensure that there is opportunity for frank and open dialogue. The scope of the internal audit work for the year is agreed with the Audit Committee and reports are presented to both the Executive Board and the Audit Committee. 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. No significant weaknesses were identified during the year.

Public Interest Disclosure Policy (Whistleblowing)

The Audit Committee has reviewed arrangements by which the Company's staff 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. There have been no matters raised during the year.

Audit Committee Effectiveness Evaluation

During the year a review of the effectiveness of the Audit Committee in discharging its responsibilities was facilitated by an external facilitator. Details of the evaluation process can be found on page 60.

Review of Annual Report

PageGroup management introduced a new process for the review of the 2013 Annual Report and Accounts (ARA) in order to ensure that the ARA is 'fair, balanced and understandable'. This process included a thorough understanding of the revised regulatory requirements, a process to determine the accuracy, consistency and clarity of the data and language, and detailed review by all appropriate parties including external advisers. A checklist outlining all the elements of the process was completed to document the process and to provide assurance to the Audit Committee that the appropriate procedures had been undertaken.

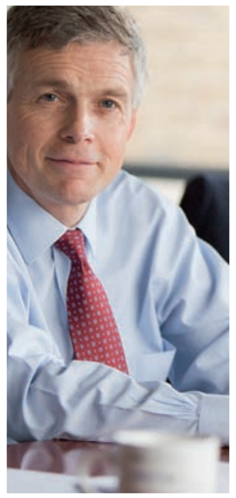
The Audit Committee has reviewed the Company's 2013 ARA and has advised the Board that, in its opinion, the ARA, taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Company's performance, business model and strategy.

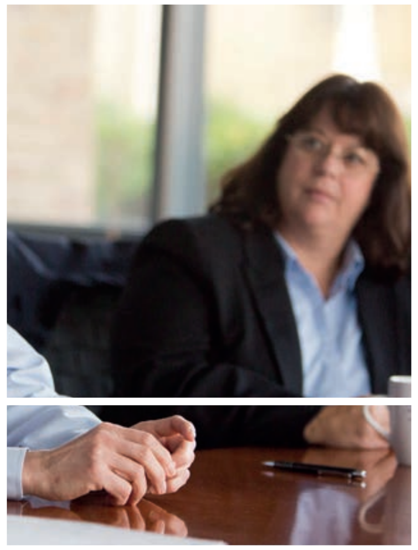
What is the plan for 2014?

In 2014 the Committee will continue to prioritise oversight of financial and regulatory requirements and also to further develop the risk process within the business.

Simon Boddie
Chairman of the Audit Committee

4 March 2014





DIRECTORS' REMUNERATION REPORT

David Lowden (Remuneration Committee Chairman)

ANNUAL STATEMENT

I am delighted to present the Directors' Remuneration Report in accordance with the new regulations on the disclosure and approval of directors' remuneration. Accordingly, this report includes the following:

- the Remuneration Policy Report (pages 69 to 74) which will be subject to a binding shareholder resolution at the forthcoming AGM and every three years thereafter
- the Directors' Annual Remuneration Report (pages 75 to 86) which describes how our Remuneration Policy was implemented in 2013 and how we intend to apply the policy in 2014 and will be subject to an advisory vote at the forthcoming AGM

During the early part of 2013 we finalised our review of the remuneration structure which had served us well over the previous decade but which we felt needed to be rebalanced to encourage longer term decision making. Our proposed revised policy on Executive Directors' Remuneration was outlined in our 2012 Annual Report, issued in March 2013. That policy now forms the basis of the policy described in the Remuneration Policy Report and on which you will have an opportunity to vote at our forthcoming AGM.

Our policy is guided by the objective of attracting and retaining high calibre executives. Management continuity and retention is particularly critical in the PageGroup business which has built its success on organic growth and promotion from within. The policy aims to create a strong performance-orientated environment which rewards achievement of meaningful targets over the short and long-term. Short-term incentives are reinforced by long-term performance measures which support our strategic focus on profitability, organic growth and the creation of sustainable shareholder value.

During the year, I have consulted with many of our significant investors and shareholder representative bodies and the Committee has reviewed the guidance on remuneration reporting produced by the GC100 and Investor Group. Their views were taken into account in devising our remuneration policy and in presenting our report. A significant proportion of remuneration is performance based and delivered through shares. Our bonus deferral policy and shareholding guidelines also encourage ongoing commitment to the business and align the motives of executives with those of shareholders.

Who is on our Remuneration Committee?

Director	From	A	B	Percentage of meetings attended
David Lowden (Committee Chairman)	22 Aug 2012	8	8	100%
Simon Boddie	24 Sept 2012	8	8	100%
Danuta Gray	10 Dec 2013	1	1	100%
Ruby McGregor-Smith	23 May 2007	8	7	88%
Tim Miller	15 Aug 2005	8	6	75%

A = Maximum number of meetings the Director could have attended

B = Number of meetings the Director actually attended

The instances of non-attendance arose where the Director had a conflict with another business meeting.

What is the purpose of the Committee?

The Committee is responsible for the review, recommendation and implementation of the Group's remuneration strategy, its framework and cost, ensuring that the Executive Directors and other senior executives are fairly and responsibly rewarded.

What are its key responsibilities?

- to monitor and make recommendations to the Board on the policy of remuneration for the Chairman of the Board, the Executive Directors and other senior executives of the Group
- within the terms of the agreed policy, to determine the total remuneration packages for the Executive Directors and other senior executives including bonuses, incentive payments, share awards, pension rights and any compensation on termination of office
- to ensure compliance with current regulations and principles of good governance
- to review the design of all share option and share incentive plans, and any changes thereto, for approval by the Board and shareholders and to determine each year whether awards will be made
- to prepare a Directors' Remuneration Report for inclusion in the Annual Report and Accounts
- through the Chairman of the Remuneration Committee, to maintain contact with shareholders with regard to PageGroup remuneration matters

Who attends meetings of the Committee?

Only members of the Committee are entitled to attend meetings of the Remuneration Committee. However, the Chairman of the Board and Chief Executive Officer are normally invited to attend meetings except when their own remuneration is under consideration. Other advisors are also invited to attend meetings as required, for example the Group Human Resources Director and the Group's remuneration consultants, New Bridge Street. No Director is involved in deciding his or her own remuneration.

What were the main activities and decisions of the Committee during the year?

The main activities and decisions of the Committee since the last report were:

- consultation with shareholders and shareholder bodies with regard to remuneration policy
- reviewing and approving rules of new share plans prior to approval at the 2013 AGM
- reviewing shareholder voting on remuneration matters following the 2013 AGM
- monitoring executives' progress on strategic objectives
- reviewing new reporting regulations regarding remuneration
- the appointment of new remuneration advisors following a re-tendering process
- an annual review and approval of salaries of the Chief Executive Officer and other senior executives
- the approval of bonuses and share plan awards for the executives based on the achievement of pre-set performance targets for 2013

I hope that you will feel able to support the resolutions on remuneration proposed at the AGM.

David Lowden
Chairman of the Remuneration Committee

4 March 2014

DIRECTORS' REMUNERATION POLICY REPORT

PageGroup is a global business that operates in a cyclical industry in which the retention of key executives and management continuity is critical to the success of the Company. As a result, the Directors' Remuneration Policy set out in this report has been designed to encourage long-term decision making, to remove undue volatility from remuneration outcomes, and to act as an effective retention tool during market downturns. The Committee believes that the best way to implement such a policy is to pay competitive market salaries, profit based bonuses, which are not subject to excessive annual fluctuations, and a long-term incentive plan based on a longer term performance horizon.

The Remuneration Policy set out below will take effect, subject to shareholder approval, from 5 June 2014 (the date of the AGM).

FUTURE POLICY TABLE FOR EXECUTIVE DIRECTORS

Element	Purpose and link to strategy	Operation	Maximum opportunity
Salary (Fixed pay)	Attract, retain and reward high calibre Executive Directors	Salary levels (and subsequent increases) are set after reviewing various factors including individual and Company performance, role and responsibility, internal relativities such as the increases awarded to other employees and prevailing market levels for Executive Directors at companies of comparable status and market value, taking into account the total remuneration package. Salaries are normally reviewed annually. Salary is paid monthly and increases are generally effective from 1 January.	Current CEO salary level is £565,000 which can be increased in line with the parameters set out under the column 'Operation'. Aim for market competitive salaries. Salaries will not increase by more than RPI +5% except increases in excess of this may be awarded in the case of new Executive Directors where it is appropriate to offer a below market salary initially on appointment and a series of staged increases, subject to performance and experience in role, to bring to a market competitive salary.
Benefits (Fixed pay)	Attract, retain and reward high calibre Executive Directors Provision of opportunities for connecting with clients, investors and staff to facilitate growth strategy	Competitive benefits including car allowance or company car (including running costs), private medical insurance for the individual and family, permanent health insurance and four times salary life assurance. Provision of relocation assistance and any associated costs or benefits (including but not limited to housing benefits, personal tax advice and school fees) upon appointment if/when applicable. The Company may also provide tax equalisation arrangements. Membership of clubs as appropriate for the development of business.	Competitive benefits in line with market practice.
Annual Bonus (Variable pay)	Incentivise the delivery of annual financial and strategic targets	At least half based on audited financial measures, such as Profit Before Tax. No more than one half assessed against other strategic targets. Any strategic element will be payable only if the Committee is also satisfied in the circumstances with the underlying performance of the business. Performance below the threshold of the financial performance target will result in zero payment of the financial element of the annual bonus. Payments rise from 20% to 100% of the maximum opportunity for levels of performance between the threshold and maximum targets. Clawback provisions will be put in place for misstatement and misconduct.	Maximum award of 175% of salary.
Deferred Bonus Plan (Variable pay)	Focus Executive Directors on long-term performance and align the interests of Executive Directors with shareholders	The terms of the new Deferred Bonus Plan, as referred to below, were approved by shareholders at the 2013 AGM. Compulsory deferral in shares applies to any annual bonus payment above a hurdle of 125% of salary. The Committee can lower the hurdle for compulsory deferral. Deferred shares vest in equal amounts after one and two years. Deferred shares are not subject to further performance conditions as they are awarded in lieu of previously earned annual bonus. Dividends accrue or are paid on unvested awards over the vesting period. Clawback provisions are in place for misstatement and misconduct.	Not applicable (see "Annual Bonus" section above).
Long-term Incentive Plan (Variable pay)	Incentivise share ownership and long-term performance in line with Group strategy	The terms of the new Long-term Incentive Plan, as referred to below, were approved by shareholders at the 2013 AGM. Awards are granted in the form of restricted shares or nil-cost options. Awards have a performance period of at least three financial years. At least 62.5% of any award is based on financial measures, such as EPS. At least 12.5% of any award will be based on relative growth compared to a peer group. The remainder of any award is subject to performance measures based on long-term strategic objectives, such as people and leadership development, strategy development, IT strategy and Corporate Centre development, which are disclosed in the Annual Report on Remuneration in the year of grant. Performance below the threshold of the performance target for the financial performance results in no vesting for the financial element of the LTIP award. For performance between the threshold target and maximum target, vesting starts at 25% and rises to 100%. There is no opportunity to re-test performance measures. Vested shares must be held for a further two years if the shareholding guideline (set out below in the section "Executive shareholding guidelines") has not been met. Dividends accrue or are paid on unvested awards over the vesting period. Clawback provisions are in place for misstatement and misconduct.	Maximum award of 200% of salary.
Pension (Fixed pay)	Attract, retain and fairly reward high calibre Executive Directors	Executive Directors may receive a defined contribution pension benefit or cash supplement.	CEO: 25% of salary. Other Executive Directors: 20% of salary.

Choice of performance measures and target setting

Information on performance measures and targets for each annual award is disclosed in detail in the Directors' Annual Remuneration Report. When choosing performance measures and setting targets the Committee is guided by the following principles:

- performance measures should drive and reward the achievement of key short and long-term financial and strategic goals
- performance measures should provide alignment between the interests of management and those of shareholders
- a significant proportion of any incentive scheme should be linked to Group financial performance
- PBT and EPS are used currently because they are key measures of business performance and profitability

Strategic measures in the annual bonus arrangements are specific to the individual and reward the delivery of key strategic objectives for the business.

- targets for financial and strategic measures should be stretching yet achievable, and set with reference to internal plans and external expectations
- targets should not incentivise excessive risk taking

Legacy arrangements

In approving this Directors' Remuneration Policy Report, authority is given to the Company to honour any commitments entered into with current or former Directors (such as the payment of a pension or awards pursuant to the terms of the legacy share schemes) granted prior to the date that this policy takes effect. Details of any such payments will be set out in the Directors' Annual Remuneration Report as they arise.

Consistency with remuneration for the wider group

The Committee reviews and considers remuneration across PageGroup when setting the Executive Director remuneration policy. Remuneration levels for all employees are set in the context of internal relativities and market levels of remuneration for comparable roles. Policy for Executive Directors differs from other senior executives in that Executive Director variable remuneration is capped, whereas for other senior executives it is uncapped. This is in line with practice in the recruitment industry where variable remuneration is funded from an uncapped profit pool. This arrangement provides a strong incentive for employees to grow PageGroup profit and is a fundamental part of our remuneration policy.

Executive shareholding guidelines

Shareholding guidelines are operated to align Executive Directors' interests with those of shareholders. The current guideline is 200% of salary and will be achieved through the retention of half of any vesting share awards, net of tax.

This would normally be expected to be achieved within five years. Executive Director shareholdings are disclosed annually in the Directors' Annual Remuneration Report.

Our approach to recruitment

The Committee intends to structure the remuneration package of any new Executive Director as set out in the table below:

Element of remuneration	External recruits	Internal recruits
Ongoing remuneration package	The remuneration package may include any of the elements set out in the Future Policy Table for Executive Directors. Ongoing remuneration will be subject to the maximum levels as set out in the approved remuneration policy in force at the time of appointment. As a result, the maximum level of variable remuneration is 375% of salary (excluding any 'buy out' payments as referred to below).	The remuneration package may include any of the elements set out in the Future Policy Table for Executive Directors. Ongoing remuneration will be subject to the maximum levels as set out in the approved remuneration policy in force at the time of appointment. As a result, the maximum level of variable remuneration is 375% of salary.
Treatment of outstanding awards of variable remuneration	May offer additional cash and/or share-based elements when considered to be in the best interests of the Company and, therefore, shareholders, in order to 'buy out' forfeited remuneration. Any 'buy-out' payments would be based solely on remuneration lost when leaving the former employer and would be on terms that are no more favourable than the delivery mechanism (i.e. cash, shares, options) and time horizons. Where forfeited remuneration is performance related, any 'buy-out' payment would be subject to performance conditions determined by the Committee. The Committee may need to avail itself of the current Listing Rule 9.4.2 R to make such awards where doing so is necessary to facilitate, in exceptional circumstances, the recruitment of the relevant individual.	Any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms on grant.

In addition, the structure of remuneration for a new Executive Director may differ temporarily from that in effect for other Executive Directors. The circumstances in which this may occur are set out below:

- when it is appropriate to offer a below market salary initially, a series of salary increases may be given over the following few years subject to individual performance and experience in role which bring the incumbent to the determined salary level, reflective of the policy to pay market competitive salaries
- different performance measures may be set initially for the annual bonus, taking into account the responsibilities of the individual and the point in the financial year that they joined
- the Committee may agree that the Company will meet certain costs associated with the recruitment (for example legal fees)

Policy on payment for loss of office

On termination, any compensation payments due to an Executive Director are calculated in accordance with normal legal principles, including mitigation, as appropriate. Should notice be served by either party, an Executive Director can continue to receive basic salary, benefits and pension for the duration of his notice period during which time the Company may require the individual to continue to fulfil his current duties or may place the individual on garden leave. The Company can make a payment in lieu of notice (PILON) as a lump sum equivalent to the amount of base salary, benefits and pension that would have been payable to the executive. This payment can be phased over the remainder of the notice period and be subject to reduction if there are alternative earnings. The phasing and reduction of PILON will not apply to Executive Directors in post at 31 December 2013. A payment may be made in respect of accrued but untaken holiday.

In respect of annual bonus, an Executive Director who ceases employment or is under notice prior to the payment of bonus may, if the individual is considered by the Committee in its discretion to be a good leaver, receive a payment in cash. Any payment would be on a pro-rata basis reflecting the period of time served from the start of the financial year to the date of termination (or to the date of notice and/or garden leave, if earlier), other than where the Committee decides otherwise in exceptional circumstances. Any bonus paid would normally be subject to the normal bonus targets, although the Committee may modify these in exceptional circumstances, taking into account the individual's role during the year of termination, and provided that any new targets are no easier than the original targets.

Under the rules of the new Deferred Bonus Plan and the new Long-term Incentive Plan, each as approved by shareholders at the 2013 AGM, outstanding awards vest if an Executive Director dies or leaves for a specified "good leaver" reason, including:

- redundancy, retirement, injury or disability
- a transfer of employment in connection with the disposal of a business or undertaking
- the company with which the Executive Director holds office or employment ceasing to be a member of the Group

In all other circumstances awards will lapse, provided that the Committee has discretion to determine otherwise, in which case the provisions applicable to good leavers will apply.

