



PageGroup



**Annual report &
accounts 2015**



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 35 countries.

Geographic reach

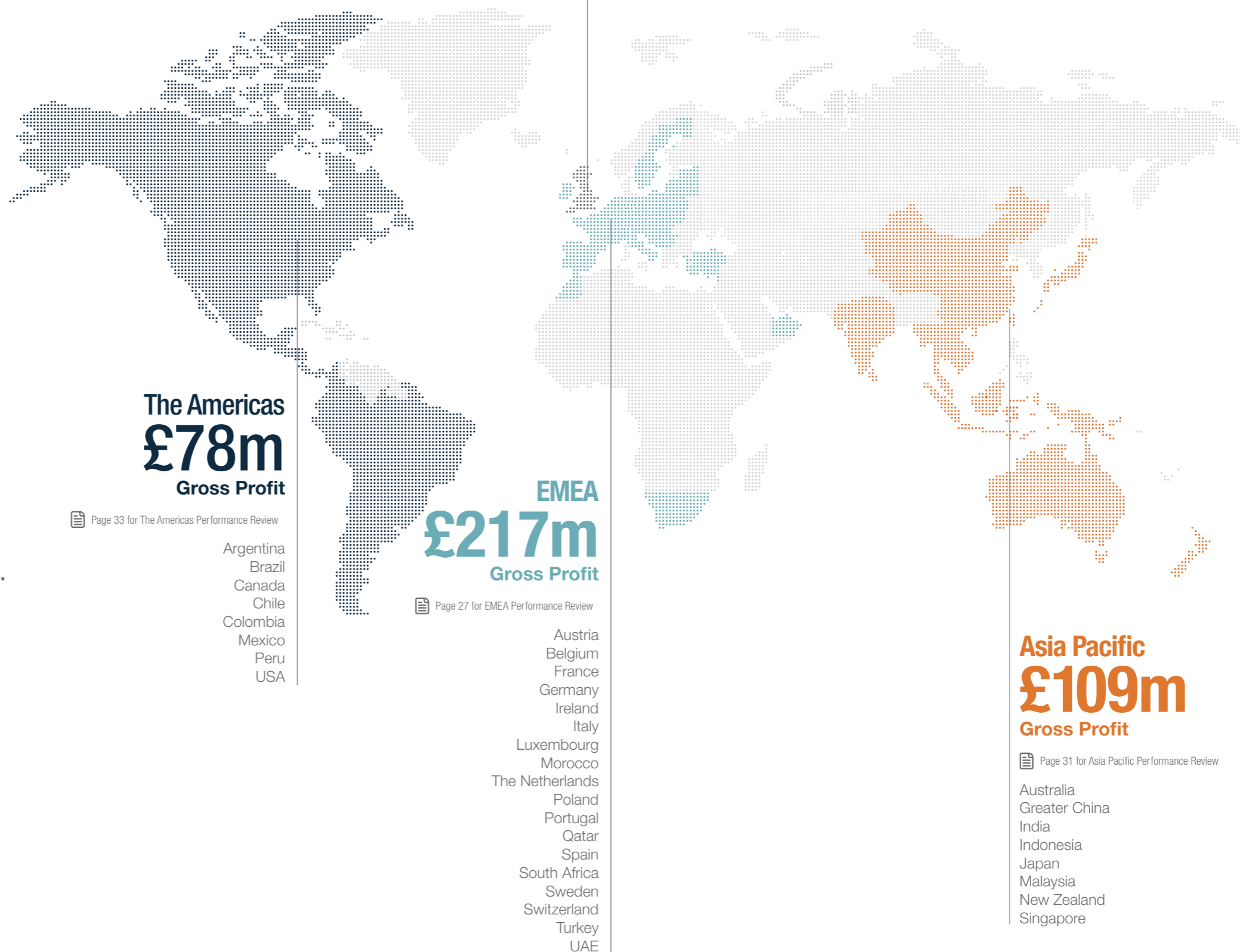
PageGroup has a truly global reach, with a substantial and well-balanced business across all regions, including Latin America and Asia. We source candidates from domestic and international markets and provide a comprehensive service to both local and multinational clients.

