PageGroup

ANNUAL REPORT & ACCOUNTS 2014



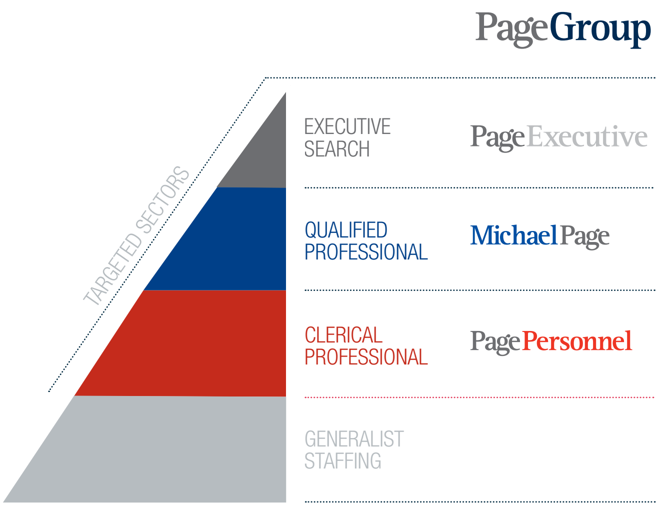




Welcome

Our vision is to be the leading specialist recruiter in the markets in which we operate.

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



Page Executive

Page Executive is the Group's executive search business and offers a range of search, selection and management solutions for organisations needing to attract and retain their leadership talent. The roles on which we focus typically sit at the sub-board and board levels.

Michael Page

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.

Page Personnel

Page Personnel offers specialist recruitment services to organisations requiring permanent employees or temporary or contract staff at technical and administrative support, professional clerical and junior management levels.

Contents

A Global Leader

What we do

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 over 150 offices across 36 countries.

Geographic reach

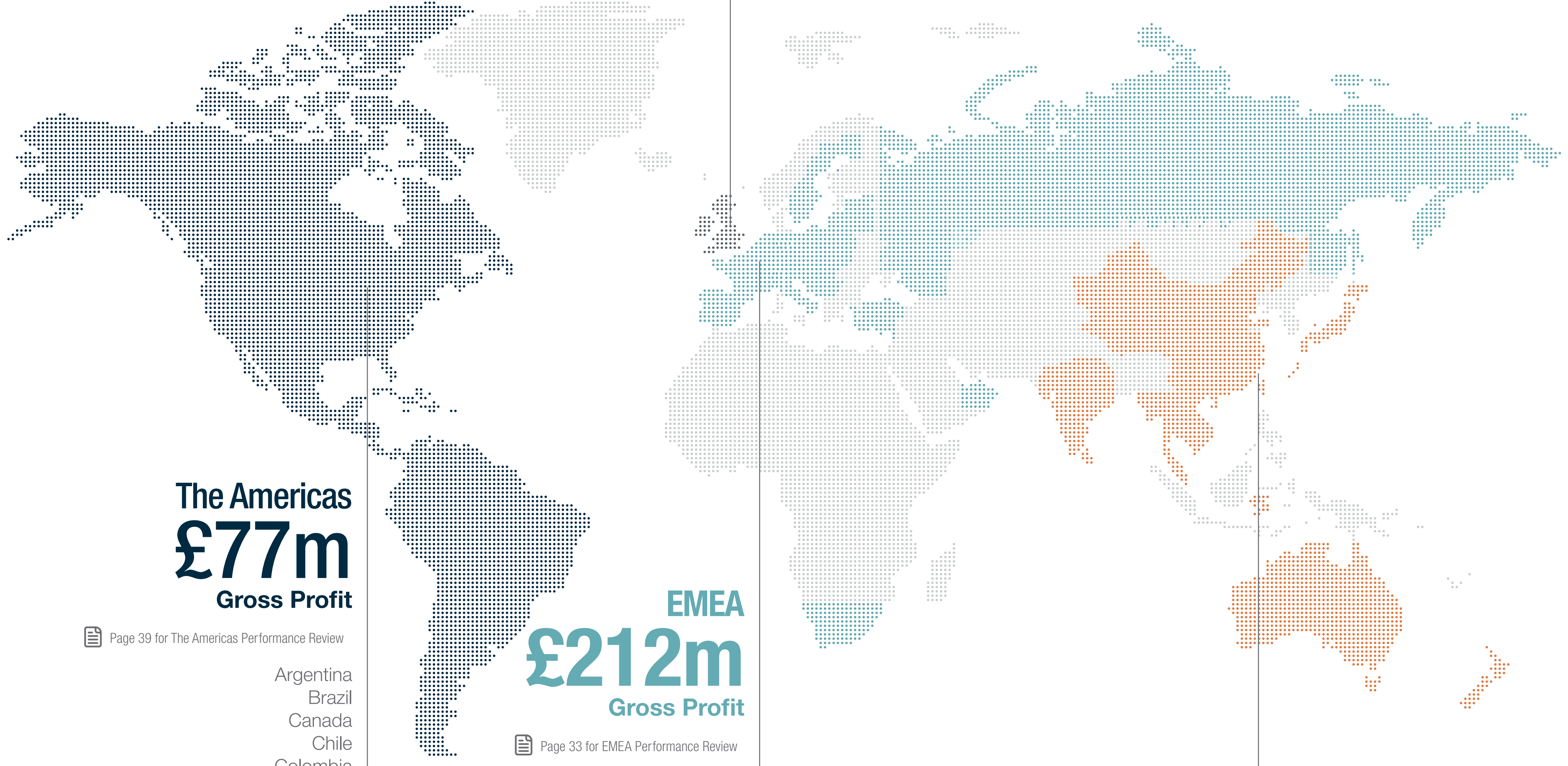
PageGroup has a truly global reach, with a substantial and well-balanced business across all regions, including Latin America and Asia. We source candidates from domestic and international markets and provide a comprehensive service to both local and multinational clients.

Discipline expertise

We organise our consultants into 15 specialist discipline teams, grouped into four broad categories. We then specialise further (eg digital marketing within Marketing) to ensure we provide expert recruitment services to our clients.

Perm and Temp mix

PageGroup is the international market-leader for permanent recruitment in the majority of countries in which we operate. We also have a substantial and growing temporary recruitment business in markets where temporary placements for professionally qualified candidates are culturally accepted.



UK
£138m
Gross Profit

Page 35 for the UK performance review

The Americas
£77m
Gross Profit

Page 39 for The Americas Performance Review

Argentina
Brazil
Canada
Chile
Colombia
Mexico
Peru
USA

EMEA
£212m
Gross Profit

Page 33 for EMEA Performance Review

Austria
Belgium
France
Germany
Ireland
Italy
Luxembourg
Morocco
The Netherlands
Poland
Portugal
Qatar
Russia
Spain
South Africa
Sweden
Switzerland
Turkey
UAE

Asia Pacific
£106m
Gross Profit

Page 37 for Asia Pacific Performance Review

Australia
Greater China
India
Indonesia
Japan
Malaysia
New Zealand
Singapore

Highlights

- Gross profit up by 10%*
- Operating profit before exceptional items up 23.8%*
- Conversion rate improved by 1.4 percentage points to 14.7%
- Strong balance sheet with £90.0m net cash

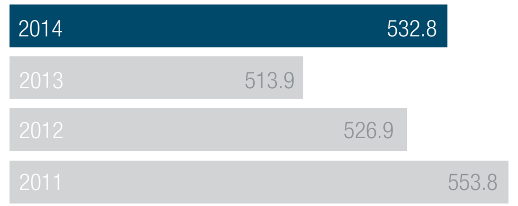
*In constant currency

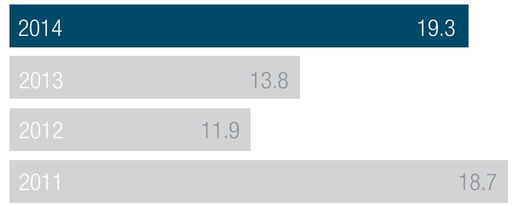
£532.8m
Gross Profit (+3.7%)

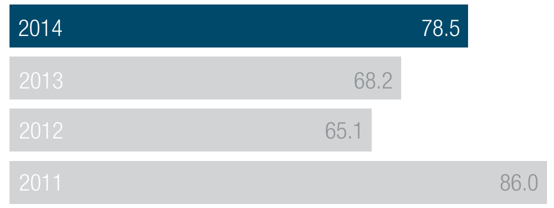
5,578
Headcount (+8.7%)

£78.5m
Operating Profit (+10.3%)

11.0p
Dividend (+4.8%)







£m	2014	2013	2012	2011	2010
Revenue	**1,046.9**	1,005.5	989.9	1,019.1	832.3
Gross profit (net fee income)	**532.8**	513.9	526.9	553.8	442.2
Operating profit before exceptional items	**78.5**	68.2	65.1	86.0	71.5
Operating profit after exceptional items	**80.1**	65.7	57.3	86.0	88.7
Profit before tax	**80.4**	64.1	57.0	86.1	100.7
Basic earnings per share (pence)	**19.3p**	13.8	11.9	18.7	21.6
Conversion rate (operating profit/gross profit)	**14.7%**	13.3%	12.4%	15.5%	16.2%
Year end staff headcount	**5,578**	5,130	5,099	5,286	4,498

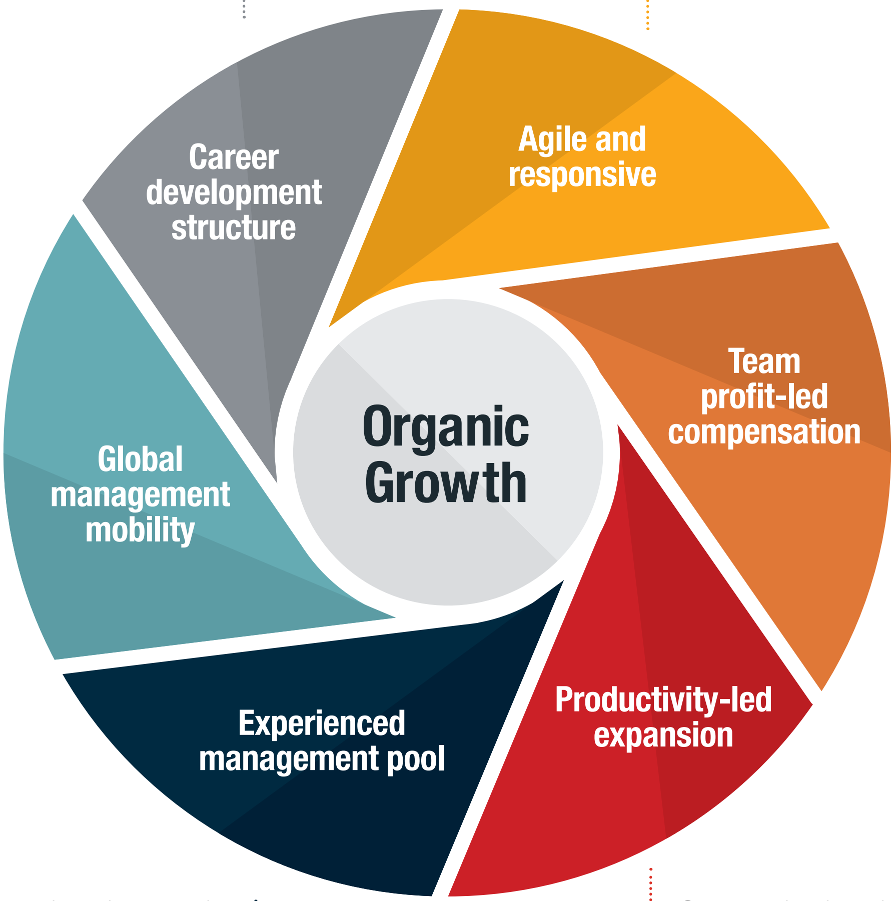
Business Model

PageGroup's business model has proved itself through economic cycles and as the business has expanded into a global enterprise. At its core is a focus on organic growth.

PageGroup offers its consultants a well-defined and varied career in recruitment. This includes a clear development structure with significant opportunities for the most talented.

Recruitment is a fast-paced and dynamic business. Our agility gives us the confidence to respond quickly to the opportunities and challenges as they appear.

We regularly move experienced directors into markets where they can add the most value and guide the business through the challenges of a market cycle, while allowing us to retain and motivate key senior talent.

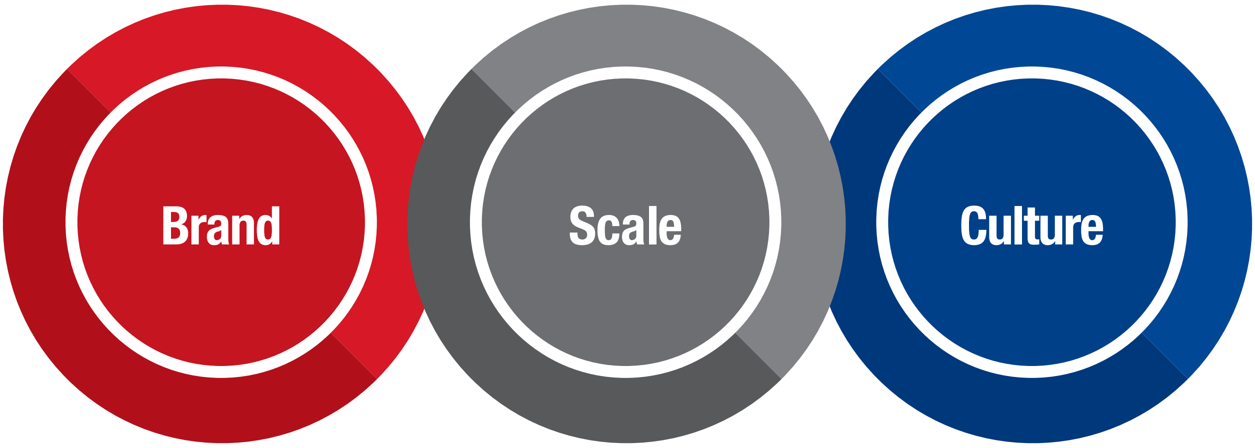


A focus on team-based performance rather than the individual promotes positive corporate behaviour and consistent quality of service for both clients and candidates.

Experience through economic cycles and across geographies and disciplines reduces our learning curve, maximises scalability and is crucial for placing resources where they will add the most value.

Our operational metrics focus on productivity, by team, discipline and geography. This bottom-up approach aligns expansion criteria throughout the Group, focusing and optimising investment on key priorities.

Our Competitive Advantage



Our true competitive advantage is the combination of these three factors and the balance we have achieved in the business over the past 38 years.

Brand

Page Executive, Michael Page and Page Personnel are brands which inspire high levels of confidence, trust and assurance of quality service. Our consistent commitment to the markets in which we operate and level of expertise enables these brands to resonate strongly in their marketplace.

The digital revolution has reshaped the recruitment sector's marketing and delivery channels, and we are a highly active online participant. However, high quality candidates will only continue to place key decisions on their future in the hands of consultants who have substance behind their online marketing profile.

We are trusted by our clients and candidates to remain committed, to provide a high quality service and to be there for the long-term.

See page 25 for more on our Digital platform in 2014

Scale

Our scale enables PageGroup to commit to markets through cycles giving clients the confidence to build long-term relationships with us. It also enables a broader client offering with participation from multiple disciplines, even in some of our newest markets.

The ability to offer diverse expertise across a broad range of complementary specialisms and geographies enhances our offering and the candidate pools we can access. Our scale enables us to build an unrivalled skillset and level of experience, equally available to the smallest and largest of our clients.

Our strong financial standing has also been increasingly important for many clients who prefer not to work with the smaller market players, particularly in times of economic uncertainty. Temporary staff also derive comfort from our financial strength that their salaries will be paid.

See page 17 for case studies on 2 of our High Potential Markets in 2014

Culture

PageGroup's culture is unique in the sector and has ingrained values of how to do business properly, ethically and to make decisions for the long-term.

It is a global culture that delivers a consistent approach both internally and externally, whilst being accepting of the particular character of each local market. The global nature of the culture is aided by a high degree of management mobility.

It is reinforced through our consultant training programmes, the processes by which we do business, and our team-based approach which is at the heart of everything we do. It also encourages us to challenge ourselves with confidence, and to respect the successes of our colleagues.

See more on our culture in Our Employee Value Proposition on page 3 and International Mobility on page 31

Providing a great place to work:

Our Employee Value Proposition

Our EVP – Employee Value Proposition defines the unique set of rewards from which our employees benefit in return for their skills, capabilities and the results they bring to PageGroup.

It provides our employees with a clear career and reward structure and is core to why they are proud and motivated to work here.

We work hard to provide our most ambitious people with new opportunities and challenges to build rewarding careers with us for the long-term.

The EVP covers five elements:

Passionate about your progress

We are passionate about our people's career progression. Consultants who join us know that one day they can be our future managers, directors and managing directors.

The culture is one of meritocracy and there is strong company and peer group recognition for achievements. We score highly in our employee surveys for encouraging pride, fun, passion and commitment to the job.

Never give up learning

We are renowned for our first class investment in developing talent. We have customised our programmes to offer the right training to suit different cultures and working environments.

Training encompasses initial induction, a trainee academy and a management and leadership development programme.

At all levels we deliver a programme that fully adapts to the skill-set needed and that will engender self-development and personal growth.

Proud to give something back

Giving back is part of the PageGroup culture. We have a strong commitment and drive towards giving something back to the communities in which we live and work.

We encourage staff to be proactive in seeking projects within their own community and making a telling contribution.

This approach enriches our working lives and ensures we are engaged with the world around us and in which we do business. More detail on our community activities in 2014 are included in the CSR review on pages 27-30.

A team that's diverse

We promote a diverse, open and inclusive working environment which leverages our global footprint, rich in diverse people, talent and ideas. Our OpenPage philosophy comprises: Age is just a number; Disability doesn't hold you back; Sexual orientation doesn't matter; Families and carers come first; A multicultural workforce thrives; and Women succeed at work.

This programme has helped lower turnover, increase the number of new mothers returning to work, and increase senior representation of both ethnic groups and females across the business. We are also an outspoken industry advocate for ensuring recruitment activities follow best practice.

Rewards and health made fun

Celebrating success and making the job fun is part of our culture. We believe reward and recognition of top talent is key to motivating and getting the best from our consultant teams.

Recognition of a job well done and being an active team contributor is an essential part of the quarterly review process. This is combined with team celebrations and high-flier events for reaching key performance targets.

Our Feel Good programme for well-being and health includes active promotion of a variety of services such as gym membership, health workshops and an online health coaching platform.

Chairman's Introduction

2014 Performance

In 2014, PageGroup grew at double-digit rates in strategic markets such as the UK, US and Greater China. Meanwhile other important parts of our business including Australia and Brazil did less well due to considerable economic uncertainty. This mixed picture reflects the degree of macro-challenges caused by the 2008 financial crisis, still faced by most global players.

Against this backdrop, our robust organic business model, highly respected brands and financial strength delivered a solid financial performance. Gross profit in 2014 was £532.8m, an increase of 10.0% in constant currencies and 3.7% in reported rates. Operating profit grew 23.8% in constant currencies and basic EPS rose 39.9%.

Robin Buchanan
Chairman

The PageGroup leadership team has also made progress on the strategic priorities set out last year. Our geographic diversification continued with launches in Peru and Indonesia. New Page Personnel disciplines, such as Property & Construction, were added in France and the UK, enabling us to grow our market presence, even in countries where economic growth is muted. At the end of the year the business had record fee-earner headcount and the best fee-earner to operational support ratio in our history.

Overall, we grew our fee-earner headcount by 12%, targeted in markets with the highest growth potential. Particularly, we are reinforcing our market-leading positions in regions such as Latin America and Greater China, where there is limited competition and attractive margins available.

Retaining and developing our most talented people is essential, so we can continue both to grow and to maximise our productivity. This year we enhanced our Employee Value Proposition programme for developing and retaining talent within the business. This has already both improved retention rates and increased management mobility, particularly in some of our highest growth markets. This mobility enables us to place expertise in markets where our people can add the greatest long-term value.

When taken together, we believe that this focus on our highest potential markets, roll-out of new disciplines, and investment in the skills of our people will put us in the best position to both achieve sustainable growth for the longer term and deliver robust shareholder returns.

> "PageGroup remains a dynamic business with a clear and tangible corporate culture."

Dividend

Our policy is to grow the dividend over the course of the economic cycle in line with our long-term growth rate. In this way we can sustain the level of dividend payment during downturns, as well as increasing it during more prosperous times. In 2014 we generated cash from underlying operations of £88.1m and ended the year with cash balances of £90.0m. Given this cash position and our results for the year, we propose to increase the final dividend to 7.58p. When taken together with the interim dividend paid in October of 3.42p, this implies a total increase of 4.8% on 2013.

Board

Your Board remains diligent in both supporting and challenging the executive team's strategy recommendations and their responses to changing market conditions. Full details of the work of the Board and subjects discussed in the year are set out in the Directors' and Committees' reports.

This year we welcomed Kelvin Stagg onto the Board in June as he formally took up the role of CFO. We also bade farewell to Tim Miller who retired in August at the end of his third term on the board. Tim gave sterling service to the Board over the last nine years and we are grateful to him for his many contributions.

Board members have considerable experience of working internationally in different parts of the world. Indeed, the Board has a good mix of relevant skills, experience, gender and backgrounds. This diversity is of great benefit to the business.

People

PageGroup remains a dynamic business with a clear and tangible corporate culture. Its team-orientation operates across disciplines and across geographies. Indeed, the energy, passion, persistence and team work are evident in each PageGroup office I visit.

This powerful culture enables the business to achieve great things. It was therefore particularly pleasing to see the PageGroup culture being recognised through over 10 awards, including for Diversity and work environment.

Strategic Report

This report sets out PageGroup's strategic vision and how we address the various markets and the opportunities before us. We have highlighted areas which are critical to achieving this vision, such as our Employee Value Proposition shown on page 3, and how we use digital channels to acquire new candidates. The report also details our approach to corporate and social responsibility, including how we engage with our stakeholders.

Looking ahead

In 2015 we will build on the investments in markets, people and technology in our continuing pursuit of sustainable and profitable growth. Given the mixed global outlook we will also continue to actively manage our exposure to those markets where we are less certain of achieving reasonable returns.

Whether we are reaping the rewards of our strategy or protecting ourselves from the perils of troubled economies we succeed only through the intelligence and hard work of our people. We are very grateful to them.

Strategic Framework

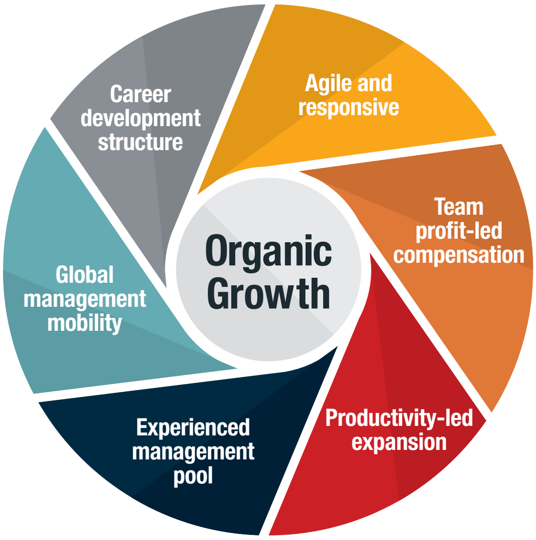
Business Model

We have had a consistent business model for 38 years founded on the principle of team-based service delivery and reward, rather than by individual consultant.

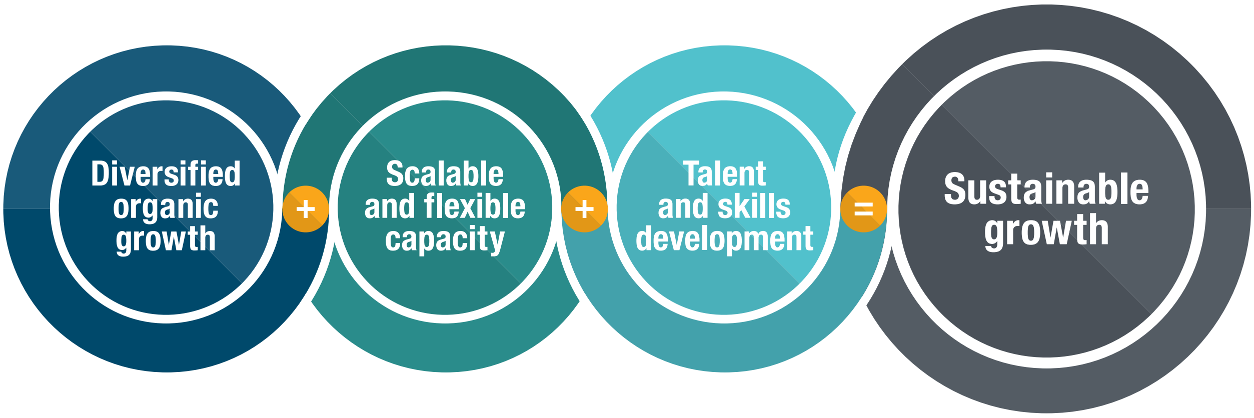
The reward model is structured to ensure a focus on profit rather than just revenue generation, which helps drive operational efficiencies throughout the business.

Management experience and resource mobility are both valued highly. They are also key to achieving organic growth, with PageGroup able to offer its consultants a structured path throughout a highly rewarding career.

See page 1 for more on our business model



Objectives



Diversification helps to mitigate the cyclical nature of the recruitment markets, which for us is combined with high operational gearing given our permanent recruitment bias.

Our broad-based capabilities enable us to capitalise on market opportunities across the globe, avoiding over-reliance on any one geography or discipline.

The ability to respond quickly to changing market conditions is critical to managing the business efficiently throughout economic cycles.

We ensure that we always have the ability to flex our capacity up and down, while maintaining a core presence in each market to service clients properly and retain management experience to enable a quick recovery.

Our business is reliant on having the experience to manage the challenges and identify the opportunities across our local markets.

Our scalability is dependent on having the right people available to grow the business and nurture the next generation.

The combination of these objectives has enabled PageGroup to deliver strong cash flows and the financial strength to prosper through economic cycles.

It also gives the resilience to cope with market downturns without damaging the business's long-term prospects.

See page 9 for more on our business sustainability

Strategy

Our strategy aims to fulfil our vision of being the leading specialist recruiter in each of the markets in which we operate. Our service offering is spread across a broad set of disciplines and geographies, focusing on opportunities where our industry and market experience can set us apart from the competition. Operating in 36 geographies and in highly diverse cultures, we have established three categories into which we have grouped each of our markets based on criteria including the size of the opportunity and the potential for future growth. This structure has provided a clear investment framework for the business.

We categorise our markets as follows:

Large, High Potential Markets

Typically under-developed markets, but where we have a successful track record and confidence in our ability to scale our operations substantially.

See page 15 for more on our strategic plan

Large, Proven

These are large markets where we are already proven with a strong track record and a significant presence.

Small and Medium, High Margin

Markets which are, or could be, significant profit contributors with attractive conversion margins, but are unlikely (or not yet proven) to be able to grow to more than 300 fee-earners.

How We Measure Our Performance

PageGroup measures itself against a range of financial and non-financial performance metrics, and monitors a number of related risk indicators. Our full KPIs are set out on pages 19 to 22.

Set out below are those metrics which have been identified as being aligned with the categories identified by the Remuneration Committee as appropriate for the assessment of the Executive Directors and senior team, and embodied in the executive remuneration policy and plans currently in force. They encompass a broad range of areas, focused on financial performance, strategy and people development.

	KPIs	Risks	Remuneration
Financial	- Gross profit growth - Conversion rate	- Macro downturn - FX on reported rates	EPS growth: - 1 year: relative - 3 year: cumulative
Strategic	- Gross profit diversification - Fee-earner headcount - Fee-earner: operational support	- Business model - Delivery of operational efficiencies	- Strategic plan milestones - IT transformation
People	- Management experience - Employee index	- Management development - Attraction/retention	- Leadership development - Retention/succession

See the Directors' Remuneration Report on pages 74 to 86.

Securing long-term success:

Business sustainability

With a business model that focuses on organic growth, combined with a strong team culture, PageGroup people across the globe highlight consistent themes that are key to the sustainability of our business.

When taken together, these make up a powerful dynamic which has served us well for 38 years and we believe has the strength and flexibility to continue to do so well in to the long-term.

A clear set of values and commitment to high ethical behaviour is the bedrock of our strong brand and reputation with all stakeholders, supported by **robust governance procedures**.

Active succession planning is central to our business model, aligned to our long-term strategic planning, and supported by a high degree of management mobility.

A local culture and global reputation could not be more important for sustaining a business spanning 5 continents and 36 countries and a multitude of different local cultures.

Our goal is to have local senior management, wherever possible, supported by those with international experience.

We provide our consultants with a clear career structure which will take the most talented to the top, making this **a great place to build a career**, and a supportive team culture which helps them get there.

Our business is **highly cash generative**, which allows us the financial strength to make long-term commitments to markets and clients, and enhances trust amongst our employees.

We have a highly meritocratic culture and so proactively develop programmes to **increase diversity across the business**, with equal opportunities for all.

Intelligent use of digital media plays a critical role in our ability to source candidates and maximise brand awareness. Sophisticated targeting techniques combined with in-depth performance analysis ensure we are able to maximise our return on investment across all digital channels.

Strategic Review

I would like to welcome you to our Strategic Review, where we have outlined our views on market dynamics and opportunities, together with PageGroup's strategy and business model.

Over these few pages, we have also set out how we see our competitive advantage; the key elements of our strategic plan; and how this determines our approach to investment within defined market categories.

This year we are providing greater linkage to how we measure our performance. This comprises our KPIs – both financial and non-financial – together with their related risks. These relate directly to the three elements (financial, strategic, people) which make up the performance criteria for the executive remuneration plan currently in force.

Steve Ingham
CEO PageGroup

Global Vision

At PageGroup we have a clear strategic vision: to be the leading specialist recruiter in the markets in which we operate. We have sought to achieve this by developing a significant market presence in major global economies, as well as targeting new markets where we see the greatest potential for long-term growth in gross profit at attractive conversion rates.

We offer our services across a broad set of disciplines and specialisations, solely within the professional recruitment market. Our origins are in permanent recruitment, but nearly 25% of the business is now temporary placements, where local culture and market conditions make this attractive. We focus in particular on opportunities where our industry and market expertise can set us apart from the competition. That enables us to offer a premium service which is valued by clients and attracts the highest calibre of candidates.

Strategic Framework

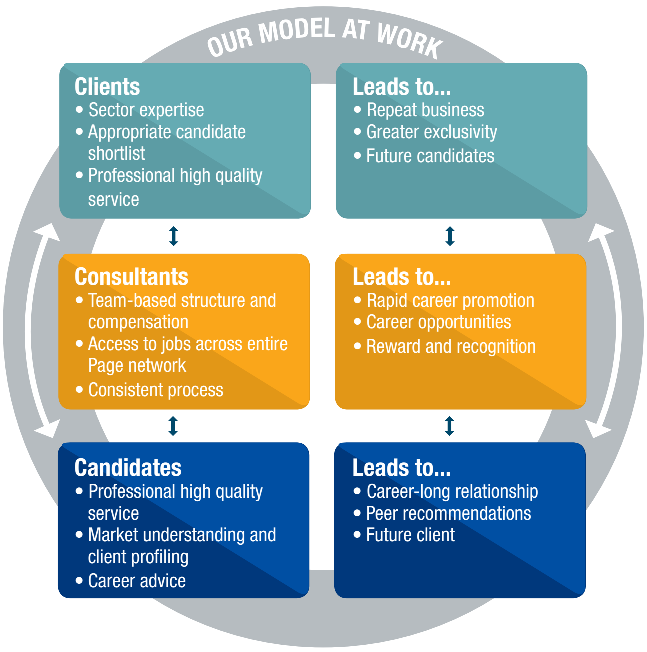
PageGroup is focused on delivering against three key strategic objectives to achieve its strategic vision and sustainable financial returns. These are 1) to look for organic and diversified growth; 2) for this to position the business to be efficiently scalable and highly flexible to reflect market conditions; and 3) as a people oriented and organically-driven business, the nurturing and development of talent and skills is fundamental to achieving long-term and sustainable growth.

Our consistent business model has organic growth as its cornerstone. As set out on page 1, key elements of our business model are derived from this team-led approach, with great value placed on clear career development and the value that experienced management brings to the business.