Good leavers' awards normally vest at the usual time unless the Committee determines, in exceptional circumstances, that they should vest earlier. In addition, awards normally will be pro-rated to reflect the time served since the award date unless the Committee determines otherwise but are always based on the achievement of any performance conditions. In the case of death, all awards will vest immediately subject to any performance criteria but with no time pro-rating.

Under the Deferred Bonus Plan and the Long-term Incentive Plan, awards will also vest on the occurrence of a corporate event affecting the Company based on the achievement of any performance conditions. Awards normally will be pro-rated to reflect the time to the date of the relevant event unless the Committee determines otherwise.

The extent to which any awards made under legacy share plans prior to the effective date of this policy would vest upon cessation of employment would be determined in accordance with their terms.

In considering the exercise of discretion as set out above, the Committee will take into account all relevant circumstances. Factors that the Committee may (but shall not be obliged to) take into account will include, but not be limited to, the following:

- the best interests of the Company
- the contribution of the Executive Director to the success of the Company during their tenure
- the need to ensure continuity
- the need to compromise any claims that the Executive Director may have
- whether the Executive Director received a PILON payment
- whether a greater proportion of the outstanding award may have vested had the Executive Director served out his notice
- whether the Executive Director has presided over an orderly handover
- adjustment of performance outcomes to ensure that payout is fair and reasonable in the context of the Company's overall performance

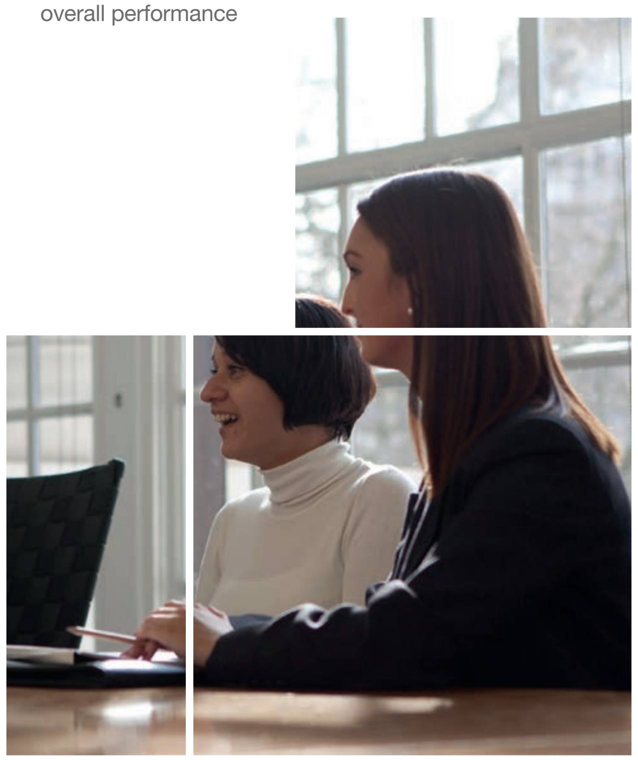
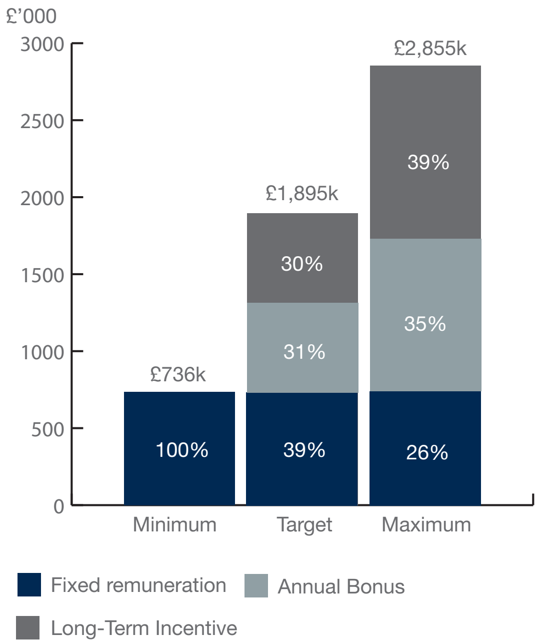


Illustration of the application of our remuneration policy

The chart below gives an indication of the total remuneration which could be received by the Chief Executive Officer under the policy. Three scenarios are presented: the minimum remuneration receivable; the amount receivable if he performs in line with the Company's expectations; and the maximum remuneration receivable.

Chief Executive Officer



Note that the charts are only indicative as share price movement and dividend accruals have been excluded. Assumptions for each scenario are as follows:

- Minimum: fixed remuneration only (i.e. salary, benefits and pension)
- Target: fixed remuneration plus 60% of maximum annual bonus opportunity plus 50% vesting of awards under long-term incentive awards
- Maximum: fixed remuneration plus maximum annual bonus opportunity plus 100% vesting of long-term incentive awards

The charts are based on an annual salary of £565,000 and assume a maximum annual bonus opportunity of 175% of salary and maximum long-term incentive awards of 200% of salary, in accordance with the above policy.

Statement of consideration of employment conditions elsewhere in the Group

PageGroup does not consult directly with employees when determining remuneration policy for Executive Directors. However, increases in pay across the senior management population and the wider workforce are taken into account when setting pay levels for Executive Directors.

Statement of consideration of shareholder views

The Committee considers shareholder feedback received in relation to the AGM each year at its first meeting following the AGM. The Remuneration Committee Chairman will seek to inform major shareholders of any material changes to the remuneration policy in advance and will generally offer a meeting to discuss these.

Key areas of discretion

Key areas of Committee discretion in our remuneration policy include (but are not limited to):

- the choice of financial performance measures in variable remuneration and the choice of performance targets for those measures
- the treatment of leavers in the Annual Bonus Plan (as described in the "Policy on payment for loss of office" section on page 72)
- certain discretions as set out in the plan rules relating to the vesting of long-term incentive awards and Deferred Bonus Plan awards, such as:
  - the timing of grant of award and/or payment
  - the size of an award and/or a payment (subject to the maximums set out in the Future Policy Table for Executive Directors)
  - determination of a good leaver (in addition to any specified categories) for incentive plan purposes based on the rules of each plan, and the resulting treatment of the award (as described in the "Policy on payment for loss of office" section on page 72)
  - adjustments required in certain circumstances (e.g. rights issues, corporate restructuring and special dividends)
  - the ability to adjust existing performance conditions for exceptional events so that they can still fulfil their original purpose (subject to the amended condition not being materially less challenging)

External Non-Executive Director positions

Subject to Board approval, Executive Directors are permitted to take on non-executive positions with other companies. Executive Directors are permitted to retain their fees in respect of such positions. Details of outside directorships held by the Executive Directors and any fees that they received are provided on page 84 of the Directors' Annual Remuneration Report.

Future Policy Table for Board Chairman and Non-Executive Directors

The Board Chairman and Non-Executive Directors receive a fee for their services and do not receive any other benefits from the Group, nor do they participate in any of the bonus or share schemes. The fees recognise the responsibility of the role and the time commitments required, and are not performance related or pensionable. They are paid monthly in cash and there are no other benefits.

Element	Purpose and link to strategy	Operation	Maximum opportunity
Fees	Attract, retain and fairly reward high calibre individuals.	Reviewed by the Board after recommendation by the Chairman and Chief Executive (and by the Committee in the case of the Chairman) taking into account individual responsibilities, such as committee Chairmanship, time commitment, general employee pay increases, and prevailing market levels at companies of comparable status and market value. Fee increases are normally reviewed annually and are generally effective from 1 January.	The maximum aggregate fees for all Directors allowed by the Company's Articles of Association is £600,000. Current fee levels are set out in the Directors' Annual Remuneration Report.

The above principles will also be applied for the recruitment of new Non-Executive Directors.

Service contracts and letters of appointment

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

Non-Executive Directors, including the Chairman of the Board, are engaged under letters of appointment and do not have service contracts with the Company. They are appointed for a fixed term of three years, during which period the appointment may be terminated by either party upon one month's written notice or in accordance with the Articles of Association of the Company. There are no provisions on payment for early termination in the letters of appointment. After the initial three year term they may be reappointed for a further term of three years, subject to annual re-election at Annual General Meetings.

Further detail on service contracts and letters of appointment are set out on page 84 and copies are available for inspection at the Company's registered office during normal business hours.

DIRECTORS' ANNUAL REMUNERATION REPORT

This part of the report has been prepared in accordance with Part 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The Annual Remuneration Report will be put to an advisory shareholder vote at the 2014 AGM. The information on pages 76 to 86 has been audited where required under the regulations.

Directors' remuneration as a single figure

The tables below report a single figure for total remuneration for each Director for the years ended 31 December 2013 and 31 December 2012.

2013

Executive	Salary and Fees (note 1) £'000	Benefits (note 2) £'000	Pension (note 3) £'000	Short-term incentives (note 4) £'000	Lapse of short-term incentives) (note 5) £'000	Long-term incentives (note 6) £'000	Dividends paid on unvested shares £'000	Other (note 7) £'000	Lapse of joining award) (note 8)	Total (note 4) £'000
Steve Ingham	550	30	138	558	–	–	42	–	–	1,318
Andrew Bracey	365	24	73	207	(269)	–	13	286	(187)	512
Non Executive										
Robin Buchanan	220	–	–	–	–	–	–	–	–	220
Simon Boddie	55	–	–	–	–	–	–	–	–	55
Danuta Gray	3	–	–	–	–	–	–	–	–	3
David Lowden	58	–	–	–	–	–	–	–	–	58
Ruby McGregor Smith	55	–	–	–	–	–	–	–	–	55
Tim Miller	48	–	–	–	–	–	–	–	–	48
Total	1,354	54	211	765	(269)	–	55	286	(187)	2,269

2012

Executive	Salary and Fees (note 1) £'000	Benefits (note 2) £'000	Pension (note 3) £'000	Short-term incentives (note 4) £'000	Lapse of short-term incentives) (note 5) £'000	Long-term incentives (note 6) £'000	Dividends paid on unvested shares £'000	Other (note 7) £'000	Lapse of joining award (note 8)	Total (note 4) £'000
Steve Ingham	450	28	113	1,122	–	958	52	–	–	2,723
Andrew Bracey	249	17	48	690	–	–	8	360	–	1,372
Charles-Henri Dumon	59	19	22	–	–	–	–	2,531	–	2,631
Stephen Puckett	159	15	40	250	–	–	23	–	–	487
Non Executive										
Robin Buchanan	220	–	–	–	–	–	–	–	–	220
Simon Boddie	13	–	–	–	–	–	–	–	–	13
David Lowden	21	–	–	–	–	–	–	–	–	21
Ruby McGregor Smith	58	–	–	–	–	–	–	–	–	58
Tim Miller	47	–	–	–	–	–	–	–	–	47
Hubert Reid	19	–	–	–	–	–	–	–	–	19
Reg Sindall	36	–	–	–	–	–	–	–	–	36
Total	1,331	79	223	2,062	–	958	83	2,891	–	7,627

Notes:

1. Salary and fees represent the salary and fees paid in cash in respect of the financial year.
2. Benefits represent the taxable value of the benefits provided in the year and comprises company car or cash alternative, fuel, permanent health insurance, medical insurance, life insurance and, in the case of the CEO, golf club membership used for corporate entertaining.
3. Pension includes the cash value of Company contributions to defined contribution pension plans and cash payments in lieu of pension contributions.
4. The variance in short-term and total remuneration is driven by the new reporting methodology as described in detail in 'transition to the new executive remuneration strategy' on page 77.
5. The ISP Deferred Award granted to Andrew Bracey on 11 March 2013, over 54,299 shares, lapsed on Andrew Bracey resigning. The value of this award was included in the 2012 single figure for remuneration (within the "Short-term incentives" figure) and therefore the lapse of the award in 2013 is shown as a negative figure. The negative value is calculated using the share price on the date of notice of resignation, 11 October 2013, of 494.5p. Further detail regarding payments for loss of office is provided on page 83.
6. The value of long-term incentives in 2013 is nil since the performance target was not met for the award granted on 11 March 2011 with a performance period ended 31 December 2013. Details are provided on page 80. The value of £958k in respect of Steve Ingham in 2012 represents the value of the performance element of the ISP award of 9 March 2009 being £695k (153,785 shares valued at the share price on the vesting date of 10 March 2013 which was 451.8p, see page 81) and the value of the share options vesting on 10 March 2013 under the Executive Share Option Scheme which was £263k, valued at that same date and price. Further detail regarding the ESOS award is shown on page 82.
7. 2013 Other: The sum of £286k is the payment in lieu of notice made to Andrew Bracey in respect of the value of the salary and contractual benefits, including pension payments, which would have accrued to him during the balance of his notice period following his resignation from the Company on 11 October 2013, taking account of his continued cover under the Company's private medical insurance scheme until 31 March 2014.
   2012 Other: Andrew Bracey was granted a deferred share award on appointment of 75,472 shares, being one times base salary of £360,000 converted into shares at 477p. See page 80 for details. Charles-Henri Dumon received compensation for loss of office of £2,531,000 as detailed in the 2012 Annual Report.
8. The second tranche of the Joining Award granted to Andrew Bracey on 23 April 2013, over 37,736 shares, lapsed on Andrew Bracey resigning. The value of this award was included in the 2012 single figure for remuneration (within the "Other" figure) and therefore the lapse of the award in 2013 is shown as a negative figure. The negative value is calculated using the share price on the date of notice of resignation, 11 October 2013, of 494.5p. Further detail regarding the Joining Award is provided on pages 80 and 82.

Andrew Bracey – former CFO

Andrew Bracey served notice of his resignation from his employment on 11 October 2013 (and formally resigned his directorship on 14 November 2013). He was placed on garden leave by the Company on 11 October 2013 until his employment terminated on 24 February 2014. Andrew Bracey was, in accordance with the terms of his service contract, paid in lieu of the balance of his notice period. The sum paid in lieu of notice was £286,317, comprising the value of his basic salary and the value of contractual benefits (including a cash alternative equivalent to the normal pension contribution) for the balance of his notice period (taking account of the fact that Andrew Bracey's membership of the Company's private medical insurance scheme shall continue until 31 March 2014). As a result of his resignation, all unvested share awards held by Andrew Bracey lapsed.

On the basis that Andrew Bracey remained employed for the entirety of the financial year ending 31 December 2013, he was, under the terms of his service contract, eligible to receive an annual bonus at the discretion of the Committee. Taking into account all relevant performance targets and the period of the year actively worked by him, the Committee determined to award Andrew an annual bonus payment totalling £206,572. The basis on which this payment was determined is set out in the "Determination of annual bonus for the financial year ending 31 December 2013" section opposite.

Share awards

Although Andrew Bracey's joining award was subject to a deferral period, it is required to be included in the single total figure of remuneration table for 2012, the year of award. Similarly, the Deferred Award under the ISP granted to Andrew Bracey in March 2013 was granted by reference to Company performance in 2012, and so is included in the 2012 single figure.

The subsequent lapse of these awards is therefore shown as a negative figure in 2013, representing the lapse of these awards due to Andrew Bracey's resignation. The negative figure is calculated using the share price on the date of resignation, 11 October 2013, of 494.5p.

Andrew Bracey was also granted a Performance Award under the ISP during the year. As this was subject to further performance conditions, the value of the award is not included in the single figure of remuneration for 2012 or 2013 (any value that vested would have been included in the single figure for 2015). As the value of this award has not yet been reported in the single figure table, the lapse of this award is also not shown as a negative value.

Transition to the new executive remuneration strategy

The figures in this single figure table represent a transitional period due to the change in the Company's executive remuneration strategy that was described to shareholders in the 2012 Annual Report.

Until last year, the old Michael Page Incentive Share Plan (the "Incentive Share Plan" or "ISP") was the executive share plan operated by the Company. The Incentive Share Plan was funded with a percentage of Group profits in the financial year preceding grant, and up to 30% of that amount was available for awards to the Executive Directors. Awards were made over shares in the Company. Two-thirds of the shares were subject to a three-year deferral period, but no further performance conditions (the "Deferred Awards"). The remaining one-third was subject to further performance conditions over a three year period (the "Performance Awards").

The Deferred Awards granted in March 2013, based on profits for the financial year ending 31 December 2012, are included in the 2012 "short-term incentives" figure. As no further Deferred Awards are being granted, there is no corresponding amount included in the 2013 "short-term incentives" figure.

The decrease in the "short-term incentives" figure from 2012 to 2013 therefore shows the phasing out of ISP Deferred Awards. There will be a corresponding increase in the "long-term incentives" figures in due course, representing the move from the ISP structure to the new Michael Page Long-term Incentive Plan (the "Long-term Incentive Plan" or "LTIP"), as approved by shareholders at the 2013 AGM. However, due to the way the single figure for total remuneration is required to be reported under the new regulations, this increase in the long-term element of executive remuneration will not show in the single figure table until the 2016 Annual Report (when the vesting value of the first LTIP Awards to be granted in March 2013 will be shown).