Discipline expertise

We organise our consultants into 15 specialist discipline teams, grouped into four broad categories. We then specialise further (e.g. 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.



Welcome

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.

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

Highlights

Gross profit up by 9%*

Operating profit before exceptional items up 20.2%*

Conversion rate improved by 1.5 percentage points to 16.2%

Strong balance sheet with £95.0m net cash

Special dividend of 16.0p

£556.1m

Gross Profit (+4.4%)

5,835

Headcount (+4.6%)

£90.1m

Operating Profit (+14.8%)

11.5p**

Dividend (+4.5%)

* In constant currency

** Underlying dividend

Gross profit (£m)

2015	556.1
2014	532.8
2013	513.9
2012	526.9

Basic EPS (pence)

2015	21.3
2014	19.3
2013	13.8
2012	11.9

£m	2015	2014	2013	2012	2011
Revenue	1,064.9	1,046.9	1,005.5	989.9	1,019.1
Gross profit (net fee income)	556.1	532.8	513.9	526.9	553.8
Operating profit before exceptional items	90.1	78.5	68.2	65.1	86.0
Operating profit after exceptional items	90.1	80.1	65.7	57.3	86.0
Profit before tax	90.7	80.4	64.1	57.0	86.1
Basic earnings per share (pence)	21.3p	19.3p	13.8	11.9	18.7
Conversion rate (operating profit/gross profit)	16.2%	14.7%	13.3%	12.4%	15.5%
Year end staff headcount	5,835	5,578	5,130	5,099	5,286

Operating Profit Before Exceptionals (£m)

2015	90.1
2014	78.5
2013	68.2
2012	65.1

Disciplines 2015 Gross Profit (£m)

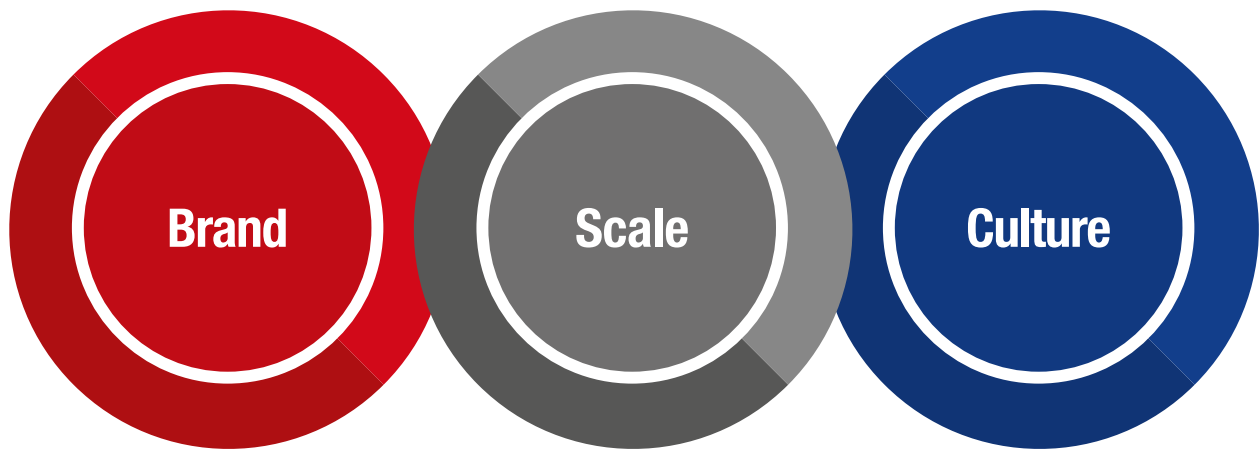
220.1	39.6%	Finance & Accounting
109.9	19.8%	Marketing, Sales & Retail
119.8	21.6%	Legal, Technology, HR, etc
106.3	19.1%	Engineering, Property & Construction, Procurement & Supply Chain

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.



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 39 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.

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.