"Our value proposition is centred around expertise and specialism, and for this to be delivered in a consistent manner and supported by high quality processes."

Our Value Proposition

Our value proposition is centred around expertise and specialism, and for this to be delivered in a consistent manner and supported by high quality processes. As shown in the chart below, when these elements are brought together, the potential for a successful outcome for both client and candidate is maximised. Such successes enhance our reputation; bring greater repeat business; and candidates start returning as clients and vice-versa.



- Specialist industry & market knowledge
- Global reach, with deep local knowledge
- Expertise in premium candidate sourcing
- Experienced advocate for client & candidate
- Consistent, high quality processes

People & Management

The flexibility and agility which our business model brings, together with the significant loyalty of the management team, allows the business to make progress even in uncertain markets. PageGroup consultants also quickly come to understand that we can offer them a fulfilling and long-term career in recruitment. They know how highly we value the experience that they acquire as they progress through their various career stages.

We encourage the rising stars to expand their horizons through geographic and discipline moves, as this allows them to broaden their experience and value to the Group. As a result, our management team has some of the longest tenure and experience in the industry. Moreover, the mobility of our people greatly enhances the flexibility of the business model.

With this depth of talent consistently available to the business, it enables the senior executive team to flex the business' exposure to any particular market, both up and down, according to market conditions and decisions as to where PageGroup can achieve the greatest return on investment and allocation of management resource.

Strategic Review

Market Dynamics

Professional recruitment has always been highly sensitive to prevailing economic conditions, together with client and candidate confidence. Market liquidity can change rapidly, whether in terms of availability of jobs or candidates, or candidate confidence in taking the next step in their career. It can also be very localised whether by geography or discipline, and differ between temporary and permanent placements in the same market.

PageGroup therefore has a well-balanced business profile, in order to mitigate the exposure to any one revenue stream. This strategy requires us to operate in very diverse markets, each with a particular recruitment culture, such as the degree to which temporary placement opportunities are acceptable to professionals. Other aspects of this culture include the degree of outsourced recruitment undertaken, as opposed to in-house by HR departments.

In a number of geographic regions, such as Latin America or Greater China, our potential markets are very large yet relatively immature. This provides significant market share opportunities, but also business development challenges. New markets can take time to crack, but the advantages of being an early participant and building scale can be considerable.

PageGroup views certain key features as defining a particular recruitment market profile, as set out in the table below and categorised by the proportion of roles filled through a recruitment agency ("market penetration"). The challenges to achieving a significant market position vary across markets, as does their attractiveness to PageGroup.

These features, when taken together with PageGroup's historic success in a particular market, helped define the Strategic Plan and to identify which geographies would have the highest potential for long-term success.

Strategic Plan

In 2013, PageGroup put in place a Strategic Plan which defined its aspirations within various markets. It has provided a disciplined framework to focus investment plans on geographies with the greatest long-term potential; and to help structure the career moves of the rising stars in the business. A portion of the Directors' remuneration is also linked to the performance against milestones within this Plan, and its overall achievement.

An essential part of the development of this Plan was to review the markets in which PageGroup operated, and to identify which had the greatest potential and likely future impact on Group revenue. Set out on page 15 is an explanation of these categorisations and our approach to these different markets.

Our market categorisation has provided the business with a framework within which investment decisions can be judged, and guidance as to where management expertise and fee-earner headcount is best placed. These decisions are continuously reviewed in order to best align them to the business needs and the prevailing market environment, which is often fast moving and highly dynamic.

Operational Efficiency

PageGroup is very aware of the need for high levels of operational efficiency in a recruitment business, and especially one with such a global footprint. Central to the strategic objective of scalable growth and flexibility through the cycle is for this to be achieved while controlling the fixed asset base.

We have a relentless focus on sharing best practice across the Group as a way to enhance the quality and consistency of the service offering. In this way we can capture and leverage skills and expertise for the benefit of the whole Group. We are then also able to centralise many of the support functions into regional service centres, while maintaining the robustness of the operational platform.

	Emerging		Developing	Mature
Market penetration	**0-15%**	**15-30%**	**30-70%**	**Over 70%**
Competition	Limited international operators present	Few well-established regional players	Well developed markets with many international operators	Highly competitive
Examples	LatAm; SE Asia	Germany; China	France; Australasia; Holland; Spain; Italy	UK, US

Market Drivers of PageGroup Performance

As well as the influence of the general macro-economic environment on business activity, there are a number of specific market-based drivers which can materially impact PageGroup's financial performance. These are split into elements which affect market liquidity and those which influence gross profit and consultant productivity. It is the nature of the professional recruitment market that strong market conditions will see drivers in both elements rapidly align, and this has a dramatic impact on PageGroup's overall performance and conversion margins.

	Impact	Comment	Financial impact
Market liquidity	**Candidate shortages**	Often highly discipline/geography-specific, especially at midpoints in the cycle as client confidence grows. This is a key driver of most other elements, as the quality of a recruiter is most clearly demonstrated through their ability to source difficult-to-find candidates.	Mainly visible through improvement in gross profit, but a buoyant market helps to drive productivity, principally through reducing the time to hire.
	Candidate confidence	A major influence on market liquidity where macro-environment is sufficiently stable, candidates will look to progress their careers, which helps to drive job liquidity.	
Gross Profit & Productivity	**Fees/rates**	Group average historically moves within a 10% range over the cycle (19.5%-22%).	Notable influence on both gross profit and also conversion rate. Productivity, especially in permanent recruitment, is significantly enhanced as these market drivers positively align.
	Wage inflation	Reflects level of candidate shortage and liquidity within a particular discipline or geography, plus macro-economic conditions.	
	Time to hire	As candidates become scarcer, companies reduce the number of interviews and shorten the decision making process in order not to lose preferred candidates.	

Our 2014 achievements

PageGroup made good progress against its three strategic objectives in 2014. With two new countries launched, and additional disciplines rolled out in both the Michael Page and Page Personnel brands, the business continued to grow its market presence in core target areas.

Growth was in temporary as well as permanent recruitment segments, further diversifying the service offering. At the end of 2014, the fee-earner and total headcount was at record levels for the Group. This was achieved together with the best operational support ratio to date, reflecting operational efficiencies delivered within the business.

As well as progress in headcount and market presence, there has been a strong focus on operational flexibility across the Group. The technology upgrade and roll-out of our next-generation website and new Page Recruitment System successfully commenced and will continue through 2015. This will offer significant benefits to consultants in their day-to-day activities and provide for expansion flexibility and efficient future upgrades, together with lower maintenance costs.

Finally, further work in the EVP programme has looked to provide greater clarity of individual career paths, and to increase retention of identified talent at key career points and in key markets.

Strategic Plan

How we categorise the markets

In 2013 PageGroup categorised each of its markets around the globe based on criteria including the size of the opportunity as well as the potential for future growth. This growth potential was assessed on a combination of: expectations for economic growth; size of the existing PageGroup operations relative to the market; and competitive landscape.

The outcome was three categories (as set out in the table to the right), into which the 36 geographical markets in which we operate were placed: five markets were identified as Large, High Potential markets. These include the large economies of the US, Germany and Greater China, together with the regions of Latin America and South East Asia. Typically under-developed from a recruitment perspective, each satisfied key criteria, including:

- Positive PageGroup track record
- Ability to adapt PageGroup culture to local culture
- Ability to hire and retain local consultants
- Ability to roll-out disciplines and open offices
- Attractive conversion rate potential
- Large-scale economies

Six historically successful geographies were categorised as Large, Proven, reflecting the fact PageGroup had, within the last economic cycle, operated substantial businesses in each. While currently below peak levels, they have a proven track record, and, as a group, the potential to return to historic high levels – albeit with a different mix of headcount and disciplines.

Finally, the remaining businesses were categorised as Small and Medium, High Margin. This reflects the fact that each individually will not have the scale or potential to be a significant contributor to gross profit. However, they each offer the prospect of attractive margins and include countries with some of the highest fee rates and conversion margins in the Group. Within this category are three markets – Japan, India and Africa – that all have the long-term potential to achieve Large, High Potential status.

Investment approach

The market categorisation provides an investment framework for the business. Investment comes in a range of forms including headcount, new offices and infrastructure, marketing spend and minimum levels of market presence through the economic cycle.

	Large, High Potential
CATEGORISATION	Substantial, high potential markets for recruitment. Typically under-developed, but where PageGroup has a successful track record, and confidence of ability to successfully scale operations.
EXAMPLES	**Germany, Greater China, Latin America, South East Asia and the US.**
INVESTMENT APPROACH	Invest through cycle.
STRATEGIC PLAN	Create a market leading network of offices, management and headcount. c.40% of Group gross profit/ fee-earners; 30% conversion rates.
2014 ACTIONS	New offices in Peru and Indonesia; growth of German temporary business.
2015 PLAN	Continue investment in new headcount and management team, whilst improving conversion rates.

	Large, Proven	Small and Medium, High Margin
CATEGORISATION	Large markets in which PageGroup is already proven with a strong track record and a significant presence.	Have been or could be significant profit contributors for PageGroup, but not likely to be in excess of 300 fee-earners.
EXAMPLES	**UK, France, Australia, Holland, Italy and Spain.**	**Japan, Middle East, Africa, India, Canada, Turkey and other European countries.**
INVESTMENT APPROACH	Investment reflects gross profit growth and market conditions.	Respond to market conditions, focus on high margin opportunities.
STRATEGIC PLAN	Collectively return to 2007 peak levels of operating profit & conversion rates; equivalent to c.45% of Group gross profit/ fee-earners.	Investment responsive to market conditions. Expected to represent c.15% of Group gross profit/fee-earners; 30% conversion rates.
2014 ACTIONS	Roll-out of new disciplines in Page Personnel in UK and France; managed Australia headcount.	Opened Calgary office; prepared for Japanese domestic market.
2015 PLAN	Utilise capacity to drive productivity, improving conversion rates in the process.	Focus on productivity gains and improving conversion rates.

Maximising growth markets:

Large, High Potential Markets – two case studies

7
Offices

255
Fee-earners 2014

5%
Fee-earners
2009 -14 CAGR

11%
Gross profit
2014 vs 2013

12%
Gross profit
2009 -14 CAGR

PageGroup has been established in Germany for some time, initially focused exclusively on the permanent placement market. With 220 fee-earners at our previous peak in 2008, we have been the international market leader for many years, with operations in 7 offices in key cities. This permanent business grew to being 7% of Group gross profit, but suffered during the aftermath of the 2008 financial crisis.

The market opportunity for temporary recruitment however is also significant, as Germany has a well-developed market for contracting, even at higher salary levels. Historically PageGroup was reluctant to grow this business given the regulatory environment and financial obligations surrounding temporary placements.

More recently, PageGroup identified a strategy to enter this market while mitigating the financial risks to an acceptable level. We also identified two German-speaking senior directors, with appropriate temporary market experience, who relocated to Dusseldorf in May 2013.

Since launching the temporary/contracting business, it has grown to have a presence in 6 offices. In 2014 the business broadened its service offering to include technical disciplines such as IT and Engineering within the Page Personnel brand.

It also invested in fee-earner headcount which grew by over 25% in 2014, and saw a similar increase in the number of temps with over 600 being placed into the market.

We see substantial opportunity for developing this business, as we are significantly smaller than a number of our competitors, and the size and scale of the economy makes Germany a Large, High Potential Market for us.

With a record headcount of over 250 fee-earners across both temporary and permanent recruitment, we now have a strong and increasingly well-balanced business in this key European market.

All figures in constant currencies

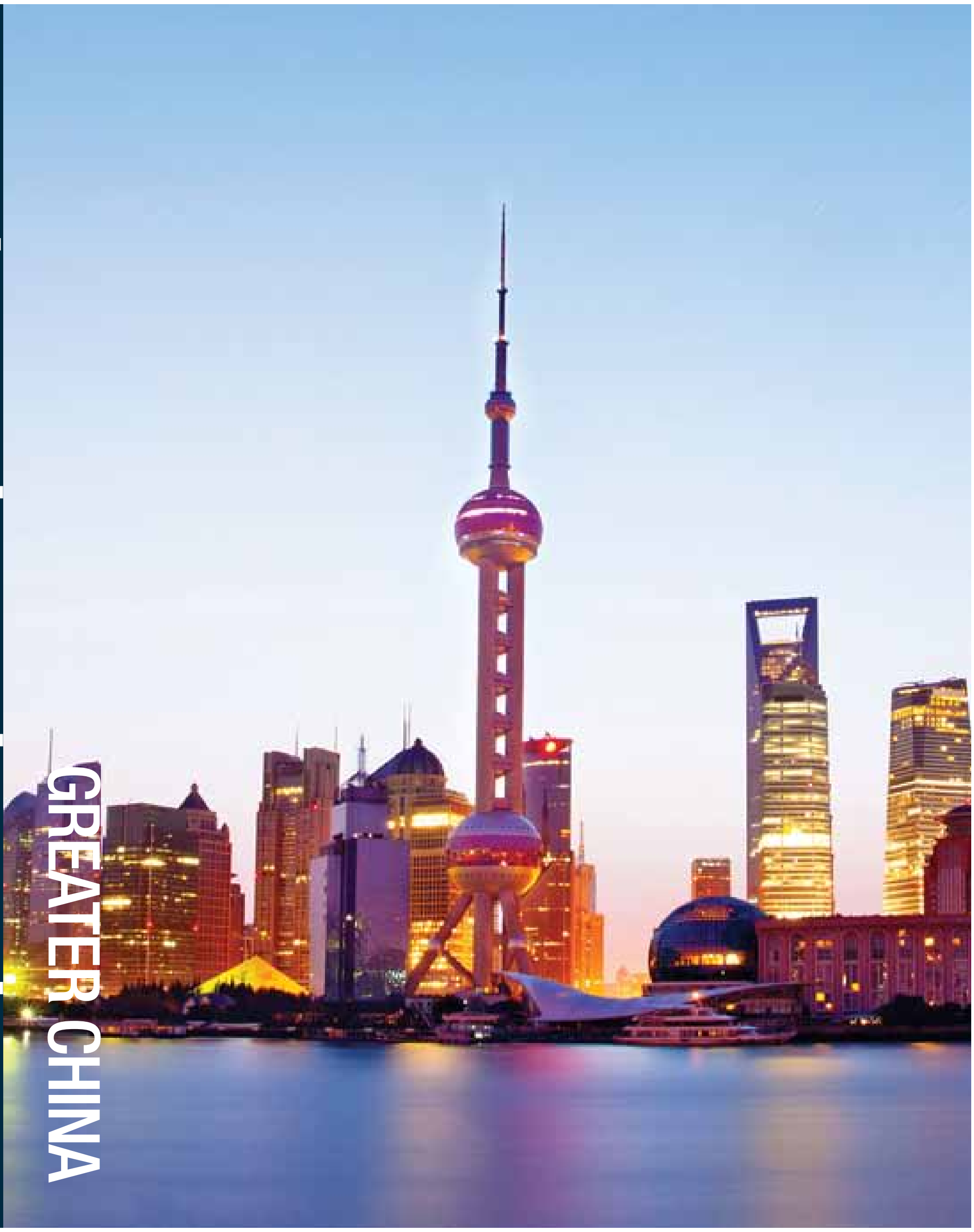
10
Offices

364
Fee-earners 2014

32%
Fee-earners 2009 -14 CAGR

22%
Gross profit 2014 vs 2013

40%
Gross profit 2009 -14 CAGR



GREATER CHINA

Over the past five years, our Chinese business has grown to become the Group's third largest contributor of gross profit, growing from 3% to 8% of Group gross profit since 2009. We see this as a very attractive long-term opportunity, with low penetration, limited competition, attractive fee rates and conversion margins.

We have been in Hong Kong for over 20 years and on the mainland for over 10 years, and have taken time to understand the market and learn how best to do business. Now with 10 offices, and with total headcount growing from below 100 people to nearly 450 since 2009, PageGroup is clearly the largest international recruiter with the broadest penetration of the market.

We have an increasingly experienced management team and meaningful scale in our operations, with over 65,000 candidates registered in 2014 and over 4,000 permanent placements made. With this scale comes the ability to roll-out the business into a broader range of disciplines, such as Technology, Human Resources, Legal and Retail.

In addition, there has been a significant increase in the proportion of work undertaken for Chinese-owned entities, and, as our brand and reputation grows, over 15% of gross profit in 2014 came from cities where we do not have established offices.

This growing breadth of business has also allowed PageGroup to increasingly localise its management team. We now have one office which is entirely locally resourced, and over 75% of the leadership team are local managers and directors.

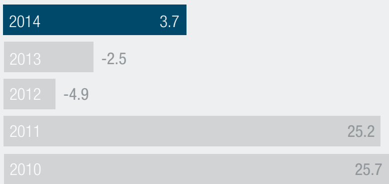
We have enormous scope for growth in the locations where we currently are and while we have no plans to open new offices this year we will constantly evaluate the many exciting opportunities that exist in China.

Key Performance Indicators

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

FINANCIAL

Gross profit growth %



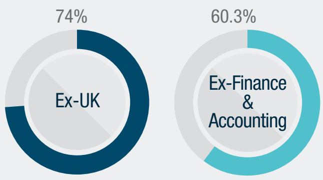
How measured: Gross profit growth represents revenue less cost of sales expressed as the percentage change over the prior year. It consists principally of placement fees for permanent candidates and margin earned on the placement of temporary candidates.

Why it's important: This metric indicates the degree of revenue growth in the business. It can be impacted significantly by foreign exchange movements in our international markets. Consequently, we look at both reported and constant currency metrics.

How we performed in 2014: Gross profit increased 3.7% in reported rates, 10.0% in constant currencies, as adverse currency movements impacted on the full year figures. Growth was highest in our Large, High Potential Markets category, where we focused our investments, principally in new headcount.

Relevant strategic objective: Organic growth

Gross profit diversification %



	2010	2011	2012	2013	2014
Ex-UK	71.8	76.5	77.0	75.9	74.0
Ex-Finance	52.7	55.2	58.1	58.8	60.3

How measured: Total gross profit from a) geographic regions outside the UK; and b) disciplines outside of finance and accounting, each expressed as a percentage of total gross profit.

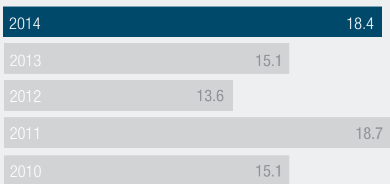
Why it's important: These percentages give an indication of how the business has diversified its revenue streams away from its historic concentrations in the UK and from the finance and accounting discipline.

How we performed in 2014: Geographies: the percentage fell slightly to 74.0% from 75.9% in 2013, but still demonstrated a high degree of diversification. This decline reflects the continuing degree of economic recovery felt in the UK, along with the strength of Sterling. In constant currencies, the percentage was 75.5%.

Disciplines: The percentage rose to 60.3% compared to 58.8% in 2013 as technical disciplines as well as Sales and Marketing, performed strongly. This remains a positive trend within the business, and was also helped by the launch of a number of new disciplines for Page Personnel.

Relevant strategic objective: Diversification

Basic Earnings Per Share pre-exceptional items



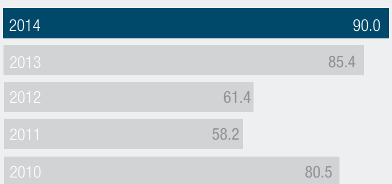
How measured: Profit for the year attributable to the Group's equity shareholders, divided by the weighted average number of shares in issue during the year; and compared to the prior year.

Why it's important: This measures the underlying profitability of the Group and the progress made against the prior year.

How we performed in 2014: The Group saw a 21.9% rise in pre-exceptional EPS to 18.4p; and 39.9% rise in post-exceptional EPS to 19.3p. Despite the impact of adverse foreign exchange movements which lowered the Group's EPS by 7% in the year, improvements in trading, combined with one-off benefits in the Group's effective tax rate drove strong growth in the Group's EPS in 2014.

Relevant strategic objective: Sustainable growth

Net cash



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

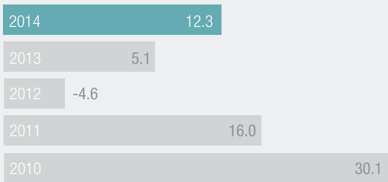
Why it's important: The level of net cash reflects our cash generation and conversion capabilities and our success in managing our working capital. It determines our ability to reinvest in the business, to return cash to shareholders and ensure we remain financially robust through cycles.

How we performed in 2014: After an increase in cash paid on dividends of 6% and £25.4m of shares purchased by the Group's Employee Benefit Trust, net cash rose to £90.0m from £85.4m.

Relevant strategic objective: Sustainable growth

STRATEGIC

Fee-earner headcount growth



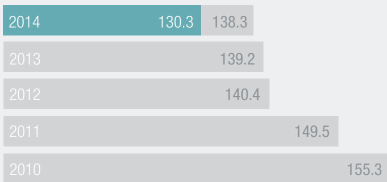
How measured: Number of fee-earners and directors involved in revenue-generating activities at the year end, expressed as the percentage change compared to the prior year.

Why it's important: Growth in fee-earners is a guide to our confidence in the business and macro-economic outlook, as it reflects expectations as to the level of future demand above the existing capacity within the business.

How we performed in 2014: Fee-earner headcount grew at 12% in the year, resulting in 4,278 fee-earners at the end of the year, a record for the Group.

Relevant strategic objective: Sustainable growth

Gross profit per fee-earner



How measured: Gross profit divided by the average number of fee generating staff, calculated on a rolling monthly average basis.

Why it's important: Our indicator of productivity; affected by levels of activity in the market, capacity within the business and the number of recently hired fee-earners who are not yet at full productivity. Currency movements can also impact this figure.

How we performed in 2014: In reported rates, the ratio fell to £130.3k from £139.2k. However, in constant currency it fell only marginally to £138.2k, despite being impacted by growth in new fee-earners in Large, High Potential Markets and the greatest level of activity being at lower salary placement levels.

Relevant strategic objective: Organic growth

Fee-earner: operational support staff ratio

	2010	2011	2012	2013	2014
Fee-Earner	73	72	71	74	77
Support	27	28	29	26	23

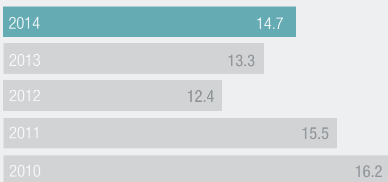
How measured: The percentage of fee-earners compared to operational support staff at the year-end, expressed as a ratio.

Why it's important: This reflects the operational efficiency in the business in terms of our ability to grow the revenue-generating platform at a faster rate than the staff needed to support this growth.

How we performed in 2014: The ratio improved in the year to a record 77:23. This was driven by operational efficiencies achieved in the business that enabled 12% fee-earner growth, while reducing slightly the number of support staff.

Relevant strategic objective: Sustainable growth

Conversion rate before exceptional items



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

Why it's important: This reflects the level of fee-earner productivity and the Group's effectiveness at cost control in the business, together with the degree of investment being made for future growth.

How we performed in 2014: The conversion ratio improved 1.4 percentage points to 14.7%, helped by the business achieving a record fee-earner to support staff ratio, as well as enjoying improved activity levels. The lower conversion rate of 12.7% in the Large, High Potential Markets was a reflection of higher headcount growth.

Relevant strategic objective: Sustainable growth

Ratio of Permanent vs Temporary placements

	2010	2011	2012	2013	2014
Permanent	78	79	78	76	76
Temporary	22	21	22	24	24

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

Why it's important: A guide to the operational gearing potential in the business, which is significantly greater for permanent recruitment.

How we performed in 2014: The ratio was flat at 76.2% vs 76.3% in 2013, with strong growth in temporary placements in our more mature markets matched by permanent fee growth at lower salary levels in both mature and less developed markets.

Relevant strategic objective: Diversification

Key Performance Indicators

PEOPLE

Employee index

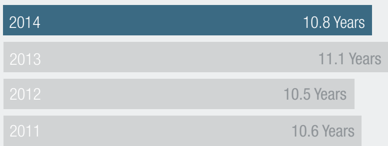
How measured: A key output of the employee surveys undertaken periodically within the business.

Why it's important: A positive working environment and motivated team helps productivity and encourages retention of key talent within the business.

How we performed in 2014: We recorded a 75% positive score for Employee Engagement in the latest Employee Survey (Summer 2013). This was a combination of 7 questions including: how valued our people felt, how proud were they to work for PageGroup; and the level of trust and recognition they received for their work.

Relevant strategic objective: Sustainable growth

Management experience



How measured: Average tenure of front-office management measured as years of service for directors and above.

Why it's important: Experience through the economic cycle and across both geographies and disciplines is critical for a cyclical business operating across the globe. Our organic business model relies on an experienced management pool to enable flexibility in resourcing and senior management succession planning.

How we performed in 2014: The average tenure of the Group's management decreased from 11.1 years to 10.8 years, reflecting an increase in the number of new directors, particularly in Asia.

Relevant strategic objective: Talent & Skills development

GHG EMISSIONS

Total GHG emissions

Total energy derived emissions (CO_2e tonnes)		
Source of emissions	2013	2014
Direct GHG emissions	1,725	1,607
Indirect GHG emissions	3,964	4,420

How measured: Direct and Indirect GHG emissions calculated in line with UK Government's 2014 DEFRA reporting standards. Principally based on data from our 20 largest offices, covering approximately 60% of the Group by headcount and gross profit, and extrapolated for the Group as a whole.

Why it's important: The emissions calculations look at the CO_2e impact of our operations in absolute terms.

How we performed in 2014: Direct GHG emissions relating to the combustion of fuel fell by 6.8% to 1,607 tonnes CO_2e, while Indirect GHG emissions through the purchase of energy such as electricity rose by 11.5% to 4,420 tonnes CO_2e.

Relevant strategic objective: Sustainable growth

Intensity values of GHG emissions

CO_2e tonnes per 1,000 employees	2013	2014
Energy derived emissions	1,122	1,095
Business travel (air, car and rail) related emissions	635	507

How measured: Intensity values for GHG emissions are based on property and vehicle energy-derived emissions per 1,000 headcount. Headcount is viewed as being the most representative metric for PageGroup's activity levels.

Why it's important: Intensity values help to normalise the GHG metrics and place them in the context of the Group's changing business profile, particularly in terms of increase in headcount. It helps to identify where progress has been made on emission reduction.

How we performed in 2014: Energy derived emissions fell by 2.4% and business travel related emissions fell by 20.2%, in part due to a Group-wide focus on reduction in travel later in 2014, and an increase in Group headcount of 8.7% in the year.

Relevant strategic objective: Sustainable growth

The source of data and calculation methods year-on-year are on a consistent basis. Two new strategic and two new employee-related KPIs were included. The movements in KPIs are in line with expectations.

GHG Emissions

In line with the requirements of the Companies Act 2006 (Strategic Report and Directors' Report Regulations), PageGroup reports on all direct greenhouse gas emissions (relating to the combustion of fuel and the operation of any facility, together with any fugitive emissions); and indirect GHG emissions (through the purchase of electricity, heat, steam or cooling).

In 2014, we reviewed our process for calculating the emissions for the 2013 report, and targeted data gathering on our largest 20 offices. This was an expansion of the data exercise from the prior year and covered nearly 60% of the Group by headcount and gross profit. For the 2014 emissions reporting, we reviewed all our 2013 data as well as enhancing the quality of our 2014 data collation. These process measurement improvements are planned to continue, and will enhance the quality of our emissions reporting in future years.

Emissions have been calculated in line with the 2014 DEFRA reporting standards, and calculated using the UK Government conversion factors for Company Reporting produced for DEFRA and DECC.

Direct emissions from fuel consumed by company owned or leased vehicles were calculated using the fuel consumed by the German based car fleet, which has the highest vehicle fleet per headcount in the Group. This represents 12% of the Group global car fleet of just over 1,200 vehicles. The emissions for vehicles in other countries were calculated by first extrapolating Germany's fuel consumption per vehicle and then calculating the resulting emissions.

Indirect emissions derived from property energy consumption directly under the company's control have been calculated by using a sample of the largest offices across the world, together with the entire UK business, achieving nearly two-thirds coverage, with emissions for the remaining offices calculated by extrapolating headcount.

The analysis of fugitive emissions (relating to air conditioning refrigerants) was reviewed for Brazil and the UK, being representative of large office networks in different geographic regions. The implied global result was emissions representing less than 1% of total emissions and is not regarded as material for reporting purposes.

Intensity values

Intensity values (based on property and vehicle energy derived emissions per 1,000 headcount) are shown in the KPI table. Headcount was chosen as being most representative of the Group activity levels, and is relatively unaffected by issues such as business mix or foreign exchange variations. The intensity of 2014 emissions reduced by almost 3% compared with 2013.

In addition to the mandatory reporting of emissions, we also calculate our business travel related emissions, and the intensity of these emissions for 2013 and 2014.

Q & A with Steve Ingham, CEO

Q. How have the dynamics of the global recruitment industry evolved post the 2008 financial crisis?

A. The impact of the 2008 financial crisis is still being felt in the recruitment industry more than five years on. In some markets, client and candidate confidence continues to be fragile, even in economies where there have been reasonable levels of economic growth over the past 12-18 months. Unlike previous cycles, there has not been a rapid Financial Services or Corporate M&A-led recovery. While we do not believe a significant structural change in the industry has taken place, the recovery has struggled to gain momentum and has not yet been felt in the higher-salary areas of our business, which continues to impact Group productivity levels.

There has been a clear reduction in demand for support staff in Financial Services through greater outsourcing over the past five years. PageGroup's diversification into a broader range of disciplines, particularly technical areas such as Engineering, Property & Construction, Supply Chain & Logistics, and Digital Marketing is also a reflection of this overall dynamic.

We see considerable opportunities in specialisms such as these to achieve significant growth and to develop new market opportunities at attractive margins. This also has positive diversification benefits on our business mix as we scale these disciplines around the world.

Q. Can PageGroup achieve conversion margin (proportion of gross profit converted into operating profit) at or close to the peaks of 2007?

A. I believe that there is no structural reason why we should not return to conversion margins at close to the peaks seen in previous cycles, being around 30%. The notable caveat is that this would require the vast majority of our markets to be in high growth mode. With the greater geographic diversity across the business this may happen less frequently. Nevertheless, we have not yet seen meaningful movements in the key drivers of our conversion margin, and while our geographic mix has changed, the focus of the business has not. As set out on page 13, there are a number of market factors which can produce material gearing within the business when they align, but we are still in the early recovery stage in many markets.

There is a greater degree of complexity in a business that is now in 36 markets across the globe, and less concentrated on Finance & Accounting or Financial Services. However our newer disciplines have the potential for achieving just as attractive conversion margins and fee rates. The substantial growth in the Page Personnel business has been achieved at similar margins to Michael Page. In addition, we have materially reduced costs in a number of areas of the business as we increasingly centralise into regional or Group-based functions, which also helps in sharing best practice and improving consistency.

Q. What effect have online recruitment websites and social media had on your business?

A. Over the last decade the recruitment industry has embraced digital communications with a mushrooming of online websites, job boards and the use of social media. While it is now much easier to identify potential candidate pools through online channels, identifying genuine high calibre job seekers is completely different. Channels such as Xing, Viadeo and LinkedIn are useful tools for us, but there is no true substitute for the work done by a skilled recruitment consultant and their expertise in advising clients and interviewing candidates.

Our database of registered candidates who we have interviewed, screened and properly understood their motivations for looking for a new job, remains our best source of candidates and cannot be replicated online, particularly in the very short timeframes often demanded.

PageGroup is highly active on all of the leading online portals and is one of the most recognised recruitment brands on LinkedIn, where we are one of their key global accounts. We monitor constantly which sites are most successful at accessing the best candidates, and these differ by geography and by discipline.

For example, in China we are a major user of WeChat, which is the social media platform most used by candidates and clients alike. Our goal is to identify the best candidates through a broad range of online and offline sources, but then to engage with them in person. Here the expertise of our consultants in assessing the personality of a candidate and matching it with the culture of a client is key.

Q. What have been the challenges with developing the online platform?

A. We believe it is critical that social media does not become a distraction for our consultants, and that we avoid over-engagement with candidates which can quickly be viewed as intrusive. We therefore seek to be highly disciplined in our approach to digital communications, optimising their use and targeting our activity and engagement where it is most meaningful.

This approach can differ from market-to-market, and particular sites can rise or fall in popularity very quickly. It is not our business to place large bets on potential winners, but rather to ensure an appropriate online presence for the business. In this way, our digital platform can be sustained as an extremely powerful tool for the business and a highly efficient way to promote our brand and expertise to a targeted marketplace.