Short-term incentives included in the single figure table

For the financial year ended 31 December 2013, the "short-term incentives" figure includes (1) the annual cash bonus and (2) the deferred element of the bonus, which will be granted in March 2014 as an award under the new Michael Page Deferred Bonus Plan (the "new Deferred Bonus Plan"), as approved by shareholders at the 2013 AGM.

For the financial year ending 31 December 2012, the "short-term incentives" figure includes (1) the annual cash bonus; (2) the deferred element of bonus, which was granted in March 2013 as an award under the old Michael Page Annual Bonus Plan (the "old Annual Bonus Plan"); and (3) the Deferred Award granted in March 2013 under the Incentive Share Plan (as explained above).

These amounts are shown as follows:

2013

Executive	Annual cash bonus	Deferred bonus element	ISP Deferred Award	Total shown in single figure table
Steve Ingham	558	–	–	558
Andrew Bracey	207	–	–	207
Total	765	–	–	765

2012

Executive	Annual cash bonus	Deferred bonus element	ISP Deferred Award	Total shown in single figure table
Steve Ingham	675	76	371	1,122
Andrew Bracey	450	0	240	690
Stephen Puckett	250	0	0	250
Total	1,375	76	611	2,062

Determination of annual bonus for the financial year ended 31 December 2013

The annual bonus payment for the financial year ended 31 December 2013 for Steve Ingham, Chief Executive Officer, was determined as follows:

		Bonus for Profit Before Tax (PBT) performance		Bonus for Strategic Performance		Total bonus	
Role		Potential	Actual	Potential	Actual	Potential	Actual
CEO	£k	£687,500	£305,300	£275,000	£253,000	£962,500	£558,300
	% of salary	125%	56%	50%	46%	175%	102%
	% of maximum	71%	44%	29%	92%	100%	58%

The PBT threshold and maximum targets were £53.9m and £89.8m. The actual outcome of PBT before exceptional items was £67.1m which resulted in a payment to Steve Ingham of £305.3k, as shown above. This represented 44% of the maximum payable under this element.

Performance against the strategic performance measures was assessed against a number of areas. These areas, together with the Committee's assessment of performance, are set out in the table below:

Strategic performance measure	Assessment of 2013 performance
Asia and Americas divisional performance US and Canada divisional performance Diversification by discipline People	The maximum payment for the delivery of strategic performance objectives in 2013 was equal to 50% of salary and was assessed against the following performance measures: • Asia and Americas divisional performance • US and Canada divisional performance • Diversification by discipline • People The Committee assessed performance against these measures at the end of 2013 in line with the framework set out at the beginning of the year. It was determined that performance targets relating to divisional performance had been exceeded. In particular, very strong growth in the US and Canada division represented a level of performance which significantly exceeded the Commitee's expectations at the beginning of 2013. Objectives relating to 'diversification by discipline' were achieved, whilst objectives relating to 'people' did not fully satisfy the Remuneration Committee in all respects, although good progress had been made.

Based on this assessment, the Committee determined that a bonus of 46% of salary was payable to Steve Ingham which represented 92% of the maximum payable under this element.

The annual bonus payment for the financial year ended 31 December 2013 for Andrew Bracey, former Chief Financial Officer, was determined as follows:

		Bonus for Profit Before Tax (PBT) performance			Bonus for Strategic Performance			Total bonus		
Role		Potential	Notional (before prorating)	Actual (after prorating)	Potential	Notional (before prorating)	Actual (after prorating)	Potential	Notional (before prorating)	Actual (after prorating)
CFO	£k	£365,000	£160,600	£123,662	£182,500	£107,675	£82,910	£547,500	£268,275	£206,572
	% of salary	100%	44%	34%	50%	30%	23%	150%	74%	57%
	% of maximum	67%	44%	34%	33%	59%	45%	100%	49%	38%

The PBT threshold and maximum targets were £53.9m and £89.8m. The actual outcome of PBT before exceptional items was £67.1m which resulted in a payment to Andrew Bracey of £123,662 as shown above. This represented 34% of the maximum payable under this element.

The Committee considered it appropriate to time pro-rate Andrew Bracey's annual bonus payment to 11 October 2013, being the date on which he went on garden leave and after which he was accordingly no longer required to provide active services. The tables set out directly above and below reflect the annual bonus amounts before and after the application of time pro-ration.

Performance against the strategic performance measures was assessed against a number of areas. These areas, together with the Committee's assessment of performance, are set out in the table below:

Strategic performance measure	Assessment of 2013 performance
Delivery of new IT systems Finance & Administration Taxation Central Finance Team Accounting	The maximum payment for the delivery of strategic performance objectives in 2013 was 50% of salary and was assessed against the following performance measures: · Delivery of new IT systems · Finance and administration · Taxation · Central Finance Team · Accounting The committee assessed performance against these measures at the end of 2013 in line with the framework set out at the beginning of the year. It was determined that progress in the IT system pilot identified enhancements which were required before the further roll-out across the Group. Progress was made in reducing the finance and administration headcount and expenditure year on year; further plans to realise future benefits were developed at the end of the year. Plans for taxation and accounting were partially delivered and development of the central finance team took place towards the end of the year and into early 2014.

Based on this assessment, the Committee determined that a bonus of 23% of salary was payable to Andrew Bracey which represented 45% of the maximum payable under this element.

Deferred Annual Bonus

Any bonus for the CEO above 125% of salary is deferred in shares. As shown on page 80, the bonus for the financial year ended 31 December 2013 was 102% of salary and, therefore, no bonus was deferred.

Determination of ISP Deferred Awards granted in March 2013

In 2013, the CEO and CFO were eligible to receive ISP awards. Andrew Bracey, in accordance with his employment contract, was awarded one times salary (£360,000). All other ISP awards were funded from a pool equal to 6% of Group profits in 2012. Based on 2012 results, this pool was equal to £4,664,148. From this pool, £556,500 was allocated to Steve Ingham. Two thirds of the awards to the CEO and CFO were awarded as Deferred Awards which, subject to continued employment, will in the normal course vest three years after grant, as follows:

ISP Deferred Shares

Executive	Value	Number of shares subject to Award
Steve Ingham	£371,000	83,937 shares
Andrew Bracey	£240,000	54,299 shares

Note: the cash value of the ISP Deferred Awards was converted into a number of shares using the share price on 11 March 2013, the date of grant. The share price was 442p.

The remaining one third of the allocation from the ISP pool was awarded as Performance Awards. As these Performance Awards are subject to further conditions, they are not included in the single figure of remuneration for 2012. Further details of these Performance Awards are set out on page 81.

Following Andrew Bracey's resignation from the Group on 11 October 2013, both the deferred and the performance elements of the 2013 ISP award lapsed.

Long-term incentives included in the single figure table

The "long-term incentives" figure represents the Performance Awards granted under the old ISP.

The 2013 value represents an estimate of the value of the percentage of the Performance Award held by the CEO that was granted on 11 March 2011. The performance period of this Performance Award ended on 31 December 2013 and details of the performance condition is set out on page 81 with the description of outstanding share awards. Over the performance period, PageGroup's average annual EPS growth was equal to RPI -7.1%. This resulted in no shares vesting and therefore there is no value for long-term incentives included in the single figure table in 2013.

The EPS calculation is set out below:

2011 LTIP Award – Performance condition measurement

Base year 2010 adjusted* EPS	18.62
Actual 2013 adjusted* EPS	16.32
RPI index for December 2010	216.90
RPI index for December 2013	236.2
Earnings growth across the period	-12.36%
RPI growth across the period	8.90%
% EPS growth across the period	-21.30%
Average annual EPS growth	-7.10%

*To ensure that EPS measurement is consistent across years, adjustments are made to exclude the charge for share options and incentive share plans, together with related taxation, from both the base and the measurement year. The EPS is not adjusted for the cost of the Executives' deferred bonus shares where relevant.

One-off joining award included in the single figure table

Andrew Bracey was granted a one-off joining award on 23 April 2012 over 75,472 shares, being one-times base salary of £360,000 converted into shares at 477p. This grant was made in two equal tranches, the first subject to a deferral period of one year and the second subject to a deferral period of two years. Although this joining award was subject to the deferral period, it is required by the governing regulations to be included in the single figure total of remuneration table for the year of award as there were no performance conditions, and must also be shown separately to the "long-term incentives" figure.

The first equal tranche of the award vested on 23 April 2013. Following Andrew Bracey's resignation from the Group on 11 October 2013, the second tranche of the award lapsed.

Percentage change in remuneration of the Chief Executive Officer

The following table provides a summary of the 2013 increase in base salary for the Chief Executive Officer compared to the average increase for the Group head office population in the same period. We have also provided the proposed 2014 salary increase for comparison.

		2014 increase %	2013 increase %	2012 increase %
Salary	Chief Executive	2.7%	22.2%	14.8%
	Group head office population	3.0% (a)	3.0% (a)	2.9% (a)
Benefits	Chief Executive		5%	0%
	Group head office population		0%	0%
Short-term Incentives	Chief Executive		-50%	6%
	Group head office population		18%	21%

(a) represents average increase

The Group head office population has been selected as the most relevant population for comparison purposes since the CEO is based in the UK, as are the Group head office staff, and the head office population does not include operational staff incentivised against sales targets.

Short-term incentives include cash bonuses, any deferred element of the bonus and ISP deferred awards under the old ISP plan which did not have performance conditions. As explained on page 77, the decrease in the "short-term incentives" figure from 2012 to 2013 shows the phasing out of ISP Awards.

Details of long-term incentive pay awarded in 2013

As explained on page 79, ISP awards in 2013 were granted in March 2013 to the CEO and CFO. £556,500 was awarded to Steve Ingham and £360,000 was awarded to Andrew Bracey. Two thirds of these allocations were awarded as the Deferred Awards under the ISP which are described on page 79 (and the value of which have been included in the single total figure of remuneration for 2012).

The remaining one third of this allocation was awarded as Performance Awards under the ISP. These Performance Awards will vest after three years subject to an EPS performance condition and continued employment. Details of these awards which were granted on 15 March 2013 are set out below:

ISP performance shares

Executive	Type of award	Basis	Face Value	% of salary vesting at threshold	End of performance period	Performance condition
Steve Ingham	41,968 shares	One third of allocation from 2012 ISP pool	£185,500	50%	31/12/2015	Based on PageGroup EPS performance in excess of RPI over the financial years 2013, 2014 and 2015. Further detail is provided below
Andrew Bracey	27,149 shares	One third of allocation from 2012 ISP pool	£120,000	50%	31/12/2015	

Note: The ISP performance shares set out above for Steve Ingham will be included in the 2015 single figure for remuneration (if vested).

Note: Face value calculated using the share price on the date of grant, 11 March 2013, being 442p

Following Andrew Bracey's resignation from the Group on 11 October 2013 both the deferred and performance elements of the 2013 ISP award lapsed.

Outstanding Share Awards

This section sets out the outstanding interests of the Executive Directors under the old Incentive Share Plan, the old Annual Bonus Plan and the legacy Michael Page International plc Executive Share Option Scheme, and details of the joining award granted to Andrew Bracey.

Incentive Share Plan – Performance Award

Details of Performance Awards made under the Incentive Share Plan are as follows:

Executive	Grant date	Number of shares at 1 January 2013	Granted during year	Vested during year	Lapsed during year	Number of shares at 31 December 2013	End of performance period	Vesting date
Steve Ingham	9 March 2009	153,785	–	(153,785)	–	–	31 December 2012	10 March 2013
Steve Ingham	11 March 2011	34,020	–	–	–	34,020	31 December 2013	12 March 2014
Steve Ingham	12 March 2012	41,005	–	–	–	41,005	31 December 2014	12 March 2015
Steve Ingham	11 March 2013	–	41,968	–	–	41,968	31 December 2015	11 March 2016
Total		**228,810**	**41,968**	**(153,785)**	**–**	**116,993**		
Andrew Bracey	11 March 2013	–	27,149	–	(27,149)	–	31 December 2015	11 March 2016
Total		**–**	**27,149**		**(27,149)**	**–**		

The performance conditions for the Performance Awards made to Steve Ingham are set out below. Following Andrew Bracey's resignation from the Group on 11 October 2013 the above award made to him lapsed.

Value of Shares subject to performance conditions vesting on Award Date	Average annual growth in Company EPS in excess of the increase in the Retail Prices Index over three years
Shares with value greater than 75% of Participant's Salary at Award Date	10%
Shares with value between 50% and 75% of Participant's Salary at Award Date	7.5%
Shares with value up to 50% of Participant's Salary at Award Date	5%

Incentive Share Plan – Deferred Awards

Details of Deferred Awards made under the Incentive Share Plan that remain outstanding at 31 December 2013 are as follows:

Executive	Grant date	Number of shares at 1 January 2013	Granted during year	Vested during year	Lapsed during year	Number of shares at 31 December 2013	End of performance period	Vesting date
Steve Ingham	11 March 2011	68,039	–	–	–	68,039	n/a	12 March 2014
Steve Ingham	12 March 2012	82,011	–	–	–	82,011	n/a	12 March 2015
Steve Ingham	11 March 2013	–	83,937	–	–	83,937	n/a	11 March 2016
Total		**150,050**	**83,937**	**–**	**–**	**233,987**		
Andrew Bracey	11 March 2013	–	54,299	–	(54,299)	–	n/a	11 March 2016
Total		**–**	**54,299**	**–**	**(54,299)**	**–**		

Following Andrew Bracey's resignation from the Group on 11 October 2013 the above award made to him lapsed.

Annual Bonus Plan

Details of awards made under the old Annual Bonus Plan that remain outstanding at 31 December 2013 are as shown in the table below.

Executive	Grant date	Number of shares at 1 January 2013	Granted during year	Vested during year	Lapsed during year	Number of shares at 31 December 2013	End of performance period	Vesting date
Steve Ingham	11 March 2011	70,162	–	(70,162)	–	–	n/a	12 March 2013
Steve Ingham	12 March 2012	8,116	–	(8,116)	–	–	n/a	12 March 2013
Steve Ingham	12 March 2012	8,116	–	–	–	8,116	n/a	12 March 2014
Steve Ingham	11 March 2013	–	8,631	–	–	8,631	n/a	11 March 2014
Steve Ingham	11 March 2013	–	8,631	–	–	8,631	n/a	11 March 2015
Total		**86,394**	**17,262**	**(78,278)**	**–**	**25,378**		

Andrew Bracey Joining Award

Details of the Joining Award granted to Andrew Bracey are set out below:

Executive	Grant date	Number of shares at 1 January 2013	Granted during year	Vested during year	Lapsed during year	Number of shares at 31 December 2013	End of performance period	Vesting date
Andrew Bracey	23 April 2012	37,736	–	(37,736)	–	–	n/a	23 April 2013
	23 April 2012	37,736	–	–	(37,736)	–	n/a	23 April 2014
Total		75,472	–	(37,736)	(37,736)	–		

Following Andrew Bracey's resignation from the Group on 11 October 2013 the second tranche of his joining award lapsed.

Executive Share Option Scheme

Details of options granted under the Michael Page International plc Executive Share Option Scheme that were outstanding during the year ending 31 December 2013 are as shown in the table below.

The market price of the shares at 31 December 2013 was 488p with a range during the year of 356.0p to 502.5p.

	Grant date	Number of shares at 1 January 2013	Exercised during year	Lapsed during year	Number of shares at 31 December 2013	Exercise price (p)	Period of exercise
Steve Ingham	28 February 2005	50,000	–	–	50,000*	190.75	2008-2015
	10 March 2010	400,000	–	(25,853)	374,147*	381.50	2013-2020
Total		450,000	–	(25,853)	424,147*		

* At 31 December 2013, all share options have vested and are available for exercise.

The share options granted to Steve Ingham on 10 March 2010 had a performance condition based on 2012 PBT before exceptional items. The vesting percentage was on a straight line basis from 0% at £48m to 100% at £66m. PBT before exceptional items for the year ended 31 December 2012 was £64,836,602 and therefore 374,147 (93.54%) of the 400,000 share options vested on 10 March 2013. The value of the shares vesting using the share price on 10 March 2013 (451.8p) less the exercise price of the shares (381.5p) was £263k and this value is included in the 2012 single figure table under long-term incentives.

Statement of Directors' shareholdings

It is PageGroup 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 two times their base salary. As at 31 December 2013, the Chief Executive Officer complied with this requirement. Andrew Bracey joined the Company in April 2012 and was in the process of building the required minimum holding prior to his departure.

The beneficial interests of the Directors who served during the year, and their families, in the ordinary shares of the Company are shown in the table below. This table shows interests that are held outright, and does not include interests in shares which are subject to ongoing vesting and/or performance conditions which are set out on pages 81 and 82.