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, while 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 page 13 for a case study on one of our High Potential Markets in 2015

See more on our culture in Our Employee Value Proposition on page 25

Chairman's Introduction

2015 Performance

This was another year of continued growth for the Group. In 2015 we have seen outstanding performances in some of our businesses such as North America which grew 18% in constant currencies and Southern Europe which grew over 28%. In total, 20 countries achieved growth rates of over 10% with 17 countries including the US, Greater China and Japan having record years. Gross profit in 2015 was £556.1m, an increase of 9.3% in constant currencies and 4.4% in reported rates. Operating profit grew 20% in constant currencies and basic EPS rose over 10%. However, the performance of Brazil and Australia was once again impacted by difficult trading conditions. The macroeconomic

environment in Brazil, in particular, continues to impact our growth rates with negative growth in constant currency of 23% in 2015. In the fourth quarter, we also saw trading conditions deteriorate in a number of our markets, particularly the UK, Asia Pacific, and the Middle East. Although it was pleasing to see continued strong performances in Europe, our largest region, North America and Latin America (excluding Brazil).

We continue to invest in and see encouraging growth from our five Large High-Potential Markets, namely the US, Germany, South East Asia, Greater China and Latin America. In 2015, collectively they grew 9% in constant currency in the year and now represent 31% of Group gross profit.



David Lowden
Chairman

“ Another year of positive growth and development across the Group ”

Although we have achieved strong double digit growth in constant currency in regions such as North America and Europe, foreign exchange continues to impact our reported results, with gross profit £26m lower and operating profit £4m lower due to the impact of foreign exchange rates.

We have continued to increase headcount, not only in our large high potential markets, but also those regions where market conditions support investment. As a consequence, we finished the year with 4,484 fee earners, a record for the Group. We also finished the year with a record fee earner to support staff ratio of 77:23, reflecting our continued focus on the cost base.

We have made good progress towards implementing a European Shared Service Centre. As well as improving quality and consistency, through improved operational efficiency, it is anticipated that this will lead to cost savings in 2017 and beyond. The implementation of the European Shared Service Centre is an important step towards achieving our new operational to support staff target ratio of 80:20.

The PageGroup leadership team also continues to make progress on the strategic priorities. Expanding the Property & Construction disciplines into countries such as the USA and Switzerland, and Sales into Japan and Malaysia, enables us to grow our market presence. During 2015, we have also continued to roll-out our new Page Recruiting System (PRS), and as at the end of

December 2015, around 85% of our fee earners were on the new system. Initial feedback has been very positive, with consultants benefiting from the enhanced speed and functionality of the new system. Each PRS roll-out also sees the introduction of our next generation website to that country, one part of our approach to ongoing candidate acquisition. LinkedIn is another significant channel for us to acquire candidates and clients. We are therefore very proud that LinkedIn named PageGroup as globally the Most Socially Engaged Recruiter in 2015.

One of the key factors of our continued success is the retention of our talented people. It is therefore pleasing that the work we have undertaken on our Employee Value Proposition has once again improved retention rates and increased management mobility. The importance of the willingness of our staff to move to the business where they can add most value cannot be underestimated and their continued dedication is greatly appreciated. This focus on staff retention, mobility and development has enabled us to improve productivity in constant currency and conversion rates.

We took the very difficult decision in 2015 to close our Russian business. Every one of our businesses must have the ability to achieve a minimum conversion rate of 30%. Having reviewed the Russian market, we did not believe this was achievable in the short or medium-term.

Continued focus on our highest potential markets, the roll-out of new disciplines, increasing headcount where market conditions support investment and investment in the skills of our people will enable us to achieve longer term growth and deliver robust shareholder returns.

Dividend

In 2015 we returned £50m to shareholders by means of a special dividend, the first time we have returned cash in this way. The Group's first use of cash remains to satisfy operational and investment requirements, as well as hedging its liabilities under the Group's share plans. Our second use of cash is to make returns to shareholders by way of an ordinary dividend. Cash generated in excess of these first two priorities will be returned to shareholders through supplementary returns, using special dividends and/or share buybacks. Historically, the Group has returned cash to shareholders through share buybacks and cancelling the shares. Over the 14 years since flotation, the Group has returned over £275m by share buybacks and cancelled around 30% of its issued share capital. This is on top of almost £300m of ordinary dividend payments during the same period.

Our ordinary dividend 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 2015 we generated cash from underlying operations of £101.6m and ended the year with cash balances of £95.0m. Given this cash position and our results for the year, we propose to increase the final dividend to 7.9p. When taken together with the interim dividend paid in October of 3.6p, this implies a total increase of 4.5% on 2014.