Q. What benefits are you expecting from the new Page Recruitment System?

A. The benefits from the new operating system are two-fold. Day-to-day, consultants have a much more efficient and powerful suite of tools at their fingertips. Searching for candidates or placing job advertisements across many channels and job boards can be done in an integrated manner, speeding up a number of historically manual processes. The screening and referral tools have also been greatly enhanced, allowing consultants to rapidly review our database of potential candidates, and share information and leads across teams and offices.

For team managers and the business as a whole, there is much greater management information and analysis available, much of it in real-time and on a consistent basis. In addition, with the new cloud-based and modular structure of the system, maintenance and software upgrades will be significantly simpler and more cost effective to implement.

Q. Do you have a particular temporary/permanent ratio target for the Group?

A. This is not a ratio we look to manage the business by, or set particular targets for, as in certain regions the temporary opportunity is relatively limited. This would include most countries in Asia and Latin America, principally for cultural reasons. Having a business which has a good mix of temporary and permanent is attractive from a diversification perspective, and can help reduce revenue volatility at certain points in the cycle. We are therefore very open to market opportunities wherever they make sound financial and strategic sense, in both permanent and temporary segments.

Q. What has been the biggest challenge in 2014?

A. There has been a greater degree of volatility in most regions than expected, requiring significant management attention and mobility of resource. With markets not following recognisable trend patterns, headcount investment which is essential for future growth requires patience as new consultants get up to speed. This does lower short-term consultant productivity, and the business has not benefited from normal market-drivers such as wage inflation to help offset this.

Reaching our candidates:

Our digital platforms

Candidates

In this digital age, communication channels are ever more diverse and competition for candidate attention has intensified.

Disciplined and intelligent use of a broad range of digital channels, from our own websites to search engine presence to social media activity, is key to generating candidate trust, ongoing engagement and a strong online brand.

Websites

Our single biggest source for candidates, our latest websites, ensure the very best user experience. Developed as responsive sites they ensure that whatever device our candidates use, they get an optimal user journey.

Each site offers a range of tools, from free-text job search, to job alerts, to social bookmarking to make the user interaction simple and effective.
In addition, the sites are populated with rich content to help candidates at every stage of their career development or in their job search process.

Social Media

Social media channels vary in their popularity over time and in different regions and cultures. PageGroup is active across all relevant channels, and monitors the usage by clients and candidates to ensure the maximum potential for attracting high quality candidates.

PageGroup is a strategic partner account for LinkedIn and is active in using this tool for long-term candidate pool sourcing and ongoing engagement, such as through specialist discussion groups. In 2014, PageGroup was ranked as the 7th best-known UK brand across LinkedIn.

Content

On all channels, engaging and relevant content is key to building ongoing relationships with current and future candidates. We have a dedicated resource for developing content and managing discussion groups, ensuring PageGroup interaction is kept consistently high in quality and usefulness.

PageGroup offers insight and advice to ensure candidates make informed and decisive career decisions, building credibility in our brands and trust in our teams when a candidate enters the job search process.

Consultants

Our new Page Recruitment System (PRS) puts a suite of powerful tools in the hands of our consultants to enable them to review CVs, share them with colleagues and interact with online job boards and CV databases.

Enhanced analytics allows the business to monitor our online activities and ROI, to enable the optimal use of resources.

Analytics

Our new Page Recruitment System (PRS) has a range of management information tools to allow the individual consultant, team manager and directors to monitor a range of metrics, such as Return on Investment (ROI) from job boards, or consultant activity. This enables the business to optimise its resources and online efforts onto sites which deliver the highest calibre – rather than quantity – of candidates.

In addition, the analytics tools have enhanced our client responsiveness and quality monitoring, allowing for a more accurate review of our client service delivery.

Flexibility

The new PRS system is modular, increasingly cloud-based and built on latest-generation technology. It has been combined with a significant upgrade of the website architecture and interfaces, increasing consistency across the globe. This gives the greatest flexibility in scaling and upgrading the system, as well as lowering ongoing maintenance costs.

The data cleansing and coding exercise undertaken as part of the PRS upgrade has delivered an enhanced ability to review all aspects of a relationship, whether as client, candidate or both, through the lifetime of the contact.

Global Roll-out

In 2014 the roll-out of the PRS system commenced and by the end of the year over 30% of Group fee-earners were using the system, principally in the UK and US.

This programme is ongoing with the substantial majority of the Group scheduled to be completed by the end of 2015.

Corporate Social Responsibility

Being a responsible corporate citizen is not only the right thing to do, it is good for the long-term health of our business.

We are responsible to our stakeholders

Our people	Our candidates Our clients Our suppliers Our shareholders	The communities in which we operate	Society at large

Our obligations to these stakeholders

- To make PageGroup the best place to work
- To ensure we have the highest ethical standards
- To maintain the highest standards of corporate governance
- To contribute positively to the communities we operate in
- To minimise and mitigate our environmental footprint

Categories: Workplace, Marketplace, Governance, Community, Environment

We have identified five categories as being key to our CSR efforts and over time we will look to build metrics and targets to monitor our performance within each category.

We fulfil our obligations in a sustainable way

Our organic business model, together with our focus on team culture and career development, has helped to develop long-term sustainability within the business. In 2014 we commenced a programme to place our broader CSR efforts on a more formal and documented basis and with reference to industry best practice on Environmental Soial Governance (ESG) principles.

Many of the key elements which make up responsible management in our business have been firmly in place for many years.

In 2014 we worked to better codify these existing elements, to help them be more scalable and have delivered consistently across our global network.

This categorised our CSR elements into the five elements of Workplace, Marketplace, Governance, Community and Environment. Our CEO Steve Ingham, the Executive Board director responsible for CSR matters, sponsored the new framework, and the Board has subsequently reviewed the programme and outputs, which encompass all of the ESG topical areas relevant for our business. We will look to report on our progress under these CSR categories in future years.

Best place to work

The quality and integrity of our people is fundamental to our reputation, financial success and long-term viability. That is the bedrock of our team culture and the proposition we offer to clients and candidates. We are therefore highly focused on ensuring that our workplace environment, our employees' well-being, and their work-life balance are as good as we can make it.

Indeed, for ten consecutive years we have featured in the Sunday Times 'Best 100 Companies to Work For' and this year we achieved one of our highest ever rankings, at 41. This helps to maintain employee commitment to the business and to increase overall staff retention. We employ a broad range of initiatives, including getting frequent feedback as well as taking a regular "temperature check" through our global employee survey.

The feedback from our Summer 2013 employee engagement survey was used to define a global employee value proposition, leading to even greater focus on career development as well as initiatives to further improve the work-life balance. These actions have translated both into greater engagement at all levels and prompted improved cross-regional working. The next survey is scheduled for Spring 2015 where we are aiming to improve on our 2013 engagement levels.

We have a diverse cultural and ethnic profile within the business and a near 50:50 gender mix. Our diversity programmes, OpenPage and Women@Page, were recognised in 2014 with four national awards in the UK. These awards, including the award for Best Diversity Initiative in the Chartered Institute of Personnel & Development People Management Awards 2014, recognised our success in retaining female employees and for helping women return to work after maternity leave.

Over one-third of employees participated in the "Global Corporate Challenge 100 Day Journey" for improved health and well-being. Additional detail on these initiatives, and our other efforts focused on ensuring a positive workplace, can be seen on pages 27 to 30, and also in the full 2014 CSR report.

Gender diversity		%		%
At 31 December 2014				
Board Directors	5	71	2	29
Senior Management	304	79	77	21
Total employees	2,739	49	2,839	51

		%		%
At 31 December 2013				
Board Directors	5	71	2	29
Senior Management	276	79	73	21
Total employees	2,530	49	2,600	51

Corporate Social Responsibility

Highest ethical standards in our marketplace engagement

Key to the sustainability of our business is our reputation for integrity. We are mindful that our contact with candidates is always highly sensitive and often at critical points in their career. Similarly, we assist clients with finding the right team to ensure the continuing success of their business. These are important responsibilities so we demand high ethical standards and confidentiality from both our consultants and our suppliers.

We actively seek feedback from clients to help improve our service. We investigate and respond to any issues raised with us. We operate an external whistleblowing line for employees to raise any concerns that they may have. We achieved our 2014 target of no issues requiring Board notification, no material regulatory breaches, and no fines.

In 2014 we revised our supplier code of conduct. We are in the process of incorporating it into our agreements with all of our key suppliers, as well as putting in place a programme of efficient procurement.

We have also sought to improve our transparency and dialogue with all stakeholders and increased engagement with shareholders. For example, at our well received Investor Relations event in September, analysts and investors had the opportunity to meet our regional leadership teams.

Highest standards of corporate governance

The Board is collectively responsible for the Group's financial and operational performance, as well as promoting the success and sustainability of the business. The Board fulfils its responsibilities by directing and supervising the Company's strategy and policies.

Set out in the Corporate Governance Report are details of the activities and improvements made in 2014. These include further initiatives and training on the anti-bribery and corruption policy, together with putting in place actions recommended in the 2013 external board evaluation process.

This year saw a detailed bottom-up project, reviewing and measuring the significant risks facing the business, and putting in place processes to monitor and mitigate them. These risks are discussed on pages 43 to 46.

Positive contributions to communities

As a business based around people, it is essential that we make a positive impact on the communities where we operate. We value the powerful influence of volunteering on our staff's personal and professional development. We encourage all employees to actively support charities, not-for-profit organisations, learning programmes and other community-based activities.

To facilitate this we enable all staff to take a Corporate Social Responsibility day annually so that they can volunteer in an activity that supports the community or a charity. In many regions this is co-ordinated so that teams or offices together undertake a specific project. We also assist in community outreach programmes where we share our expertise in areas such as CV writing and interview techniques.

PageGroup around the globe has many longstanding charity commitments, such as our work with Operation Smile in China or for St Baldrick's in Hong Kong. We also have year round charity partnerships. For example, in the UK we have raised close to £1m for six charities in the last eight years. To raise funds, our UK employees have climbed peaks, cycled to Paris or participated in office-based fund raising. Additionally, PageGroup actively promotes tax-efficient payroll-based employee donations which we then match.

Minimise environmental footprint

We are conscious that the day-to-day running of our business will inevitably have environmental consequences, particularly in terms of energy consumption and business travel. We have in place processes to monitor our CO_2 emissions from air travel and seek to minimise any unnecessary journeys. For example, we look to alternative methods such as video conferencing to assist in the management of the business wherever possible.

Our operations are office-based. As such, we believe we have a relatively low impact on the environment in comparison to many other global businesses. We utilise rented or serviced offices in all locations and consequently rely heavily on our landlords for environmentally-friendly facilities. In 2014 we revised our procedures for determining the choice of new office space and included defined environmental criteria. We have also broadened our programme for collecting GHG emission data which will provide us with trends and help us target our efforts where they can make the most difference.

See page 22 for our GHG reporting for 2014.

Developing people and business:

Our international mobility programme

Bruno Negretti
Director, Chile
São Paulo > Santiago

Bruno joined PageGroup in Brazil in 2011 as Senior Associate, Page Executive. In 2013, he transferred to Santiago to launch Page Executive in Chile and now leads the Financial Services sector team.

"PageGroup offers fantastic opportunities to apply your skills and abilities in different places and markets."

"Prove your capabilities and PageGroup will reward you with a great career."

Aaron Bambrick
Manager, United States
Brisbane > Houston > Calgary

Aaron joined as a graduate in Brisbane. In 2012, he launched 3 Michael Page technical discipline teams. In 2014, Aaron relocated to Houston before recently moving to Calgary to develop our Calgary and Alberta operations.

Denis Daniliuc
Executive Manager, Mexico
Lille > Paris > New York > Brussels > Mexico City

Denis joined PageGroup in Lille in 2004 as a consultant. In 2008 he moved to New York and then to Brussels to develop new disciplines. In 2012 Denis moved to Mexico City where he is Executive Manager for two technical disciplines.

"I don't know many employers who could give me the international career I enjoy at PageGroup."

PageGroup has a proud history of growing organically over many years, successfully taking our brand into new countries and diversifying across new disciplines.

We have grown our business with confidence through moving some of our most talented employees to new countries and cities where they will have the most beneficial impact on the business.

Moving to new places and accepting international assignments has become an intrinsic part of the PageGroup culture, and what attracts many consultants to the business.

Shown above are examples of six people who have made significant international moves during their career with PageGroup.

Our global 'Unlock Your Potential' relocation programme matches an individual's ambitions, talents and skills to the needs of the business by supporting them to move within the Group to where we see good opportunities.

We pride ourselves on ensuring they and their families are supported through their move and have every opportunity to settle quickly in their new location.

“I have been given great opportunities while feeling fully in control of my career.”

Mathieu Moisan
Director, Sweden
Nantes > Strasbourg > Suzhou > Stockholm

Mathieu joined PageGroup in 2004 to launch the Property & Construction division for Western France. From 2010 he led the Strasbourg office, managing Eastern France. After relocating to China to develop new business, Mathieu is now back in Europe leading our Nordic business.

Christopher Snow
Managing Consultant, Japan
New York > Tokyo

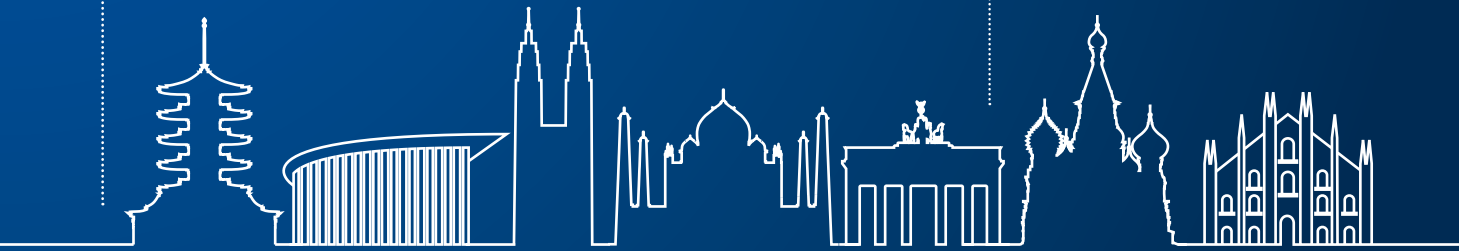
Chris began his career in 2008 in Stamford, before moving to New York where in 2012 he started our audit contracting business. In 2013 Chris moved to Japan and now leads the legal recruitment team in Tokyo.

“Living and working in another country is an incredible experience. You learn and experience so much.”

“My career with PageGroup has taken me to places and in directions I never foresaw but which fit my talents and abilities very well.”

Esther Roman
Regional HR Director, Continental Europe & Africa
Madrid > Zurich > Munich > Frankfurt

Esther joined in Spain in 2000 as a consultant before moving to Zurich to launch Page Personnel. In 2009 she opened our Munich office and then moved to Frankfurt as Director of Training and Development, Germany and Austria. Esther is now Regional Human Resources Director for Continental Europe and Africa.



We regularly campaign for employees to move to specific locations where we are growing our business and every year we have more than 100 international moves across all regions.

Not everyone is suited to such an international career and the cultural and market differences between regions can be significant. With nearly 30 years of international growth we have the experience to know who is likely to be best suited to a particular market profile.

We also keep track of the skills and experience of our identified top talent and look to ensure they have the breadth of international experience necessary in order to take senior leadership roles when these become available.

Regional Perspectives: EMEA

What were the principal issues in 2014?

“We steadily improved our gross profit throughout the year, supported by careful and consistent headcount additions, according to local business needs. We developed our Page Personnel business in Germany and France in particular, broadening our market position and footprint. In Southern Europe and the Middle East we outperformed the competition, having been a consistent participant throughout the downturn, which clients appreciated. We combined this growth with efforts to operate better and be more streamlined; this helped us to continue our cost efficiency and drove conversion rates over the past 24 months from 10% to over 14%.”

What are your priorities for 2015?

“If the Eurozone outlook worsens, we might have to rethink our expected growth trajectory. Otherwise we would hope to make steady progress, and support the businesses by investing locally in growing teams, launching new disciplines and rolling out the new PRS system across the region. Having achieved cost efficiencies in 2013-14 and added headcount scale in 2014, in 2015 we will look to talent development and improve consultant productivity where market conditions allow.”

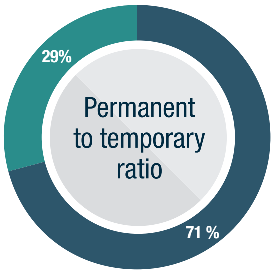
“Despite an uncertain macro environment, we added significant scale in key target areas, while increasing our conversion rate from 12.5% to 14.2%.”

Olivier Lemaitre
Regional Managing Director

2014 Highlights

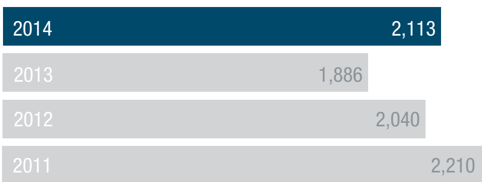
	2014	2013
Revenue	£419.7m	£407.0m
Gross profit (net fee income)	£212.0m	£207.8m
Operating profit before exceptional items	£30.1m	£25.9m
Conversion (operating profit/gross profit)	14.2%	12.5%
Year end staff headcount	2,113	1,886
Percentage of Group gross profit	40%	40%

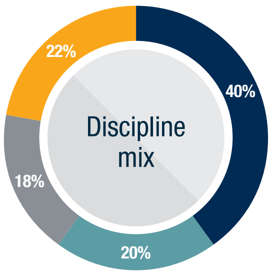
Gross profit £m



%	2014	2013
Permanent	71	72
Temporary	29	28

Headcount





£m	2014	2013
Finance & Accounting	83.9	84.9
Marketing, Sales & Retail	41.4	35.7
Legal, Technology, HR, Secretarial & Healthcare	39.1	40.1
Engineering, Property & Construction, Procurement & Supply Chain	47.6	47.1

Record year for Page Personnel in Europe

German growth accelerating across the year

Southern Europe gross profit up by 21%

Gross profit records in six countries

Regional Perspectives: UK

What were the principal issues in 2014?

In 2014 we were able to capitalise on an improving economic backdrop. Early in the year we saw the potential and so added fee-earner headcount to put us in the best position as the market continued to strengthen. As well as looking to achieve market share gains in our core disciplines, we broadened our offering, with new Page Personnel specialisms of Public Sector, HR and Property & Construction; and both Engineering Design and Digital in Michael Page, which were all very well received. We also placed considerable emphasis on our EVP programme, to ensure we nurtured and retained talent within the business, as our people are key to our future growth and productivity gains.

What are your priorities for 2015?

We want to continue to develop the new businesses and ensure we leverage the investments made in 2014, including a greater focus on the temporary market. Part of this will involve driving enhanced client engagement with the Michael Page and Page Personnel brands through our new PRS tools. We will continue to invest in talent development both through our expanding Sales Academy and our management development training.

"We took advantage of the positive economic backdrop to drive the business forward and also achieve an uplift of 2.6 percentage points in conversion margin."

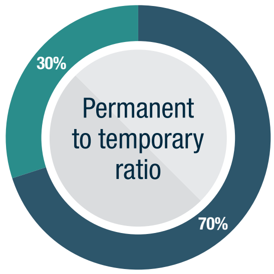
Oliver Watson
Regional Managing Director

2014 Highlights

	2014	2013
Revenue	£325.7m	£298.6m
Gross profit (net fee income)	£138.4m	£124.1m
Operating profit before exceptional items	£24.1m	£18.4m
Conversion (operating profit/gross profit)	17.4%	14.8%
Year end staff headcount	1,441	1,319
Percentage of Group gross profit	26%	24%

Gross profit £m

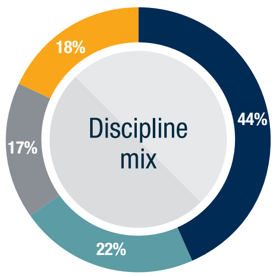
2014	£138.4m
2013	£124.1m
2012	£121.4m
2011	£130.0m



%	2014	2013
Permanent	70	71
Temporary	30	29

Headcount

2014	1,441
2013	1,319
2012	1,237
2011	1,292



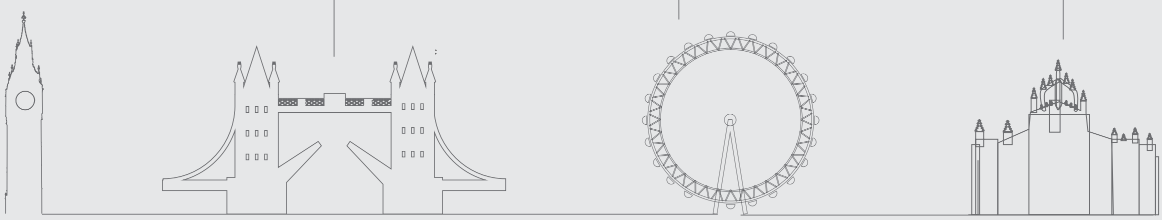
£m	2014	2013
Finance & Accounting	60.5	53.7
Marketing, Sales & Retail	29.9	27.4
Legal, Technology, HR, Secretarial & Healthcare	23.6	22.1
Engineering, Property & Construction, Procurement & Supply Chain	24.4	20.9

Gross profit for Page Personnel, up 22%

4 new businesses launched across Michael Page and Page Personnel

Roll-out of PRS completed by end of year

Multiple awards for workplace environment/ diversity initiatives



Regional Perspectives: Asia Pacific

What were the principal issues in 2014?

“We succeeded in stabilising the business in Australia after the major commodity-led slowdown which had started in 2013. By the end of the year it was good to see the country returning to growth, even though we are cautious as to the likely pace of recovery in 2015. Asia had an exceptional year, with many country records and we made significant market share gains as well as developing new opportunities. Across Asia we are seeing increasing demand for professionally qualified candidates, combined with much greater interest from domestic clients for our services. We also cemented our leading market share in China, and made further steps in developing our local management team.”

What are your priorities for 2015?

“We will continue to diversify into technical disciplines across the region, and broaden our position in the Asian markets. There are considerable opportunities to grow our domestic client base in many markets, as well as drive productivity gains as our consultants’ experience and sector understanding deepens.”

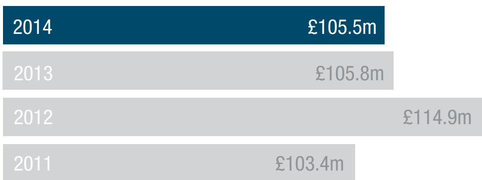
“Asia had a record year and we are consolidating our market-leading position, including making inroads into many domestic markets. Australia is slowly returning to growth.”

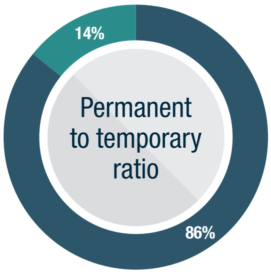
Gary James
Regional Managing Director

2014 Highlights

	2014	2013
Revenue	**£193.5m**	£189.4m
Gross profit (net fee income)	**£105.5m**	£105.8m
Operating profit before exceptional items	**£20.0m**	£19.2m
Conversion (operating profit/gross profit)	**18.9%**	18.2%
Year end staff headcount	**1,141**	1,111
Percentage of Group gross profit	**20%**	21%

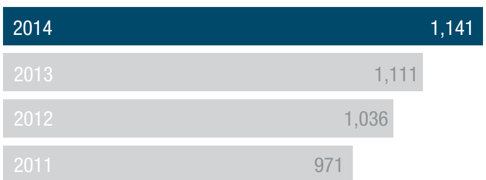
Gross profit £m

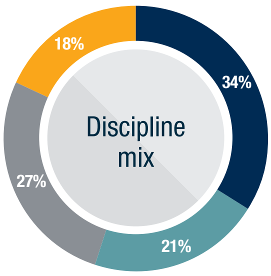




%	2014	2013
Permanent	86	85
Temporary	14	15

Headcount





£m	2014	2013
Finance & Accounting	36.2	41.2
Marketing, Sales & Retail	21.8	20.3
Legal, Technology, HR, Secretarial & Healthcare	28.4	26.5
Engineering, Property & Construction, Procurement & Supply Chain	19.1	17.8

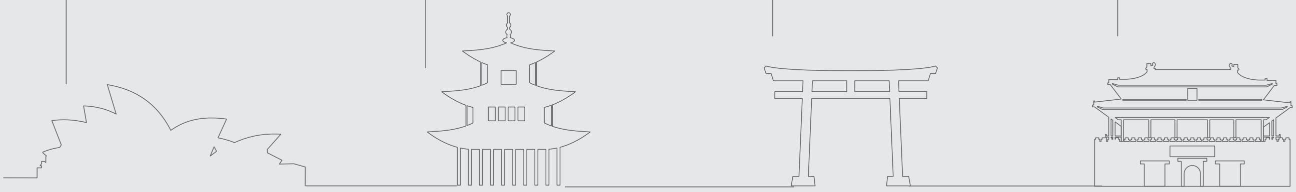
Australia
Record year of gross profit growth for Page Personnel

Greater China
Approaching 450 people.

Record gross profit in 20th anniversary year in Hong Kong

Japan
Record year with 16% of gross profit generated from domestic companies

Malaysia
Gross profit CAGR of 96% from 2011-2014



Regional Perspectives: Americas

What were the principal issues in 2014?

"In North America we have made real progress, building out the business against a backdrop of good economic conditions, especially in the New York financial markets. We have broadened our geographic footprint and encountered limited competition for our technical disciplines. Brazil was impacted by the World Cup and Presidential elections dominating client and candidate attention. We therefore kept our resources flexible, while maintaining a platform capable of scaling. Outside Brazil, the Latin American marketplace is full of opportunities and with limited competition. Our focus here has been on better adapting ourselves to client needs; allocating senior management to accelerating economies; and consolidating our support teams to facilitate our increasing scale."

What are your priorities for 2015?

"In North America we need to build out our expertise and continue our talent development to improve retention, which will help conversion rates. In Latin America, there are many opportunities to consolidate our leadership position and further our relationships at a regional level with leading multinationals. We can also enhance productivity with further efficiencies and benefits from the new PRS operating system."

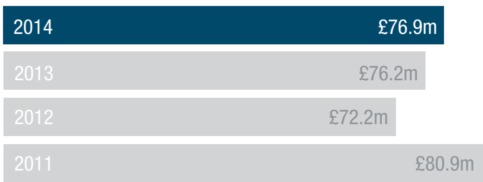
"We have enjoyed a very good year in both North and Latin America, despite the disruptions in Brazil."

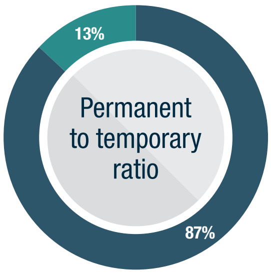
Patrick Hollard
Regional Managing Director

2014 Highlights

	2014	2013
Revenue	**£108.0m**	£110.5m
Gross profit (net fee income)	**£76.9m**	£76.2m
Operating profit before exceptional items	**£4.3m**	£4.6m
Conversion (operating profit/gross profit)	**5.6%**	6.1%
Year end staff headcount	**883**	814
Percentage of Group gross profit	**14%**	15%

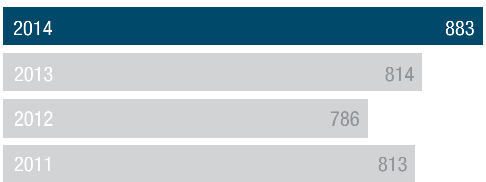
Gross profit £m

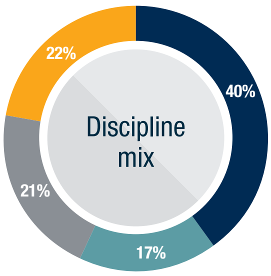




%	2014	2013
Permanent	87	86
Temporary	13	14

Headcount





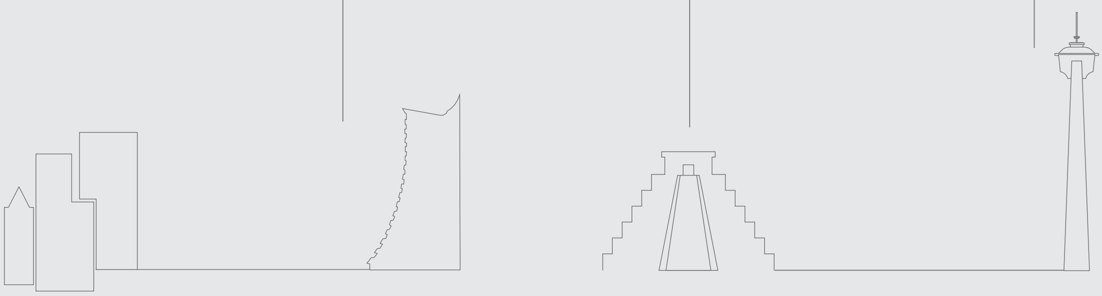
£m	2014	2013
Finance & Accounting	30.7	32.0
Marketing, Sales & Retail	13.3	12.5
Legal, Technology, HR, Secretarial & Healthcare	16.2	16.5
Engineering, Property & Construction, Procurement & Supply Chain	16.7	15.2

Peru
Launch of Peru business

Colombia
Gross profit up by over 50%

Mexico
Mexico City headcount increased 23%

Calgary
New office in Calgary



Risk Management Structure

Principal Risks

The Group recognises that the effective management of risk is important in achieving our Strategic Objectives.

A Group risk review process is in place which identifies both the risks and the mitigating actions required to ensure that all risks are controlled to an acceptable level.

The process of risk management is ongoing throughout our business forming part of our strategy, our business plans and the delivery of our daily activity.

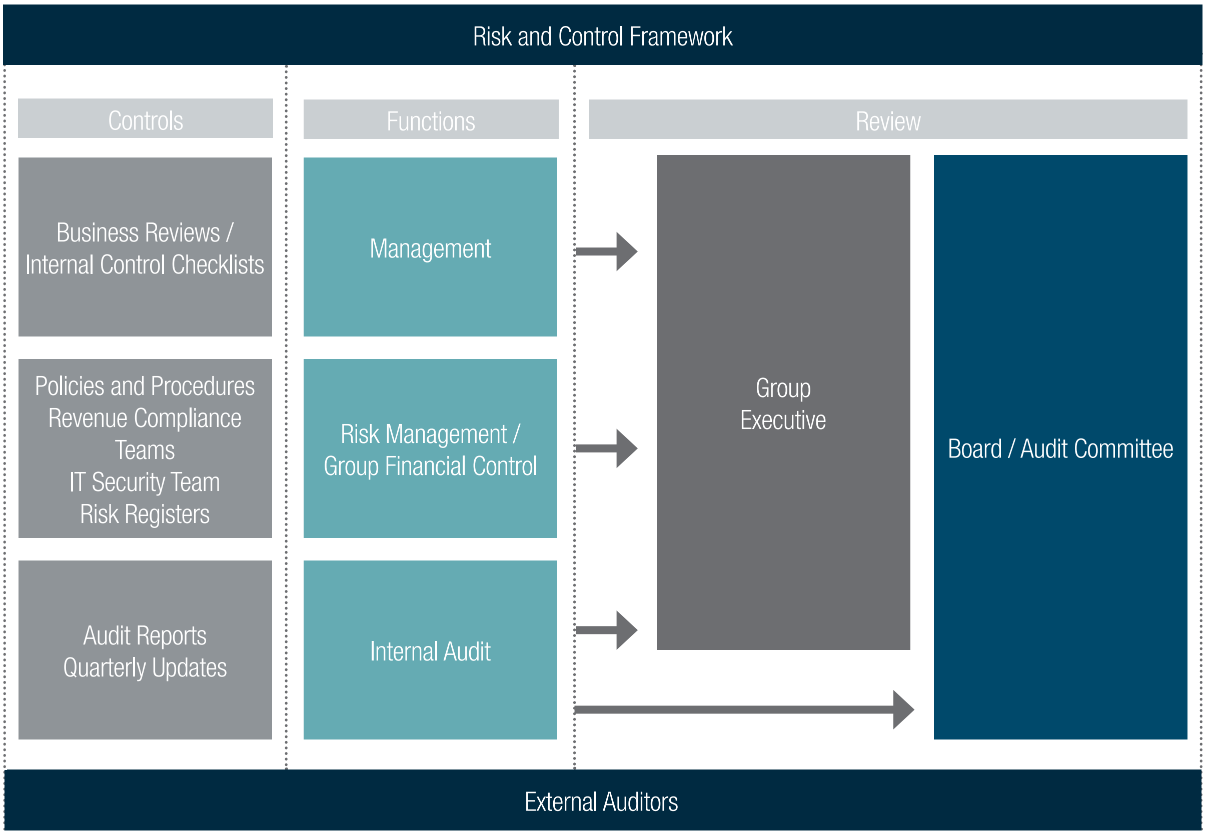
It is supported by operational risk registers that are maintained locally at country and process level and consolidated twice a year with a formal review by the executive and the Audit Committee on behalf of the Board.