			Shares acquired on vesting of share awards								
Executive Directors	Ordinary shares of 1p	At 1 January 2013	ISP	ABP	Andrew Bracey Joining Award	Total	Purchased in year	Disposal in year	As at 31 December 2013	Value of holding as at 31 December 2013 (£'000)	Executive Directors Value of holding as at 31 December as a % of salary
Steve Ingham	Direct Holding	1,567,174	153,785	78,278	–	232,063	–	121,521	1,677,716	8,187	1449%
Andrew Bracey	Direct Holding	–	–	–	37,736	37,736	–	17,879	19,857	97	26%

1. In addition to the shares in this table, Steve Ingham has the beneficial interest in the shares listed on pages 81 and 82 as outstanding awards under the Incentive Share Plan and Annual Bonus Plan.
2. Steve Ingham: 153,785 shares vested pursuant to a performance award under the ISP during the year, and 78,278 shares vested pursuant to an award under the old Annual Bonus Plan during the year.
3. Andrew Bracey: 37,736 shares vested pursuant to the first part of his Joining Award during the year.
4. Value of holding at 31 December 2013 uses the closing share price on 31 December 2013 which was 488p.

Non-Executive Directors	Ordinary shares of 1p	At 1 January 2013	Purchased in year	As at 31 December 2013
Robin Buchanan	Direct Holding	39,678	53,362	93,040

No other Non-Executive Director had an interest in the shares of the Company during the year.

Payments for loss of office

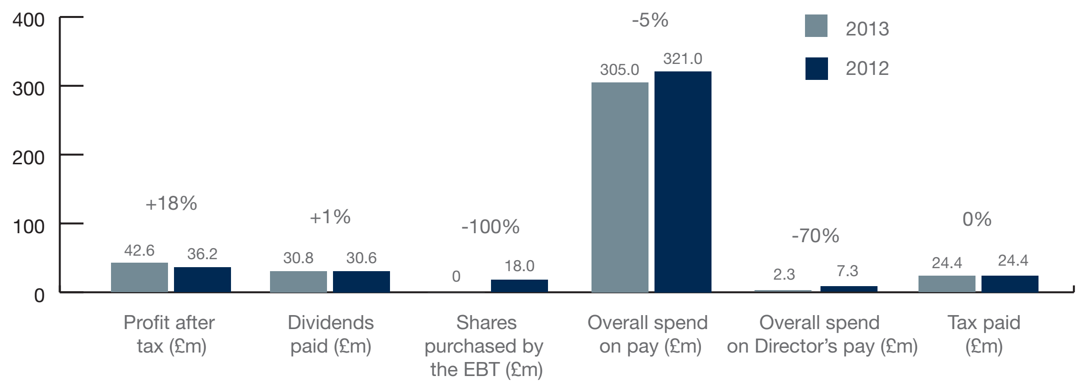
Andrew Bracey served notice of his resignation from his employment on 11 October 2013 (and formally resigned his directorship on 14 November 2014). He was placed on garden leave by the Company on 11 October 2013 until his employment terminated on 24 February 2014. Andrew received a payment in lieu of notice (PILON) for salary, contractual benefits (taking account of the fact that his membership of the Company's private medical insurance scheme shall continue until 31 March 2014) and a cash alternative equivalent to the normal pension contribution due for the remaining portion of his notice period and a bonus payment as described on page 79. Andrew did not receive any payment for loss of office and his outstanding share awards, both under the Incentive Share Plan and his Joining Award, lapsed. These have been included in the single figure for total remuneration table on page 76.

Payments to past Executive Directors

Payments made in 2013 to Charles-Henri Dumon (Executive Director, resigned 28 February 2012) were in line with the disclosure in the Remuneration Report on page 62 of the 2012 Annual Report and Accounts.

Relative importance of spend on pay

The graph below shows details of PageGroup's retained profit after tax, distributions by way of dividends and share buybacks, overall spend on pay to all employees (see note 4 in the financial statements on page 106), overall spend on Directors pay as included in the single figure table on page 76 and tax paid in the financial year. The percentage change compared to prior year is also shown.



Service Contracts and Letters of Appointment

Executive Director	Service Contract date	Unexpired term at 31 December 2013	Notice period
Steve Ingham	31/12/2010	No specific term	12 months

Non-Executive Director	Letter of Appointment date	Unexpired term at 31 December 2013
Robin Buchanan	10/08/2011	8 months
David Lowden	22/08/2012	20 months
Ruby McGregor-Smith	23/05/2013	29 months
Simon Boddie	24/09/2012	21 months
Dr Tim Miller	13/08/2011	8 months
Danuta Gray	10/12/2013	35 months

The notice period for all Non-Executive Directors is one month or in accordance with the Articles of Association which are summarised on page 124 to 126.

Implementation of the Remuneration Policy for Executive Directors in 2014

Base salary

The base salaries of the Executive Directors were considered with reference to the general salary increases across the Group head office population and other market benchmarks. After consideration the Committee decided to increase the Chief Executive Officer's salary by 2.7% to £565,000.

Annual bonus

The operation of the annual bonus will remain unchanged for 2014 with the same weighting between financial measures and other strategic measures as in 2013. The Company is of the view that the targets under each of these measures are currently commercially sensitive given the link to the Company's strategic priorities over the coming year. Performance against these measures and the relevant targets will be disclosed in the next Directors' Annual Remuneration Report.

Long-term Incentive

The first award under the new Long-term Incentive Plan will be made in March 2014. It is currently the Committee's intent that this award will be equal to 200% of salary for the CEO and that the following performance measures and weightings will apply:

Performance measure	Weighting	% of award vesting at threshold
Cumulative 3-year real EPS	125%	25%
Comparator gross profit growth	25%	25%
Strategic targets	50%	25%

Pensions

In line with the Remuneration Policy the Executive Directors receive a contribution to a defined contribution pension scheme or a cash equivalent. The Chief Executive Officer receives a contribution equivalent to 25% of his base salary.

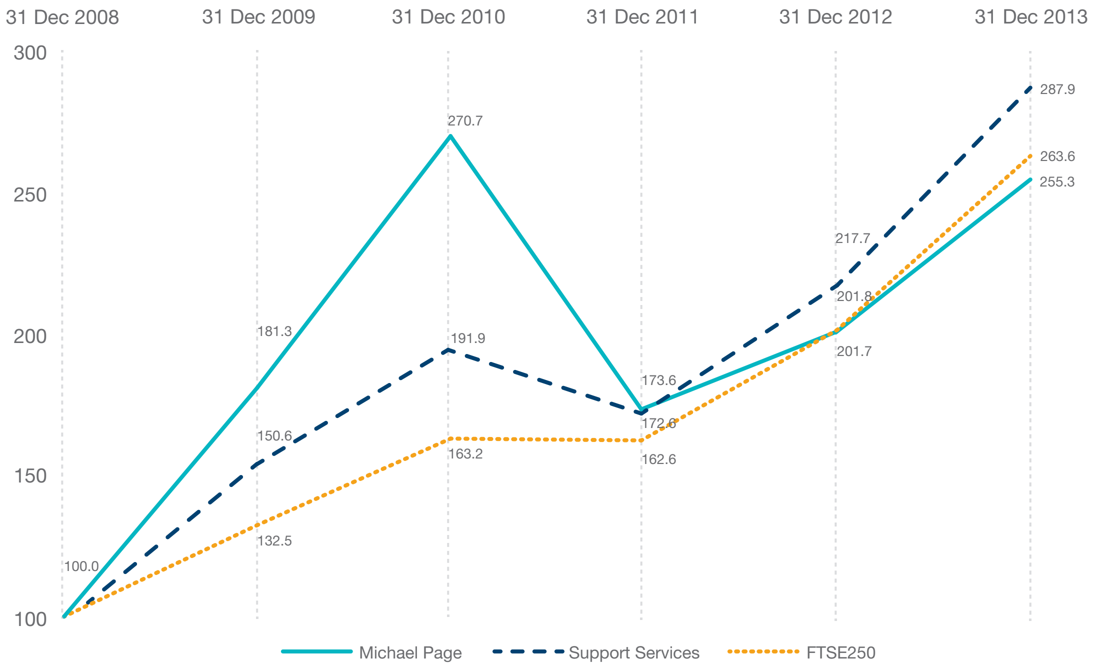
Implementation of the Remuneration Policy for the Board Chairman and Non-Executive Directors in 2014

The fees per annum for the Board Chairman and the Non-Executive Directors have been agreed as follows:

	2013	From March 2014
Chairman	£220,000	£230,000
Non-Executive Director basic fee	£48,000	£51,000
Additional fees payable:		
Senior Independent Director	£5,000	£5,000
Chairman of Remuneration Committee	£10,000	£14,000
Chairman of Audit Committee	£10,000	£14,000

Total Shareholder Return (TSR)

The performance graph below shows the movement in the value of £100 invested in shares in the Company compared to an investment in the FTSE 250 Index and the FTSE Support Services Index over the period from 31 December 2008 to 31 December 2013. The graph shows the Total Shareholder Return generated by the movement in share price and the reinvestment of dividends. We have selected the FTSE 250 Index and the FTSE Support Services Index for comparison purposes as the Company has been a member of each Index throughout the period.



The table below shows the total remuneration for the Chief Executive over the same five year period.

CEO	2009	2010	2011	2012	2013
Single remuneration total	£1,010k	£2,184k	£1,647k	£2,723k	£1,318k
Annual bonus (% of maximum) (note 1)	n/a	n/a	n/a	n/a	58%
Long-term incentives (% of maximum) (note 1)	n/a	n/a	n/a	n/a	n/a

Note that prior to 2012 PageGroup operated uncapped incentives which, by definition, did not have the concept of 'maximum'. As a result it is not possible to provide this information historically. However, following the changes in 2012 it will be possible to provide this information for future years.

Statement of voting at the general meeting

At the PageGroup Annual General Meeting held on 6 June 2013, shareholders approved the Remuneration Report for the year ended 31 December 2012 and also approved the rules of the Michael Page International Long-term Incentive Plan (LTIP) and the Michael Page International Deferred Bonus Plan (DBP). The table below shows the result in respect of the resolutions, which required a simple majority (i.e. 50%) of the votes cast to be in favour in order for the resolutions to be passed.

Resolution	Votes for	%	Votes against	%	Votes withheld
Approve the Remuneration Report	185,273,884	82.2	40,036,111	17.8	52,636,733
Approve the LTIP	267,730,996	97.2	7,653,348	2.8	1,962,384
Approve the DBP	273,811,733	98.7	3,555,058	1.3	560

Following this shareholder vote, the Committee reviewed feedback from shareholders and noted that those shareholders who voted against the Remuneration Report were mainly influenced by the level of payments made to former Directors, the discretion exercised over departing directors' share awards, as well as the increase to the CEO's salary, which shareholders would have preferred to be staggered over a number of years. The Committee also noted that shareholders generally approved of the spirit of the changes to remuneration, namely, an increased focus on long-term performance and a reduction in volatility of remuneration. In addition, shareholders generally welcomed the introduction of strategic measures, the increased shareholding guidelines, the introduction of a bonus cap and the introduction of clawback.

A full schedule in respect of shareholder voting on the above and all resolutions at the 2013 Annual General Meeting is available on the PageGroup website at **http://www.page.com/investors**

Considerations by the Directors of matters relating to Directors' remuneration

The members of the Remuneration Committee are detailed on page 67. During the year the Committee received advice from independent remuneration consultants Deloitte LLP in relation to certain executive remuneration matters. Following a competitive retender, the Committee decided to appoint New Bridge Street as its independent remuneration consultants from September 2013. Both Deloitte LLP and New Bridge Street are members of the Remuneration Consultants Group and as such voluntarily operate under the code of conduct in relation to executive remuneration consulting in the UK. In addition to remuneration advisory services, Deloitte LLP provided consultancy services totalling £597k during 2013. New Bridge Street is part of the Aon Group who provided insurance services to PageGroup during 2013. £636k was paid to Aon in 2013 for global insurance policies and £107k in respect of broker fees.

The Committee also received advice from the Chairman, Chief Executive Officer, Company Secretary and Group HR Director who attend the Remuneration Committee by invitation. No Executive Director takes part in discussions relating to their own remuneration.

External Advisor	Total cost of advice to the Committee (£'000)	Reason for pay
Deloitte LLP	21.0	Independent advice to the Committee
New Bridge Street	36.5	Independent advice to the Committee

External Directorships

During the year Steve Ingham, Chief Executive Officer, earned and retained £42,500 (2012: £nil) in respect of fees from his role as a Non-Executive Director of Debenhams plc. No other Executive Director earned any fees from external Directorships.

Elements of the Directors' Annual Remuneration Report subject to audit

a) single total figure for remuneration and the accompanying notes
b) details of the performance against metrics for variable awards included in the single sum
c) details of long-term variable pay awarded in 2013
d) details on payments to past directors
e) details on payments for loss of office
f) section on outstanding share awards

This Directors' Remuneration Report, including both the Directors' Remuneration Policy Report and the Directors' Annual Remuneration Report has been approved by the Board of Directors.

Signed on behalf of the Board of Directors

David Lowden
Chairman of the Remuneration Committee

4 March 2014

DIRECTORS' REPORT

Elaine Marriner (Company Secretary)

Other Statutory Information

The Directors present their Report together with the audited consolidated financial statements for the year ended 31 December 2013.

Certain information for disclosure in this Report is provided in other sections of the Annual Report and Accounts. These include a fair review of the business, including its development and performance, during the year to 31 December 2013; the position of the Group at the end of the financial year, together with a description of the principal risks and uncertainties facing the Group; corporate governance and remuneration reports; the Group financial statements and notes to those statements; whistleblowing procedures; and disclosures concerning greenhouse gas emissions and accordingly these are incorporated into this Report by reference.

Composition of the Board

The following are Directors of the Company as at the date of the Report.

Robin Buchanan

Steve Ingham

Simon Boddie

Danuta Gray (appointed 10 December 2013)

David Lowden

Ruby McGregor-Smith

Dr Tim Miller

Each of the above Directors, except Danuta Gray, served throughout the period under review. Andrew Bracey resigned as Chief Financial Officer on 11 October 2013.

Biographies of the currently serving directors are provided on pages 51 and 52 of this Report.

The powers of the Directors and the rules governing their appointment and replacement are set out in the Company's Articles of Association which are summarised on pages 124 to 126. At the forthcoming Annual General Meeting and in accordance with the UK Corporate Governance Code, Danuta Gray will offer herself for election and all other Directors will offer themselves for annual re-election.

No Director, at any time during the period under review, had any material interest in any contracts with the Company or any of its subsidiary undertakings, other than the Executive Directors who had such an interest through their service agreements with the Company, details of which are summarised on page 84.

The Company maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Directors.

Directors' Interests

Details of the interests of the Directors and their connected persons in the ordinary shares of the Company are outlined in the Directors' Remuneration Report. Steve Ingham, is also deemed to have an interest in the ordinary shares held in the Employee Benefit Trust.

Share Capital

The issued share capital of the Company is shown in Note 18 to the financial statements.

At the Annual General Meeting held on 6 June 2013 the Company renewed its authority to make market purchases of its own ordinary shares up to a maximum of 10% of the issued share capital. No shares were repurchased during the year. A further resolution in this respect will be put to shareholders at the forthcoming Annual General Meeting.

There were 3.1m shares issued to satisfy share options exercised during the year.

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 the Companies Act 2006 is set out in the following sections of the Annual Report:

- Directors' Remuneration Report
- Notes to the Accounts (Note 18: Called-up share capital)
- The summary of the provisions of the Company's Articles of Association

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

Interest in voting rights

At 31 December 2013, the Company had been notified, in accordance with Chapter 5 of the Disclosure and Transparency Rules, of the following interests in its ordinary share capital:

Shareholder	Number of ordinary shares	% of voting rights
Causeway Capital Management LLC	18,832,766	6.14
Sleep, Zakaria and Co (Nomad)	18,347,573	5.92
The Capital Group of Companies Inc	15,492,600	5.03
Franklin Templeton Institutional LLC	15,308,070	5.03
FIL Limited	15,103,870	4.98

The following notifications were received during the period 1 January 2014 to 4 March 2014:

Holder	Number of ordinary shares	% of voting rights
Sleep, Zakaria and Co (Nomad)	15,252,929	4.92

Shares Held in the Employee Benefit Trust

The Trustee of the Michael Page International plc Employee Benefit Trust ("EBT") has agreed not to vote at any general meeting in respect of any shares where the EBT has a deemed beneficial interest.

Results and Dividends

The profit after taxation for the year ended 31 December 2013 for the Group amounted to £42.6m (2012: £36.2m).

A final dividend for 2012 of 6.75 pence per ordinary share was paid on 21 June 2013. An interim dividend for 2013 of 3.25 pence per ordinary share was paid on 4 October 2013. The Directors recommend the payment of a final dividend for the year ended 31 December 2013 of 7.25 pence per ordinary share on 23 June 2014 to shareholders on the register of members on 23 May 2014 which, if approved at the Annual General Meeting, will result in a total dividend for the year of 10.5 pence per ordinary share (2012: 10.0 pence).

Anti-Bribery and Business Ethics

Anti-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. PageGroup, therefore, has a clear policy on Bribery and Business Ethics and we support our employees to make decisions in line with our stated position.