Board

At the end of 2015, the previous Chairman, Robin Buchanan, decided to step down, having served on the Board since August 2011. On behalf of the Board, I would like to thank him for his leadership and his many contributions to the success of our company.

Following Robin's departure, I was appointed Chairman of PageGroup and Chairman of the Nomination Committee with effect from 31 December 2015 and Danuta Gray was appointed Chair of the Remuneration Committee also with effect from 31 December 2015.

In August this year we also welcomed Patrick de Smedt onto the Board. Patrick is an experienced Non-Executive Director who has built an international business career in multiple countries. He has deep experience in leading people, and brings considerable knowledge of the importance of social media and information technology to a business like ours.

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. For information on Board priorities please see page 59.

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.

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 25. The report also details our approach to corporate and social responsibility, including how we engage with our stakeholders.

Looking Ahead

The investment in the PRS system and additional headcount in our growth markets in 2015 will enable us to continue to build profitable growth in 2016. However, while the global outlook remains mixed, we will continue to increase our investment in growing markets and actively manage our exposure in those markets which remain challenging.


Last, but by no means least, on behalf of the Board I would like to thank our people. PageGroup is a people business with a clear and tangible culture. Our staff are dedicated, hard working and committed to the Brand. They have a very strong team ethos which is evident in everything we do. Thanks to them, over the last 39 years we have achieved great things. I have no doubt that together, we will achieve many more.

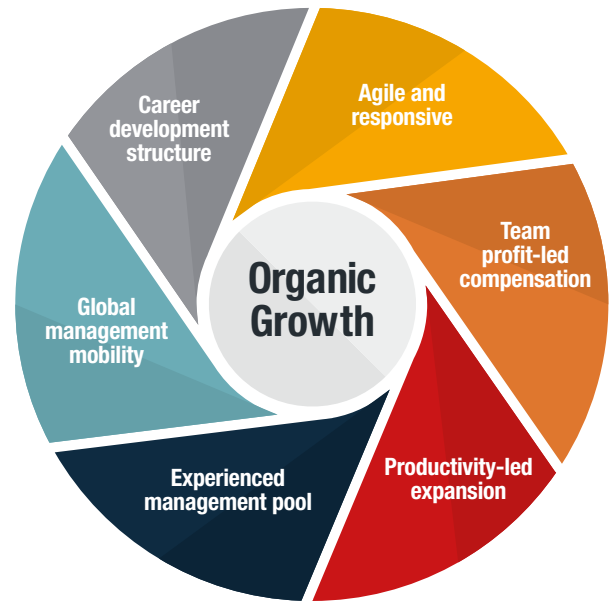
Strategic Framework

Business Model

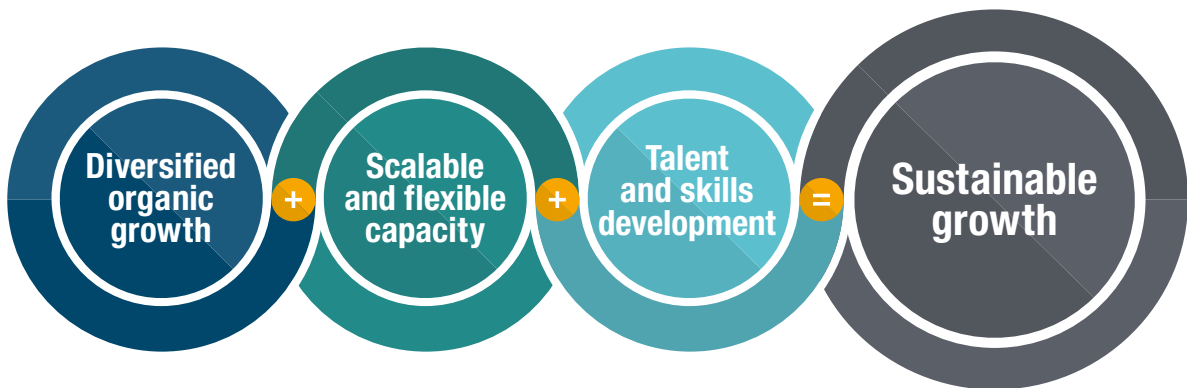
We have had a consistent business model for 39 years founded on the principle of team-based service delivery and reward, rather than by individual consultant. The reward model is structured to ensure a focus on profit rather than just revenue generation, which helps drive operational efficiencies throughout 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 have 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 21 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 35 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 11 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 15 to 18.