In the intervening periods the risks associated with changes in either the external environment or as a result of internal proposals are discussed as part of our ongoing management reviews, business reviews, and are responded to accordingly.

We have also established compliance teams within our Group Information Systems team, who focus on IT risks and security, together with regional revenue recognition compliance teams who ensure accurate reporting of our revenue worldwide.

Our internal audit programme of activity focuses on ensuring that assurance is provided over the controls that mitigate the risks identified from this process on an annual cycle.

Our risk and control framework



Our risk management process categorises our principal risks into Strategic, Financial, People and Operational.

Within this process we assess all risks that could have a significant impact on the ability of the business to deliver its short-term plans and medium and long-term strategy.

Specific focus is placed by the Executives and the Board on Strategic, People and Financial risks. For these we disclose KPIs we use to monitor the risk impact, and the rewards and incentives we apply to ensure effective management.

See strategic framework on page 7.

Our operational risks are those that the Executives have agreed can be managed by our people on a day-to-day basis. These are included within our risk registers and are reviewed at the Board on an exceptions basis.

Our risk evaluation includes matters relating to all our key stakeholders and encompasses considerations of governance, social, environmental and legal requirements.

The process of risk management is ongoing throughout our business forming part of our strategy, our business plans and the delivery of our daily activity.

Principal Risks & Uncertainties

Financial Risks

Risk	Actions to mitigate risk	
Macro-economic exposure 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 expanding geographically, by increasing the number of disciplines we support, 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. • Our strategy recognises large high potential markets in which we operate, principally Germany, Greater China, Latin America, South East Asia and the US, where we believe it is appropriate to continue to invest through the economic cycles for the long-term. This investment is principally in our people in these areas and can be offset by balancing against costs in other regions where we seek to drive further efficiencies.	• We continue to balance our permanent and temporary staff in line with the ratio of our permanent to temporary business in each of the markets in which we operate. The temporary business tends to be more resilient in times of economic downturn. • We maintain a relatively low fixed cost base which allows the Group to scale up and down according to the economic environment. Our information systems model is service based and we have centralised support activities at a Group and Regional level to ensure we benefit from the efficiency of scale and standard processes where possible.
Foreign exchange – translation risk The majority of the Group's operating profit is derived from operations outside of 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.	• 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 exposure to foreign denominated monetary assets and liabilities.	• Note 21 of the financial statements includes a sensitivity analysis showing the effect of a 10% strengthening of Sterling against other key currencies.

Strategic Risks

Risk	Actions to mitigate risk	
Shift in business model The emergence of new technology platforms including, for example, 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 new technologies and their use in the recruitment sector, and we have a pro-active social media strategy. • 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 in their day-to-day activity.	• Our highly trained and often specialised consultants maintain an extensive qualified candidate database which we use to resource for our clients at an overall cost that they cannot match.
Delivery of operational efficiencies As our business grows we may be unable to support our front end activities in an efficient and effective manner.	• Our systems strategy will ensure IT is delivered on a service model managed by a Global IT capability which not only ensures an efficient service provision but one which is highly resilient and scalable.	• Our back office support activity covering IT, Finance, HR and Marketing will be provided via shared service centres to ensure we maximise our opportunities for process standardisation and gain the benefits of scale.

People

Actions to mitigate risk

People development
The Group's strategy of organic growth, with nearly all senior operational positions being filled from within, relies on its ability to develop high performing individuals.

- We have a well established appraisal process applied throughout the organisation which reviews performance against objectives supported by personal development plans.
- We make significant investments in employees' training and development across the organisation including the opportunity for international career development supported by a global mobility policy. Training is aligned at the consultant level set at a high standard and is both broad based and individually focused with a '9 step' modular programme to support leaders as they develop through the Group.
- Key high performing individuals are identified and have progression plans recognising their specific needs at different stages of their development.
- 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 team 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 the Group provides sustainable career opportunities.

Attraction and retention
The failure to attract and retain employees with the right skill set, particularly the resignation of key individuals, and may adversely affect the Group's operational performance and financial results.

- The Group targets its recruitment process to attract and employ high quality individuals. We make best use of technology with a best-in-class approach applied across all our operating businesses.
- We are committed to a competitive pay and benefits structure and use benchmarking to ensure we remain competitive. We incorporate 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. This provides a long-term retention incentive and aligns their motivations with those of our shareholders.
- The Group employment contracts contain protection in the event of an employee leaving which at our senior level usually contain notice periods and provisions relating to confidentiality and non-solicitation.
- We have a strong sense of pride in everything we do with a firm belief in teamwork being core to the Group culture. This drives determination to succeed both individually and as a team, increasing the motivation of our staff and making their careers more rewarding.

The Board's view of direction of travel of gross risk:

- Similar to prior year
- Lower than prior year
- Increased since prior year
- A new risk or disclosure that has been added this year

Principal Risks & Uncertainties

Operational Risks	Actions to mitigate risk
Technology Our systems are an integral part of our operations. Loss of systems capability would have a high impact on our performance impacting the quality of service we provide to clients and candidates and our ability to deliver our financial performance.	• Our core operating systems are regionally based, reducing the impact of any one incident to a single region. Within regions we have developed highly resilient IT operations environments. • We have a dedicated security team who ensure our systems are protected from unauthorised access. This includes ensuring appropriate multi-layered protection at network and local levels and regular monitoring and testing of our capabilities. • We have in place disaster recovery plans for each of our services at global and regional levels which provide a level of service agreed with the business in the event of a disaster. • We are in the process of migrating our services to a cloud-based infrastructure which will further enhance resilience and our disaster recovery capabilities.
Key systems vendors Our move to the delivery of IT as a flexible service increases our reliance on third party vendors for service delivery. Should one of these vendors fail we are at risk of a service disruption.	• We select vendors through a robust vendor selection process which ensures those chosen have the ongoing capability to support our business requirements effectively. This is reviewed and managed on an ongoing basis through the services delivery team. • We have in place service delivery contracts with our key vendors which include levels of resilience appropriate to the nature of our business.
IT Transformation and change The Group is in the process of implementing a new suite of IT applications. This has now been successfully completed for the US and the UK and we have a plan to roll-out to the rest of the Group. We have a working application suitable for our business which will deliver benefits on a global basis. There are still some residual risks around timing.	• This project is reviewed regularly by both the Board and the executive committee to ensure that it is on target. The roll-out will continue in stages so that there is limited interruption to the business. Any issues that arise during an individual implementation will be resolved at that location before it is implemented elsewhere. The plan includes a significant investment in staff training. • We have established a dedicated Group Program Management Office which co-ordinates the delivery of Group-wide projects and ensures appropriate prioritisation of activity through regular reporting into regional and Group executive meetings.
Data management Confidential, sensitive and personal data is held across the Group. Failure to secure and handle this data properly could expose the Group to loss of business, financial penalties and/or reputational damage.	• We have comprehensive data protection policies and procedures in place for the management of confidential, sensitive and personal data. • Security vulnerability is assessed as part of our IT security strategy and the remediation of identified risks and alerts is tracked. Regular security assurance checks take place across all regions and penetration testing is undertaken by specialist third parties. • The Board reviews data security on a regular basis and receives updates on the status of our security activity and statistics on attempted data breaches, both internal and external.

Operational Risks

PageGroup brands' reputation

Our brands are material assets of the Group and maintaining their reputation is key to continued success.

In the short-term any event that could cause reputational damage is a risk to the Group, such as a failure to comply with legislation, or other regulatory requirements, or confidential data lost or stolen. Use of new social media network sites has increased the speed of communication and the reach, increasing the impact of an incident.

In the medium to longer term, a lack of awareness of the Group brands, or a deterioration in the quality of service we provide to both clients and candidates, could have a significant impact.

Actions to mitigate risk

- 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, Page Personnel and Page Executive names. We have a clear escalation/reporting path so that any potential incidents can be managed effectively.
- We are supported by external advisors who provide ongoing advice on the protection and management of our brand.
- Our marketing strategy recognises the need to engage with candidates and clients using the latest media available in a way that reflects changing behaviours.
- We train our consultants to effectively use new media making the channels available to them as part of their day-to-day activity.

Fiscal and legal compliance and contracts

The Group operates in a large number of legal jurisdictions that have varying legal, tax and compliance requirements. Any non-compliance with client contract requirements and legislation or regulatory requirements could have an adverse effect on the Group's brands or financial results.

- The Company Secretary and local legal and compliance teams are advised by leading external advisers, as required, in regard to changes in legislation that affect the Group's business, including employment, legislation, tax and corporate governance.
- Our staff receive induction training and regular updates regarding the Group's policies and procedures and compliance with relevant legislation covering for example, discrimination legislation, anti-bribery and corruption and pre-employment checks.
- The Group has a central tax and treasury function, which manages the Group's cash position and tax compliance. This team is currently being strengthened.
- The Group holds all normal business insurance cover including employers' liability, public liability and professional indemnity insurance.
- Contracts include clauses to ensure the Group's rights are protected.

Financial management and control

Failure to maintain adequate financial and management processes and controls could lead to poor quality management decisions, resulting in the Group not achieving its financial targets or in errors in the Group's financial reporting.

New Group Disclosure

- The Group has financial policies and procedures that support effective financial management and financial control and reporting.
- The Finance structure mirrors and supports the local, regional and Group management structure.
- Monthly management information is produced and reconciled which facilitates regular performance reviews.
- There are compliance teams located in each region which ensure revenues are appropriately recognised.

Review of the Year

Financial summary	2014	2013	Change	Change CER*
Revenue	£1,046.9m	£1,005.5m	4.1%	9.9%
Gross profit	£532.8m	£513.9m	3.7%	10.0%
Operating profit before exceptional items **	£78.5m	£68.2m	15.1%	23.8%
Profit before tax before exceptional items	£78.4m	£67.1m		
Basic earnings per share before exceptional items	18.4p	15.1p	21.9%	
Diluted earnings per share before exceptional items	18.2p	14.9p	22.1%	
Operating profit after exceptional items	£80.1m	£65.7m		
Profit before tax after exceptional items	£80.4m	£64.1m		
Basic earnings per share	19.3p	13.8p		
Diluted earnings per share	19.1p	13.7p		
Total dividend per share	11.0p	10.5p		

*Constant Exchange Rates (CER)

** Exceptional charge in 2013 of £2.5m as a result of a transfer pricing audit in France, resulting in increased payment of profit share to employees. Confirmation was received from the French tax authorities in 2014 that no adjustments were required from 2010, so the related part of the provision of £1.6m was released (Note 5).

The Group's revenue for the twelve months ended 31 December 2014 increased 4.1% to £1,046.9m (2013: £1,005.5m) and gross profit increased 3.7% to £532.8m (2013: £513.9m). At constant exchange rates, the Group's revenue increased 9.9% and gross profit by 10.0%.

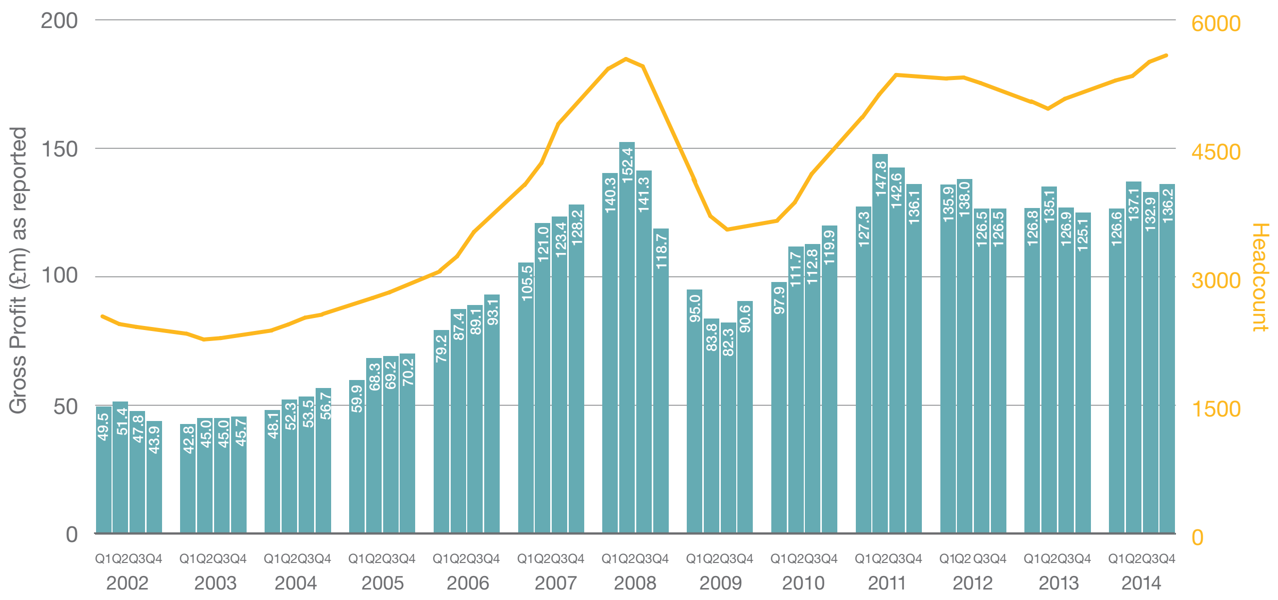
The Group's revenue mix between permanent and temporary placements was 40:60 (2013: 40:60) and for gross profit was 76:24 (2013: 76:24). Revenue from temporary placements comprises the salaries of those placed, together with the margin charged. This margin on temporary placements decreased slightly to 20.1% (2013: 20.2%) in 2014. Overall, pricing has remained relatively stable across all regions, although a stronger pricing environment has been experienced in markets and disciplines where there have been increased instances of candidate shortages.

Perm/Temp gross profit	2014 (£m)	2013 (£m)
Permanent	406.1	392.2
Temporary	126.7	121.7
Total Gross Profit	532.8	513.9
Ratio (Perm/Temp)	76:24	76:24

We have seen strong growth from our Large, High Potential Markets category, with gross profit up 14.2% in constant currency, a record performance from the category as a whole. Four of the five markets had individual gross profit records, while Germany delivered record gross profit from temporary recruitment and headcount, in line with the nature of our investment.

35% of new fee-earner headcount was invested in these markets, bringing them to a record level of 1,423 for the category. Total Group headcount increased by 448 in the year, up 8.7% to 5,578. This comprised a net increase of 468 fee earners (+12.3%) and a reduction of 20 operational support staff, reflecting the continued strong focus on operational efficiency.

Group quarterly Headcount and Gross Profit



As a result, our fee earner: support ratio was 77:23, also a record for the Group. In total, administrative expenses increased 1.9% to £454.4m (2013: £445.7m). The Group's operating profit from trading activities totalled £78.5m (2013: £68.2m), an increase of 23.8% at constant rates, although the growth was lower at 15.1% in reported rates.

The Group's conversion rate of gross profit to operating profit from trading activities improved 1.4 percentage points to 14.7% (2013: 13.3%). This reflected a combination of steadily improving conditions in a number of markets, offset in part by more challenging conditions in some of the Group's larger individual markets such as Brazil and Australia.

Regional Reviews

Gross profit		Reported (£m)			Constant
Year-on-year	**% of Group**	**2014**	**2013**	**%**	**%**
EMEA	40%	212.0	207.8	2.1%	8.6%
UK	26%	138.4	124.1	11.5%	11.5%
Asia Pacific	20%	105.5	105.8	(0.3%)	9.4%
Americas	14%	76.9	76.2	0.8%	13.2%
Total	**100%**	**532.8**	**513.9**	**3.7%**	**10.0%**

Review of the Year

Europe, Middle East and Africa (EMEA)

EMEA	Gross profit (£m)		Growth rates	
(40% of Group in 2014)	FY 2014	FY 2013	Reported	(CER)
	212.0	207.8	2.1%	8.6%

Market Presence

EMEA is the Group's largest region, contributing 40% of the Group's gross profit in the year. With operations in 19 countries, PageGroup has a strong presence in the majority of EMEA markets, and is the clear leader in specialist permanent recruitment in the two largest, France and Germany. Across the region, permanent placements accounted for 71% and temporary placements 29% of gross profit.

The region comprises a number of large, proven markets, such as France, Spain, Italy and the Netherlands, across which there is a broad range of competition. EMEA also includes one of the Group's Large, High Potential Markets, Germany, which has low penetration rates and significant growth potential, particularly in temporary recruitment. In addition, there are a number of markets such as Poland, Turkey and Africa that are less developed, with limited competition, but are increasingly looking for professional recruitment services. The Middle East, where PageGroup is the largest international recruiter, has some of the Group's highest conversion rates.

Performance

In 2014, the EMEA region experienced mixed market conditions, but saw improved momentum in the second half. Revenue in the region increased 3% to £420m (2013: £407m) and gross profit increased 2% to £212m (2013: £208m). The region suffered from adverse foreign exchange movements that reduced revenue and gross profit by £25m and £13m respectively. In constant currency, revenue increased 9% on 2013 and gross profit increased by 9%.

Our largest businesses in France and Germany, together representing 49% of the region by gross profit, grew 6% and 11% respectively for the full year in constant currency. Each saw strong growth in their Page Personnel businesses, offset by more challenging trading conditions in Michael Page, which focuses on higher salary and predominantly permanent placements. Overall, 14 countries, representing over 85% of the region, grew in constant currency compared to 2013.

The 16% increase in operating profit for 2014 to £30.1m (2013: £25.9m), and improvement in the conversion rate to 14.2% (2013: 12.5%) were due to a full year impact of the cost savings achieved in 2013.

Headcount across the region increased by 227 (12%) to 2,113 at the end of December 2014 (1,886 at 31 December 2013). The majority of the increase was fee earners as the business added headcount, particularly in Page Personnel in France and Germany, primarily focused on temporary recruitment.

United Kingdom

UK	Gross profit (£m)		Growth rates
(26% of Group in FY 2014)	FY 2014	FY 2013	Reported
	138.4	124.1	11.5%

Market Presence

The UK represented 26% of the Group's gross profit in 2014 and is the Group's largest single market, operating from 28 offices in all major cities. It is a mature, highly competitive and sophisticated market with the majority of vacant positions being outsourced to recruitment firms. PageGroup has a leading market presence in permanent recruitment across the UK, and a growing presence in temporary recruitment. In the UK, permanent placements accounted for 70% and temporary placements 30% of gross profit.

In the UK, the Group operates under the 3 brands of Michael Page, Page Personnel and Page Executive with representation in 13 specialist disciplines via the Michael Page brand. There is significant opportunity to roll out new discipline businesses under the lower-level Page Personnel brand, which now represents 19% of UK gross profit. The Michael Page business has limited competition of any scale, particularly in regional centres, and is growing its market share, particularly in technical disciplines.

Performance

The UK business enjoyed steady growth through the year and saw signs of greater client confidence both in London and the regions. Instances of candidate shortages particularly in certain technical disciplines increased, but are still principally at the lower salary levels. Revenue of £326m (2013: £299m), and gross profit of £138m (2013: £124m) were up 9% and 12% respectively, reflecting continued progress in the business as the UK recovery maintained its steady momentum.

UK disciplines such as Property & Construction (+40%), HR (+35%) and Finance & Accounting (+14%) performed strongly. Other disciplines, whilst positive, grew less strongly, with Retail up 3% and Sales up 5%. Michael Page was up 9% while Page Personnel was up 22% for the full year, reflecting stronger activity in temporary and permanent recruitment at the professional clerical level, as well as the roll-out of new disciplines. These improvements in market conditions enabled operating profit in the UK to increase 31% to £24.1m (2013: £18.4m) and the conversion rate increased to 17.4% (2013: 14.8%).

Headcount rose 9% during the year to 1,441 at the end of December 2014 (2013: 1,319). Headcount was added selectively to strongly performing disciplines and newly launched Page Personnel disciplines such as HR and Property & Construction, while other discipline businesses were also able to achieve consultant productivity gains.

Review of the Year

Asia Pacific

Asia Pacific	Gross profit (£m)		Growth rates	
(20% of Group in FY 2014)	FY 2014	FY 2013	Reported	(CER)
	105.5	105.8	(0.3%)	9.4%

Market Presence

Asia Pacific represented 20% of the Group's gross profit in 2014, with 67% of the region being Asia and 33% Australasia. Other than in the financial centres of Tokyo, Singapore and Hong Kong, the Asian market is generally very under-developed, but offers highly attractive opportunities in both international and domestic marketplaces at good conversion rates. Two of our Large, High Potential Markets, South East Asia and Greater China, are in this region. With a highly experienced management team, a network of 16 offices, approaching 750 staff and limited competition, the size of the Asian opportunity is huge.

Australasia is a mature, well-developed and highly competitive recruitment market. PageGroup has a meaningful presence in permanent recruitment in the majority of the professional disciplines and major cities in Australia, and New Zealand. Page Personnel has a growing presence and significant potential to expand this business and grow market share. Across the Asia Pacific region, permanent placements accounted for 86% and temporary placements 14% of gross profit.

Performance

In Asia Pacific, revenues rose 2% to £193m (2013: £189m) while gross profit was constant at £106m (2013: £106m). With the region being impacted significantly by foreign exchange translation that reduced revenue and gross profit by £21m and £10m respectively, in constant currency, revenue increased 13% and gross profit increased by 9%.

Asia enjoyed stronger trading conditions than Australasia and also benefited from the increasing experience and maturity of our local consultants. This helped Greater China to achieve Gross Profit growth of 22% in constant currency, despite growth slowing in the second half of the year. This was most notable in Hong Kong which was impacted by protestors over a 10 week period late in the year. All markets in South East Asia achieved gross profit growth in constant currency with the exception of Singapore which declined by 3%. In Australia, gross profit was down 3% in constant currency. However, the Australian market stabilised progressively as the rate of decline slowed during the year, albeit against softer comparators, and turned positive in Q4.

Operating profit rose 4% to £20.0m (2013: £19.2m), and was up 16% in constant currency resulting in an increase in the conversion rate to 18.9% (2013: 18.2%). Headcount across the region rose by 30 (3%) in the year, ending at 1,141 at the 31 December 2014 (1,111 at 31 December 2013), with an increase in Asia partially offset by a modest reduction in Australia.

The Americas

Americas	Gross profit (£m)		Growth rates	
(14% of Group in FY 2014)	FY 2014	FY 2013	Reported	(CER)
	76.9	76.2	0.8%	13.2%

Market Presence

The Americas represented 14% of the Group's gross profit in 2014, being North America and Canada (44% of region) and Latin America (56% of region). Both the US and Latin America are considered to be Large, High Potential Markets in our growth strategy.

The US, where we have 9 offices, has a well-developed recruitment industry, but in many disciplines, especially technical, there is limited national competition of any scale. PageGroup's breadth of professional specialisms and geographic reach is uncommon and provides a competitive advantage.

Latin America is a very under-developed region, where PageGroup enjoys the leading market position with around 550 employees in 6 countries and 20 offices. There are few international competitors and none with any regional scale. Across the region, permanent placements accounted for 87% and temporary placements 13% of gross profit.

Performance

Americas' revenue decreased 2% to £108m (2013: £111m) while gross profit improved 1% to £77m (2013: £76m), as the region suffered from significant adverse foreign exchange movements that reduced revenue and gross profit by £12m and £10m respectively. In constant currency, revenue increased 9% and gross profit increased by 13%.

In North America, our businesses performed well, with gross profit up 22% in constant currency. This reflected continued strong market conditions and high levels of activity, particularly in the New York-focused financial services disciplines. Our Canadian business performed strongly and we opened a third Canadian office in Calgary in July.

In Latin America, gross profit was up 8% year-on-year in constant currency. Brazil experienced mixed market conditions, starting the year positively, before being impacted by the World Cup in June and elections in October, both of which disrupted business activity and delayed decision making. As a consequence, gross profit in Brazil declined in constant currency, albeit by only by 1%. Excluding Brazil, the other countries in the region (41% of Latin America) performed very strongly, up 22%, with record performances from Mexico, Argentina, Chile and Colombia. A new business was launched in Lima, making Peru our sixth country in the Latin American region.

Operating profit fell to £4.3m (2013: £4.6m), with a conversion rate of 5.6% (2013: 6.1%). Headcount increased modestly by 69 (8%) in 2014 to 883 at the end of December 2014 (814 at 31 December 2013) split equally between the US and Latin America, outside of Brazil.

Review of the Year

Operating profit and conversion rates

The Group's organic growth model and profit-based team bonus structure ensures cost control remains tight. Approximately 75% of costs were employee related, including wages, bonuses, share-based long-term incentives, cars and other benefits, training and relocation costs. These costs totalled £340.0m (2013: £335.9m), and included the annual inflationary salary increase which averaged 3% across the Group, and £5.8m of share-based payment charges (2013: £6.8m).

Other costs comprised principally information technology and property costs, which together totalled £114.4m (2013: £109.8m), up 11% in constant currency. Within this, property costs were flat in constant currency, with other costs, being technology and office expenditure, up 19% to £67m. This was driven by the increase in headcount, as well as the first full year charge for our technology programme, which increased amortisation by £3.5m. Total amortisation, which is almost entirely software-related was £10m, and depreciation was £7.9m. Together our depreciation and amortisation was flat on last year.

The Group is currently undertaking a significant technology upgrade including the development and roll-out of its new PRS, new responsive websites and related infrastructure improvements. This roll-out accelerated through the year and achieved its target of one third of the Group's consultant network fully migrated onto PRS by the end of the year, principally being the businesses in the UK and the US.

In total, administrative expenses increased 1.9% to £454.4m (2013: £445.7m) reflecting the increase in costs as detailed above, offset by cost benefits of £6.6m from the consistency and efficiency exercise undertaken in 2013. The combination of slowly improving market conditions and the ongoing focus on cost control resulted in operating profit before exceptional items of £78.5m (2013: £68.2m) an increase of 15.1% in reported rates and 23.8% in constant currencies.

Depreciation and amortisation for the year totalled £17.9m (2013: £17.5m). This included amortisation relating to PRS of £8.8m (2013: £5.4m), an increase of £3.5m on 2013, due principally to a full year charge compared to eight months in 2013.

The Group's conversion rate for the period of 14.7% (2013: 13.3%) was a good improvement on 2013, as it was achieved alongside the Group's investment programme, focused in particular on its identified Large, High Potential Markets, despite the tough market conditions faced in a number of the Group's core markets.

The conversion rate for the Large, High Potential Markets category was 12.7%, which was 2 percentage points lower than the rest of the Group of 14.7%. This was due to a combination of the headcount investment, which meant that a greater proportion of fee earners were new to the business, and these markets being less penetrated, requiring greater business development efforts than in more mature markets.

Conversion rates improved in our more established regions: EMEA performed well, increasing from 12.5% to 14.2% and UK was up strongly from 14.8% to 17.4%. Within our two less developed regions, Asia Pacific increased from 18.2% to 18.9%, while the Americas fell slightly, from 6.1% to 5.6%, impacted by difficult trading conditions in Brazil and headcount investment into the US.

The Group was affected by the impact of movements in foreign exchange rates, as Sterling strengthened against almost all currencies in which the Group operates. This reduced the Group's revenue, gross profit and operating profit when expressed in Sterling by £58m, £33m and £6m, respectively.

A net interest income of £0.3m reflects the continuing low interest rate environment, with £0.5m of interest income on cash balances held through the year, offset by financial charges related to the Group's Invoice Discounting Facility and overdrafts used to support local operations and £0.3m of exceptional interest in relation to the reversal of a provision (Note 5).

Earnings per share and dividends

In 2014, basic earnings per share before exceptional items increased 21.9% to 18.4p (2013: 15.1p), reflecting the improved business performance and a lower effective tax rate as a result of a number of one-off items as described in the taxation section below. Diluted earnings per share, before exceptional items, which takes into account the dilutive effect of share options, was 18.2p (2013: 14.9p). After exceptional items, basic earnings per share rose 39.9% to 19.3p (2013: 13.8p) and diluted earnings per share was 19.1p (2013: 13.7p).

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 improved growth rates and increase in operating profits, a final dividend of 7.58p (2013: 7.25p) per ordinary share is proposed.

When taken together with the interim dividend of 3.42p (2013: 3.25p) per ordinary share, this would imply an increase in the total dividend for the year by 4.8% over 2013 to 11p per ordinary share.

The proposed final dividend, which amounts to £23.2m, will be paid on 22 June 2015 to shareholders on the register as at 22 May 2015, subject to shareholder approval at the Annual General Meeting on 4 June.

Cash Flow and Balance Sheet

Cash flow in the year was strong, with £88.1m (2013: £78.5m) generated from underlying operations. The closing net cash balance was £90.0m at 31 December 2014, an increase of £4.6m on the prior year. The movements in the Group's cash flow in 2014 reflected increased activity in a number of the Group's markets as the year progressed. The increase of 4.1% in the Group's revenue drove a £15.4m increase in working capital, principally in the temporary placement business. This comprised an increase of £22.2m in receivables (2013: £8.5m increase), as well as an increase in payables of £6.8m (2013: £4.8m decrease), reflecting stronger growth in the last months of the year where invoices have yet to be submitted or are pending payment.

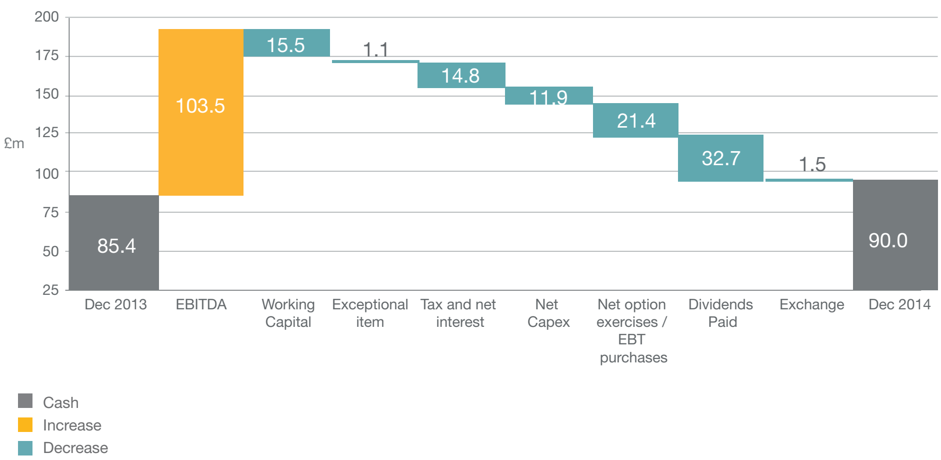
The Group has a £50m invoice financing arrangement and a £10m committed overdraft facility to facilitate cash flows across its operations and ensure rapid access to funds should they be required, but neither of these were in use at the year end.

Income tax paid in the year was £15.4m (2013: £24.4m) reflecting the lower effective rate of tax in the prior year, with capital expenditure £0.6m lower in 2014 at £12.7m (2013: £13.3m). Our capital expenditure is split broadly equally between headcount related expenditure, such as office accommodation and infrastructure, and the development and maintenance of our IT systems. Spending on software development increased to £6.5m (2013: £4.8m) as the Group's new operating system moved into roll-out phase during the year, offset by a reduction in leasehold improvements expenditure.

Dividend payments were up on the prior year at £32.7m (2013: £30.8m) as a result of the 5.2% increase in the interim dividend to 3.42p. However, the main differences in cash flow arose from the purchase and issuance of shares related to share awards. In 2014, only £4.0m was received by the Group from the exercise of options compared to £14.4m received in 2013, reflecting a significantly lower number of options exercised in the year. In addition, in 2014, £25.4m of cash (2013: £nil) was used to purchase shares to satisfy future employee share awards, as the business moved fully to a market-purchase share scheme.

The most significant item in our balance sheet was trade receivables which amounted to £156.1m at 31 December 2014 (2013: £146.7m), comprising permanent fees invoiced in the final quarter of the year, and salaries and fees invoiced in the temporary placement business, but not yet paid. Days sales in debtors at 31 December 2014 were 45 days (2013: 47 days), reflecting continued strong credit control.