Our Group Code of Conduct can be found on our website (**www.page.com**) and is based on our commitment to acting professionally, fairly and with integrity. PageGroup maintains a zero-tolerance approach against corruption. Facilitation payments are also not permitted within PageGroup's operations.

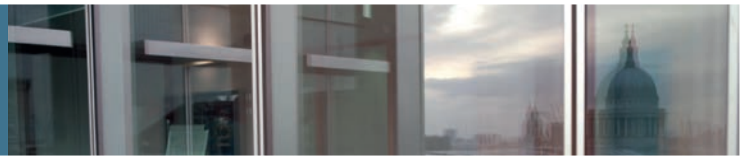
Health and Safety

We recognise that Health and Safety is an integral part of our responsibilities. The day-to-day services we provide do not pose a 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.

Employment Policy and Employee Involvement

The Group continues to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. The policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate. The Group also remains committed to employee involvement throughout the business. Employees are kept well informed of the performance and strategy of the Group through personal briefings, regular meetings, emails and other communications from the Chief Executive Officer and members of the Executive Committee. Further details of employment policies and employee involvement can be found in the Strategic Report on page 41.

DIRECTORS' REPORT



Dilution

The Company reviews the awards of shares made under the various employee and executive share plans in terms of their effect on dilution limits and complies with the dilution limits recommended by the Association of British Insurers.

Post Balance Sheet Events

There have been no significant events since 31 December 2013.

Related Party Transactions

Details of the related party transactions in 2013 are described in note 25 to the Consolidated Financial Statements.

Political Donations

No political donations were made during the year. PageGroup has a policy of not making political donations to political organisations or independent election candidates or incurring political expenditure anywhere in the world as defined in the Political Parties, Election and Referendums Act 2000.

Going Concern Statement

In adopting the going concern basis for preparing the financial statements, the Directors have considered the business activities of the Group as well as the principle risks and uncertainties as set out on pages 47 to 49. Based on the Group's level of cash, the level of borrowing facilities available, the geographical and discipline diversification, the limited concentration risk, as well as the ability to manage the cost base, the Board is satisfied 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.

Significant Agreements containing change of control provisions

The Company has an invoice discounting facility that terminates on a change of control, with prepaid amounts becoming payable.

Directors' and employees' employment contracts do not normally provide for compensation for loss of office or employment as a result of a change of control. However, the Company operates several share schemes for the benefit of its Executive Directors and employees and the rules of the share schemes and plans contain provisions which may cause options and awards granted to Executive Directors and employees to vest on a change of control.

The Directors consider that the Annual Report and Accounts is fair, balanced and understandable

Financial Instruments and Financial Risk Management

The Company's use of Financial Instruments is described in the Treasury section of the Strategic Report on page 24. Details of the financial instruments entered into, and any associated exposure to price risk, credit risk, liquidity risk or cash flow risk, are included in note 21 to the Consolidated Financial Statements.

Disclaimer

The purpose of this Annual Report and Accounts is to provide information to the members of the Company. It has been prepared for the members of the Company, as a body, and for no other persons. The Company, its Directors and employees, agents and advisers do not accept or assume any responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

The Strategic Report 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.

Reappointment of Auditors

Ernst & Young LLP are willing to continue in office and accordingly resolutions as regards their reappointment and to authorise the Directors to set their remuneration will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Annual General Meeting will be held on 5 June 2014 and the notice of meeting can be found on page 127 and will be available on our website at **www.page.com/investors**

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Accounts and the Group and parent Company 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 the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and Article 4 of the IAS Regulation The Directors 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:

- elect suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether IFRS as adopted by the EU has been followed, subject to any material departures disclosed and explained in the Group and parent Company financial statements respectively
- prepare the statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate 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 the Group and to enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group's financial statements, Article 4 of the EU IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group 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

The Directors as at the date of this Report confirm that, to the best of their knowledge:

1. The Group's 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 of the Group.
2. The Directors' Report and the Strategic Report include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Disclosure of Information to the Auditors

Each of the Directors as at the date 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.
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.

Words and phrases used in this confirmation should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' Confirmation

The Directors as at the date of this Report consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

By order of the Board

Elaine Marriner
Company Secretary

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

4 March 2014

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MICHAEL PAGE INTERNATIONAL PLC

We have audited the financial statements of Michael Page International plc (the "Group") for the year ended 31 December 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity and the Consolidated and Parent Company Cash Flow Statements and the related notes 1 to 25. 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 set out on page 89 and 90, the directors are responsible for the preparation of the Group 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. In addition, we read all the financial and non-financial information in the Annual Report and Accounts 2013 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 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
- 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

Our assessment of risk of material misstatement

We identified the following risks that have had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team:

- revenue recognition for permanent and temporary placements, with particular focus on period end cut-off and appropriate accounting treatment in accordance with IFRS and Group accounting policies
- accounting for the new operating system intangible asset, with particular focus on appropriate cost capitalisation and carrying value
- the Group's exposure to direct and indirect taxes and the related accounting judgements

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole. We determined materiality for the Group to be £3.4 million, which is approximately 5% of adjusted profit before tax for the year ended 31 December 2013. We used adjusted profit before tax to exclude those items classified as exceptional items within the financial statements.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement is that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Group should be 50% of materiality, namely £1.7 million. Our objective in adopting this approach is to ensure that total uncorrected and undetected audit differences do not exceed our materiality of £3.4 million for the financial statements as whole. This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.17 million, as well as differences below that threshold that, in our view warranted reporting on qualitative grounds.

An overview of the scope of our audit

Following our assessment of the risk of material misstatement to the Group financial statements, we performed audit procedures at the Group's Head office and in 16 countries in the Group which represent the principal business units within the Group's four reportable segments and account for 90% of the Group's total assets, 93% of the Group's revenue, 89% of the Group's gross profit and 91% of the Group's profit before tax. Of the 16 in-scope countries, four, being the UK, France, Australia and Brazil, were subject to a full scope audit and represent 61% of the Group's revenue and 51% of the Group's gross profit. A further ten countries were subject to a specific scope audit, where the extent of the audit work was based on our assessment of the risk of material misstatement and the materiality of the Group's business operations at those locations. The remaining two countries were subject to analytical review procedures designed to confirm that no further risks of misstatement existed that were material to the Group financial statements.

The audit work at the 16 countries was performed at a materiality level calculated by reference to a proportion of Group materiality appropriate to the individual relative scale of the business concerned.

The Group audit team determined the level of our involvement needed in the audits of the 16 in-scope countries based on the extent of audit procedures being performed and the risk profile of the individual countries. For all full scope countries, the Group audit team led by the Senior Statutory Auditor participated in the component team's planning including discussion of the potential for material fraud and error. The Group audit team, led by the Senior Statutory Auditor, also held detailed meetings at the conclusion of the full scope country audits with all the full scope countries' local audit teams as well as with the client's regional management at which all key areas of judgement were discussed and challenged. The Senior Statutory Auditor attended the audit closing meeting for the Group's largest component, the UK, which represents 30% of the Group's revenue and 24% of the Group's gross profit.

With the exception of the 16 countries in scope, no other country represents more than 6% of the Group's revenue or gross profit. Based on the Group's business model we consider the risks to be similar at each country in which they operate.

Our responses to the risks of material misstatement identified above were as follows:

Revenue recognition for permanent and temporary placements

- we updated our understanding of the revenue processes and tested key management controls around recognition and measurement of revenue, including non-completion of contractual placements and bad debt provisions, at key locations
- we performed detailed testing over the timing of revenue recognition, in particular around cut off, for adherence to IFRS and Group accounting policies

Accounting for the new operating system

- we assessed the ongoing status of the roll-out of the new operating system and challenged management on potential indicators of impairment
- we tested the amounts capitalised as part of the intangible asset for compliance with IFRS and Group asset capitalisation policy
- we evaluated management's assessment on the applicability of the useful life and related amortisation period and assessed the pattern of allocation of amortisation spread over its useful life for consistency with the estimated consumption of future economic benefits by the Group

Direct and indirect taxes and related accounting issues

- we updated our understanding of the tax processes and the reporting of taxation in the year-end financial statements, and we understood the latest position in all material open tax matters including any conclusions reached during the year
- we read all material correspondence with HMRC and other tax authorities in the period for entities in scope for tax (full scope countries) to form our view on the appropriate tax treatment of judgemental items
- we tested the income tax expense recognised in the Income Statement and the reconciliation of the effective tax rate, and we tested the calculation of deferred tax assets and liabilities to support the valuation and presentation at year end
- we concluded on the appropriateness of the tax provision, including the exposure in relation to profit sharing in France and the related tax and interest elements, recognised by management as an exceptional item explained in Note 5

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
- the information given in the Strategic Report and 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 ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit
- Is otherwise misleading

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

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
- 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
- certain disclosures of directors' remuneration specified by law are not made
- 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, set out on page 89, in relation to going concern
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review

Iain Wilkie (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

4 March 2014

Notes:

1. The maintenance and integrity of the Michael Page International plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2013

	Note	Before exceptional items 2013 £'000	Exceptional items (note 5) 2013 £'000	After exceptional items 2013 £'000	Before exceptional items 2012 £'000	Exceptional items (note 5) 2012 £'000	After exceptional items 2012 £'000
Revenue	2	**1,005,502**	**–**	**1,005,502**	989,882	–	989,882
Cost of sales		**(491,621)**	**–**	**(491,621)**	(463,013)	–	(463,013)
Gross profit	2	**513,881**	**–**	**513,881**	526,869	–	526,869
Administrative expenses		**(445,703)**	**(2,453)**	**(448,156)**	(461,748)	(7,834)	(469,582)
Operating profit	2	**68,178**	**(2,453)**	**65,725**	65,121	(7,834)	57,287
Financial income	6	**531**	**–**	**531**	907	–	907
Financial expenses	6	**(1,625)**	**(574)**	**(2,199)**	(1,191)	–	(1,191)
Profit before tax	2	**67,084**	**(3,027)**	**64,057**	64,837	(7,834)	57,003
Income tax (expense)/income	7	**(20,733)**	**(720)**	**(21,453)**	(23,332)	2,526	(20,806)
Profit for the year	3	**46,351**	**(3,747)**	**42,604**	41,505	(5,308)	36,197
Attributable to:							
Owners of the parent				**42,604**			36,197
Earnings per share							
Basic earnings per share (pence)	10			**13.8**			11.9
Diluted earnings per share (pence)	10			**13.7**			11.7

The above results relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	2013 £'000	2012 £'000
Profit for the year	**42,604**	36,197
Other comprehensive loss for the year		
Items that may subsequently be reclassified to profiit and loss:		
Currency translation differences	**(4,700)**	(5,171)
Total comprehensive income for the year	**37,904**	31,026
Attributed to:		
Owners of the parent	**37,904**	31,026

CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS

As at 31 December 2013

		Note	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 as restated (note 1) £'000
Non-current assets						
Property, plant and equipment		11	**25,238**	28,913	**–**	–
Intangible assets	- Goodwill and other intangible	12	**1,971**	2,091	**–**	–
	- Computer software (including assets held under construction)	12	**40,126**	42,006	**–**	–
Investments		13	**–**	–	**496,300**	493,544
Deferred tax assets		17	**10,377**	9,192	**–**	–
Other receivables		14	**2,865**	3,310	**–**	–
			80,577	85,512	**496,300**	493,544
Current assets						
Trade and other receivables		14	**186,488**	182,507	**603,054**	578,292
Current tax receivable		8	**7,060**	6,970	**–**	–
Cash and cash equivalents		20	**87,070**	70,769	**–**	20
			280,618	260,246	**603,054**	578,312
Total assets		2	**361,195**	345,758	**1,099,354**	1,071,856
Current liabilities						
Trade and other payables		15	**(133,664)**	(138,733)	**(607,776)**	(594,259)
Bank overdrafts		16	**(1,676)**	(9,396)	**–**	–
Current tax payable		8	**(11,780)**	(12,612)	**–**	–
			(147,120)	(160,741)	**(607,776)**	(594,259)
Net current assets/(liabilities)			**133,498**	99,505	**(4,722)**	(15,947)
Non-current liabilities						
Other payables		15	**(4,697)**	(2,779)	**–**	–
Deferred tax liabilities		17	**(891)**	(850)	**–**	–
			(5,588)	(3,629)	**–**	–
Total liabilities		2	**(152,708)**	(164,370)	**(607,776)**	(594,259)
Net assets			**208,487**	181,388	**491,578**	477,597
Capital and reserves						
Called-up share capital		18	**3,208**	3,178	**3,208**	3,178
Share premium		19	**71,739**	60,221	**71,739**	60,221
Capital redemption reserve		19	**932**	932	**932**	932
Reserve for shares held in the employee benefit trust		19	**(50,022)**	(62,071)	**–**	–
Currency translation reserve		19	**20,415**	25,115	**–**	–
Retained earnings			**162,215**	154,013	**415,699**	413,266
Total equity			**208,487**	181,388	**491,578**	477,597

The financial statements of Michael Page International plc (Company Number 3310225) set out on pages 95 to 122 were approved by the Board of Directors and authorised for issue on 4 March 2014.

Signed on behalf of the Board of Directors

Steve Ingham
Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

2013	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 2013		**3,178**	**60,221**	**932**	**(62,071)**	**25,115**	**154,013**	**181,388**
Currency translation differences		–	–	–	–	(4,700)	–	(4,700)
Net expense recognised directly in equity		–	–	–	–	(4,700)	–	(4,700)
Profit for the year		–	–	–	–	–	42,604	42,604
Total comprehensive (loss)/income for the year		–	–	–	–	**(4,700)**	**42,604**	**37,904**
Exercise of share plans		30	11,518	–	–	–	2,881	14,429
Transfer from reserve for shares held in the employee benefit trust		–	–	–	12,049	–	(12,049)	–
Credit in respect of share schemes		–	–	–	–	–	5,602	5,602
Credit in respect of tax on share schemes		–	–	–	–	–	13	13
Dividends	9	–	–	–	–	–	(30,849)	(30,849)
		30	11,518	–	12,049	–	(34,402)	(10,805)
Balance at 31 December 2013		**3,208**	**71,739**	**932**	**(50,022)**	**20,415**	**162,215**	**208,487**

2012	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 2012		3,167	57,215	932	(65,652)	30,286	154,650	180,598
Currency translation differences		–	–	–	–	(5,171)	–	(5,171)
Net expense recognised directly in equity		–	–	–	–	(5,171)	–	(5,171)
Profit for the year		–	–	–	–	–	36,197	36,197
Total comprehensive (loss)/income for the year		–	–	–	–	(5,171)	36,197	31,026
Purchase of shares held in the employee benefit trust		–	–	–	(17,952)	–	–	(17,952)
Exercise of share plans		11	3,006	–	–	–	4,799	7,816
Transfer from reserve for shares held in the employee benefit trust		–	–	–	21,533	–	(21,533)	–
Credit in respect of share schemes		–	–	–	–	–	11,843	11,843
Debit in respect of tax on share schemes		–	–	–	–	–	(1,309)	(1,309)
Dividends	9	–	–	–	–	–	(30,634)	(30,634)
		11	3,006	–	3,581	–	(36,834)	(30,236)
Balance at 31 December 2012		3,178	60,221	932	(62,071)	25,115	154,013	181,388

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

For the year ended 31 December 2013

Company	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Reserve for shares held in the employee benefit trust £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2013		**3,178**	**60,221**	**932**	**–**	**413,266**	**477,597**
Profit for the year		–	–	–	–	27,680	27,680
Total comprehensive income for the year		–	–	–	–	**27,680**	**27,680**
Exercise of share plans		30	11,518	–	–	–	11,548
Credit in respect of share schemes		–	–	–	–	5,602	5,602
Dividends	9	–	–	–	–	(30,849)	(30,849)
		30	11,518	–	–	(25,247)	(13,699)
Balance at 31 December 2013		3,208	71,739	932	–	415,699	491,578
Balance at 1 January 2012		3,167	57,215	932	(65,652)	404,850	400,512
Adjustment to opening balance	1	–	–	–	65,652	15,514	81,166
Balance at 1 January 2012 (restated)		3,167	57,215	932	–	420,364	481,678
Profit for the year		–	–	–	–	11,693	11,693
Total comprehensive income for the year		–	–	–	–	11,693	11,693
Exercise of share plans		11	3,006	–	–	–	3,017
Credit in respect of share schemes		–	–	–	–	11,843	11,843
Dividends	9	–	–	–	–	(30,634)	(30,634)
		11	3,006	–	–	(18,791)	(15,774)
Balance at 31 December 2012		3,178	60,221	932	–	413,266	477,597

CONSOLIDATED AND PARENT COMPANY CASH FLOW STATEMENTS

For the year ended 31 December 2013

		Group		Company	
	Note	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Profit before tax	2	**64,057**	57,003	**27,680**	11,686
Exceptional items	5	**3,027**	7,834	**–**	–
Profit before tax and exceptional items		**67,084**	64,837	**27,680**	11,686
Depreciation and amortisation charges	11/12	**17,461**	15,073	**–**	–
Loss on sale of property, plant and equipment, and computer software		**10**	5	**–**	–
Share scheme charges		**5,611**	11,884	**–**	–
Net finance costs		**1,668**	284	**–**	8
Operating cash flow before changes in working capital, finance costs and exceptional items		**91,834**	92,083	**27,680**	11,694
(Increase)/decrease in receivables		**(8,506)**	7,454	**(24,762)**	(21,125)
(Decrease)/increase in payables		**(1,795)**	(5,066)	**13,517**	39,961
Cash generated from underlying operations		**81,533**	94,471	**16,435**	30,530
Exceptional items	5	**(3,027)**	(7,834)	**–**	–
Cash generated from operations		**78,506**	86,637	**16,435**	30,530
Income tax paid		**(24,367)**	(24,371)	**–**	–
Net cash from operating activities		**54,139**	62,266	**16,435**	30,530
Cash flows from investing activities					
Purchases of investments		**–**	–	**(2,172)**	(2,908)
Proceeds in respect of share scheme recharges to subsidiaries		**–**	–	**5,018**	–
Purchases of property, plant and equipment	11	**(8,480)**	(7,919)	**–**	–
Purchases of intangibles	12	**(4,815)**	(9,012)	**–**	–
Proceeds from the sale of property, plant and equipment, and computer software		**565**	449	**–**	–
Interest received		**531**	907	**–**	76
Net cash used in investing activities		**(12,199)**	(15,575)	**2,846**	(2,832)
Cash flows from financing activities					
Dividends paid		**(30,849)**	(30,634)	**(30,849)**	(30,634)
Interest paid		**(1,475)**	(1,218)	**–**	(84)
Issue of own shares for the exercise of options		**14,429**	7,816	**11,548**	3,017
Purchase of shares held in the employee benefit trust		**–**	(17,952)	**–**	–
Net cash used in financing activities		**(17,895)**	(41,988)	**(19,301)**	(27,701)
Net increase/(decrease) in cash and cash equivalents		**24,045**	4,703	**(20)**	(3)
Cash and cash equivalents at the beginning of the year		**61,373**	58,168	**20**	23
Exchange loss on cash and cash equivalents		**(24)**	(1,498)	**–**	–
Cash and cash equivalents at the end of the year	20	**85,394**	61,373	**–**	20

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

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) as adopted by 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 £27.7m (2012: £11.7m). The increase in the Company's profit this year is as a result of increased dividend income. The financial statements have been prepared on a going concern basis. Refer to page 89 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.

Change in accounting policy and prior year restatement

The assets and liabilities of the Employee Benefit Trust were previously recorded within the parent company as well as in the consolidated Group accounts. In 2013, the accounting policy has been amended such that they are no longer recorded within the parent company. The prior year comparatives for the company only have been restated accordingly. This had an effect of increasing the net assets by £81.2m with no impact on profit. The net assets, profit and cash flows of the Group are unaffected by this adjustment. With the exception of the change in policy referred to above, the remaining policies, set out below, have been consistently applied to all the periods presented.

Change in accounting policy – new accounting standards, interpretations and amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of 1 January 2013:

- IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
- IAS 19 Employee Benefits (Revised)
- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
- IFRS 1 Government Loans – Amendments to IFRS 1
- IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7
- IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

The adoption of the standards or interpretations did not have any impact on the accounting policies, financial position or performance of the Group except for the change below which affected presentation only.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 changed the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective but they are not expected to have any impact on the accounting policy, financial position on performance of the Group.

- IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32
- IFRS 9 Financial Instruments: Classification and Measurement
- IFRS 11 Joint Arrangements

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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 Directors' Report on page 89.

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.

(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 in other comprehensive income.

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 or developed by the Group is stated at cost less accumulated amortisation (see below). The Group reviews intangible software assets for any indication of impairment annually. The Group performed this test on the carrying amount of computer software at 31 December 2013 and noted no indications of impairment.

(iii) Software under construction

Software under construction relates to cost capitalised in relation to the development of a new operating system and related applications. Costs are capitalised when they fulfil the criteria in IAS 38 regarding internally developed intangible assets. While still under construction, assets are tested for impairment annually. The Group tested the carrying amount of software under construction at 31 December 2013 and noted no impairment was necessary. Assets are moved from software under construction to computer software when they become available for use.

(iv) Trademark

Acquired trademarks are stated at cost and are written down over five years on a straight line basis, which represents the estimated useful life of the intangible.

(v) 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 unless it is considered to have a shorter life, in which case the period of amortisation is reduced. The cumulative amount of goodwill written off directly to retained earnings in respect of acquisitions prior to 31 December 1997 is £311.7m (2013: £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.

i) Taxation

Income tax expense represents the sum of the corporation tax and deferred tax charges. 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.

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.

The Group does not currently have any finance leases.

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 Officer to allocate resources to the segments and to assess their performance. Information provided to the Chief Executive Officer 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 (for final dividends) or paid to (for interim dividends) the Company's shareholders.

n) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. The accounting treatments for the Group and parent company are similar and 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 in the income statement of the Group with a corresponding adjustment to equity. In the parent company, it is capitalised as an investment, with a corresponding adjustment to equity. 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. In the parent company, it is capitalised as an investment, with a corresponding adjustment to equity.

(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 of the Group on a straight-line basis over the vesting period to which the award relates. In the parent company, it is capitalised as an investment, with a corresponding adjustment to equity.

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Group has not capitalised any borrowing costs in either the current or preceding years.

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 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.

Where deemed significant, fair values are adjusted to reflect the impact of our credit risk for the derivatives that are in a liability position and counterparty credit risk for the derivatives that are in an asset position.

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.

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:

- 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 12 – intangibles

The Group determines whether goodwill and other intangible assets are impaired on an annual basis or otherwise when changes in events or situations indicate that the carrying value may not be recoverable. This requires an estimation of the recoverable amount of the cash generating unit to which the assets are allocated. Estimating the value-in-use requires the Group to make an estimate of the future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

- 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) Exceptional items

Exceptional 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 including allocation of central administration cost. This is the measure reported to the Group's Chief Executive Officer, the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance.

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

				Operating Profit		
2013		Revenue 2013 £'000	Gross Profit 2013 £'000	Before exceptional items 2013 £'000	Exceptional items (note 5) 2013 £'000	After exceptional items 2013 £'000
EMEA		**407,013**	**207,771**	**25,925**	**(2,453)**	**23,472**
United Kingdom		**298,579**	**124,060**	**18,387**	–	**18,387**
Asia Pacific	Australia and New Zealand	**110,642**	**39,730**	**6,700**	–	**6,700**
	Asia	**78,754**	**66,076**	**12,543**	–	**12,543**
	Total – Asia Pacific	**189,396**	**105,806**	**19,243**	–	**19,243**
Americas		**110,514**	**76,244**	**4,623**	–	**4,623**
Operating profit		–	–	**68,178**	**(2,453)**	**65,725**
Financial expenses		–	–	**(1,094)**	**(574)**	**(1,668)**
Revenue/gross profit/profit before tax		**1,005,502**	**513,881**	**67,084**	**(3,027)**	**64,057**

				Operating Profit		
2012		Revenue 2012 £'000	Gross Profit 2012 £'000	Before exceptional items 2012 £'000	Exceptional items (note 5) 2012 £'000	After exceptional items 2012 £'000
EMEA		403,223	218,382	22,070	(6,090)	15,980
United Kingdom		295,876	121,408	15,771	(1,744)	14,027
Asia Pacific	Australia and New Zealand	119,344	51,677	14,164	–	14,164
	Asia	72,853	63,177	14,803	–	14,803
	Total – Asia Pacific	192,197	114,854	28,967	–	28,967
Americas		98,586	72,225	(1,687)	–	(1,687)
Operating profit		–	–	65,121	(7,834)	57,287
Financial expenses		–	–	(284)	–	(284)
Revenue/gross profit/profit before tax		989,882	526,869	64,837	(7,834)	57,003

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

The analysis opposite 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, goodwill and other intangibles.

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

		Total Assets		Total Liabilities	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000
EMEA		**124,070**	125,560	**68,912**	70,596
United Kingdom		**130,280**	104,392	**42,733**	48,414
Asia Pacific	Australia and New Zealand	**21,492**	26,842	**8,310**	11,809
	Asia	**40,926**	43,159	**8,785**	9,182
	Total – Asia Pacific	**62,418**	70,001	**17,095**	20,991
Americas		**37,367**	38,835	**12,188**	11,757
Segment assets/liabilities		**354,135**	338,788	**140,928**	151,758
Income tax		**7,060**	6,970	**11,780**	12,612
		361,195	345,758	**152,708**	164,370

		Property, Plant and Equipment		Intangible Assets	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000
EMEA		**7,668**	9,034	**441**	495
United Kingdom		**7,307**	7,968	**41,078**	42,712
Asia Pacific	Australia and New Zealand	**1,799**	1,454	**78**	100
	Asia	**2,100**	2,599	**49**	116
	Total – Asia Pacific	**3,899**	4,053	**127**	216
Americas		**6,364**	7,858	**451**	674
		25,238	28,913	**42,097**	44,097

(c) Revenue and gross profit by discipline

	Revenue		Gross Profit	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Finance and Accounting	**464,763**	465,378	**211,658**	220,561
Legal, Technology, HR, Secretarial and other	**230,490**	219,980	**105,275**	106,422
Engineering, Property & Construction, Procurement & Supply Chain	**181,343**	177,883	**100,977**	102,817
Marketing, Sales and Retail	**128,906**	126,641	**95,971**	97,069
	1,005,502	989,882	**513,881**	526,869

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

	Revenue		Gross Profit	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Permanent	**403,051**	422,005	**392,213**	409,660
Temporary	**602,451**	567,877	**121,668**	117,209
	1,005,502	989,882	**513,881**	526,869

3. Profit for the year

		2013 £'000	2012 £'000
Profit for the year is stated after charging:			
Employment costs (Note 4)		**305,038**	321,010
Net exchange losses		**100**	439
Depreciation of property, plant and equipment – owned (note 11)		**10,661**	10,549
Amortisation of intangibles (note 12)		**6,800**	4,538
Impairment of trade receivables		**6,960**	5,620
Loss on sale of property, plant and equipment and computer software		**10**	5
Operating lease rentals	– Land and buildings	**27,733**	28,596
	– Plant and machinery	**5,117**	5,563

	2013 £'000	2012 £'000
Fees payable to the Company's auditor:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**124**	114
Fees payable to the Company's auditor and associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	**352**	341
– Audit related assurance services	**82**	32
Total audit fees	**558**	487
– Tax compliance services for the Company and its subsidiaries	**173**	37
– Tax advice for the Company, its subsidiaries and individual employees re moving employees internationally	**140**	109
– Tax advisory services	**204**	189
Total non-audit fees	**517**	335
Total fees	**1,075**	822

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 2013 were as follows:

	2013 Average No.	2012 Average No.	At 31 Dec 2013 No.	At 31 Dec 2012 No.
Management	**285**	237	**288**	261
Client services	**3,405**	3,519	**3,522**	3,364
Administration	**1,373**	1,527	**1,320**	1,474
	5,063	5,283	**5,130**	5,099

Employment costs (including Directors' emoluments) comprised:

	2013 £'000	2012 £'000
Wages and salaries	**253,433**	261,152
Social security costs	**32,385**	34,129
Pension costs – defined contribution plans	**12,079**	12,763
Share-based payments and deferred cash plan	**7,141**	12,966
	305,038	321,010

No staff are employed by the parent company (2012 : none) hence no remuneration has been disclosed for the Company. Remuneration for Directors for their services on behalf of the parent company are included in the Director's Remuneration Report on pages 67 to 86.

5. Exceptional items

French Profit Share

In October 2013, Page Personnel France (PPF) received notice from the Competent Authorities of the UK and France of their decision regarding a transfer pricing case that had arisen as a result of a French tax audit in March 2008. The decision, which was unexpected, increased the profit generated by PPF, which, as per the mandatory profit share or "participation aux résultats de l'entreprise" that is particular to France, drove a requirement to pay increased employee profit share, both to employees of PPF and also to the temporary workers placed by that company. As a result, the Group has taken in 2013, an exceptional operating profit charge of £2.5m, interest expense on late payment of corporation tax and profit share of £0.6m and an additional tax charge on the exceptional item of £0.7m relating to prior periods. A further £0.6m relating to 2013 is included within operating profits from underlying activities, together with a tax credit of £0.1m, which have not been treated as exceptional items. A proportion of these charges were determined by the tax ruling, with the remainder for other years based on assumptions.

Restructuring charge

In 2012 there was an exceptional restructuring charge of £7.8m, relating to the removal of a layer of management in Continental Europe and the Americas.

6. Financial income/(expenses)

	2013 £'000	2012 £'000
Financial income		
Bank interest receivable	**531**	907
Financial expenses		
Bank interest payable	**(1,625)**	(1,191)
Exceptional interest payable (Note 5)	**(574)**	–
	(2,199)	(1,191)

7. Taxation on profits on ordinary activities

The charge for taxation is based on the effective annual tax rate of 33.5% on profit before tax (2012: 36.5%).

Analysis of charge in the year	2013 £'000	2012 £'000
UK income tax at 23.25% (2012: 24.5%) for year	**9,527**	8,045
Adjustments in respect of prior year	**458**	35
Overseas income tax	**13,403**	13,507
	23,388	21,587
Deferred tax expense		
Adjustment in respect of prior year	**(125)**	354
Origination and reversal of temporary differences	**(1,666)**	509
Benefit of tax losses recognised	**(144)**	(1,644)
Deferred tax income	**(1,935)**	(781)
Total income tax expense in the income statement	**21,453**	20,806

Reconciliation of effective tax rate	2013 £'000	%	2012 £'000	%
Profit before taxation	**64,057**		57,003	
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK	**14,893**	**23.3**	13,965	24.5
Effects of:				
Disallowable items and other permanent timing differences	**(2,212)**	**(3.5)**	1,786	3.1
Unrelieved overseas losses	**340**	**0.5**	1,244	2.2
Utilisation of losses not previously recognised	**(591)**	**(0.9)**	(207)	(0.4)
Recognition of overseas losses	**–**	**–**	(209)	(0.4)
Higher tax rates on overseas earnings	**8,748**	**13.7**	3,897	6.8
Movement of rate difference	**(58)**	**(0.1)**	(59)	(0.1)
Adjustment to tax charge in respect of prior periods	**333**	**0.5**	389	0.8
Tax expense and effective rate for the year	**21,453**	**33.5**	20,806	36.5

Tax recognised directly in equity	2013 £'000	2012 £'000
Relating to equity settled transactions	**13**	(1,309)

8. Current tax assets and liabilities

The current tax asset of £7.1m (2012: £7.0m), and current tax liability of £11.8m (2012: £12.6m) for the Group, and current tax asset and liability of £nil (2012: £nil) for the parent company, represent the amount of income taxes recoverable and payable in respect of current and prior periods.

9. Dividends

	2013 £'000	2012 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2012 of 6.75p per ordinary share (2011: 6.75p)	**20,798**	20,779
Interim dividend for the year ended 31 December 2013 of 3.25p per ordinary share (2012: 3.25p)	**10,051**	9,855
	30,849	30,634
Amounts proposed as distributions to equity holders in the year:		
Proposed final dividend for the year ended 31 December 2013 of 7.25p per ordinary share (2012: 6.75p)	**22,192**	20,503

The proposed final dividend had not been approved by shareholders at 31 December 2013 and therefore has not been included as a liability. The comparative final dividend at 31 December 2012 was also not recognised as a liability in the prior year.

The proposed final dividend of 7.25p (2012: 6.75p) per ordinary share will be paid on 23 June 2014 to shareholders on the register at the close of business on 23 May 2014, 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:

	2013 £'000	2012 £'000
Earnings		
Earnings for basic and diluted earnings per share (£'000)	**42,604**	36,197
Exceptional items (£'000) (note 5)	**3,747**	5,308
Earnings for basic and diluted earnings per share before exceptional items (£'000)	**46,351**	41,505
Number of shares	**number**	number
Weighted average number of shares used for basic earnings per share ('000)	**307,858**	305,345
Dilution effect of share plans ('000)	**2,561**	3,136
Diluted weighted average number of shares used for diluted earnings per share ('000)	**310,419**	308,481
	pence	pence
Basic earnings per share (pence)	**13.8**	11.9
Diluted earnings per share (pence)	**13.7**	11.7
Basic earnings per share before exceptional items (pence)	**15.1**	13.6
Diluted earnings per share before exceptional items (pence)	**14.9**	13.5

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.