2014 cash flow waterfall



Review of the Year

Foreign Exchange

Foreign exchange had a substantial impact on results for the year, causing a decrease in gross profit of £33m, in administrative expenses of £27m and therefore in operating profit of £6m. This impact was felt globally, with the largest being in EMEA, where gross profit was reduced by £13m. The impact has continued in 2015. If the 2014 results were restated at February 2015 exchange rates this would reduce gross profit by a further £21m and operating profit by a further £4m.

Exceptional items

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 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 took in 2013 an exceptional charge of £2.5m relating to prior periods, and £0.6m that was included within operating profits from trading activities.

In December 2014, PPF received notice from the French tax authorities that they would not be seeking to make any further transfer pricing adjustments as a result of their audit of the tax years 2011 and 2012. In addition, as no assessment was raised within the statutory timeframe, there will be no adjustment for the 2010 tax year. Accordingly, in 2014, the Group has recorded £1.6m relating to the reversal of amounts that were previously provided as an exceptional charge and a further £0.6m that is included within operating profit. There is also a reversal of £0.3m of exceptional interest and £0.8m of income tax relating to this exceptional item.

Taxation

Tax on profit was £21.0m (2013: £21.5m). This represented an effective tax rate of 26.2% after exceptional items (2013: 33.5%). Before exceptional items the Group's effective tax rate was 27.9% (2013: 30.9%). The rate is higher than the effective UK Corporation Tax rate for the year of 21.5% (2013: 23.25%) due to profits and disallowable items of expenditure being generated in countries where corporation tax rates are higher than in the UK.

For 2014, the underlying tax rate, excluding one off items but including the effects of share options, was 33.2% (2013: 35.0%). The reduction of 1.8% over 2013 was predominantly due to greater profits from territories with lower tax rates, such as the UK where the corporation tax rate has fallen from 23.25% to 21.5%. In addition to the movement in the underlying rate, the effective tax rate in 2014 was affected by a number of one off factors which resulted in the effective tax rate being 7% lower than the underlying rate. These were: recognition of US tax losses and deferred tax on US share plans of 3.1%; a deduction in China of 2.2% for costs incurred in previous periods and utilisation of unrecognised losses; and part reversal of last year's exceptional item of 1.7%.

Share Options and Share Repurchases

At the beginning of 2014, the Group had 21.8m share options outstanding, of which 7.9m had vested, but had not been exercised. During the year, options were granted over 4.9m shares under the Group's share option plans. Options were exercised over 1.2m shares, generating £4.0m in cash, and options lapsed over 1.4m shares. At the end of 2014, options remained outstanding over 24.1m shares, of which 7.7m had vested, but had not been exercised. During 2014, the Group's Employee Benefit Trust purchased 5.5m shares at a cost of £25.4m to satisfy future employee share plan awards (2013: £nil). No shares were repurchased by the Company or cancelled during the year (2013: nil).

Approved by the Board on 10 March 2015 and signed on its behalf by

Steve Ingham
Chief Executive Officer

Chairman's Introduction to Corporate Governance

Robin Buchanan
Chairman

At PageGroup we are committed to high standards of governance. Good governance underpins sustainable performance. There are three elements to our governance that are of particular importance:

1. The Board debates and decides on strategy, holding the Executive team accountable for its execution.
2. We ensure we have and will have the most talented leadership, both within the Executive team and the Board.
3. 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. We have in recent years built a strong, well balanced Board which operates in a trusting and honest environment.

During 2014 the Board again considered its own composition. We were delighted to appoint Kelvin Stagg as Chief Financial Officer in June. Kelvin had been Acting Chief Financial Officer for eight months prior to this appointment. Before that Kelvin was the Group's Financial Controller. He brings a wealth of experience to his new role and is already making valuable contributions.

Tim Miller retired from the Board in August 2014 having given the Company excellent service for the previous nine years. The Board is very grateful to Tim for his contribution.

We continue to seek to add to your Board people who have the character, skills and experience the business requires. Also, given the geographic and gender mix of our clients, candidates and staff, it is a strategic as well as a governance imperative to continue to improve the diversity of our Board.

During 2014 your Board and its Committees worked diligently on your behalf. The following pages set out the work we have done, how we have applied the principles of the UK Corporate Governance Code, and confirms that we have complied with the Code.

Robin Buchanan
10 March 2015

Our Board of Directors

Our business is led by our Board of Directors. Biographical details of the Directors as at 10 March 2015 are as follows:

Robin Buchanan,
Chairman

Date of appointment:
Director August 2011,
Chairman December 2011

Past Roles: Before joining the Board of Michael Page International plc, Robin served as Dean and President of the 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; Senior Advisor, Access Industries; and Director of Trees For Life Limited.

Board Committees:
Nomination Committee (Chairman)

Skills and Experience:

- Board level and executive leadership of global people businesses
- Strategy and change management in multiple industries and geographies
- Sales and marketing leadership in a professional services business
- Accounting, finance and risk management in US and UK businesses
- Board effectiveness and corporate governance in US, UK and Continental European businesses

Steve Ingham,
Chief Executive Officer, Executive Director

Date of appointment:
February 2001,
Chief Executive Officer April 2006.

Past Roles: 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 business 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.

Board Committees: None

Skills and Experience:

- More than 28 years service with the Group and recruitment industry
- 9 years as a CEO of a public company, now FTSE 250, with strong IR skills, delivering shareholder value
- Strong entrepreneurial and strategic skills having initiated and grown many businesses
- Extensive experience in business development and account management
- Significant international experience including the emerging markets of SE Asia, China, Latin America and India
- Leadership of a global people business having seen PageGroup grow from 200 to 5,600 employees
- Experience in other sectors and industries having worked on the Board of a major charity and retailer

Kelvin Stagg, Chief Financial Officer, Executive Director

Date of appointment:
June 2014

Past Roles: Kelvin joined Michael Page International plc in July 2006 as Group Financial Controller and Company Secretary. He was appointed Acting Chief Financial Officer in October 2013. He held the title of Company Secretary until December 2013. In June 2014 Kelvin was appointed Chief Financial Officer. Prior to joining the Group, 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.

Other Current Appointments: None

Board Committees: None

Skills and Experience:
- More than eight years in the Group with a detailed knowledge of the Group's operations
- Extensive experience in finance, audit and risk management
- Significant international experience including roles in the UK, Continental Europe and Asia
- High levels of compliance, change management, large teams and systems experience, across almost every finance discipline
- Strong network of finance professionals

Ruby McGregor-Smith CBE, Senior Independent Director

Date of appointment:
May 2007

Past Roles: 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 Chief Executive in March 2007.

Other Current Appointments:
Chief Executive, Mitie Group plc; Member of Board of Trustees for Business in the Community; Chairperson of the Women's Business Council; Non-Executive Director of the Department of Culture, Media & Sport; Chair of the Public Services Strategy Board of the Confederation of British Industry (CBI).

Board Committees:
Audit, Nomination, Remuneration

Skills and Experience:
- CEO, COO and CFO experience with a FTSE 250 public company for over 12 years
- Strong strategic and commercial understanding
- Proven ability for delivering shareholder value
- Extensive experience in customer services
- Significant financial, audit and risk management systems experience

Our Board of Directors

Simon Boddie, Non-Executive Director

Date of appointment:
September 2012

Past Roles: 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 Finance Director of Key Markets.

Other Current Appointments:
Group Finance Director, Electrocomponents plc.

Board Committees:
Audit (Chairman), Nomination, Remuneration

Skills and Experience:

- CFO of FTSE 250 public company for over nine years
- Extensive experience in financial, audit and risk management systems
- International operations and emerging markets experience
- Strong strategic and commercial understanding

Danuta Gray, Non-Executive Director

Date of appointment:
December 2013

Past Roles: Danuta was Chairman of Telefonica 02 in Ireland until December 2012, having previously been its Chief Executive from 2001 to 2010. Prior to that Danuta was Senior Vice President for BT Europe in Germany and during her career gained experience in sales, marketing, customer services 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 and Chairman of the Remuneration Committee, Paddy Power plc; Non-Executive Director and Senior Independent Director of Aldermore Bank PLC.

Board Committees:
Audit, Nomination, Remuneration

Skills and Experience:

- Chairman and CEO experience
- Experienced non-executive in several sectors
- Extensive experience in general management
- Proven ability for delivering shareholder value
- Strong strategic understanding
- Extensive experience in sales, marketing, customer services and technology
- Leading and changing large businesses

David Lowden, Non-Executive Director

Date of appointment:
August 2012

Past Roles: 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 financial 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.

Board Committees:
Remuneration (Chairman), Audit, Nomination

Skills and Experience:
- Extensive experience in both general management and financial management
- Many years of operating within international businesses with cultural diversity
- Strong strategic understanding
- Proven ability for delivering shareholder value
- Strong financial, marketing and commercial skills
- Experienced non-executive in several sectors

Elaine Marriner, Company Secretary

Date of appointment:
December 2013

Past Roles: Prior to this appointment Elaine was Company Secretary and General Counsel of HMV Group plc.

The Executive Board

Steve Ingham

Chief Executive Officer, Executive Director

See biography on page 57.

Kelvin Stagg

Chief Financial Officer, Executive Director

See biography on page 58.

Patrick Hollard

Executive Board Director, Latin America, Middle East and Africa

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, Middle East and Africa.

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 and 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 Regional Managing Director of the Asia Pacific region in August 2006.

Fabrice Lacombe

Executive Board Director, France, Central and 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's operations in France, and Central and Eastern Europe.

Olivier Lemaitre

Executive Board Director, Continental Europe

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. Since 2012 he has been responsible for PageGroup's operations in Continental Europe.

Oliver Watson

Executive Board Director, UK, USA and 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's operations in the UK, USA and Canada.

Corporate Governance Report

Compliance with the UK Corporate Governance Code

During the year ended 31 December 2014 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 Strategic Report on pages 1 to 55, the Directors' Remuneration Report on pages 74 to 86 and the Directors' Report on pages 90 to 92, we describe how we have applied the main principles of the Code.

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 enables risk to be assessed and managed. The Board is collectively responsible to the Company's shareholders for the success of the Company. The Board is satisfied that it has met the Code's requirements for its effective operation.

Composition of the Board

As at the end of the year under review the Board comprised the Chairman, the Chief Executive Officer, the Chief Financial Officer and four Non-Executive Directors. The biographies of each of these Directors can be found on pages 57 to 60. Tim Miller served as a Non-Executive Director of the Company until his retirement from the Board on 13 August 2014 after completing nine years service to the Board. Kelvin Stagg was appointed Chief Financial Officer of the Company on 6 June 2014. All other Directors served throughout the year. The Board considers that during the year under review each of Simon Boddie, Danuta Gray, David Lowden and Ruby McGregor-Smith were independent. In addition, the Board determined that Robin Buchanan was independent at the time of his appointment as Chairman.

There is a clear division of responsibilities between the role of the Chairman and that of the Chief Executive Officer. Whilst the Board is collectively responsible for the success of the Company, the Chairman, Robin Buchanan, manages the Board to ensure that the Company has appropriate objectives and an effective strategy. He ensures that there is a Chief Executive Officer with a team to implement the strategy and that there are procedures in place to inform the Board of performance against objectives. He also ensures that the Company is operating in accordance with the principles of corporate governance. The Chairman's other significant commitments are noted on page 57. The Board considers that these are not a constraint on the Chairman's agreed time commitment to the Company.

Ruby McGregor-Smith is the Senior Independent Director and acts as an alternative channel of communication for shareholders. She also acts as a sounding board for the Chairman and serves as an intermediary for other Directors.

Steve Ingham, the Chief Executive Officer, has overall responsibility for the day-to-day management of the Group's operations. He develops the vision and strategy for the Board's review, implements the Board's approved strategy and chairs the Executive Committee (known within the Group as the "Executive Board") which executes the delivery of the annual operating plans. He also leads the programme of communication with shareholders.

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 Committees.

The Board has a formal schedule of matters reserved for its decision. This was reviewed and updated during the year. It 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; and
- Communications with stakeholders and complying with regulatory requirements.

Corporate Governance Report

Induction, Training and Information

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 the training required. A tailored induction programme to cover their individual requirements is then compiled. Elements of the programme typically consist of meetings with senior executives, 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 and ESG information, major competitors and major risks.

Directors update and refresh their knowledge and familiarity with the Group through participation at meetings with and receiving presentations from senior management. This is in addition to the access that every Director has to Elaine Marriner, the Company Secretary. She is responsible to the Board for ensuring that Board procedures are complied with and advising the Board on new legislation and corporate governance matters. Board Committees and Directors are also given access to independent professional advice at the Group's expense if the Directors deem it necessary in order for them to carry out their responsibilities.

For each Board and Committee meeting Directors receive a pack of relevant information on the matters to be discussed. During the year under review the Board moved to using a third party board portal to distribute information more quickly and securely. The Chief Executive Officer presents a comprehensive update on the business issues across the Group to the Board and the Chief Financial Officer presents a detailed analysis of the financial performance. The Board also receives at each Board Meeting an Investor Relations Report, including any feedback from investors and Investor Roadshows. Regional Managing Directors and other senior managers also attend relevant parts of Board meetings and the Board Strategy Day in order to make presentations on their areas of responsibility.

Board Committees

The Board has three principal Board Committees, each of which regularly reports to the Board: the Audit Committee, Nomination Committee and Remuneration Committee. The Audit and Remuneration Committees are comprised solely of independent Non-Executive Directors. The Nomination Committee is comprised of independent Non-Executive Directors and chaired by the Chairman of the Board who was independent on appointment. Details of the composition and activities of each Committee can be found in the respective reports of each Committee: Audit Committee Report on pages 69 to 70; the Nomination Committee Report on page 68; and the Directors' Remuneration Report on pages 74 to 75.

Each Committee has clear terms of reference. During the year under review each Committee reviewed and updated its terms of reference. These were then ratified by the Board. The terms of reference for each Committee can be found on the Company's website www.page.com. Each Committee also reviews its effectiveness and makes recommendations to the Board of any appropriate changes as and when required. The Chairman of each of the Board Committees will be available to answer shareholders' questions at the forthcoming Annual General Meeting.

The Company Secretary acts as secretary to each of these Committees and minutes of meetings are circulated to all Committee members and to all members of the Board unless it would be inappropriate to do so.

The Group also has an Executive Board which is chaired by the Chief Executive Officer. It comprises the Chief Financial Officer and other senior executives, biographies for whom can be found on page 61. The Executive Board usually meets five times a year and is responsible for assisting the Chief Executive Officer in the performance of his duties. These include 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.

Board and Committee Attendance

The table below sets out the number of meetings of the Board and each of the Audit, Nomination and Remuneration Committees during the year and individual attendance by the relevant members at these meetings, demonstrating commitment to their role as Directors of the Company. The Board met nine times during the year.

Director	Board		Audit		Nomination		Remuneration	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
Robin Buchanan	9	9	N/A	N/A	6	6	N/A	N/A
Simon Boddie	9	9	8	8	6	6	8	8
Danuta Gray[1]	9	8	8	7	6	5	8	7
Steve Ingham	9	9	N/A	N/A	N/A	N/A	N/A	N/A
David Lowden	9	9	8	8	6	6	8	8
Ruby McGregor-Smith[2]	9	8	8	7	6	5	8	7
Tim Miller[3]	6	6	6	6	4	4	6	6
Kelvin Stagg[4]	5	5	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

1. Danuta Gray was appointed a Director of the Company on 10 December 2013. By this date the 2014 meeting calendar had been finalised and it was not possible to rearrange the December 2014 Board and Committee meetings so that Danuta could attend.
2. Ruby McGregor-Smith was unable to attend the April Board and Committee meetings due to ill health.
3. Tim Miller retired from the Board on 13 August 2014 and, therefore, was eligible to attend only six Board, Audit and Remuneration Committee meetings, and four Nomination Committee meetings.
4. Kelvin Stagg was appointed a Director of the Company on 6 June 2014 and, therefore, was eligible to attend only five Board meetings.

During the year under review the Non-Executive Directors met on several occasions without the Executive Directors being present. The Non-Executive Directors also met once without the presence of the Chairman.

Corporate Governance Report

Succession Planning

Executive development and succession planning discussions are held each year, usually in the summer. These discussions focus on the development and succession of the Executive Directors, Executive Board members and other senior managers in the Group with the aim of ensuring that existing senior executives are being developed and that there is a pipeline of talented senior individuals within the business. Development and succession planning is a critical part of the Chief Executive Officer's performance objectives for annual bonus and long-term remuneration.

In addition, the Nomination Committee also considers the breadth and depth of experience of the Non-Executive Directors and considers on a regular basis succession planning for the Board as a whole. Information on the Board's policy on diversity both at the Board level and the Group as a whole can be found in the Nomination Committee Report on page 68 and the Strategic Report on pages 4 and 28.

Performance Evaluation

In line with the Code, each year the Board undertakes a formal and rigorous evaluation of its own performance, that of its Committees and its individual Directors. The Board undertook an externally facilitated evaluation in 2013 from which four main recommendations were made. These recommendations, as noted below, have been followed up and further work has been undertaken in respect of them:

- The further development of its approach to strategic planning;
- Increase in focus on development and succession planning, especially for the most senior positions;
- The development of the approach to risk management; and
- The appointment of a dedicated full time Company Secretary.

In the autumn of 2014 the Board undertook an internal evaluation of the Board and each of the Audit, Nomination and Remuneration Committees. This process involved an objective and comprehensive evaluation of the balance of skills, knowledge and experience of the Board, how the Board works together and whether it is effective and well supported.

The evaluation was conducted by the Chairman and Company Secretary by means of detailed questionnaires completed by the Board, Committee members and regular attendees of the Committees. The results of the evaluation for each of the Committees were reviewed and discussed by each of the relevant Committees and then reported to the Board as a whole, together with the results of the appraisal of the Board itself. The evaluation confirmed that the Board was working well together and is effective. An action plan of matters which require further attention was agreed and will be reviewed by the Board and its relevant Committees in the second quarter of 2015 to ensure these are dealt with accordingly. The action plan of matters for 2015 is as follows:

- The continued development of the Board's approach to strategic planning;
- Continued focus on development and succession planning;
- Continued development and embedding of risk management throughout the business;
- Development of a clear Corporate Social Responsibility plan; and
- Redesign of the schedule of Board and Audit Committee meetings.

Work has already commenced on these action points.

In addition, the Chairman appraises the performance of the individual Board members and meets with the Directors individually to discuss their appraisals. The Senior Independent Director is responsible for the evaluation of the Chairman and the views of the other Directors are canvassed in this respect. The results of the performance evaluation of each of the Directors and the Chairman were reported to the Board. The Board will evaluate the performance of the Board, its Committee and the Directors again in 2015.

Re-election of Directors

The Company's Articles of Association provide that each Director must retire from office every three years. The Code goes beyond this, requiring all Directors to retire and stand for re-election at each Annual General Meeting. The Company complies with the Code requirement and accordingly all Directors, except Kelvin Stagg, will submit themselves for re-election at the forthcoming Annual General Meeting. Kelvin Stagg, who was appointed a Director after the Company's last Annual General Meeting will, in accordance with the Company's Articles of Association, stand for election at the Annual General Meeting.

Internal Control and Risk Management

The Board has overall responsibility for the effectiveness of the Group's system of internal control. The procedures established by the Board have been designed and implemented to meet the particular requirements of the Group and the risks to which it is exposed. These procedures also provide an ongoing process for identifying, evaluating and managing principal risks. The system of internal control includes financial and operational controls, which are designed to meet the Group's particular needs. These controls aim to safeguard Group assets, ensure that proper accounting records are maintained, that the financial information used within the business and for publication is reliable and to support the successful delivery of the Group's Strategic Plan. Any system of internal control can only provide reasonable, but not absolute assurance against material mis-statement or loss.

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

The key elements of our system of internal control are as follows:

- **Group Organisation** – The Board of Directors meets 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, supported by a Regional Finance Director, of each of our four regions is accountable for establishing and monitoring internal controls within our respective regions.
- **Annual Business Plan** – The Board reviews the Group's 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 its policy relating to anti-bribery and corruption, gifts and hospitality.
- **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 41 to 48.
- **Internal Audit** – The Group Internal Audit function examines business process controls throughout the Group on a risk basis and reports the findings to the Executive Board and Audit Committee. Agreed actions are monitored and reported 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 frauds 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.

In accordance with the requirements of the Code and the recommendations of the FRC's Internal Control: Revised Guidance for Directors on the Combined Code (formerly the Turnbull Guidance) on internal control, the Board, with the assistance of the Audit Committee, has carried out a review of the effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance controls for the period from 1 January 2014 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

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 Chief Financial Officer. They make themselves available, where possible, to meet with shareholders and analysts at their request. During 2014 the Executive Directors visited 10 cities on roadshows across both the United Kingdom and North America. They also held investor conferences and equity sales teams' briefings, as well as over 160 investor meetings. In addition, in September, the Company undertook an Investor Relations event showcasing the regional leadership teams. This event was attended by a majority of the Company's coverage analysts.

The Annual Report and Accounts is sent to all shareholders and is also available on the Company's website www.page.com. The website contains up-to-date information on the Group's activities, published financial results and the presentations used for briefings and investor meetings held during the year. These are available to download.

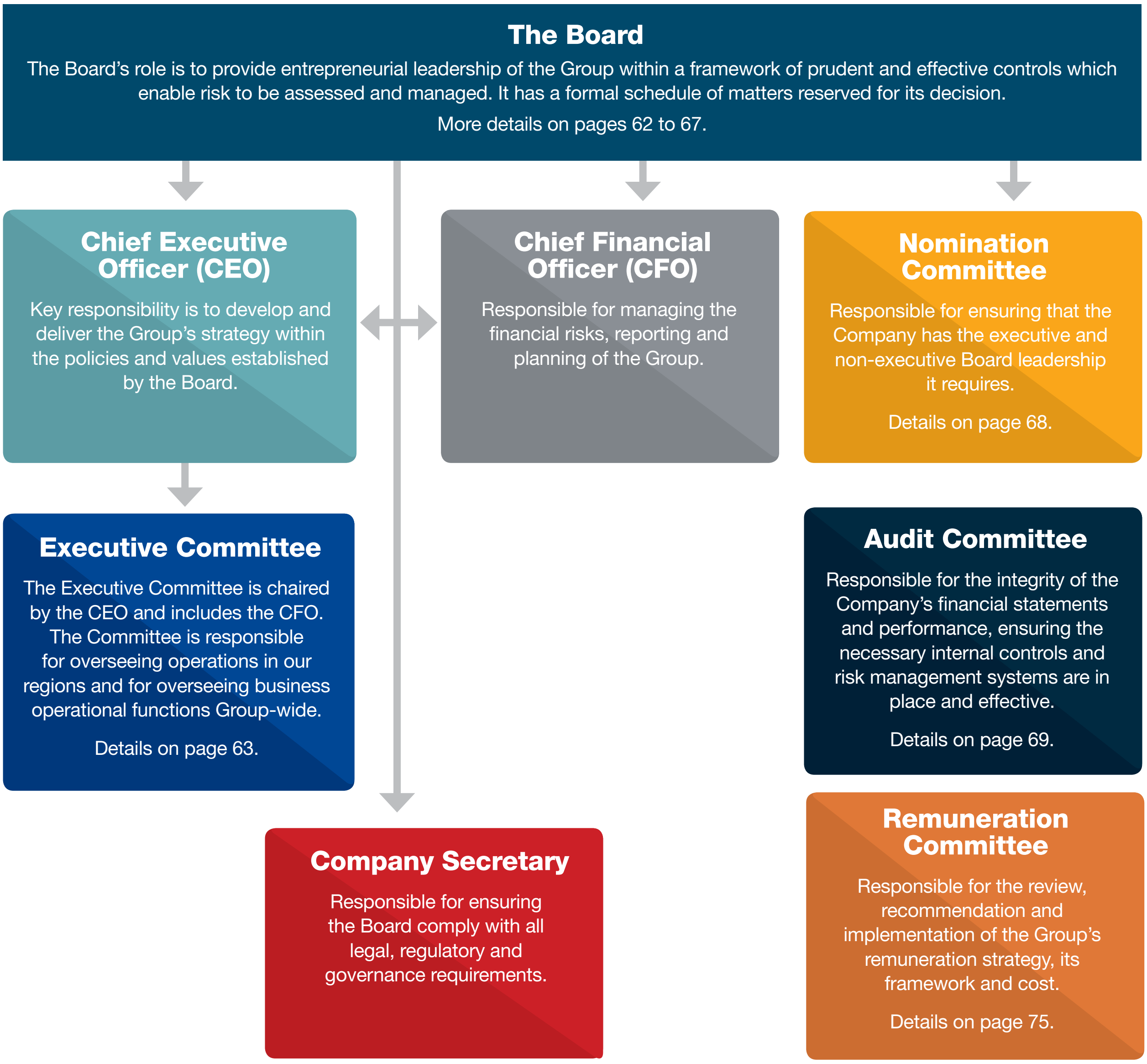
The Annual General Meeting is an additional opportunity for all Board members to meet with shareholders and investors and give them the opportunity to ask questions. Final voting results are published through a Regulatory Information Service and on the Company's website following the Meeting.

Corporate Governance Report

Conflicts

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. These procedures have operated effectively throughout the year under review. The Nomination Committee is responsible for reviewing possible conflicts of interest. It makes recommendations to the Board as to whether 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 authorisation given.

Our Corporate Governance Framework



Nomination Committee Report

Robin Buchanan
Chairman

Purpose

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

Membership

During the year under review the members of the Committee were Robin Buchanan, who was Chairman of the Committee, Simon Boddie, Danuta Gray, David Lowden, Ruby McGregor-Smith and Tim Miller. Details of Robin Buchanan's other significant commitments can be found on page 57.

All members served throughout the year except Tim Miller who ceased to be a member of the Committee on his retirement from the Board on 13 August 2014. Only members of the Committee are entitled to attend meetings. Other individuals, such as the Chief Executive Officer, the Group Human Resources Director and external advisers, may attend meetings by invitation when appropriate and necessary.

Responsibilities

The key responsibilities of the Committee are to:

- Assess and nominate members to the Board;
- Maintain the right mix of character, skills and experience on the Board and its Committees;
- Make recommendations to the Board on development and succession plans for members of the Board and senior management;
- Approve job descriptions and written terms of appointment for Directors; and
- Review the independence of Non-Executive Directors, taking into account their other directorships.

The Committee follows formal and transparent procedures for appointing Directors and is assisted in its search for new Non-Executive Directors by an independent executive search company, The Zygos Partnership. Zygos has no connection with the Company other than the provision of this service. A detailed candidate profile is recommended by the Committee to the Board.

If approved, a search and selection process based on that profile is undertaken. Candidates are 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 is then interviewed by the Chairman of the Board, the Chief Executive Officer and members of the Committee. Thereafter a recommendation of appointment is made to the Board.

Geographic and gender diversity is important both at Board level and at every other level in the business. It therefore remains the Committee's policy to seek diversity of experience, capability, geography and gender in order to create a talented high-performing Board. Detail of diversity below the Board level can be found in the Strategic Report on pages 4 and 28 .

Activities During the Year

During 2014 the Committee met on six occasions. Details of the members' attendance at meetings of the Committee can be found in the Corporate Governance Report on page 64. The Committee continues to focus on succession planning both for senior management and the Board. With the resignation of the former Chief Financial Officer in early October 2013, the Committee also undertook the selection of a new Chief Financial Officer. Using the succession plan already in place, Kelvin Stagg, who at that time was Group Financial Controller of the Company, was appointed as Acting Chief Financial Officer on 10 October 2013. Kelvin proved himself in this role, was nominated by the Committee to the Board and duly appointed a Director and Chief Financial Officer on 6 June 2014.

The Committee also considered the extension of the term of appointment for each of Robin Buchanan and Tim Miller whose respective letters of appointment had reached the end of their term. Neither Robin nor Tim took part in discussions about the extension of their own term. In August 2014 Tim Miller completed nine years' service to the Board. Tim had been a valued member of the Board but good governance dictated that the Committee should not extend his letter of appointment for a further period. Tim, therefore, retired as a Director on 13 August 2014. Robin Buchanan completed his first three years of service to the Board on 10 August 2014. The Committee extended Robin's letter of appointment for a further three year period.

The activities of the Committee were reviewed as part of the Board evaluation process performed during the year under review. Details of the evaluation process can be found in the Corporate Governance Report on page 65.

Plan for 2015

In 2015 the Committee will continue to review the size of the Board, its mix of skills and experience, and succession plans for both Executive and Non-Executive Directors.

Audit Committee Report

Simon Boddie
Committee Chairman

Role

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

Membership

During the year under review the members of the Committee were Simon Boddie, who was the Chairman of the Committee, Danuta Gray, David Lowden, Ruby McGregor-Smith and Tim Miller. All served throughout the year except Tim Miller who ceased to be a member of the Committee on his retirement from the Board on 13 August 2014. Only members of the Committee are entitled to attend meetings. Other individuals, such as the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the Company Secretary, the Director of Internal Audit and the external audit partner are regularly invited to attend meetings as appropriate and necessary. The Committee can invite others to attend as appropriate.

The Board is satisfied that the Chairman of the Committee has the current and relevant financial and accounting experience required by the provisions of the Code. Other members of the Committee also have recent and relevant

Main Activities of Audit Committee During the Year

January	February	April	June
Review of Financial Statements • Quarter 4 trading update	**Review of Financial Statements** • Draft preliminary announcement and 2013 Annual Report and Accounts • External auditor's year-end report • Going concern analysis • Review of non-audit fees • Fair, balanced and understandable review • Management letter of representation	**Review of Financial Statements** • Quarter 1 trading update	**Risk and Internal Control** • Internal audit update • Risk management update
Risk and Internal Control • Proposed internal audit plan	**Risk and Internal Control** • Ratification of principal risks • Internal audit update		**External Auditor** • External auditor's 2013 management letter • Half year review • External auditor satisfaction survey • Reappointment of external auditor
	Compliance • Tax strategy • Review and update of Committee terms of reference • Meeting with external auditor without Executive Directors		

financial experience and have a sufficiently wide range of business experience and expertise such that the Committee can effectively fulfil its role. The relevant qualifications and experience of the Committee members are shown in their biographies on pages 58 to 60. The Committee met with the external auditor during the year without the presence of management in order to provide an opportunity for confidential discussion. The Director of Internal Audit and the external auditor have direct access to the Chairman of the Committee throughout the year.

During the year under review the Committee met on eight occasions and details of the members' attendance at the meetings of the Committee can be found in the Corporate Governance Report on page 64.

Financial Reporting

In its financial reporting to shareholders and other interested parties, the Board aims to present a fair, balanced and understandable assessment of the Group's position and prospects, providing necessary information for shareholders to assess the Company's business model, strategy and performance. In 2013 the Company introduced a new process for reviewing the annual report and accounts to ensure that they were fair, balanced and understandable. This process was used again this year. It included a thorough understanding of the regulatory requirements for the annual report and accounts; a process to determine the accuracy, consistency and clarity of the data and language; and a detailed review by all appropriate parties including external advisers. A checklist of all the elements of the process was completed to document the process and cascaded sign-off implemented through the Group's management structure to provide assurance to the Committee that the appropriate procedures had been undertaken by all Group companies.

The Committee has reviewed the Company's 2014 Annual Report and Accounts. It provided comments which were incorporated into the Annual Report and Accounts and has advised the Board that in its opinion, the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary to assess the Company's performance, business model and strategy.

July	August	October	December
Review of Financial Statements • Quarter 2 trading update	**Review of Financial Statements** • Draft interim report	**Review of Financial Statements** • Quarter 3 trading update	**Review of Financial Statements** • Review of 2014 annual report and accounts process
	Risk and Internal Control • Risk management update	**Risk and Internal Control** • Internal audit update • Group risk update • Cyber risk review and update	**Risk and Internal Control** • Internal audit update • Approval of internal audit plan for 2015 • Confirmation of principal risks
	External Auditor • External auditor's interim review • Management letter of representation • Review of scope of external audit work • Audit fee review	**External Auditor** • Group audit policy	**External Auditor** • Assessment of risk of material mis-statement • Review of external auditor independence and objectivity • Regulatory update
	Compliance • Meeting with external auditor without Executive Directors		**Compliance** • Year end legislative and procedural matters • External auditor's engagement letter • Review and approval of non-audit fees policy • Review and approval of audit tendering policy • Committee evaluation feedback

Audit Committee Report

Significant Accounting Issues and Areas of Judgment

The Committee focuses in particular on key accounting policies and practices adopted by the Group and any significant areas of judgment that may materially impact reported results as well as the clarity of disclosures, compliance with financial reporting standards and the relevant requirements around financial and governance reporting. Details on accounting policies can be found on pages 104 to 108.