11. Property, plant and equipment

2013

Group	Leasehold improvements £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January	34,984	50,630	3,129	88,743
Additions	4,682	2,885	913	8,480
Disposals	(3,484)	(1,666)	(1,045)	(6,195)
Effect of movements in foreign exchange	(864)	(1,401)	(148)	(2,413)
At 31 December	35,318	50,448	2,849	88,615
Depreciation				
At 1 January	22,306	36,346	1,178	59,830
Charge for the year	5,086	4,816	759	10,661
Disposals	(3,416)	(1,499)	(658)	(5,573)
Effect of movements in foreign exchange	(433)	(1,030)	(78)	(1,541)
At 31 December	23,543	38,633	1,201	63,377
Net book value				
At 31 December	11,775	11,815	1,648	25,238

2012

Group	Leasehold improvements £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January	35,158	50,415	2,585	88,158
Additions	2,421	3,932	1,566	7,919
Disposals	(1,393)	(2,081)	(889)	(4,363)
Effect of movements in foreign exchange	(1,202)	(1,636)	(133)	(2,971)
At 31 December	34,984	50,630	3,129	88,743
Depreciation				
At 1 January	20,041	33,927	980	54,948
Charge for the year	4,280	5,513	756	10,549
Disposals	(1,419)	(2,101)	(510)	(4,030)
Effect of movements in foreign exchange	(596)	(993)	(48)	(1,637)
At 31 December	22,306	36,346	1,178	59,830
Net book value				
At 31 December	12,678	14,284	1,951	28,913

12. Intangible assets

2013

Group	Computer software £'000	Computer software, assets under construction £'000	Subtotal £'000	Goodwill £'000	Trademark £'000	Subtotal £'000	Total
Cost							
At 1 January	16,625	38,053	54,678	1,539	746	2,285	56,963
Additions	305	4,510	4,815	–	–	–	4,815
Disposals	(120)	–	(120)	–	–	–	(120)
Transfers	40,274	(40,274)	–	–	–	–	–
Effect of movements in foreign exchange	(307)	(80)	(387)	–	–	–	(387)
At 31 December	56,777	2,209	58,986	1,539	746	2,285	61,271
Amortisation							
At 1 January	12,672	–	12,672	–	194	194	12,866
Charge for the year	6,680	–	6,680	–	120	120	6,800
Disposals	(260)	–	(260)	–	–	–	(260)
Transfers	11	–	11	–	–	–	11
Effect of movements in foreign exchange	(243)	–	(243)	–	–	–	(243)
At 31 December	18,860	–	18,860	–	314	314	19,174
Net book value							
At 31 December	37,917	2,209	40,126	1,539	432	1,971	42,097

2012

Group	Computer software £'000	Computer software, assets under construction £'000	Subtotal £'000	Goodwill £'000	Trademark £'000	Subtotal £'000	Total
Cost							
At 1 January	10,845	35,435	46,280	1,539	549	2,088	48,368
Additions	3,038	5,777	8,815	–	197	197	9,012
Disposals	(79)	–	(79)	–	–	–	(79)
Transfers	3,153	(3,153)	–	–	–	–	–
Effect of movements in foreign exchange	(332)	(6)	(338)	–	–	–	(338)
At 31 December	16,625	38,053	54,678	1,539	746	2,285	56,963
Amortisation							
At 1 January	8,541	–	8,541	–	83	83	8,624
Charge for the year	4,427	–	4,427	–	111	111	4,538
Disposals	(38)	–	(38)	–	–	–	(38)
Effect of movements in foreign exchange	(258)	–	(258)	–	–	–	(258)
At 31 December	12,672	–	12,672	–	194	194	12,866
Net book value							
At 31 December	3,953	38,053	42,006	1,539	552	2,091	44,097

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:

	2013 £'000	2012 £'000
UK	**1,274**	1,274
USA	**214**	214
Singapore	**51**	51
	1,539	1,539

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%, representing the weighted average cost of capital for the Group, 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. Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill allocated to any CGU to materially exceed its recoverable amount.

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 2013 there was no impairment of goodwill.

Impairment tests for assets under construction

The Group tests assets under construction annually for impairment, or more frequently if there are indications that assets under construction might be impaired. It is the opinion of the Directors that at 31 December 2013 there was no impairment of assets under construction.

Impairment test for computer software

The Group tests computer software for impairment only when there is an indication of impairment. During 2013 there was no such indication and therefore computer software was not tested for impairment.

13. Investments

Company	Subsidiary undertakings (as restated note 1) £'000
Cost at 1 January 2013	**493,544**
Addition	**2,172**
Transactions relating to share plans for subsidiaries' employees	**584**
Cost at 31 December 2013	**496,300**

The addition in the year represents investment in Michael Page International Inc. The Company's principal subsidiary undertakings at 31 December 2013, their principal activities and countries of incorporation are set out below:

Name of undertaking	Country of incorporation	Principal activity
Michael Page International Argentina SA	Argentina	Recruitment consultancy
Michael Page International (Australia) Pty Limited	Australia	Recruitment consultancy
Michael Page International GmbH	Austria	Recruitment consultancy
Michael Page International (Belgium) NV/SA	Belgium	Recruitment consultancy
Page Interim (Belgium) NV/SA	Belgium	Recruitment consultancy
Michael Page International (Brasil) SC Ltd	Brazil	Recruitment consultancy
Page Personnel 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 (Beijing) Recruitment Co. Ltd	China	Recruitment consultancy
Michael Page (Shanghai) Recruitment Co. Ltd	China	Recruitment consultancy
Michael Page International Colombia SAS	Colombia	Recruitment consultancy

Name of undertaking	Country of incorporation	Principal activity
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 (Hong Kong) Limited	Hong Kong	Recruitment consultancy
Michael Page International Recruitment Pvt Ltd	India	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 (Japan) K.K.	Japan	Recruitment consultancy
Employee Benefit Trust	Jersey	Trust for share plans
Michael Page International (Malaysia) Sdn Bhd	Malaysia	Recruitment consultancy
Michael Page International Mexico Reclutamiento Especializado, S.A. de C.V.	Mexico	Recruitment consultancy
Michael Page International Mexico Servicios Corporativos SA de CV	Mexico	Recruitment consultancy
Michael Page International (Maroc) SARL AU	Morocco	Recruitment consultancy
Michael Page International (Nederland) BV	Netherlands	Recruitment consultancy
Page Interim BV	Netherlands	Recruitment consultancy
Michael Page International (New Zealand) Limited.	New Zealand	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 Qatar (Branch)	Qatar	Recruitment consultancy
Michael Page International Russia LLC	Russia	Recruitment consultancy
Michael Page International Pte Limited*	Singapore	Recruitment consultancy
Michael Page International (SA) (Pty) Limited	South Africa	Recruitment consultancy
Michael Page International (España) SA	Spain	Recruitment consultancy
Michael Page Holding (España) SL	Spain	Holding company
Page Personnel Seleccion 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 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
Michael Page Recruitment Group Limited	United Kingdom	Holding company
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.

14. Trade and other receivables

	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 as restated (note 1) £'000
Current				
Trade receivables	**153,339**	148,438	**–**	–
Less provision for impairment of receivables	**(6,658)**	(6,732)	**–**	–
Net trade receivables	**146,681**	141,706	**–**	–
Amounts due from Group companies	**–**	–	**603,047**	578,227
Other receivables	**4,663**	4,653	**–**	–
Prepayments and accrued income	**35,144**	36,148	**7**	65
	186,488	182,507	**603,054**	578,292
Non-current				
Other receivables	**2,865**	3,310	**–**	–

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 21.

15. Trade and other payables

	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 as restated (note 1) £'000
Current				
Trade payables	**10,709**	9,605	**–**	–
Amounts owed to Group companies	**–**	–	**607,776**	594,259
Other tax and social security	**42,098**	39,709	**–**	–
Other payables	**8,996**	16,679	**–**	–
Accruals	**70,643**	71,920	**–**	–
Deferred income	**1,218**	820	**–**	–
	133,664	138,733	**607,776**	594,259
Non-current				
Deferred income	**4,455**	2,653	**–**	–
Other tax and social security	**242**	126	**–**	–
	4,697	2,779	**–**	–

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 £1.6m (2012: £1.3m) 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 21.

16. Bank overdrafts

	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
Bank overdrafts	**1,676**	9,396	**–**	–

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

Bank overdrafts are repayable on demand.

The Group has a £10m committed overdraft facility with Deutsche Bank. All other bank overdrafts and facilities are repayable on demand.

At 31 December 2013, the Group had available £10m (2012: £10m) of undrawn committed borrowing facilities with Deutsche Bank and £28.2m of undrawn borrowing facilities under the Invoice Discounting arrangement with HSBC. All conditions precedent on each of these facilities had been met.

The Group's exposure to interest rate, foreign currency and liquidity risk for financial assets and liabilities is disclosed in Note 21.

17. Deferred tax

The following are the major deferred tax (assets)/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 2013	**(1,515)**	**(3,173)**	**(3,654)**	**(8,342)**
Recognised in equity for the year	**741**	**–**	**–**	**741**
Recognised in profit or loss for the year	**(2,304)**	**(144)**	**513**	**(1,935)**
Exchange differences	**–**	**–**	**50**	**50**
At 31 December 2013	**(3,078)**	**(3,317)**	**(3,091)**	**(9,486)**
At 1 January 2012	(2,771)	(1,536)	(3,811)	(8,118)
Recognised in equity for the year	330	–	–	330
Recognised in profit or loss for the year	926	(1,637)	(70)	(781)
Exchange differences	–	–	227	227
At 31 December 2012	(1,515)	(3,173)	(3,654)	(8,342)

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:

	2013 £'000	2012 £'000
Deferred tax assets	**(10,377)**	(9,192)
Deferred tax liabilities	**891**	850
	(9,486)	(8,342)

At 31 December 2013, unremitted earnings of overseas Group companies amounted to £83.3m (2012: £82.0m). 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 £7.4m (2012: £8.1m) 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 £3.3m is dependent on generating future taxable profits. Of the recognised deferred tax asset, £0.2m is recognised within territories that were loss making in the current year.

18. Called-up share capital

	2013 £'000	2013 Number of shares	2012 £'000	2012 Number of shares
Allotted, called-up and fully paid				
At 1 January	**3,178**	**317,750,075**	3,167	316,678,415
Shares issued	**30**	**3,076,092**	11	1,071,660
At 31 December	**3,208**	**320,826,167**	3,178	317,750,075

Share Option Plans

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

At 31 December 2013 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 2013	Granted in year	Exercised in year	Lapsed in year	No. of options outstanding at 31 December 2013	Base EPS/OP range†	Exercise price per share	Exercise period
2004 (Note 1)*	105,178	–	(57,678)	–	47,500	4.1	171p-190.3p	March 2007 – March 2014
2005 (Note 1)*	258,889	–	(29,415)	–	229,474	7.5	190.75p-191.5p	March 2008 – March 2015
2006 (Note 1)*	247,667	–	(22,667)	–	225,000	15.5	309.9p	March 2009 – March 2016
2009 (Note 2)	3,414,326	–	(1,397,273)	(56,715)	1,960,338	OP range	187.5p-211.84p	March 2012 – March 2019
2010 (Note 1)	10,346,225	–	(2,966,332)	(99,700)	7,280,193	6.6	381.5p-383.0p	March 2013 – March 2020
2011 (Note 2)	3,742,320	–	–	(324,000)	3,418,320	OP range	491.0p-492.9p	March 2014 – March 2021
2012 (Note 2)	4,688,560	–	–	(506,030)	4,182,530	OP range	477.0p	March 2015 – March 2022
2013 (Note 2)	–	4,565,500	–	(125,000)	4,440,500	OP range	442.0p	March 2016 – March 2023
Total 2013	22,803,165	4,565,500	(4,473,365)	(1,111,445)	21,783,855			
Weighted average exercise price 2013 (£)	3.85	4.42	3.19	4.54	4.09			
Total 2012	22,904,832	4,961,000	(3,647,396)	(1,415,271)	22,803,165			
Weighted average exercise price 2012 (£)	3.39	4.77	2.14	3.70	3.85			

*These options have fully vested

†The Operating Profit ranges for each award are fully disclosed in Note 2 of this Note.

9,382,199 options were exercisable at the end of 2013 at a weighted average exercise price of £3.42 (2012: £2.02). The weighted average share price at the date of exercise was £4.46.

Note 1

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 PageGroup. Share options are exercisable at the market price of the shares at the date of the grant.

No awards were made under the ESOS scheme in 2009, 2011, 2012 or 2013.

For grants under the ESOS plan, 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 above.

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 2

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 not 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.

As the Group's 2011 Operating Profit was £86.0m, 86% of this award vested on 10 March 2012. The remaining 14% was retested in March 2013, but with 2012 Operating Profit at £65.1m being lower than in 2011, no additional options vested.

Further grants under the SOS plan were made in 2011 and 2012. The performance conditions for these grants are also directly linked to the Group's Operating Profit.

For the 2011 grant, if Operating Profit is in excess of £100m, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £200m or more.

For the 2012 grant, if Operating Profit is in excess of £50m, a proportion of the award equivalent to the amount of Operating Profit achieved will vest up to a maximum of 100% if the Operating Profit is £100m or more.

For the 2013 grant, if Operating Profit is in excess of £50m, a proportion of the award equivalent to the amount of Operating Profit achieved will vest up to a maximum of 100% if the Operating Profit is £100m or more.

Share Option valuation and measurement

In 2013, options were granted on 10 March with the estimated fair value of the options granted on that day of £0.97. In 2012, options were granted on 11 March. The estimated fair values of the options granted on that date was £1.38.

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 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 in the Directors' Remuneration Report 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.

Share Option valuation and measurement

The options outstanding at 31 December 2013 have an exercise price in the range of 171.0 pence to 492.9 pence and a weighted average contractual life of 7.1 years. The fair values of options and other share awards granted during the year were calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	Share Option Plans 2013	Share Option Plans 2012	Incentive Share Scheme 2013	Incentive Share Scheme 2012	Deferred Bonus Shares 2013	Deferred Bonus Shares 2012
Share price (£)	**4.42**	4.77	**4.42**	4.77	**4.42**	4.77
Average exercise price (£)	**4.42**	4.77	**Nil**	Nil	**Nil**	Nil
Weighted average fair value (£)	**0.97**	1.38	**4.12**	4.47	**4.22**	4.56
Expected volatility	**31%**	40%	**31%**	40%	**31%**	40%
Expected life	**5 years**	5 years	**3 years**	3 years	**2 years**	2 years
Risk free rate	**0.86%**	0.87%	**0.34%**	0.73%	**0.22%**	0.50%
Expected dividend yield	**2.62%**	2.10%	**Nil**	Nil	**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 £6.8m, including social security, (2012: £13.2m) related to share-based payment transactions during the year.

19. Reserves

Share premium

The share premium account has been established to represent the excess of proceeds over the nominal value for all share issues, including the excess of the exercise share price over the nominal value of the shares on the exercise of share options.

Capital redemption reserve

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 2013, the reserve for shares held in the employee benefit trust consisted of 12,789,313 ordinary shares (2012: 15,715,157 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 4.0% of the called-up share capital with a market value of £62.4m (2012: £62.1m).

There are 10,722,795 of these shares held in the trust on which dividends are waived.

Currency translation reserve

Since first-time adoption of the International Financial Reporting Standards, the currency 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 and cash equivalents

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Cash at bank and in hand	**79,777**	62,431	**–**	20
Short-term deposits	**7,293**	8,338	**–**	–
Cash and cash equivalents	**87,070**	70,769	**–**	20
Bank overdrafts	**(1,676)**	(9,396)	**–**	–
Cash and cash equivalents in the statement of cash flows	**85,394**	61,373	**–**	20
Net funds	**85,394**	61,373	**–**	20

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.

21. 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.

(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. 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 2013 amounted to £146.7m (2012: £141.7m).

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 £68.7m (2012: £58.6m) 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 54 days in excess of the initial credit period (2012: 58 days).

The ageing of trade receivables at the reporting date was:

	Gross trade receivables 2013 £'000	Provision 2013 £'000	Net trade receivables 2013 £'000	Gross trade receivables 2012 £'000	Provision 2012 £'000	Net trade receivables 2012 £'000
Not past due	**78,448**	**433**	**78,015**	83,890	779	83,111
Past due 0-30 days	**47,264**	**235**	**47,029**	41,157	215	40,942
Past due 31-150 days	**22,463**	**826**	**21,637**	17,930	586	17,344
More than 150 days	**5,164**	**5,164**	**–**	5,461	5,152	309
	153,339	**6,658**	**146,681**	148,438	6,732	141,706

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:

	2013 £'000	2012 £'000
Balance at beginning of the year	**6,732**	7,093
Impairment losses recognised on receivables	**6,960**	5,620
Amounts written off as uncollectable	**(483)**	(1,644)
Amounts recovered during the year	**(1,997)**	(2,237)
Impairment losses reversed	**(4,554)**	(2,100)
Balance at end of the year	**6,658**	6,732

Most of the allowance for doubtful debts represents individually impaired trade receivables with a balance of £0.5m (2012: £1.6m) which has been placed in litigation, as well as a further provision for debts more than 150 days past their due date.

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.

Exposure to credit risk

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

	Carrying amount 2013 £'000	Carrying amount 2012 £'000
EMEA	**77,042**	71,741
United Kingdom	**35,227**	33,262
Asia Pacific	**21,012**	23,613
Americas	**13,400**	13,090
	146,681	141,706

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

	Carrying amount 2013 £'000	Carrying amount 2012 £'000
EMEA	**1,371**	1,363
United Kingdom	**10,664**	10,184
Asia Pacific	**9,720**	10,244
Americas	**5,212**	4,301
	26,967	26,092

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:

2013	Less than 1 month £'000	1-3 months £'000	3-12 months £'000	More than 12 months £'000
Trade payables	**7,089**	**3,439**	**181**	**–**
Accruals and other payables	**61,798**	**38,890**	**22,267**	**4,697**
Bank overdraft	**1,676**	**–**	**–**	**–**

2012	Less than 1 month £'000	1-3 months £'000	3-12 months £'000	More than 12 months £'000
Trade payables	6,162	2,950	493	–
Accruals and other payables	40,386	39,653	29,410	2,779
Bank overdraft	9,396	–	–	–

Capital is equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders through share repurchases with subsequent cancellation, or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2013 and 31 December 2012.

(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 123. 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 Strategic Report on page 24.

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 Group's only interest bearing assets and liabilities at 31 December 2013 relate to cash and bank overdrafts.

The average interest rate paid on bank overdrafts was 2.23% (2012: 2.02%).

Currency rate risk

The Group publishes its results in Pounds Sterling and conducts its business in many foreign currencies. As a result, the Group is subject to foreign currency exchange risk due to exchange rate movements. The Group is exposed to foreign currency exchange risk as a result of transactions in currencies other than the functional currencies of some of its subsidiaries and the translation of the results and underlying net assets of foreign subsidiaries.

The main functional currencies of the Group are Sterling, Euro, Chinese Renminbi, Brazilian Real 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 Company 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. Derivatives are disclosed within cash on the face of the balance sheet.

Fair values are not adjusted for credit risk, as required by IFRS 13, because credit impact is not material given the low fair value levels.

Derivative Financial Instruments

	Derivatives at fair value 2013 £m	Derivatives at fair value 2012 £m
Derivative Assets	**0.5**	0.1
Derivative Liabilities	**(0.2)**	(0.1)
Net Derivative Assets	**0.3**	–

Sensitivity analysis – currency risk

A 10% strengthening of Sterling against the following currencies at 31 December would have increased/(decreased) equity and profit or loss by the amounts shown below. 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 2012.

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.

	2013 equity £'000	2013 PBT £'000
Euro	**(3,205)**	**(924)**
Australian Dollar	**(1,392)**	**(354)**
Swiss Franc	**(1,550)**	**(285)**
Hong Kong Dollar	**(699)**	**(139)**
Brazilian Real	**(751)**	**(101)**
United States Dollar	**904**	**1,134**
Chinese Renminbi	**(770)**	**(206)**
Japanese Yen	**(563)**	**(461)**
Singapore Dollar	**(824)**	**(111)**
Other	**(300)**	**494**

	2012 equity £'000	2012 PBT £'000
Euro	(3,361)	457
Australian Dollar	(1,988)	(477)
Swiss Franc	(1,948)	(464)
Hong Kong Dollar	(754)	(83)
Brazilian Real	(1,194)	68
United States Dollar	764	1,241
Chinese Renminbi	(618)	(221)
Japanese Yen	(671)	(165)
Other	(1,556)	(167)

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.

22. Commitments

Operating lease commitments

At 31 December 2013 the Group was committed to make the following payments in respect of non-cancellable operating leases:

	Land and buildings		Other	
Leases which expire:	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Within one year	**2,711**	4,423	**798**	617
Within two to five years	**41,442**	51,547	**4,774**	6,509
After five years	**51,568**	28,301	**–**	–
Total	**95,721**	84,271	**5,572**	7,126

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 varying notice for the termination of these agreements.

Capital commitments

The Group had contractual capital commitments of £0.6m as at 31 December 2013 relating to property, plant and equipment (2012: £0.5m). The Group had no contractual capital commitments as at 31 December 2013 relating to computer software (2012: £2.3m).

23. Contingent liabilities

Guarantees

The Company has provided guarantees to other Group undertakings amounting to £80k (2012: £78k) 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 2013 amounted to £4.4m (2012: £4.7m).

24. Events after the balance sheet date

Between 31 December 2013 and 4 March 2014, 39,200 options were exercised, leading to an increase in share capital of £392 and an increase in share premium of £86,700.

25. Related party transactions

Identity of related parties

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

Transactions with key management personnel

Key management personnel are deemed to be the Directors and members of the Executive Committee as detailed in the biographies on page 53. The remuneration of Directors and members of the Executive Committee 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 67 to 86. Over and above these transactions, equity settled transactions for the year were £1.4m (2012: £1.7m). Transactions with the remaining members of the Executive Committee are disclosed below:

Related party transactions

	2013 £'000	2012 £'000
Short-term employee benefits	**3,846**	4,817
Pension costs – defined contribution plans	**85**	125

Company

Transactions between the Company 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	
	2013 £'000	2012 £'000	2013 £'000	2012 As restated (note 1) £'000	2013 £'000	2012 As restated (note 1) £'000
Transactions	**27,538**	11,695	**603,047**	578,227	**607,776**	594,259

FIVE YEAR SUMMARY

	2009 £'000	2010 £'000	2011 £'000	2012 £'000	2013 £'000
Revenue	716,722	832,296	1,019,087	989,882	**1,005,502**
Gross profit	351,694	442,207	553,781	526,869	**513,881**
Operating profit before exceptional items	20,203	71,527	86,035	65,121	**68,178**
Operating profit after exceptional items	20,203	88,652*	86,035	57,287*	**65,725***
Profit before tax	21,068	100,656*	86,147	57,003*	**64,057***
Profit attributable to equity holders	12,430	67,484*	56,857	36,197*	**42,604***
Conversion†	5.7%	16.2%	15.5%	12.4%	**13.3%**
Basic earnings per share (pence)	3.9	21.6*	18.7	11.9*	**13.8***

* Includes exceptional items.

† Operating profit before exceptional items as a percentage of gross profit.

SHAREHOLDER INFORMATION AND ADVISERS

Annual General Meeting

To be held on 5 June 2014 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 2013

To be paid (if approved) on 23 June 2014 to shareholders on the register on 23 May 2014.

Company Secretary

Elaine Marriner

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:

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Solicitors

Herbert Smith LLP
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Bankers

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Joint corporate brokers

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Registrars

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Key dates

Ex-Dividend date	21 May 2014
Record date	23 May 2014
Annual General Meeting	5 June 2014
Payment of proposed final ordinary dividend	23 June 2014
Interim results announcement	13 August 2014

ARTICLES OF ASSOCIATION

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 16 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 17 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 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

(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

(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

(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 1% 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 1% 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

(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

(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

(ii) subject to the provisions of the Act and to the relevant provisions of the 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

(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

(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

Michael Page International plc (the "Company") (Registered in England and Wales No. 03310225)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from a stockbroker, bank manager, solicitor, accountant, or other financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the Company, please send this document, together with the accompanying documents (but not the personalised Form of Proxy), as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Annual General Meeting

Notice of Meeting

NOTICE is hereby given that the Annual General Meeting of the Company will be held at Page House, 1 Dashwood Lang Road, The Bourne Business Park, Addlestone, Weybridge, Surrey KT15 2QW on Thursday 5 June 2014 at 12.00 noon for the following purposes:

Ordinary Business

As ordinary business to consider, and if thought fit, pass Resolutions 1 to 13 inclusive, which will be proposed as Ordinary Resolutions:

1. To receive and consider the Directors' and Auditor's Reports and the Statement of Accounts for the year ended 31 December 2013.
2. To approve the Directors' Remuneration Report, other than the Directors' Remuneration Policy, in the form set out in the Company's Annual Report and Accounts, for the year ended 31 December 2013. (Note 8)
3. To approve the Directors' Remuneration Policy in the form set out in the Directors' Remuneration Report in the Company's Annual Report and Accounts, for the year ended 31 December 2013. (Note 8)
4. To declare a final dividend on the ordinary share capital of the Company for the year ended 31 December 2013 of 7.25p per share.
5. To re-elect Robin Buchanan as a Director of the Company. (Note 9)
6. To re-elect Simon Boddie as a Director of the Company. (Note 9)
7. To re-elect Steve Ingham as a Director of the Company. (Note 9)
8. To re-elect David Lowden as a Director of the Company. (Note 9)
9. To re-elect Ruby McGregor-Smith as a Director of the Company. (Note 9)
10. To re-elect Tim Miller as a Director of the Company. (Note 9)
11. To elect Danuta Gray as a Director of the Company. (Note 9)
12. To reappoint Ernst & Young LLP as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.
13. To authorise the Directors to determine the remuneration of the Auditor.

Special Business

To consider and, if thought fit, pass the following Resolutions, of which 14 and 15 will be proposed as Ordinary Resolutions and 16, 17 and 18 will be proposed as Special Resolutions.

14. Ordinary Resolution – Authority to Allot Shares (Note 10)

THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act') 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 £1,071,452, provided that this authority, shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on 5 September 2015, 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.

15. Ordinary Resolution – Donations to Political Organisations and Political Expenditure (Note 11)

THAT in accordance with sections 366 and 367 of the Act the Company, and all companies that are subsidiaries of the Company at the date on which this Resolution 15 is passed or during the period when this Resolution 15 has effect, be generally and unconditionally authorised to:

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

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

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

during the period commencing on the date of passing this Resolution 15 and ending on 5 September 2015 or at the close of business of the next Annual General Meeting of the Company (whichever is the earlier) 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 on 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 15 shall not exceed £75,000.

16. Special Resolution – Disapplication of Pre-emption Rights (Note 12)

THAT the Directors be and they are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash either pursuant to the authority conferred by Resolution 14 above or by way of a sale of treasury shares as if section 561(1) of the 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 £160,717, and shall expire upon the expiry of the general authority conferred by Resolution 14 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. Special Resolution – Power to Buy Back Shares in the Market (Note 13)

THAT the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) 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 32,143,569 representing 10% of the issued ordinary share capital of the Company as at 8 April 2014;

(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 is an amount equal to 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;

(d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting or 5 September 2015 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. Special Resolution – Notice of General Meetings (Note 14)

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 2,300,236 shares representing 0.72% of the existing issued share capital of the Company.

By order of the Board

Elaine Marriner

Company Secretary – Michael Page International plc

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

Registered in England No. 03310225

8 April 2014

Notes

1. A member entitled to attend and vote at the Annual General 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. 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 Form of Proxy are set out in the notes to the Form of Proxy.
2. 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 Form of Proxy which may be used to make this appointment and give proxy instructions accompanies this Notice. If you do not have a Form of Proxy and believe that you should have one, please contact Capita Asset Services 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 Form of 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:

   (a) in hard copy form by post, by courier or by hand to the Company's Registrar, at, PXS1, 34 Beckenham Road, Beckenham BR3 4ZF;

   (b) 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;

   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 Act (a 'Nominated Person'). The rights to appoint a proxy cannot 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 2 and 3 – Approval of the Directors' Remuneration Report

   There are new requirements this year in relation to the content of the Directors' Remuneration Report and the approval of the Report, following changes made to the Act. In accordance with the new provisions, the Directors' Remuneration Report in the Annual Report and Accounts contains:-

   (a) a statement by David Lowden, Remuneration Committee Chairman;

   (b) the Annual Report on Remuneration, which sets out payments made in or relating to the financial year ending 2013; and

   (c) the Directors' Remuneration Policy (the 'Remuneration Policy') in relation to future payments to the Directors and former directors.

   The statement by the Remuneration Committee Chairman and the Annual Report on Remuneration will, as in the past, be put to an annual advisory shareholder vote by Ordinary Resolution. The Remuneration Policy part of the Report, which sets out the Company's forward looking policy on directors' remuneration (including the approach to exit payments to directors), is subject to a binding shareholder vote by Ordinary Resolution at least every three years.

   The Directors' Remuneration Report is set out in full in the Annual Report and Accounts on pages 67 to 86. Resolution 2 is the Ordinary Resolution to approve the Directors' Remuneration Report, other than the part containing the Remuneration Policy on pages 69 to 74. Resolution 2 is an advisory resolution and does not affect the future remuneration paid to any director.

   Resolution 3 is the Ordinary Resolution to approve the Remuneration Policy which is set out in the Directors' Remuneration Report on pages 69 to 74 of the Annual Report and Accounts. The Remuneration Policy will commence on 5 June 2014 and payments will continue to be made to the Directors and former directors in line with existing contractual arrangements until this date. Once the Remuneration Policy has been approved, all payments by the Company to the Directors and any former directors must be made in accordance with the Remuneration Policy (unless a payment has been separately approved by a shareholder resolution). If the Remuneration Policy is approved and remains unchanged, it will be valid for up to three financial years without a new shareholder approval. If the Company wishes to change the Remuneration Policy, it will need to put the revised policy to a vote before it can implement the new policy. If the Remuneration Policy is not approved for any reason, the Company will, if and to the extent permitted by the Act, continue to make payments to the Directors in accordance with existing contractual arrangements and will seek shareholder approval of a revised policy as soon as practicable.

9. Resolutions 5 to 11 – Election/Re-election of Directors

   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 Danuta Gray, who has been appointed a Director since the last Annual General Meeting, election by the shareholders at this year's Meeting. Tim Miller has contributed significantly to the Board during his tenure and continues to do so. He was subject to the thorough Board evaluation review which was undertaken during 2013. The Board still considers Tim Miller as independent and an effective member of the Board. The Nomination Committee keeps succession planning under review and, as Tim Miller will complete nine years on the Board later this year, will consider, in due course, whether he should remain a Director of the Company until the next Annual General Meeting. Biographical information on each of the Directors is contained on pages 51 and 52 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.

10. Resolution 14 – Directors' Authority to Allot Shares

   If passed, Resolution 14 will give the Directors authority to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £1,071,452 representing approximately one-third of the Company's issued ordinary share capital as at 8 April 2014 (the latest practicable date before publication of this Notice). This authority will lapse 15 months from the passing of the Resolution or at the next Annual General Meeting, whichever shall first occur. Other than the allotment of shares arising from the vesting of shares or the exercise of options in respect of the Company's share and share option schemes, the Directors have no present intention of exercising this authority. As at the date of this Notice the Company does not hold any ordinary shares in the capital of the Company in treasury.

11. Resolution 15 – Donations to Political Organisations and Political Expenditure

   For the purpose of this Resolution, 'political donations', 'political organisations' and 'political expenditure' have the meanings given to them in sections 363 to 365 of the 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 Act 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 these terms. 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 15 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 Act, Resolution 15 also covers any of these activities by the Company's subsidiaries.

12. 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 14 for cash without complying with the pre-emption rights in the Act in certain circumstances. This authority will permit the Directors to allot:

   (a) shares up to a nominal amount of £1,071,452, (representing approximately 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 £160,717 representing approximately 5% of the issued ordinary share capital of the Company as at 8 April 2014 (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.

13. Resolution 17 – Power to Buy Back Shares in the Market

   Resolution 17 gives the Company authority to buy back its own ordinary shares in the market as permitted by the Act. The authority limits the number of shares that could be purchased to a maximum of 32,143,569 (representing 10% of the Company's issued ordinary share capital as at 8 April 2014 the latest practicable date prior to publication of this Notice) and sets minimum and maximum prices. This authority will expire 15 months from the passing of the Resolution or at the next Annual General Meeting, whichever shall first occur.

   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 while they are 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 8 April 2014 (the latest practicable date prior to the publication of this Notice), there were 973,924, options to subscribe for shares in the capital of the Company representing 0.30% of the Company's issued share capital. If this authority to purchase the Company's ordinary shares and the existing authority to purchase taken at last year's Annual General Meeting (which expires at the end of this year's Meeting) were to be exercised in full, these options would represent 0.38% of the Company's issued share capital.

14. Resolution 18 – Notice of General Meetings

This Resolution seeks to renew the authority granted at the 2013 Annual General Meeting to allow the Company to call general meetings, other than an annual general meeting, on 14 clear days' notice. The minimum notice period for general meetings of listed companies is 21 days, but companies may reduce this period to 14 days (other than for annual general meetings) provided that two conditions are met. The first condition is that a company offers a facility for shareholders to vote by electronic means. This condition is met if a 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. If approved, the Resolution will allow the Company to retain maximum flexibility to seek shareholder approval for any future change or transaction that may require such approval. This authority will be effective until the next Annual General Meeting, when it is intended that a similar resolution will be proposed. 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.

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 Act, 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 8 April 2014 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 321,435,690 ordinary shares. No shares are held in treasury. Therefore the total voting rights in the Company are 321,435,690.

17. The contents of this Notice, 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: www.page.com/investors.

18. Members satisfying the thresholds in section 527 of the Act 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 Auditor no later than the time it makes the 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 contract of service for Mr S Ingham and the letters of appointment for the Chairman and the Non-Executive Directors of the Company are available for inspection on the day of the Meeting, at the place of the Meeting, from at least 30 minutes prior to the Meeting until its conclusion. The same documents are otherwise available for inspection at the Registered Office Address of the Company during normal business hours Monday to Friday (Bank Holidays excepted).

21. You may not use any electronic address in this Notice to communicate with the Company for any purpose other than those expressly stated.

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