The significant issues and areas of judgment considered by the Committee during the year and how these were addressed were as follows:

- 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. This remains a key area of focus for the internal audit team who report back to the Committee on their findings.
- Accounting for the Page Recruitment System and related applications relating to the intangible assets, with particular focus on appropriate cost capitalisation and carrying value. The Committee review the cost capitalisation and carrying value twice a year to ensure that the judgments made remain appropriate.
- Deferred tax assets and transfer pricing provisions with particular reference to their recoverability and adequacy. With 75% of its operations in overseas territories, the Group is subject to significant international tax legislation which impacts the determination of the transfer pricing provision. The Committee review this area on a six monthly basis to ensure transfer pricing provisions remain appropriate and that deferred tax assets are properly classified and remain recoverable.

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

External Auditor's Independence and Effectiveness

The Committee monitors the objectivity, independence and effectiveness of the external auditor, Ernst & Young LLP, who were appointed as auditor of the Company in 2011 following a tender process. Prior to that Deloitte LLP had been the auditor of the Company since its listing in 2001.

The Company is mindful of the provisions of the Code, best practice and recent EU audit legislation as regards audit firm rotation and the provision of non-audit services. In this respect, during the year under review, the Committee considered both matters.

In accordance with professional standards, Ernst & Young LLP operate a policy of rotating the Audit Partner every five years. The current Audit Partner has served for a period of three years and six months. The Committee considered and approved a formal policy for the tender of the external audit. This provides that the Company will retender the external audit at least every ten years and it will change the external auditor at least every 20 years.

In addition the Committee reviewed and updated its policy on the use of the external auditor for non-audit services. As a result the Committee determined that it would update its policy accordingly. This includes the prohibition on using the external auditor for:

(i) Tax services such as the preparation of tax forms; payroll tax; support regarding tax inspections unless support is required by law; the calculation of direct and indirect tax and deferred tax; and the provision of tax advice (except for employee global mobility advice);

(ii) Services related to the Group's internal audit function; and

(iii) The design and implementation of internal control or risk management procedures related to the preparation and/or control of financial information or the design and implementation of financial information technology systems.

The external auditor will not be given new instructions for such matters and, where such activities are currently performed by the external auditor, arrangements will be made to ensure they cease this activity by the end of December 2016. The policy will be reviewed annually.

Details of the fees paid to Ernst & Young LLP during 2014 in respect of non-audit services are shown on page 111.

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 that the firm and staff are independent of the Group by reason of family, finance, employment, investment and business relationship (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; and enforcing a policy concerning the provision of non-audit services by the external auditor.

The Committee considers the annual appointment of the auditor by shareholders at the Annual General Meeting to be a fundamental safeguard.

The performance and effectiveness of the auditor is also reviewed annually by the Committee. This covers qualification, expertise, resources and reappointment as well as assurance that there are no issues which could adversely affect the external auditor's independence and objectivity taking into account the relevant standards. In this respect the Committee reviewed the:

- Robustness of the external auditor's plan and its identification of key risks;
- Fulfilment of the agreed external audit plan and any variations from the plan;
- Robustness and perceptiveness of the external auditor in handling key accounting and audit judgments;
- Content of reports provided to the Committee by the external auditor including reporting on internal control; and
- Feedback from management.

Following a full evaluation of the external auditor at the end of the 2014 audit, the Committee recommended to the Board the reappointment of Ernst & Young LLP as Auditor of the Company at the forthcoming Annual General Meeting.

Internal Control and Risk Management

The Board's responsibilities for and their report on the systems of internal control and their effectiveness are set out in the Corporate Governance Report on pages 65-66.

On behalf of the Board the Committee reviewed the Group's risk assessment procedures for identifying its principal risks. The review takes account of all risks, including environmental, social and governance matters, inherent in the strategy of the business and its plan. These procedures include quarterly reports to the Committee from the Director of Internal Audit on the performance of the system of internal control and on its effectiveness in managing material risks and identifying any control failings or weaknesses.

The Committee also reviews the Group's risk management process annually, with the outcome being reported to the Board. This, together with regular updates to the Board on material risks, allows the Board to make the assessment on the systems of internal control and the residual risk for the purpose of making its public statement. The risk process, together with the key risks and their indicators, have been identified and mitigating actions are described in the Strategic Report on pages 41 to 46. Key performance indicators and management incentives are highlighted for the main financial, strategic and people risks in the Strategic Report on page 8.

Where weaknesses have been identified in the internal control system for the mitigation of risks to an acceptable level, plans to strengthen the control system are put in place. Action plans in this respect are regularly monitored until complete. During the period under review there were no control failings or weaknesses that resulted in unforeseen material losses.

Internal Audit Activities

During the year under review the Committee monitored and reviewed the effectiveness of the Internal Audit function in accordance with the Code. The Group's Internal Audit function comprises a Director of Internal Audit and a team of internal auditors. A new Director of Internal Audit was appointed during the year and this has brought an increased breadth and depth of risk and internal control experience to the function. The Director of Internal Audit reports to the Chief Financial Officer on a day-to-day basis, but also has a reporting line to the Chairman of the Audit Committee as well as direct access to the Committee and the Board. This ensures there is opportunity for frank and open dialogue.

The scope of work for the Internal Audit function is agreed with the Committee annually with the findings from internal audits being reported to the Executive Board and the Audit Committee. Businesses are visited on a rotational risk-based approach to assess the effectiveness of controls to mitigate risks to an acceptable level. All major risks are addressed in this process, including those around governance, environmental and social related matters.

Actions to maintain and improve the effectiveness of the control environment are agreed with the Executive Board and are monitored and reported to the Committee. Risks are also regularly reviewed and required changes are made to the risk profile and, where necessary, to the activity of Internal Audit. All changes to the Internal Audit plan are agreed with the Chairman of the Committee and reported to the Executive Board and the Committee.

Committee Evaluation

The activities of the Committee were reviewed as part of the Board evaluation process performed during the year under review. Details and the outcome of the evaluation process can be found in the Corporate Governance Report on page 65.

Audit Committee Report

Fraud

The Committee reviews the procedures for the prevention and detection of fraud in the Group. Suspected cases of fraud must be reported to the Chief Financial Officer and the Director of Internal Audit and investigated by operational management and Internal Audit. The outcome of any investigation is reported to the Committee. A register of all suspected fraudulent activity and the outcome of any investigation is kept and is circulated to the Committee on a regular basis. During the year in question, no frauds of a material nature were reported.

Anti-Bribery and Corruption and Business Ethics

The Group maintains a zero tolerance approach against corruption. It has an established anti-bribery and corruption policy, which includes guidance on the giving and receiving of gifts and hospitality. This policy applies throughout the Group. The policy and the training of employees was reviewed and updated during the year under review. It has been implemented by means of policy guidelines and the training of Regional Finance Directors who then cascaded the training and guidelines to all relevant employees within each operating unit.

All managers and all staff in risk areas across the Group are required to undertake training by means of review and presentation of standard Group prepared training material. A gifts and entertainments register is maintained to ensure transparency.

The Company also has a Code of Conduct which can be found on our website www.page.com. This sets out the standards of behaviour by which all employees of the Group are bound and is based on the Company's commitment to acting professionally, fairly and with integrity.

Whistleblowing

In accordance with the provisions of the Code, the Committee is responsible for reviewing the arrangements whereby staff may, in confidence, raise concerns about possible improprieties in financial reporting or other matters and ensuring that these concerns are investigated and escalated as appropriate. This is run by an external third party and is available to all employees in the Group. There were no whistleblowing incidents reported during the year under review.

Directors' Remuneration Report

David Lowden
Committee Chairman

Annual Statement

I am delighted to present to you the Directors' Remuneration Report for the year ended 31 December 2014 for which we will be seeking approval at the Annual General Meeting in June 2015. This Report is split into three parts: this Statement; the Annual Report on Remuneration; and the Remuneration Policy Table for Executive Directors and Non-Executive Directors.

We detailed our remuneration structure in last year's Remuneration Policy Report. This was put to and approved by shareholders at the June 2014 Annual General Meeting. The remuneration arrangements for the Executive Directors have operated under this structure and there were no changes to this policy in 2014. The full Remuneration Policy Report can be found on our website at www.page.com.

PageGroup is a people business and this is at the heart of its sustainable business model. Attracting and retaining expertise is a fundamental of our business and runs from the top to the bottom of the organisation. Our strategic framework (see page 7) looks to achieve stability and sustainability in management and strategy, even in what is a very cyclical industry. It is the achievement of the combination of these strategic objectives that we believe maximises the potential for long-term and sustainable shareholder value.

The remuneration structure for senior executives aligns itself to our strategic objectives and has three clear key themes against which performance is evaluated. These are financial, strategic and people. Using these categories the business looks to achieve a coherence of assessment and measurement across agreed KPIs, risks and remuneration. We believe that we have the proportions appropriately balanced, with a combination of financial metrics and other criteria.

As set out in the Review of the Year, the business has achieved robust growth in 2014 despite what have been challenging macro-economic conditions in a number of key markets. At the beginning of the year financial objectives for the business were set with targeted performance for annual bonus purposes being a growth in profit before tax and before exceptional items of 15.8% in constant currency.

This was exceeded, with growth of 25.8% being achieved. In terms of strategy, good progress has been made in the development of business in the Large, High Potential markets with 14.2% growth (in constant currency) in gross profit being ahead of the target we set at the beginning of the year and the investment in people in these markets supporting our objective to increase the proportion of the Group's gross profit made up by these in line with the Strategic Plan.

The business has also achieved good operational efficiencies which helped to deliver an improved fee-earner to operational support staff ratio; and successfully rolled out the new PRS operating system to over 30% of the Group's consultants by the end of the year. (See the performance against strategic measures table on page 77). At the same time 2014 saw continued development in our people programmes and our senior executive development, reflecting the value we place on our people who will ensure the on-going success of the business.

With the delivery of the financial, strategy and people objectives we set the Executive Directors in 2014, the total annual bonus payout for the Chief Executive Officer was determined at £701,542, being 71% of the maximum bonus opportunity and for the Chief Financial Officer was £277,708, being 69% of the maximum bonus opportunity.

In further support of long-term and sustainable shareholder value a new Long-Term Incentive Plan scheme came into effect in 2014. The awards to be made in 2015 under this scheme are outlined on page 84 together with the performance criteria, which the Committee believe are appropriately challenging, being 62.5% measured against cumulative EPS targets, 12.5% against comparative growth rates and 25% against strategic objectives. In respect of the strategic targets these are deemed to be commercially sensitive and performance against these will be reported retrospectively.

For 2015, the Committee decided to increase the Chief Executive Officer's base salary by 1.8% and the Chief Financial Officer's salary by 2.5%. These increases are, respectively, below and in line with the increase for the UK Head Office workforce.

During the year under review the Remuneration Committee considered the issues within its remit and in particular considered those matters detailed on page 75. It is the intention of the Remuneration Committee not to make any changes to the remuneration structure in 2015.

I hope to receive your support for the Directors' Remuneration Report at the Annual General Meeting.

David Lowden
Chairman of the Remuneration Committee
10 March 2015

Directors’ 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 information on pages 75 to 86 has been audited where required under the Regulations. The elements of the Directors’ Annual Remuneration Report subject to audit are as follows:

(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 the long-term variable pay awarded in 2014;

(d) Details on the payments to past directors;

(e) Details on payments for loss of office; and

(f) Section on outstanding share awards.

During the year under review the members of the Committee were David Lowden who was Chairman of the Committee, Simon Boddie, Danuta Gray, Ruby McGregor-Smith and Tim Miller. All served throughout the year except Tim Miller who ceased to be a member of the Committee on his retirement from the Board on 13 August 2014. Details of the members’ attendance at meetings of the Committee can be found on page 64.

Only members of the Committee are entitled to attend meetings. Other individuals, such as the Chairman of the Board, who attends meetings of the Committee regularly, the Chief Executive Officer, the Chief Financial Officer, the Group Human Resources Director and external advisers, may attend meetings by invitation when appropriate and necessary. No Director takes part in discussions relating to their own remuneration.

The Committee appointed New Bridge Street as its remuneration consultants in September 2013 as a result of a competitive re-tendering process. New Bridge Street is a member of the Remuneration Consultants Group and as such voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. New Bridge Street is a member of the Aon Group who provided insurance services to the Company during the year under review. £97,000 was paid to Aon in respect of broker fees. During the year New Bridge Street has provided independent advice to the Committee on the setting of performance criteria for the Company’s various incentive arrangements; benchmarking of remuneration against market levels, renewal of share schemes for senior employees and advised on the remuneration report. The fees paid to New Bridge Street totalled £61,165. New Bridge Street did not provide any services to the Company. The Committee also received input from the Chairman, Chief Executive Officer, Company Secretary and Group Human Resources Director.

The Committee met a total of 8 times during the year and discussed the following matters:

- The setting of performance targets for the 2014 incentive awards made to the Executive Directors;
- Monitoring the progress of strategic objectives;
- Reviewing reporting regulations regarding remuneration;
- Determining the former Chief Financial Officer’s departure arrangements;
- Approving the amount of bonuses and share plan awards for the Executive Directors based on pre-set performance targets;
- Analysing feedback from shareholders in regard to their voting intentions at the 2014 Annual General Meeting;
- Reviewing various shareholder bodies’ communications and policies in respect of remuneration;
- Undertaking its annual review and approval of salaries and incentives of the Executive Directors and other senior executives; and
- Setting the remuneration on the appointment of the Chief Financial Officer.

The Remuneration Committee set out in the 2013 Annual Report and Accounts the PageGroup Remuneration Policy which was approved by shareholders at the Company’s Annual General Meeting held on 5 June 2014. Full details of the shareholding voting can be found on page 86. A copy of the Remuneration Policy in full can be found in the 2013 Annual Report and Accounts in the Investors section of our website www.page.com. A summary of the key aspects of the Remuneration Policy can be found on pages 87-89. The Committee continued to operate this Remuneration Policy during 2014 and intends to continue its operation during 2015.

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 2014 and 31 December 2013.

2014

Executive	Salary and Fees (note 1) £'000	Benefits (note 2) £'000	Pensions (note 3) £'000	Short-term incentives (note 4) £'000	Long-term incentives (note 5) £'000	Dividends paid on unvested shares £'000	Total £'000
Steve Ingham	565	37	138	702	–	52	1,494
Kelvin Stagg	171	14	34	178	–	11	408
Non Executive							
Robin Buchanan	228	–	–	–	–	–	228
Simon Boddie	64	–	–	–	–	–	64
Danuta Gray	51	–	–	–	–	–	51
David Lowden	64	–	–	–	–	–	64
Ruby McGregor-Smith	56	–	–	–	–	–	56
Tim Miller	31	–	–	–	–	–	31

2013

£'000 Executive	Salary and Fees (note 1) £'000	Benefits (note 2) £'000	Pensions (note 3) £'000	Short-term incentives (note 4) £'000	Long-term incentives £'000	Lapse of short-term incentives) (note 6a)	Dividends paid on unvested shares £'000	Other (note 6b) £'000	Lapse of joining award (note 6c)	Total £'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

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 comprise a company car or cash equivalent; fuel; permanent health insurance; medical insurance; life insurance; and in respect of the Chief Executive Officer, 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 "Short-Term Incentives" figure for each of the 2013 and 2014 years includes the annual cash bonus and for the 2013 financial year the deferred element of the bonus which was granted in March 2013.
5. The value of "Long-Term Incentives" in 2014 is nil since the performance target was not met for the award granted on 11 March 2011 with a performance period ending on 31 December 2014.
6. Andrew Bracey:
   (a) The ISP Deferred award granted to Andrew Bracey on 11 March 2013 over 54,299 shares lapsed on resignation. This figure is shown as a negative figure as the value of the award had been included in the reported single figure for remuneration in the 2012 Directors' Remuneration Report (within the "Short-Term Incentives"). The negative value is calculated using the share price on 11 October 2013, the date of notice of resignation, of 494.5p.
   (b) The sum of £286,000 in the "Other" column of the 2013 table 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 in October 2013, taking account of his continued cover under the Company's private medical insurance scheme until 31 March 2014. No other payments have been made to Andrew Bracey.
   (c) The second tranche of the Joining Award granted to Andrew Bracey on 23 April 2013 over 37,736 shares lapsed on his resignation. This figure is shown as a negative figure as the value of the award had been included in the reported single figure for remuneration in the 2012 Directors' Remuneration Report (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 same share price on the date of the notice of resignation, 11 October 2013, of 494.5p per share.
7. Danuta Gray was appointed a Director of the Company on 10 December 2013. The fees shown in the 2013 table reflect the amount paid to her from the date of appointment to 31 December 2013.
8. Kelvin Stagg was appointed a Director of the Company on 6 June 2014.The figures noted above reflect the remuneration paid to him from that date to the end of the year under review.
9. Tim Miller ceased to be a Director of the Company on 13 August 2014. The fees noted above cover the period 1 January 2014 to the date of his retirement.

Directors’ Remuneration Report

Determination of Annual Bonus for the Financial Year Ended 31 December 2014

The annual bonus payment for the Executive Directors for the financial year ended 31 December 2014 was determined as follows:

Role		Bonus for Profit Before Tax (PBT) performance		Bonus for Strategic Performance		Total bonus	
		Potential	Actual	Potential	Actual	Potential	Actual
CEO	£000	706,250	447,292	282,500	254,250	988,750	701,542
	% of salary	125	79	50	45	175	124
	% of maximum	71	45	29	26	100	71
CFO	£000	268,750	170,208	134,375	107,500	403,125	277,708
	% of salary*	100	63	50	40	150	103
	% of maximum	67	42	33	27	100	69

* The bonus payments made to Kelvin Stagg were based on his average salary over the financial year. The figures above show the calculation for Kelvin Stagg’s full year bonus. The payment shown in the single figure table relates to the period from his date of appointment to 31 December 2014.

As in prior years, the PBT thresholds and maximum targets for 2014 were set having considered both internal budgets and market expectations being adjusted for the impact of foreign currency in the financial year.

The PBT thresholds and maximum targets were £57.6m and £96m. The actual outcome of PBT before exceptional items was £78.4m which resulted in the payment of £447,292 to Steve Ingham which represented 63% of the maximum payable under this measure. Kelvin Stagg received £170,208 which represented 63% of the maximum payable under this measure relating to the period 1 January 2014 to 31 December 2014.

Performance against the strategic measures was assessed against a number of areas, both financial and environmental, social and governance. These areas, together with the Committee’s assessment of performance, are set out in the table below:

Strategic performance	Assessment of 2014 performance
Steve Ingham – CEO Areas of focus: - Executive Leadership Development - Strategy Development - PageGroup People Development - PageGroup IT systems	The maximum payment for the delivery of strategic performance objectives in 2014 was equal to 50% of base salary. The Committee assessed performance against these measures at the end of 2014 in line with the framework set out at the beginning of the year. In the assessment, the Committee noted there had been strong performance against strategic targets during 2014. In particular, the Committee noted that all objectives in respect of the PageGroup IT systems had been met in full. There had also been significant development of senior management and of succession plans; the continued investment in Large High Potential Markets had resulted in gross profit growth exceeding target; and there had been a significant reduction in the employee attrition rate which would have a positive impact on gross profit.
Kelvin Stagg – CFO Areas of focus: - Executive Leadership Development - Risk Management and Internal Controls - Cost Management, Financial, Strategic and Management Information - Tax and Treasury Management	The maximum payment for the delivery of strategic performance objectives in 2014 was equal to 50% of base salary. During the year significant progress was made in developing a cohesive global financial executive team. The Audit and Risk functions had operated effectively and had increased their level of integration with PageGroup’s operations and divisions. Financial and management information together with the annual budget process have been improved. Progress has also been made in both the strategic and compliance areas related to tax and treasury management.

Based on this assessment the Remuneration Committee determined that 45% of salary was payable to Steve Ingham, representing 90% of the maximum payable under this element and 40% was payable to Kelvin Stagg representing 80% of the maximum payable under this element.

Deferred Annual Bonus

Any bonus above 125% for each of the Chief Executive Officer and the Chief Financial Officer is deferred into Ordinary shares of the Company. As shown on page 77 the annual bonus for the financial year ended 31 December 2014 for the Chief Executive Officer and the Chief Financial Officer was 124% and 103% of salary respectively and, therefore, no bonus was deferred.

Long-Term Incentives included in the Single Figure Table

The "long-term incentives" figure represents the Performance Awards granted under the old ISP. The 2014 value represents the value of the percentage of the Performance Award held by the Chief Executive Officer that was granted on 12 March 2012. The Chief Financial Officer did not hold a 2012 Performance Award. The performance period of the 2012 Performance Award ended on 31 December 2014 and details of the performance condition are set out on page 80 with the description of outstanding share awards on page 79. Over the performance period, the Company's average annual EPS growth was equal to -5.2%. This resulted in no shares vesting and, therefore, there is no value for this award in the single figure table. The EPS calculation is as follows:

2012 LTIP Award – performance condition measurement

Base year 2011 adjusted* EPS	22.19
Actual 2014 adjusted* EPS	20.45
RPI index for December 2011	225.00
RPI index for December 2014	242.80
Earnings growth across the period	-7.84%
RPI growth across the period	7.91
EPS growth across the period	-15.7%
Average annual EPS growth	-5.2%

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

Percentage Change in Remuneration for the Chief Executive Officer

The following table provides a summary of the 2014 increase in base salary for the Chief Executive Officer compared to the average increase for the Group Head Office population in the same period. Also included is the proposed 2015 salary increase for the purpose of comparison.

		Proposed 2015 increase %	2014 increase %	2013 increase %
Salary	Chief Executive Officer	1.8	2.7	22.2
	Group Head Office population	2.5	3.0[1]	3.0[1]
Benefits	Chief Executive Officer	n/a	n/a	5.0
	Group Head Office population	n/a	n/a	0
Short-term Incentives	Chief Executive Officer	n/a	n/a	-50.0
	Group Head Office population	n/a	n/a	18.0

Note:

1 Represents average increase.

Directors' Remuneration Report

The Group Head Office population was chosen as the most relevant population comparison as the Chief Executive Officer is based in the UK, as are the Group Head Office staff, and the Group Head Office population does not include operational staff incentivised against sales targets.

The short-term incentives for the 2013 financial year include cash bonuses, any deferred element of the bonus and the ISP deferred award under the old ISP plan which did not have performance conditions.

Details of the Long-Term Incentive Award made in 2014

On 11 March 2014 an award of shares under the Long-Term Incentive Plan shares was made to each of the Chief Executive Officer and the Chief Financial Officer as follows:

Executive	Type of Award	Basis of Award	Face Value	% of Award if vesting at threshold	End of performance period
Steve Ingham	227,273 shares	200% of salary	£1,100,000	25%	31 December 2016
Kelvin Stagg	70,248 shares	150% of salary	£340,000	25%	31 December 2016

Notes:

1. The market price of the shares as at the date of grant was 484p.
2. The face value of the award for Kelvin Stagg was based on his salary as at the date of the award.

The performance conditions attaching to the Long-Term Incentive Plan awards can be found on page 81.

Outstanding Share Awards

This section sets out the share interests of the Executive Directors under the old ISP, the old Annual Bonus plan, the legacy Executive Share Option Schemes, Long-Term Incentive Plan and the Deferred Cash Plan.

Incentive Share Plan – Performance Award

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

Executive	Grant date	Number of shares at 1 January 2014 or date of appointment	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2014	End of performance period	Vesting date
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		**116,993**	**–**	**–**	**(34,020)**	**82,973**		
Kelvin Stagg	11 March 2013	9,427	–	–	–	9,427	31 December 2015	11 March 2016
Total		**9,427**	**–**	**–**	**–**	**9,427**		

The performance conditions relating to the Performance Awards made to the Executive Directors are noted below.

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 greater value 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 the Deferred Awards under the Incentive Share Plan that remain outstanding at 31 December 2014 are as follows:

Executive	Grant date	Number of shares at 1 January 2014 or date of appointment	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2014	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		**233,987**	**–**	**(68,039)**	**–**	**165,948**		
Kelvin Stagg	11 March 2013	18,854	–	–	–	18,854	N/A	11 March 2016
Total		**18,854**	**–**	**–**	**–**	**18,854**		

Long-Term Incentive Plan

Details of awards made under the Long-Term Incentive Plan that remain outstanding at 31 December 2014 are as follows:

Executive	Grant date	Number of shares at 1 January 2014 or date of appointment	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2014	End of performance period	Vesting date
Steve Ingham	11 March 2014	–	227,273	–	–	227,273	31 December 2016	11 March 2017
Total		**–**	**227,273**	**–**	**–**	**227,273**		
Kelvin Stagg	11 March 2014	70,248	see note	–	–	70,248	31 December 2016	11 March 2017
Total		**70,248**	**see note**	**–**	**–**	**70,248**		

Note:

Kelvin Stagg was granted an award under the Long-Term Incentive Plan prior to the date of his appointment so the number of shares over which the award was granted appears in both the date of appointment and granted during the year columns above.

Directors' Remuneration Report

The performance criteria relating to the Long-Term Incentive Plan awards are as follows:

Performance measure	Weighting (% of award)	% of award vesting at threshold
Cumulative 3-year real EPS	62.5%	25%
Comparator gross profit growth	12.5%	25%
Strategic targets	25%	25%

The shares subject to the cumulative three-year EPS performance condition will vest as follows after the completion of the three year performance period:

- 25% will vest for achieving three-year cumulative EPS of 57p;
- 100% of the shares will vest for achieving three-year cumulative EPS of 78p; and
- Between 25% to 100% of the shares will vest for three-year cumulative EPS in between 57p and 78p.

The shares subject to the comparator gross profit measure will vest as follows after the completion of the three year performance period:

- 25% will vest for achieving the median gross profit growth of the comparator group;
- 100% of the shares will vest for achieving the upper quartile gross profit growth of the comparator group; and
- Between 25% to 100% of the shares will vest for achieving gross profit growth in between median and upper quartile.

The comparator group comprises the following companies and where relevant and practical, is measured only against organic growth against relevant divisions: Adecco, Hays, Hudson, Manpower, Randstad, Robert Half, Robert Walters and SThree.

The Committee currently considers the targets for the other performance measures to be commercially sensitive and will disclose the performance targets once the final vesting outcome has been determined.

Annual Bonus Plan

Details of awards made under the old Annual Bonus Plan that remain outstanding at 31 December 2014 are as follows:

Executive	Grant date	Number of shares at 1 January 2014	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2014	End of performance period	Vesting date
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		**25,378**	**–**	**(16,747)**	**–**	**8,631**		

Kelvin Stagg does not hold any awards under the Annual Bonus Plan.

Executive Share Option Scheme

Details of options granted under The Michael Page International plc Executive Share Option Scheme and the Michael Page 2009 Share Option Scheme that remain outstanding at 31 December 2014 are as follows:

The Michael Page Executive Share Option Scheme

Executive	Grant date	Number of shares at 1 January 2014 or date of appointment	Exercised during the year	Lapsed during the year	Number of shares at 31 December 2014	Exercise price (p)	Exercise period
Steve Ingham	28 February 2005	50,000	(50,000[1])	–	–	190.75	2008-2015
Steve Ingham	10 March 2010	374,147	–	–	374,147[2]	381.5	2013-2020
Total		**424,147**	**(50,000)**	**–**	**374,147**	**–**	
Kelvin Stagg	10 March 2010	50,000	–	–	50,000[2]	381.5	2013-2020
Total		**50,000**	**–**	**–**	**50,000**		

Notes:
1. A gain of £79,371 was made on the 36,104 shares sold on exercise. A theoretical gain of £30,549 was made in respect of the 13,896 shares retained.
2. At 31 December 2014 all options had vested and were available for exercise.

The market price of the shares as at 31 December 2014 was 411.9p per share, with a range during the year of 371.9p to 507p per share.

The Michael Page 2009 Share Option Scheme

Upon appointment in June 2014, Kelvin Stagg held outstanding awards under the Michael Page 2009 Share Option Scheme which had been awarded in respect of his prior role. The awards are set out below:

Executive	Grant date	Number of shares at date of appointment	Exercised during the year	Lapsed during the year	Number of shares at 31 December 2014	Exercise price (p)	Exercise period
Kelvin Stagg	9 March 2009	20,000*	–	–	20,000	187.50	2012-2019
Kelvin Stagg	11 March 2011	30,000	–	–	30,000	491	2014-2021
Kelvin Stagg	12 March 2012	30,000	–	–	30,000	477	2015-2022
Total		**80,000**	**–**	**–**	**80,000**		

* At 31 December 2014 17,200 of the options had vested and were available for exercise.

Steve Ingham does not hold any options under the Michael Page 2009 Share Option Scheme.

Deferred Cash Plan

Upon appointment in 2014, Kelvin Stagg held an outstanding award under the Deferred Cash Plan which had been awarded in respect of his prior role. Details of awards made under the Deferred Cash Plan that remain outstanding at 31 December 2014 are set out below:

Executive	Grant date	Award at date of appointment	Awards made during the year	Vested during the year	Lapsed during the year	Awards at 31 December 2014	Vesting date
Kelvin Stagg	12 March 2012	£40,000	–	–	–	£40,000	12 March 2015
Total		**£40,000**	**–**	**–**	**–**	**£40,000**	

Steve Ingham does not hold an award under the Deferred Cash Plan.

Directors' Remuneration Report

Statement of Directors' Shareholdings

It is the Company's policy that Executive Directors are required to build and hold a direct beneficial holding in the Company's Ordinary shares of an amount equal to two times their base salary. As at 31 December 2014 Steve Ingham complied with this requirement. Kelvin Stagg who was appointed a Director during the year under review is in the process of building the required minimum holding.

The beneficial interests of the Directors who served during the year under review, and their connected persons, in the Ordinary shares of the Company are shown in the table below. The table shows interests which are held outright and does not include interests held in shares which are subject to ongoing vesting and/or performance conditions which are set out on pages 79 to 81 or share options which have vested but have not been exercised, as set out on page 82.

Executive Directors	Ordinary shares as at 1 January 2014 or date of appointment	Ordinary shares acquired on vesting of share awards				Purchased in year	Disposal in year	Ordinary shares as at 31 December 2014	Value of holding as at 31 December 2014	Executive Directors Value of holding as at 31 December 2014 as a % of salary
		ISP	ABP	ESOS	Total					
Steve Ingham	1,677,716	68,039	16,747	50,000	134,786	–	(76,235)	1,736,267	£7,151,683	1,266
Kelvin Stagg	14,804	–	–	–	–	–	–	14,804	£60,977	20

Notes:
1. In addition to the Ordinary shares shown in the table above, Steve Ingham and Kelvin Stagg have a beneficial interest in the Ordinary shares shown on pages 79 to 81 as outstanding awards under the Long-Term Incentive Plan, the Incentive Share Plan and the Annual Bonus Plan.
2. Steve Ingham: During the year under review 68,039 Ordinary shares vested pursuant to a performance award under the ISP and 16,747 Ordinary shares vested pursuant to an award under the old Annual Bonus Plan.
3. The value of the Executive Directors' holdings uses the closing share price on 31 December 2014 of 411.9p per share.

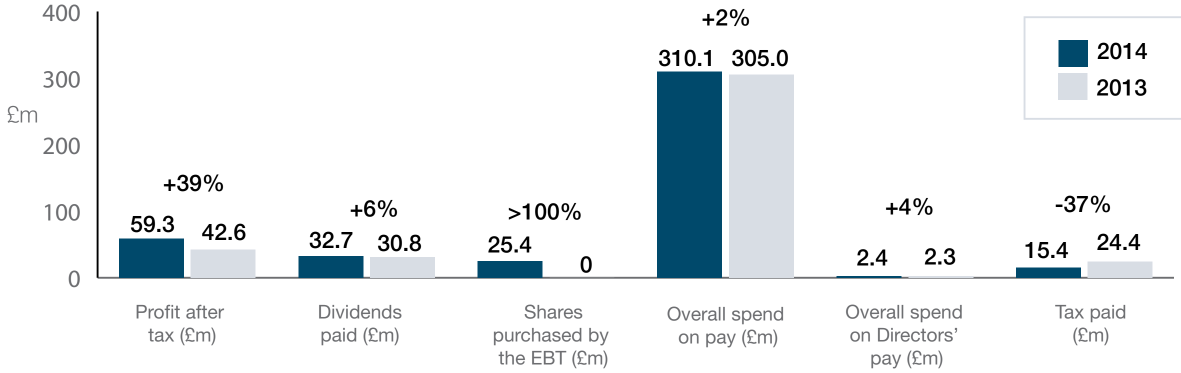
Non-Executive Directors	Ordinary shares of 1p	As at 1 January 2014	Purchased in the year	As at 31 December 2014
Robin Buchanan	Direct Holding	93,040	44,987	138,027

No other Non-Executive Director held Ordinary shares in the Company during the year under review.

There have been no changes to the Directors' shareholdings since 31 December 2014 to the date of this Directors' Remuneration Report.

Relative Importance of Spend on Pay

The graph below shows details of the Company's retained profit after tax, distributions by way of dividend, overall spend on pay to all employees (see Note 4 in the financial statements on page 111) overall spend on Directors' pay as included in the single figure table on page 76 and the tax paid in the financial year. The percentage change to the prior year is also shown.



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 their 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. The Remuneration Committee has the right to exercise mitigation in the event of termination.

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 giving one month's written notice or in accordance with the provisions of 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 the Annual General Meeting. Copies of the service contracts and letters of appointment are available for inspection during normal business hours at the Company's registered office.

Executive Director	Service Contract date	Unexpired Term	Notice Period
Steve Ingham	31 December 2010	No specific term	12 months
Kelvin Stagg	6 June 2014	No specific term	12 months

Non-Executive Directors	Letter of Appointment Date	Unexpired Term at 31 December 2014
Robin Buchanan	10 August 2014	32 months
Simon Boddie	24 September 2012	9 months
Danuta Gray	10 December 2013	23 months
David Lowden	22 August 2012	8 months
Ruby McGregor-Smith	23 May 2013	17 months

Implementation of the Remuneration Policy for Executive Directors in 2015

Base Salary

The base salaries of the Executive Directors were considered with reference to the general salaries across the Group Head Office population and other market benchmarks. After consideration the Remuneration Committee decided to increase the salary of the Chief Executive Officer and the Chief Financial Officer by 1.8% and 2.5% respectively.

Annual Bonus

The operation of the annual bonus will remain unchanged in 2015 with the same weighting between financial and other strategic measures as in 2014. Performance against these measures and the relevant targets will be disclosed in next year's Directors' Remuneration Report.

Long-Term Incentive

The first award under the Long-Term Incentive Plan was made in March 2014, details of which can be found on page 80. It is currently the Committee's intent that in 2015 the face value of Long-Term Incentive Plan awards as a percentage of base salary will be the same as in 2014: the face value at grant of the Long-Term Incentive Plan awards will be 200% of base salary for the Chief Executive Officer and 150% of base salary for the Chief Financial Officer. The performance measures and weightings for awards to be granted in 2015 will be the same as for the awards granted in 2014:

- Cumulative 3-year EPS (62.5% of award);
- Comparator Gross Profit (12.5% of award); and
- Strategic measures (25% of award).

Between 25% to 100% of the shares subject to the EPS performance condition will vest for three-year cumulative EPS in between 66p and 87p. The comparator gross profit growth measure will be the same as for those Long-Term Incentive Plan awards granted in 2014. The Committee currently considers the targets for the strategic measures to be commercially sensitive and will disclose the performance targets once the final vesting outcome has been determined.

Directors' Remuneration Report

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. The Chief Financial Officer receives a contribution equivalent to 20% of his base salary.

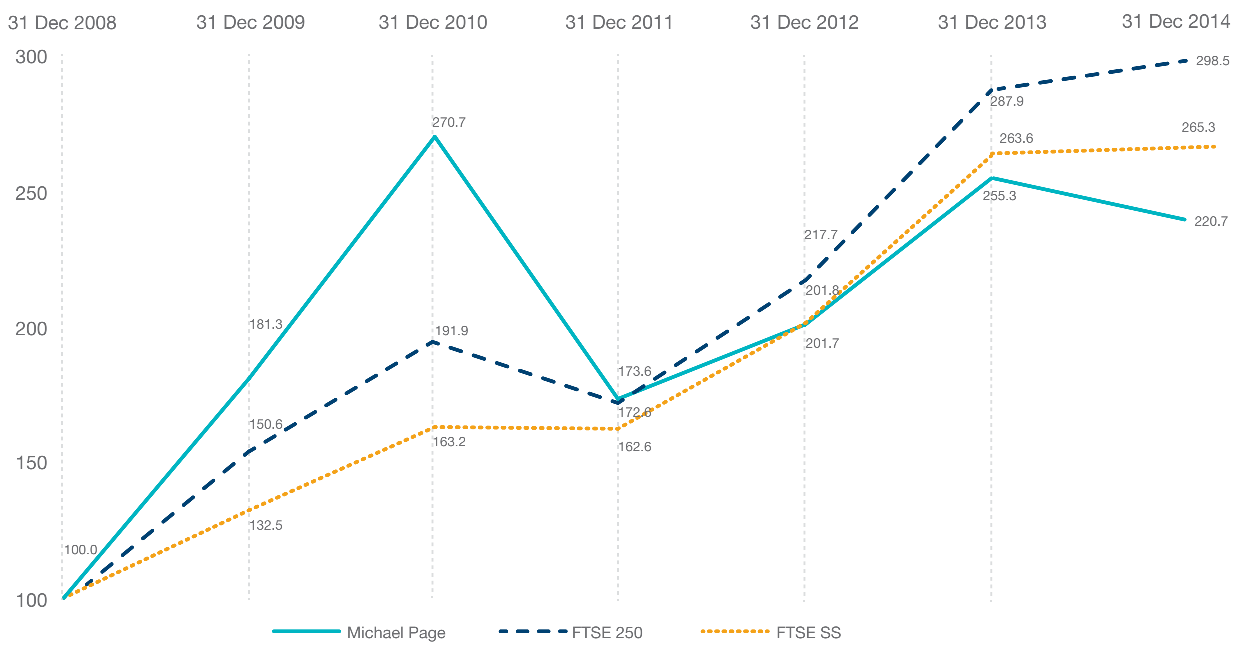
Implementation of the Remuneration Policy for the Chairman and Non-Executive Directors in 2015

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

	31 December 2014	From March 2015
Chairman	£230,000	£234,000
Non-Executive basic fee	£51,000	£52,000
Additional fees payable:		
Senior Independent Director	£5,000	£6,000
Chairman of the Audit Committee	£14,000	£14,000
Chairman of the Remuneration Committee	£14,000	£14,000

Total Shareholder Return

The performance graph below shows the movement in the value of £100 invested in the shares of the Company compared to an investment in the FTSE250 index and the FTSE Support Services index over the period 31 December 2008 to 31 December 2014. The graph shows the Total Shareholder Return generated by the movement in the share price and the reinvestment of dividends. The FTSE250 index and the FTSE Support Services indexes have been selected as the Company was a member of each index throughout the period.



The table below shows the total remuneration of the Chief Executive Officer over the same six year period.

CEO	2009	2010	2011	2012	2013	2014
Single remuneration total	£1,010,000	£2,184,000	£1,647,000	£2,723,000	£1,318,000	£1,494,000
Short-term incentives (% of maximum) (note 1)	N/A	N/A	N/A	N/A	58%	71%
Long-term incentives (% of maximum) (note 1)	N/A	N/A	N/A	N/A	N/A	N/A

Note:
1. Prior to 2012 the Company 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 is possible to provide this information for 2013 and 2014.

Statement of voting at the Annual General Meeting

At the Company's Annual General Meeting held on 5 June 2014, shareholders approved the Remuneration Policy Report and the Directors' Remuneration Report. The table below shows the results of the voting on each resolution, which required a simple majority of the votes cast to be in favour in order for each of the resolutions to be passed.

Resolutions	Votes For	%	Votes Against	%	Votes Withheld
Remuneration Policy Report	263,878,771	98.70	3,467,477	1.30	10,806,402
Directors' Remuneration Report	265,722,277	98.22	4,817,023	1.78	7,613,350

A full schedule in respect of shareholder voting on the above and all resolutions put to shareholders at the 2014 Annual General Meeting is available on the Company's website at www.page.com.

External Directorships

During the year Steve Ingham, Chief Executive Officer, earned and retained £42,500 (2013: £42,500) 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.

The Directors' 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
10 March 2015

Directors’ Remuneration Report

Remuneration 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.

Element	Purpose and link to strategy	Operation	Maximum opportunity
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.

Directors' Remuneration Report

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.

Directors' Report

Elaine Marriner
Company Secretary

The Directors present their Report together with the consolidated financial statements for the year ended 31 December 2014.

This Report has been prepared in accordance with the requirements outlined in The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and forms part of the management report as required under DTR4 of the Disclosure and Transparency Rules. Certain information that fulfils the requirements of the Directors' Report can be found elsewhere in this document as noted in the table below. This information is incorporated into this Directors' Report by reference. A summary of the disclosures required to be made in, and incorporated into, this Directors' Report is given below.

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Directors' Report

Results and Dividends

The results for the year are set out in the Consolidated Income Statement on page 99. An analysis of revenue, profit and net assets by region is shown in Note 2 on pages 109 to 110. A final dividend for 2013 of 6.75p per Ordinary share was paid on 23 June 2014. An interim dividend for 2014 of 3.42p per Ordinary share was paid on 3 October 2014.

The Directors recommend the payment of a final dividend for the year ended 31 December 2014 of 7.58p per Ordinary share on 22 June 2015 to shareholders on the register of members on 22 May 2015. If approved by shareholders at the Annual General Meeting, this will result in a total dividend for the year of 11p per Ordinary share (2013:10.5p).

Share Capital

As at 31 December 2014 the Company's issued capital comprised a single class of 321,900,790 Ordinary shares of 1p each, totalling £3,219,007.90. At the Annual General Meeting held on 5 June 2014 the shareholders authorised the Company to purchase up to a maximum of 10% of the issued share capital in the market. No shares were repurchased during the year. A further resolution in this respect will be put to shareholders at the forthcoming Annual General Meeting.

During the year 1,074,623 shares were issued to satisfy share options exercised. The Company reviews the award 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 Investment Association.

Substantial Shareholders

At 31 December 2014 the Company had been notified, in accordance with the FCA Disclosure and Transparency Rules, of the following interests in its Ordinary share capital:

Shareholder	No of Ordinary shares	% of Voting Rights
The Capital Group of Companies, Inc	23,790,567	7.39
Causeway Capital Management LLC	18,832,766	6.14
Lancaster Investment Management LLP	17,203,590	5.35
UBS Trustees (Jersey) Limited as Trustees of the Michael Page Employee Benefit Trust	17,081,218	5.31
Franklin Templeton Institutional LLC	15,308,070	5.03
Harris Associates L.P.	16,163,208	5.02
FIL Limited	15,103,870	4.98

The following notifications were received during the period 1 January 2015 to 10 March 2015:

Shareholder	No of Ordinary shares	% of Voting Rights
The Capital Group of Companies, Inc	25,756,467	7.98
Harris Associates L.P.	16,060,208	4.99

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 Board. Further details of employment policies and employee involvement can be found in the Strategic Report on pages 3 to 4.

Directors' Indemnities

The Company has not granted separate indemnities to the Directors. The Company purchased and maintained Directors' and Officers' Liability Insurance throughout the period under review, which gives appropriate cover for legal actions brought against the Directors.

Financial Instruments and Financial Risk Management

Details of the Group's use of financial instruments, including financial risk management objectives and policies of the Group, and exposure of the Group to certain financial risks can be found in Note 21 on pages 122 to 126.

Significant Agreements Containing Change of Control Provisions

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

Directors' and employees' contracts do not normally provide for payment 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, the rules of which contain provisions which may cause options and awards granted to vest on a change of control.

Political Contributions

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

Post Balance Sheet Events

There have been no signifcant post balance sheet events since 31 December 2014.

Reappointment of Auditor

Ernst & Young LLP are willing to continue in office and accordingly resolutions concerning 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 of the Company will be held on 4 June 2015 and the notice of meeting can be found on pages 132 to 136. It is also available on the Company's website www.page.com.

By order of the Board

Elaine Marriner
Company Secretary
10 March 2015

Directors' Statement of Responsibility

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations and keeping proper accounting records. Detailed below are statements made by the Directors in relation to their responsibilities, disclosure of information to the Company's auditor and going concern.

Financial Statements and Accounting Records

Company law of England and Wales requires the Directors to prepare for each financial year financial statements which give a true and fair view of the state of affairs of the Company and of the Group at the end of the financial year and of the profit or loss of the Group for that period.

In preparing those financial statements the Directors are required to:

(i) select suitable accounting policies and apply them consistently;

(ii) make judgements and estimates that are reasonable and prudent;

(iii) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

(iv) state whether the Group financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted for use in the EU and Article 4 of the EU IAS Regulations;

(v) state whether the parent company financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted for use in the EU; and

(vi) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements and Directors' Remuneration Report comply with the Companies Act 2006 and for the consolidated financial statements, Article 4 of the EU IAS Regulation. They are also responsible for the system of internal control, 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 Board confirms to the best of its knowledge that:

(i) the Group and parent company financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group and parent company; and

(ii) 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.

Directors' Confirmation

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the Board considers the Report and Accounts, taken as a whole, as fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Neither the Company nor the Directors accept any liability to any person in relation to the Annual Report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A and schedule 10A of the Financial Services and Markets Act 2000.

Disclosure of Information to the Auditor

Having made the requisite enquiries, so far as the Directors are aware as at the date of this Statement, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the Company's auditor is unaware and the Directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going Concern

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 principal risks and uncertainties as set out on pages 43 to 46. 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 Directors are 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.

By order of the Board

Elaine Marriner
Company Secretary
10 March 2015

Independent Auditor's Report to the Members of Michael Page International plc

Opinion on financial statements

In our opinion the financial statements of the Group and Company:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2014 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- 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.

The financial statements comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statements of Changes in Equity and the Consolidated and Parent Company Cash Flow Statements and the related notes 1 to 25.

Our assessment of risk of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and the direction of the efforts of the engagement team.

We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. The Audit Committee's consideration of these risks is set out on page 71.

We consider the experience of the audit team to be a critical factor in the identification of risks of material misstatements, and the direction of audit effort and execution of audit procedures to address the identified risks. Including the current year under audit, the Senior Statutory Auditor has led the audit engagement for four audit cycles, supported by other key partners on significant components with an average of 3.5 years of experience on the audit.

Principal risk area	Audit response
Revenue recognition There are two types of revenue, being permanent placement and temporary placement. Total 2014 revenue from these two categories was £1.05 billion, as disclosed in note 2. For permanent placement revenue, there is a risk around the timing of the recognition of revenue as a contract may be agreed with a customer and candidate several months in advance of the start of employment. There is also a risk that the placement will not be taken up as agreed, which would result in the reversal of previously recorded revenue. For temporary placement revenue, the primary risk is the period-end cut-off for temporary employees for which revenue is recognised based on timesheets submitted.	We updated our understanding of the revenue processes at all full scope and specific scope locations and tested key management controls around recognition and measurement of revenue, including non-completion of contractual placements, at all full scope and seven of ten specific scope locations. We selected a sample in all full scope and specific scope locations of permanent and temporary placement revenue transactions for detailed testing to verify that revenue had been appropriately recognised in the correct period and to verify its existence and valuation. For all other locations, we performed audit procedures on a country-by-country basis to address the risk of an undetected material error occurring in these components. Such procedures included analytical review of revenue and gross profit and ratio analysis of key performance indicators including revenue and gross profit per fee earner and the ratio of gross profit generated from permanent and temporary placements.
Accounting for deferred tax assets and provisions for transfer pricing Gross deferred tax assets total £11.6 million, as detailed in note 17. This risk concerns the judgements and estimates applied in the recognition of deferred tax assets in respect of unutilised losses and other temporary differences as supported by taxable profit forecasts in the relevant jurisdictions. PageGroup's multi-national operating structure also gives rise to a risk related to the determination of transfer pricing provisions, which are included within the current tax liability figure in note 8. This risk is impacted by international tax legislation and the time taken for tax matters to be agreed with the relevant tax authorities.	Our audit procedures included using our own tax specialists to assist where necessary in assessing and challenging the assumptions and judgements included in the future taxable profit forecasts in respect of the relevant components to the Group's long-term forecasts. We considered historical levels of taxable profits, Group management's investment strategy and growth forecasts, and consistency of the projections with other forecasts made by management and approved by the Board, including the 2015 Group budget and the five-year strategic plan. We also tested the sensitivity of the amounts recognised based on potential future taxable profit scenarios. With assistance from our global tax specialists, we assessed the Group's transfer pricing position based on our knowledge and experience of the application of international and local legislation. We challenged the tax exposures estimated by management and the associated risk analysis along with claims or assessments made by tax authorities to date. We also considered the adequacy of the Group's disclosures in respect of tax and uncertain tax positions.

Principal risk area	Audit response
Carrying value of intangible assets: Page Recruiting System (PRS) The net book value of this asset is £36.7 million, as included in note 12. The risk concerns the carrying value of the intangible asset relating to the operating system, PRS. The Group's assessment of the carrying value requires judgement as to the future utilisation of assets and if the asset is fit for use by the business and delivers the intended benefits.	We assessed the current status and future outlook of the roll-out the PRS operating system and challenged management on indicators of potential impairment. Where an indicator was noted in relation to a component of the PRS asset having potentially limited deployment, management performed an assessment of impairment. We tested the principles and mathematical integrity of the impairment model, tested the sensitivity of the discounted cash flows underpinning the assessment to changes in the judgements and assumptions used by management with regard to future trading performance and the latest market expectations, and considered historical forecasting accuracy. We observed the use and benefits of the newly-implemented front office applications in the UK and US locations in the year. We tested the accuracy of the newly-implemented back-office billing system in the US location using a sample of transactions. We also viewed the upgraded website and compared the change in functionality with the previous offering. We met with the key individuals involved in the global roll-out plan to understand the key progress milestones and challenges to delivering against plan. We considered the ability of the Group to deliver the plan based on the Board's demonstrable commitment to significant further rollout in 2015 and the historical delivery record in 2013 and 2014. We tested a sample of items capitalised in the year for compliance with IFRS and Group asset capitalisation policy and also considered the amortisation rate in comparison to the period over which future economic benefits are expected to be realised.

Our application of materiality

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 £3.9 million (2013: £3.4 million), which is 5% of profit before tax and exceptional items for the year ended 31 December 2014. We consider profit before tax to be one of the principal considerations for stakeholders in assessing the financial performance of the Group and we have adjusted this figure to exclude the impact of exceptional items which are non-recurring.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.2 million (2013: £0.17 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

An overview of the scope of our audit

Full scope locations are those in which we obtain audit coverage over all financial statement line items related to that location. Specific scope locations are those in which we obtain audit coverage over selected financial statement line items, which are determined based upon size and risk. The audit procedures in full and specific scope locations are performed by audit teams based in the corresponding locations. Review scope locations are those for which the financial statement line items are determined to be immaterial individually and in the aggregate based on both size and risk, and we therefore obtain audit coverage using analytical procedures performed by the Group audit team.

Following our assessment of the risks of material misstatement to the Group financial statements, we performed audit procedures at the Group's Head office and in 12 countries which represent the principal business units within the Group's four reportable segments and account for 88% of the Group's revenue, 82% of the Group's gross profit and 79% of the Group's profit before tax and 83% of the Group's total assets.

Of the 12 countries noted above, two, being the UK and France, were subject to a full scope audit and represent 47% of the Group's revenue and 40% of the Group's gross profit. A further 10 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. Our audits in all full and specific scope countries included specific audit testing of revenue and gross profit. All audit work was performed at a materiality level calculated by reference to a proportion of Group materiality appropriate to the relative scale and risk of the business concerned, ranging from £0.4m to £1.0m.

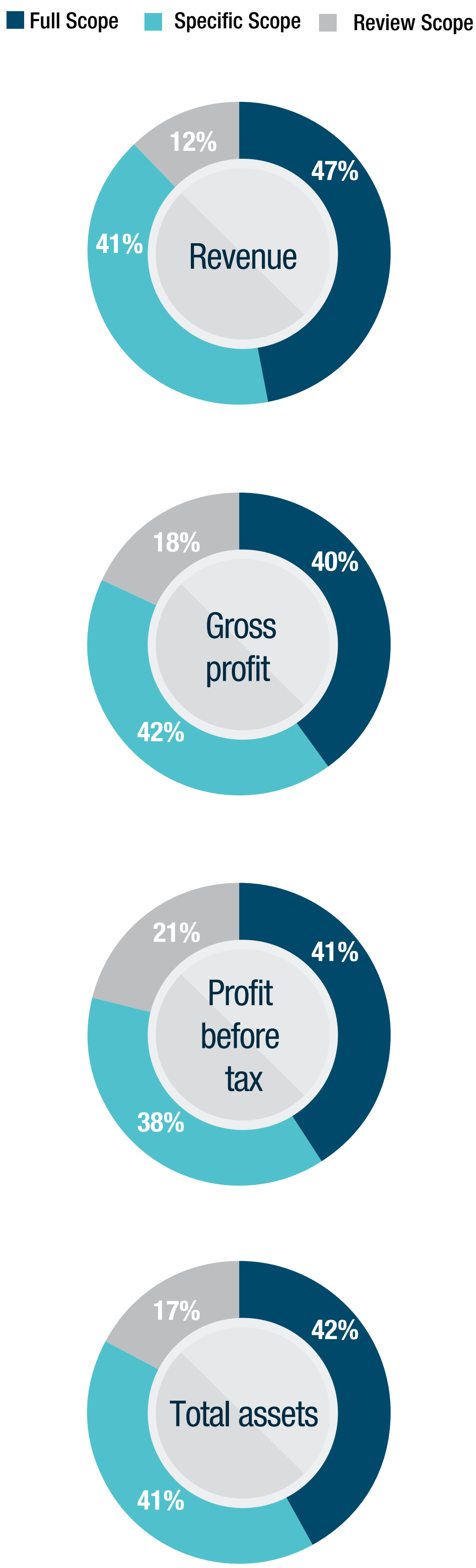
The Group audit team continued to follow a programme of planned visits that has been designed so that a senior member of the Group audit team visits each of the locations designated as full scope for the Group audit at least once a year. In the current year, the Senior Statutory Auditor visited each full scope location and participated in the audit closing meetings, including the discussion of fraud and error.

We included the full scope component teams in our group audit planning briefing and interacted regularly with both full and specific component teams where appropriate during various stages of the audit. The Group audit team held four regional audit closing meetings with regional management and the Group CFO, which included the participation of all full scope local audit teams and three specific scope local audit teams, being Australia, Brazil and China, at which all key areas of judgement were discussed and challenged.

The remaining 26 countries, representing 12% of revenue, 18% of gross profit, 21% of pre-tax profit and 17% of total assets, were subjected to analytical review procedures on a country-by-country basis designed to identify the existence of any further risks of misstatement that were material to the Group financial statements. None of these countries is individually greater than 1.8% of revenue, 2.2% of gross profit, 4.9% of pre-tax profit, or 1.9% of total assets.

We also obtained an understanding of the group wide entity level controls over all components, including the level of CEO, CFO and other group management visits, oversight and review, and the scope of the annual Internal Audit programme and the results of those visits.

Audit coverage



Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 93 to 94, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

In addition, we read all the financial and non-financial information in the Annual Report and Accounts 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 other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the 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; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- 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; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 94, in relation to going concern; and
- 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.

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.

Iain Wilkie (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
10 March 2015

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2014

	Note	Before exceptional items 2014 £'000	Exceptional items (note 5) 2014 £'000	After exceptional items 2014 £'000	Before exceptional items 2013 £'000	Exceptional items (note 5) 2013 £'000	After exceptional items 2013 £'000
Revenue	2	**1,046,887**	**–**	**1,046,887**	1,005,502	–	1,005,502
Cost of sales		**(514,070)**	**–**	**(514,070)**	(491,621)	–	(491,621)
Gross profit	2	**532,817**	**–**	**532,817**	513,881	–	513,881
Administrative expenses		**(454,356)**	**1,631**	**(452,725)**	(445,703)	(2,453)	(448,156)
Operating profit	2	**78,461**	**1,631**	**80,092**	68,178	(2,453)	65,725
Financial income	6	**488**	**–**	**488**	531	–	531
Financial expenses	6	**(517)**	**298**	**(219)**	(1,625)	(574)	(2,199)
Profit before tax	2	**78,432**	**1,929**	**80,361**	67,084	(3,027)	64,057
Income tax (expense)/income	7	**(21,863)**	**833**	**(21,030)**	(20,733)	(720)	(21,453)
Profit for the year	3	**56,569**	**2,762**	**59,331**	46,351	(3,747)	42,604
Attributable to:							
Owners of the parent				**59,331**			42,604
Earnings per share							
Basic earnings per share (pence)	10			**19.3**			13.8
Diluted earnings per share (pence)	10			**19.1**			13.7

The above results relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014 £'000	2013 £'000
Profit for the year	**59,331**	42,604
Other comprehensive loss for the year		
Items that may subsequently be reclassified to profit and loss:		
Currency translation differences	**(3,949)**	(4,700)
Total comprehensive income for the year	**55,382**	37,904
Attributed to:		
Owners of the parent	**55,382**	37,904

CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS

As at 31 December 2014

		Note	Group 2014 £'000	Group 2013 £'000	Company 2014 £'000	Company 2013 £'000
Non-current assets						
Property, plant and equipment		11	**21,808**	25,238	**–**	–
Intangible assets	- Goodwill and other intangibles	12	**1,853**	1,971	**–**	–
	- Computer software (including assets held under construction)	12	**36,693**	40,126	**–**	–
Investments		13	**–**	–	**502,318**	496,300
Deferred tax assets		17	**11,644**	10,377	**–**	–
Other receivables		14	**1,842**	2,865	**–**	–
			73,840	80,577	**502,318**	496,300
Current assets						
Trade and other receivables		14	**203,042**	186,488	**636,371**	603,054
Current tax receivable		8	**7,479**	7,060	**–**	–
Cash and cash equivalents		20	**90,012**	87,070	**–**	–
			300,533	280,618	**636,371**	603,054
Total assets		2	**374,373**	361,195	**1,138,689**	1,099,354
Current liabilities						
Trade and other payables		15	**(135,888)**	(133,664)	**(660,925)**	(607,776)
Bank overdrafts		16	**–**	(1,676)	**–**	–
Current tax payable		8	**(14,910)**	(11,780)	**–**	–
			(150,798)	(147,120)	**(660,925)**	(607,776)
Net current assets/(liabilities)			**149,735**	133,498	**(24,554)**	(4,722)
Non-current liabilities						
Other payables		15	**(4,743)**	(4,697)	**–**	–
Deferred tax liabilities		17	**(2,609)**	(891)	**–**	–
			(7,352)	(5,588)	**–**	–
Total liabilities		2	**(158,150)**	(152,708)	**(660,925)**	(607,776)
Net assets			**216,223**	208,487	**477,764**	491,578
Capital and reserves						
Called-up share capital		18	**3,219**	3,208	**3,219**	3,208
Share premium		19	**75,215**	71,739	**75,215**	71,739
Capital redemption reserve		19	**932**	932	**932**	932
Reserve for shares held in the employee benefit trust		19	**(72,407)**	(50,022)	**–**	–
Currency translation reserve		19	**16,466**	20,415	**–**	–
Retained earnings			**192,798**	162,215	**398,398**	415,699
Total equity			**216,223**	208,487	**477,764**	491,578

The financial statements of Michael Page International plc (Company Number 3310225) set out on pages 99-127 were approved by the Board of Directors and authorised for issue on 10 March 2015.

Signed on behalf of the Board of Directors

Steve Ingham,
Chief Executive Officer

Kelvin Stagg,
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

2014	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 2014		**3,208**	**71,739**	**932**	**(50,022)**	**20,415**	**162,215**	**208,487**
Currency translation differences		–	–	–	–	(3,949)	–	(3,949)
Net expense recognised directly in equity		–	–	–	–	(3,949)	–	(3,949)
Profit for the year		–	–	–	–	–	59,331	59,331
Total comprehensive (loss)/income for the year		–	–	–	–	**(3,949)**	**59,331**	**55,382**
Purchase of shares held in employee benefit trust		–	–	–	(25,445)	–	–	(25,445)
Exercise of share plans		11	3,476	–	–	–	467	3,954
Transfer from reserve for shares held in the employee benefit trust		–	–	–	3,060	–	(3,060)	–
Credit in respect of share schemes		–	–	–	–	–	7,069	7,069
Debit in respect of tax on share schemes		–	–	–	–	–	(518)	(518)
Dividends	9	–	–	–	–	–	(32,706)	(32,706)
		11	3,476	–	(22,385)	–	(28,748)	(47,646)
Balance at 31 December 2014		**3,219**	**75,215**	**932**	**(72,407)**	**16,466**	**192,798**	**216,223**

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**

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

For the year ended 31 December 2014

Company	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2014		**3,208**	**71,739**	**932**	**415,699**	**491,578**
Profit for the year		–	–	–	8,336	8,336
Total comprehensive income for the year		–	–	–	**8,336**	**8,336**
Exercise of share plans		11	3,476	–	–	3,487
Credit in respect of share schemes		–	–	–	7,069	7,069
Dividends	9	–	–	–	(32,706)	(32,706)
		11	3,476	–	(25,637)	(22,150)
Balance at 31 December 2014		3,219	75,215	932	398,398	477,764
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

CONSOLIDATED AND PARENT COMPANY CASH FLOW STATEMENTS

For the year ended 31 December 2014

		Group		Company	
	Note	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Profit before tax	2	**80,361**	64,057	**8,336**	27,680
Exceptional items	5	**(1,929)**	3,027	**–**	–
Profit before tax and exceptional items		**78,432**	67,084	**8,336**	27,680
Depreciation and amortisation charges	11/12	**17,896**	17,461	**–**	–
Loss on sale of property, plant and equipment, and computer software		**294**	10	**–**	–
Share scheme charges		**7,120**	5,611	**–**	–
Net finance (income)/costs		**(269)**	1,668	**–**	–
Operating cash flow before changes in working capital, finance costs and exceptional items		**103,473**	91,834	**8,336**	27,680
Increase in receivables		**(22,212)**	(8,506)	**(33,317)**	(24,762)
Increase/(decrease) in payables		**6,831**	(4,822)	**53,149**	13,517
Cash generated from underlying operations		**88,092**	78,506	**28,168**	16,435
Cash flow on exceptional items	5	**(1,098)**	–	**–**	–
Cash generated from operations		**86,994**	78,506	**28,168**	16,435
Income tax paid		**(15,357)**	(24,367)	**–**	–
Net cash from operating activities		**71,637**	54,139	**28,168**	16,435
Cash flows from investing activities					
Purchases of investments		**–**	–	**–**	(2,172)
Proceeds in respect of share scheme recharges to subsidiaries		**–**	–	**1,051**	5,018
Purchases of property, plant and equipment	11	**(6,231)**	(8,480)	**–**	–
Purchases of intangibles	12	**(6,468)**	(4,815)	**–**	–
Proceeds from the sale of property, plant and equipment, and computer software		**824**	565	**–**	–
Interest received		**505**	531	**–**	–
Net cash (used in)/from investing activities		**(11,370)**	(12,199)	**1,051**	2,846
Cash flows from financing activities					
Dividends paid		**(32,706)**	(30,849)	**(32,706)**	(30,849)
Interest paid		**–**	(1,475)	**–**	–
Issue of own shares for the exercise of options		**3,954**	14,429	**3,487**	11,548
Purchase of shares held in the employee benefit trust		**(25,445)**	–	**–**	–
Net cash used in financing activities		**(54,197)**	(17,895)	**(29,219)**	(19,301)
Net increase/(decrease) in cash and cash equivalents		**6,070**	24,045	**–**	(20)
Cash and cash equivalents at the beginning of the year		**85,394**	61,373	**–**	20
Exchange loss on cash and cash equivalents		**(1,452)**	(24)	**–**	–
Cash and cash equivalents at the end of the year	20	**90,012**	85,394	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. Significant accounting policies

Statement of compliance

Michael Page International plc is a company incorporated in the United Kingdom under the Companies Act.

The consolidated financial statements have been prepared under the historical cost convention modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit and loss. This is in accordance with current International Financial Reporting Standards (IFRS) as adopted by the European Union and therefore complies with Article 4 of the EU IAS Regulation.

The company 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.

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 £8.3m (2013: £27.7m). The decrease in the Company's profit this year is as a result of reduced dividend income.

Basis of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(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.

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

The accounting policies adopted are consistent with those of the previous financial years except for the following amendments to IFRS effective as of 1 January 2014:

- IAS 32 Offsetting financial assets and liabilities – Amendments to IAS32
- IAS 36 Recoverable amount disclosures for Non-Financial Assets
- IFRS 10 Consolidated Financial Statements
- IFRS 12 Disclosure of Interests in Other Entities

The adoption of these standards or interpretations did not have any impact on the accounting policies, financial position or performance of the Group.

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 or performance of the Group.

- IFRS 9 Financial Instruments
- IAS 1 Disclosure Initiative – Amendments to IAS 1
- IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- IFRS 15 Revenue from contracts with customers

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

No other issued but not endorsed amendments to IFRS will have a material impact on the Group's financial statements once they become endorsed and 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 94.

Guarantee

The following UK subsidiaries of the Group are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts by virtue of section 479A of this Act. The Company has provided parent guarantees to these subsidiaries.

Accountancy Additions Limited (3573861)

Burhill Park Limited (2327468)

LPM (Group Services) Limited (1669129)

Michael Page International 1982 Limited (1676035)

Michael Page International Investment Limited (2329107)

Michael Page International Finance Limited (2319166)

Michael Page Limited (1609138)

Michael Page UK Limited (1273591)

Page Personnel (UK) Limited (2611561)

Sales Recruitment Specialists Limited (1475920)

Slamway Limited (1675975)

The Assessment Centre Limited (2049378)

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.

(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. 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 current 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 Board to allocate resources to the segments and to assess their performance. Information provided to the Board 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 8 – current tax assets and liabilities

The Group, being a multinational company, is subject to both international and local transfer pricing legislation. Management has reviewed the transfer pricing position to ensure any potential exposure is adequately provided.

- 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 equity settled share-based payments charge 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 costs. This is the measure reported to the Group's Board 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		
		Revenue	Gross Profit	Before exceptional items	Exceptional items (note 5)	After exceptional items
2014		2014 £'000	2014 £'000	2014 £'000	2014 £'000	2014 £'000
EMEA		**419,667**	**212,042**	**30,120**	**1,631**	**31,751**
United Kingdom		**325,708**	**138,361**	**24,066**	–	**24,066**
Asia Pacific	Australia and New Zealand	**110,025**	**34,400**	**4,675**	–	**4,675**
	Asia	**83,454**	**71,139**	**15,301**	–	**15,301**
	Total – Asia Pacific	**193,479**	**105,539**	**19,976**	–	**19,976**
Americas		**108,033**	**76,875**	**4,299**	–	**4,299**
Operating profit		–	–	**78,461**	**1,631**	**80,092**
Financial expenses		–	–	**(29)**	**298**	**269**
Revenue/gross profit/profit before tax		**1,046,887**	**532,817**	**78,432**	**1,929**	**80,361**

				Operating Profit		
		Revenue	Gross Profit	Before exceptional items	Exceptional items (note 5)	After exceptional items
2013		2013 £'000	2013 £'000	2013 £'000	2013 £'000	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

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	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
EMEA		**135,374**	124,070	**68,947**	68,912
United Kingdom		**118,042**	130,280	**40,608**	42,733
Asia Pacific	Australia and New Zealand	**27,265**	21,492	**9,079**	8,310
	Asia	**43,457**	40,926	**11,301**	8,785
	Total – Asia Pacific	**70,722**	62,418	**20,380**	17,095
Americas		**42,756**	37,367	**13,305**	12,188
Segment assets/liabilities		**366,894**	354,135	**143,240**	140,928
Income tax		**7,479**	7,060	**14,910**	11,780
		374,373	361,195	**158,150**	152,708

		Property, Plant and Equipment		Intangible Assets	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
EMEA		**6,142**	7,668	**457**	441
United Kingdom		**7,175**	7,307	**37,134**	41,078
Asia Pacific	Australia and New Zealand	**1,643**	1,799	**134**	78
	Asia	**1,643**	2,100	**60**	49
	Total – Asia Pacific	**3,286**	3,899	**194**	127
Americas		**5,205**	6,364	**761**	451
		21,808	25,238	**38,546**	42,097

(c) Revenue and gross profit by discipline

	Revenue		Gross Profit	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Finance and Accounting	**465,250**	464,763	**211,366**	211,658
Legal, Technology, HR, Secretarial and other	**240,105**	230,490	**107,210**	105,275
Engineering, Property & Construction, Procurement & Supply Chain	**193,922**	181,343	**107,729**	100,977
Marketing, Sales and Retail	**147,610**	128,906	**106,512**	95,971
	1,046,887	1,005,502	**532,817**	513,881

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

	Revenue		Gross Profit	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Permanent	**416,275**	403,051	**406,086**	392,213
Temporary	**630,612**	602,451	**126,731**	121,668
	1,046,887	1,005,502	**532,817**	513,881

3. Profit for the year

		2014 £'000	2013 £'000
Profit for the year is stated after charging:			
Employment costs (note 4)		**310,122**	305,038
Net exchange losses		**150**	100
Depreciation of property, plant and equipment – owned (note 11)		**7,922**	10,661
Amortisation of intangibles (note 12)		**9,974**	6,800
Impairment of trade receivables (note 21)		**7,230**	6,960
Loss on sale of property, plant and equipment and computer software		**294**	10
Operating lease rentals	– Land and buildings	**26,211**	27,733
	– Plant and machinery	**4,721**	5,117

	2014 £'000	2013 £'000
Fees payable to the Company's auditor:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**156**	124
Fees payable to the Company's auditor and associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	**424**	352
– Audit related assurance services	**120**	82
Total audit fees	**700**	558
– Tax compliance services for the Company and its subsidiaries	**172**	173
– Tax advice for the Company, its subsidiaries and individual employees in relation to moving employees internationally	**143**	140
– Tax advisory services	**18**	204
Total non-audit fees	**333**	517
Total fees	**1,033**	1,075

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 2014 were as follows:

	2014 Average No.	2013 Average No.	At 31 Dec 2014 No.	At 31 Dec 2013 No.
Management	**311**	285	**318**	288
Client services	**3,782**	3,405	**3,960**	3,522
Administration	**1,321**	1,373	**1,300**	1,320
	5,414	5,063	**5,578**	5,130

Employment costs (including Directors' emoluments) comprised:

	2014 £'000	2013 £'000
Wages and salaries	**256,187**	253,433
Social security costs	**32,498**	32,385
Pension costs – defined contribution plans	**14,000**	12,079
Share-based payments and deferred cash plan	**7,437**	7,141
	310,122	305,038

No staff are employed by the parent company (2013: 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 74 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 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 took in 2013 an exceptional charge of £2.5m relating to prior periods, and £0.6m that was included within operating profits from trading activities.

In December 2014, PPF received notice from the French tax authorities that they would not be seeking to make any further transfer pricing adjustments as a result of their audit of the tax years 2011 and 2012. In addition, as no assessment was raised within the statutory timeframe, there will be no adjustment for the 2010 tax year. Accordingly, in 2014, the Group has recorded £1.6m relating to the reversal of amounts that were previously provided as an exceptional charge and a further £0.6m that is included within operating profit. There is also a release of £0.3m of exceptional interest and £0.8m of income tax relating to this exceptional item.

6. Financial income/(expenses)

	2014 £'000	2013 £'000
Financial income		
Bank interest receivable	**488**	531
	488	531
Financial expenses		
Bank interest payable	**(517)**	(1,625)
Exceptional interest (Note 5)	**298**	(574)
	(219)	(2,199)

7. Taxation on profits on ordinary activities

The charge for taxation is based on the effective annual tax rate of 26.2% on profit before tax (2013: 33.5%).

Analysis of charge in the year	2014 £'000	2013 £'000
UK income tax at 21.5% (2013: 23.25%) for year	**8,999**	9,527
Adjustments in respect of prior year	**(2,097)**	458
Overseas income tax	**14,439**	13,403
	21,341	23,388
Deferred tax expense		
Adjustment in respect of prior year	**2,140**	(125)
Origination and reversal of temporary differences	**(709)**	(1,666)
Recognition of previously unrecognised losses	**(2,209)**	–
Charge/(benefit) of tax losses recognised	**467**	(144)
Deferred tax income	**(311)**	(1,935)
Total income tax expense in the income statement	**21,030**	21,453

Final determination of taxable impact of certain items has resulted in a prior year reclassification between current and deferred tax.

Reconciliation of effective tax rate	2014 £'000	%	2013 £'000	%
Profit before taxation	**80,361**		64,057	
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK	**17,278**	**21.5**	14,893	23.3
Effects of:				
Disallowable items and other permanent timing differences	**91**	**0.1**	(2,212)	(3.5)
Unrelieved overseas losses	**288**	**0.4**	340	0.5
Utilisation of losses not previously recognised	**(1,211)**	**(1.5)**	(591)	(0.9)
Recognition of overseas losses	**(2,209)**	**(2.7)**	–	–
Higher tax rates on overseas earnings	**6,784**	**8.4**	8,748	13.7
Movement of rate difference	**(35)**	**(0.1)**	(58)	(0.1)
Adjustment to tax charge in respect of prior periods	**44**	**0.1**	333	0.5
Tax expense and effective rate for the year	**21,030**	**26.2**	21,453	33.5

Tax recognised directly in equity	2014 £'000	2013 £'000
Relating to equity settled transactions	**518**	(13)

8. Current tax assets and liabilities

The current tax asset of £7.5m (2013: £7.1m), and current tax liability of £14.9m (2013: £11.8m) for the Group, and current tax asset and liability of £nil (2013: £nil) for the parent company, represent the amount of income taxes recoverable and payable in respect of current and prior periods.

9. Dividends

	2014 £'000	2013 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2013 of 7.25p per ordinary share (2012: 6.75p)	**22,220**	20,798
Interim dividend for the year ended 31 December 2014 of 3.42p per ordinary share (2013: 3.25p)	**10,486**	10,051
	32,706	30,849
Amounts proposed as distributions to equity holders in the year:		
Proposed final dividend for the year ended 31 December 2014 of 7.58p per ordinary share (2013: 7.25p)	**23,232**	22,192

The proposed final dividend had not been approved by shareholders at 31 December 2014 and therefore has not been included as a liability. The comparative final dividend at 31 December 2013 was also not recognised as a liability in the prior year.

The proposed final dividend of 7.58p (2013: 7.25p) per ordinary share will be paid on 22 June 2015 to shareholders on the register at the close of business on 22 May 2015, 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:

	2014 £'000	2013 £'000
Earnings		
Earnings for basic and diluted earnings per share (£'000)	**59,331**	42,604
Exceptional items (£'000) (note 5)	**(2,762)**	3,747
Earnings for basic and diluted earnings per share before exceptional items (£'000)	**56,569**	46,351
Number of shares	**number**	number
Weighted average number of shares used for basic earnings per share ('000)	**308,020**	307,858
Dilutive effect of share plans ('000)	**2,303**	2,561
Diluted weighted average number of shares used for diluted earnings per share ('000)	**310,323**	310,419
	pence	pence
Basic earnings per share (pence)	**19.3**	13.8
Diluted earnings per share (pence)	**19.1**	13.7
Basic earnings per share before exceptional items (pence)	**18.4**	15.1
Diluted earnings per share before exceptional items (pence)	**18.2**	14.9

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

Group	Leasehold improvements £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
	2014			
Cost				
At 1 January	**35,318**	**50,448**	**2,849**	**88,615**
Additions	**2,924**	**2,280**	**1,027**	**6,231**
Disposals	**(3,784)**	**(3,170)**	**(1,162)**	**(8,116)**
Effect of movements in foreign exchange	**(762)**	**(1,508)**	**(92)**	**(2,362)**
At 31 December	**33,696**	**48,050**	**2,622**	**84,368**
Depreciation				
At 1 January	**23,543**	**38,633**	**1,201**	**63,377**
Charge for the year	**3,490**	**3,760**	**672**	**7,922**
Disposals	**(3,556)**	**(2,735)**	**(707)**	**(6,998)**
Effect of movements in foreign exchange	**(534)**	**(1,170)**	**(37)**	**(1,741)**
At 31 December	**22,943**	**38,488**	**1,129**	**62,560**
Net book value				
At 31 December	**10,753**	**9,562**	**1,493**	**21,808**

Group	Leasehold improvements £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
	2013			
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

12. Intangible assets

Group	Computer software £'000	Computer software, assets under construction £'000	Subtotal £'000	Goodwill £'000	Trademark £'000	Subtotal £'000	Total
	2014						
Cost							
At 1 January	**56,777**	**2,209**	**58,986**	**1,539**	**746**	**2,285**	**61,271**
Additions	**1,145**	**5,323**	**6,468**	**–**	**–**	**–**	**6,468**
Disposals	**(39)**	**–**	**(39)**	**–**	**–**	**–**	**(39)**
Transfers	**5,713**	**(5,713)**	**–**	**–**	**–**	**–**	**–**
Effect of movements in foreign exchange	**(269)**	**–**	**(269)**	**–**	**–**	**–**	**(269)**
At 31 December	**63,327**	**1,819**	**65,146**	**1,539**	**746**	**2,285**	**67,431**
Amortisation							
At 1 January	**18,860**	**–**	**18,860**	**–**	**314**	**314**	**19,174**
Charge for the year	**9,856**	**–**	**9,856**	**–**	**118**	**118**	**9,974**
Disposals	**(39)**	**–**	**(39)**	**–**	**–**	**–**	**(39)**
Effect of movements in foreign exchange	**(224)**	**–**	**(224)**	**–**	**–**	**–**	**(224)**
At 31 December	**28,453**	**–**	**28,453**	**–**	**432**	**432**	**28,885**
Net book value							
At 31 December	**34,874**	**1,819**	**36,693**	**1,539**	**314**	**1,853**	**38,546**

Group	Computer software £'000	Computer software, assets under construction £'000	Subtotal £'000	Goodwill £'000	Trademark £'000	Subtotal £'000	Total
	2013						
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

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:

	2014 £'000	2013 £'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 8%, 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 2014 there was no impairment of goodwill.

13. Investments

Company	Subsidiary undertakings £'000
Cost at 1 January 2014	**496,300**
Transactions relating to share plans for subsidiaries' employees	**6,018**
Cost at 31 December 2014	**502,318**

The Company's principal subsidiary undertakings at 31 December 2014, 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
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

Name of undertaking	Country of incorporation	Principal activity
Michael Page International (Hong Kong) Limited	Hong Kong	Recruitment consultancy
Michael Page International Recruitment Pvt Ltd	India	Recruitment consultancy
PT Michael Page International Indonesia	Indonesia	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
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 Peru SRL	Peru	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		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Current				
Trade receivables	**161,878**	153,339	**–**	–
Less provision for impairment of receivables	**(5,818)**	(6,658)	**–**	–
Net trade receivables	**156,060**	146,681	**–**	–
Amounts due from Group companies	**–**	–	**636,371**	603,047
Other receivables	**6,572**	4,663	**–**	–
Prepayments and accrued income	**40,410**	35,144	**–**	7
	203,042	186,488	**636,371**	603,054
Non-current				
Other receivables	**1,842**	2,865	**–**	–

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.

All amounts due from Group undertakings are unsecured, interest-free and repayable on demand.

15. Trade and other payables

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Current				
Trade payables	**10,007**	10,709	**–**	–
Amounts owed to Group companies	**–**	–	**660,898**	607,776
Other tax and social security	**42,183**	42,098	**–**	–
Other payables	**9,341**	8,996	**27**	–
Accruals	**73,666**	70,643	**–**	–
Deferred income	**691**	1,218	**–**	–
	135,888	133,664	**660,925**	607,776
Non-current				
Deferred income	**4,456**	4,455	**–**	–
Other tax and social security	**287**	242	**–**	–
	4,743	4,697	**–**	–

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.

All amounts due to Group undertakings are unsecured, interest-free and repayable on demand.

The total liability relating to other tax and social security includes a balance of £0.8m (2013: £1.6m) 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		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Bank overdrafts	**–**	1,676	**–**	–

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

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

At 31 December 2014, the Group had available £10m (2013: £10m) of undrawn committed borrowing facilities with Deutsche Bank and £25.6m 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 2014	**(3,078)**	**(3,317)**	**(3,091)**	**(9,486)**
Recognised in equity for the year	**611**	**–**	**–**	**611**
Recognised in profit or loss for the year	**(1)**	**(1,164)**	**854**	**(311)**
Exchange differences	**–**	**–**	**151**	**151**
At 31 December 2014	**(2,468)**	**(4,481)**	**(2,086)**	**(9,035)**
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)

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:

	2014 £'000	2013 £'000
Deferred tax assets	**(11,644)**	(10,377)
Deferred tax liabilities	**2,609**	891
	(9,035)	(9,486)

At 31 December 2014, unremitted earnings of overseas Group companies amounted to £88.9m (2013: £83.3m). 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.

The realisation of the deferred tax asset is dependent on generating future taxable profits in the overseas territories the deferred tax has arisen in. Of the net deferred tax asset recognised, £0.4m relates to territories that were loss making in the current year. In addition there are carried forward tax losses of £15.2m and other gross tax attributes of £2.7m arising in jurisdictions for which no deferred tax asset is recognised given the future utilisation is uncertain. These tax losses and other tax attributes are available to offset future taxable profits in the respective jurisdictions where these have arisen.

18. Called-up share capital

	2014 £'000	2014 Number of shares	2013 £'000	2013 Number of shares
Allotted, called-up and fully paid ordinary shares of 1p each				
At 1 January	**3,208**	**320,826,167**	3,178	317,750,075
Shares issued	**11**	**1,008,375**	30	3,076,092
At 31 December	**3,219**	**321,834,542**	3,208	320,826,167

Shares issued in the year related to share option plans.

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 below.

At 31 December 2014 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 2014	Granted in year	Exercised in year	Lapsed in year	No. of options outstanding at 31 December 2014	Base EPS/ OP range†	Exercise price per share	Exercise period
2004 (Note 1)*	47,500	–	(10,000)	(37,500)	–	4.1	171p-190.3p	March 2007 – March 2014
2005 (Note 1)*	229,474	–	(178,075)	–	51,399	7.5	190.75p-191.5p	March 2008 – March 2015
2006 (Note 1)*	225,000	–	–	–	225,000	15.5	309.9p	March 2009 – March 2016
2009 (Note 2)	1,960,338	–	(236,500)	(59,849)	1,663,989	OP Range	187.5p-211.84p	March 2012 – March 2019
2010 (Note 1)*	7,280,193	–	(820,300)	(53,353)	6,406,540	6.6	381.5p-383.0p	March 2013 – March 2020
2011 (Note 2)	3,418,320	–	–	(327,500)	3,090,820	OP Range	491.0p-492.9p	March 2014 – March 2021
2012 (Note 2)	4,182,530	–	–	(376,269)	3,806,261	OP Range	477.0p	March 2015 – March 2022
2013 (Note 2)	4,440,500	–	–	(382,933)	4,057,567	OP Range	442.0p	March 2016 – March 2023
2014 (Note 2)	–	4,932,500	–	(131,667)	4,800,833	OP Range	484.0p	March 2017 – March 2024
Total 2014	21,783,855	4,932,500	(1,244,875)	(1,369,071)	24,102,409			
Weighted average exercise price 2014 (£)	4.09	4.84	3.16	4.47	4.27			
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			

*These options have fully vested

†The Operating Profit ranges for each award are fully disclosed in Note 2 of this Note. 7,690,802 options were exercisable at the end of 2014 at a weighted average exercise price of £3.53 (2013: £3.42). The weighted average share price at the date of exercise was £4.66.

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, 2013 or 2014.

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.

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 2014, but with 2013 Operating Profit at £68.2m being lower than in 2011, no additional options vested.

Further grants under the SOS plan were made in 2011, 2012, 2013 and 2014. 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 and 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.

For the 2014 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 2014, options were granted on 11 March with the estimated fair value of the options granted on that day of £0.87. In 2013, options were granted on 10 March. The estimated fair values of the options granted on that date was £0.97.

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 a Management Incentive Scheme Plan and Incentive Share Plan for the Executive Directors and senior employees and an Annual Bonus Plan and Long-Term Incentive 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 2014 have an exercise price in the range of 171.0 pence to 492.9 pence and a weighted average contractual life of 6.8 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		Long-Term Incentive Plan		Annual Bonus Plan		Management Incentive Scheme Plan (2013 Incentive Share Scheme)	
	2014	2013	2014	2013	2014	2013	2014	2013
Share price (£)	4.84	4.42	4.84	–	–	4.42	4.84	4.42
Average exercise price (£)	4.84	442	Nil	–	–	Nil	Nil	Nil
Weighted average fair value (£)	0.87	0.97	4.84	–	–	4.22	4.54	4.12
Expected volatility	24%	31%	24%	–	–	31%	24%	31%
Expected life	5 years	5 years	2 years	–	–	2 years	3 years	3 years
Risk free rate	1.40%	0.86%	0.83%	–	–	0.22%	0.93%	0.34%
Expected dividend yield	2.17%	2.62%	Nil	–	–	Nil	2.17%	Nil

Expected volatility was determined by reference to historical volatility of the Company's share price in the last 12 months. 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 £5.8m, including social security, (2013: £6.8m) 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 2014, the reserve for shares held in the employee benefit trust consisted of 17,458,124 ordinary shares (2013: 12,789,313 ordinary shares) held for the purpose of satisfying awards made under the Incentive Share Plan, the Annual Bonus Plan and the Share Option Scheme (SOS), representing 5.0% of the called-up share capital with a market value of £71.9m (2013: £62.4m).

There are 15,349,570 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	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Cash at bank and in hand	**84,941**	79,777	**–**	–
Short-term deposits	**5,071**	7,293	**–**	–
Cash and cash equivalents	**90,012**	87,070	**–**	–
Bank overdrafts	**–**	(1,676)	**–**	–
Cash and cash equivalents in the statement of cash flows	**90,012**	85,394	**–**	–
Net funds	**90,012**	85,394	**–**	–

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 2014 amounted to £156.1m (2013: £146.7m).

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. Trade receivables 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 £64.3m (2013: £68.7m) 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 days sales of these receivables at the year end is 45 days in excess of the initial credit period (2013: 47 days).

The ageing of trade receivables at the reporting date was:

	Gross trade receivables 2014 £'000	Provision 2014 £'000	Net trade receivables 2014 £'000	Gross trade receivables 2013 £'000	Provision 2013 £'000	Net trade receivables 2013 £'000
Not past due	**92,239**	**511**	**91,728**	78,448	433	78,015
Past due 0-30 days	**42,816**	**237**	**42,579**	47,264	235	47,029
Past due 31-150 days	**21,024**	**116**	**20,908**	22,463	826	21,637
More than 150 days	**5,799**	**4,954**	**845**	5,164	5,164	–
	161,878	**5,818**	**156,060**	153,339	6,658	146,681

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:

	2014 £'000	2013 £'000
Balance at beginning of the year	**6,658**	6,732
Impairment losses recognised on receivables	**7,230**	6,960
Amounts written off as uncollectable	**(1,249)**	(483)
Amounts recovered during the year	**(2,550)**	(1,997)
Impairment losses reversed	**(4,271)**	(4,554)
Balance at end of the year	**5,818**	6,658

Most of the allowance for doubtful debts represents individually impaired trade receivables with a balance of £3.2m (2013: £3.9m) which has been placed in litigation, as well as a further provision for debts which the Group estimate may be irrecoverable.

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 2014 £'000	2013 £'000
EMEA	**79,964**	77,042
United Kingdom	**37,323**	35,227
Asia Pacific	**23,287**	21,012
Americas	**15,486**	13,400
	156,060	146,681

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

	Carrying amount 2014 £'000	2013 £'000
EMEA	**1,652**	1,371
United Kingdom	**13,885**	10,664
Asia Pacific	**12,296**	9,720
Americas	**5,656**	5,212
	33,489	26,967

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:

2014	Less than 1 month £'000	1-3 months £'000	3-12 months £'000	More than 12 months £'000
Trade payables	**6,679**	**3,328**	**–**	**–**
Accruals and other payables	**41,373**	**20,969**	**21,356**	**4,456**

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	34,698	29,781	16,378	4,455
Bank overdraft	1,676	–	–	–

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 2014 and 31 December 2013.

(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 xx. 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.

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 2014 relate to cash and bank overdrafts.

The average interest rate paid on bank overdrafts was 2.22% (2013: 2.23%).

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 it is not possible 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	
	2014 £m	2013 £m
Derivative Assets	**0.3**	0.5
Derivative Liabilities	**(0.5)**	(0.2)
Net Derivative (Liabilities)/Assets	**(0.2)**	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 2013. 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.

	2014 equity £'000	2014 PBT £'000
Euro	**(4,259)**	**(246)**
Australian Dollar	**(1,447)**	**(183)**
Hong Kong Dollar	**(614)**	**71**
Swiss Franc	**(1,527)**	**(184)**
Brazilian Real	**(767)**	**(148)**
United States Dollar	**636**	**1,180**
Chinese Renminbi	**(849)**	**(40)**
Japanese Yen	**(590)**	**(349)**
Singapore Dollar	**(864)**	**29**
Other	**(576)**	**542**

	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)

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 2014 the Group was committed to make the following payments in respect of non-cancellable operating leases:

	Land and buildings		Other	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Within one year	**24,780**	25,808	**3,002**	3,302
Within two to five years	**49,221**	50,357	**2,735**	2,270
After five years	**15,227**	19,556	**–**	–
Total	**89,228**	95,721	**5,737**	5,572

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 no contractual capital commitments as at 31 December 2014 relating to property, plant and equipment (2013: £0.6m). The Group had no contractual capital commitments as at 31 December 2014 relating to computer software (2013: £nil).

23. Contingent liabilities

Guarantees

The Company has provided guarantees to other Group undertakings amounting to £296k (2013: £80k) 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 2014 amounted to £4.7m (2013: £4.4m).

24. Events after the balance sheet date

Between 31 December 2014 and 10 March 2015, 915k options were exercised, leading to an increase in share capital of £9k and an increase in share premium of £3.4m.

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 pages 57 to 61. 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 74 to 89. Over and above these transactions, equity settled transactions for the year were £0.9m (2013: £1.4m). Transactions with the remaining members of the Executive Committee are disclosed below:

Related party transactions

	2014 £'000	2013 £'000
Short-term employee benefits	**3,854**	3,846
Pension costs – defined contribution plans	**46**	85

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	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Transactions	**8,345**	27,538	**636,371**	603,047	**660,898**	607,776

FIVE YEAR SUMMARY

	2010 £'000	2011 £'000	2012 £'000	2013 £'000	2014 £'000
Revenue	832,296	1,019,087	989,882	1,005,502	**1,046,887**
Gross profit	442,207	553,781	526,869	513,881	**532,817**
Operating profit before exceptional items	71,527	86,035	65,121	68,178	**78,461**
Operating profit after exceptional items	88,652*	86,035	57,287*	65,725*	**80,092***
Profit before tax	100,656*	86,147	57,003*	64,057*	**80,361***
Profit attributable to equity holders	67,484*	56,857	36,197*	42,604*	**59,331***
Conversion†	16.2%	15.5%	12.4%	13.3%	**14.7%**
Basic earnings per share (pence)	21.6*	18.7	11.9*	13.8*	**19.3***

* 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 4 June 2014 at 9.30am at Page House, 1 Dashwood Lang Road, The Bourne Business Park, Addlestone, Weybridge, Surrey, KT15 2QW. Every shareholder is entitled to attend and vote at the Meeting.

Final dividend for the year ended 31 December 2014

To be paid (if approved) on 22 June 2015 to shareholders on the register of members on 22 May 2015.

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:

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

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Solicitors

Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2HS

Bankers

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

Deutsche Bank Netherlands N.V.
De Entree 99
1101 HE Amsterdam
The Netherlands

Joint corporate brokers

Citigroup
33 Canada Square
Canary Wharf
London E14 5LB

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

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Financial PR

FTI Consultancy
200 Aldersgate
Aldersgate Street
London EC2A 4HD

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 4 June 2015 at 9.30am for the following purposes:

Ordinary Business

As ordinary business to consider, and if thought fit, pass Resolutions 1 to 12 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 2014.
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 2014. (Note 8)
3. To declare a final dividend on the ordinary share capital of the Company for the year ended 31 December 2014 of 7.58p per share.
4. To re-elect Robin Buchanan as a Director of the Company. (Note 9)
5. To re-elect Simon Boddie as a Director of the Company. (Note 9)
6. To re-elect Steve Ingham as a Director of the Company. (Note 9)
7. To re-elect David Lowden as a Director of the Company. (Note 9)
8. To re-elect Ruby McGregor-Smith as a Director of the Company. (Note 9)
9. To re-elect Danuta Gray as a Director of the Company. (Note 9)
10. To elect Kelvin Stagg as a Director of the Company. (Note 9)
11. 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.
12. To authorise the Audit Committee to determine the remuneration of the Auditor.

Special Business

To consider and, if thought fit, pass the following Resolutions, of which 13 and 14 will be proposed as Ordinary Resolutions and 15,16 and 17 will be proposed as Special Resolutions.

13. 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 £1,084,348, provided that this authority, shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on 4 September 2016, 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.

14. 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 14 is passed or during the period when this Resolution 14 has effect, be generally and unconditionally authorised to:

(a) make political donations to political parties (or independent election candidates) as defined in the 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 14 and ending on 4 September 2016 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 14 shall not exceed £75,000.

15. 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 13 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 15) to any person or persons of equity securities up to an aggregate nominal amount of £162,659, and shall expire upon the expiry of the general authority conferred by Resolution 13 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.

16. 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 32,530,459 representing 10% of the issued ordinary share capital of the Company as at 9 April 2015;

(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 4 September 2016 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.

17. 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 business 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 2,684,149 shares representing 0.83% 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

9 April 2015

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, 9.00am 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 – Approval of the Directors' Remuneration Report

   Last year new requirements were introduced 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 these 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 2014; and

(c) the Directors' Remuneration Policy Table (the 'Table') in relation to future payments to the Directors and former directors, which was approved by shareholders at the Annual General Meeting held in June 2014. The Table has been included in the Directors' Remuneration Report in accordance with good practice.

The statement by the Remuneration Committee Chairman and the Annual Report on Remuneration is 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. It will not, therefore, be put to a shareholder vote at the Meeting.

The Directors' Remuneration Report is set out in full in the Annual Report and Accounts on pages 74 to 86. Resolution 2 is the Ordinary Resolution to approve the Directors' Remuneration Report. Resolution 2 is an advisory resolution and does not affect the future remuneration paid to any director.

9. Resolutions 4 to 10 – 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 Kelvin Stagg, who has been appointed a Director since the last Annual General Meeting, election by the shareholders at this year's Meeting. Biographical information on each of the Directors is contained on pages 57 to 60 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 13 – Directors' Authority to Allot Shares

If passed, Resolution 13 will give the Directors authority to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £1,084,348 representing approximately one-third of the Company's issued ordinary share capital as at 9 April 2015 (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 14 – 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 14 to renew the authority granted by shareholders at the last Annual General Meeting of the Company. This will allow the Company to continue to support the community and put forward its views to wider business and Government interests without running the risk of being in breach of the law. As permitted under the Act, Resolution 14 also covers any of these activities by the Company's subsidiaries.

12. Resolution 15 – Disapplication of Pre-emption Rights

Resolution 15 will give the Directors authority to allot shares in the capital of the Company pursuant to the authority granted under Resolution 13 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 £1,084,348, (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 £162,659 representing approximately 5% of the issued ordinary share capital of the Company as at 9 April 2015 (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 16 – Power to Buy Back Shares in the Market

Resolution 16 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 32,530,459 (representing 10% of the Company's issued ordinary share capital as at 9 April 2015 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 16 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 9 April 2015 (the latest practicable date prior to the publication of this Notice), there were 3,191,639 options to subscribe for shares in the capital of the Company representing 0.98% 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 1.22% of the Company's issued share capital.

14. Resolution 17 – Notice of General Meetings

    This Resolution seeks to renew the authority granted at the 2014 Annual General Meeting to allow the Company to call general meetings, other than an annual general meeting, on 14 business days' notice. The minimum notice period for general meetings of listed companies is 21 days, but companies may reduce this period to 14 business 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 clear days to 14 business 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 9 April 2015 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 325,304,590 ordinary shares. No shares are held in treasury. Therefore the total voting rights in the Company are 325,304,590.

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 each of Mr S Ingham and Mr K Stagg and the letters of appointment for the Chairman and each of 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.

Notes

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