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	<ul style="list-style-type: none"> - Gross profit growth - Conversion rate 	<ul style="list-style-type: none"> - Macro downturn - FX on reported rates 	<ul style="list-style-type: none"> EPS growth: - three year: cumulative
Strategic	<ul style="list-style-type: none"> - Gross profit diversification - Fee earner headcount - Fee earner: operational support 	<ul style="list-style-type: none"> - Business model - Delivery of operational efficiencies 	<ul style="list-style-type: none"> - Strategic plan milestones - IT transformation
People	<ul style="list-style-type: none"> - Management experience - Employee index 	<ul style="list-style-type: none"> - Management development - Attraction/retention 	<ul style="list-style-type: none"> - Leadership development - Retention/succession

 See the Directors' Remuneration Report on pages 67 to 79

Strategic Review

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



Steve Ingham
CEO PageGroup

Over these pages, I will take you through where we see our competitive advantage; how this relates to our strategic plan; and then following on from this, how we approach our investment plan in our markets. We continue this year to provide linkage as to how we measure performance, through our KPIs – both financial and non financial – together with the related risks. These risks then directly relate to the three elements (financial, strategic, people) of the performance criteria of our current executive remuneration plan.

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

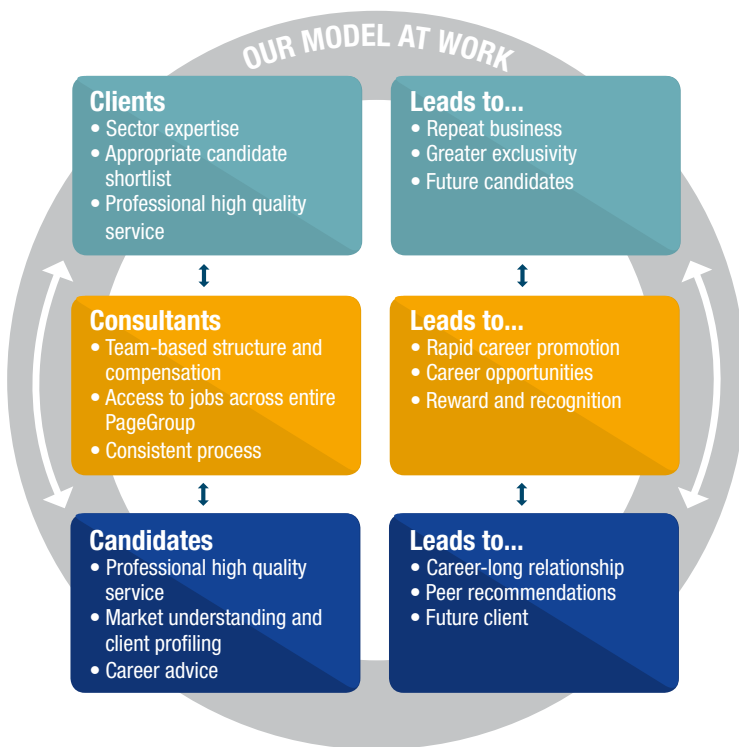
PageGroup is focused on delivering against three key objectives to achieve its strategic vision and sustainable financial returns. These are 1) to look for organic and diversified growth; 2) to position the business to be efficiently scalable and highly flexible to react to market conditions; and 3) to nurture and develop our people, driving our meritocratic growth model.

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 structured career development and the value that experienced management brings to the business.

“ At PageGroup we have a clear strategic vision: to be the leading specialist recruiter in the markets in which we operate. ”

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 turn candidates into clients and vice-versa.



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

People and Management

Our business model provides us flexibility and agility, which together with the significant loyalty of the management team, allows the business to progress, even in uncertain markets. Our consultants quickly come to understand that we can offer more than a long term and fulfilling career in recruitment. We encourage our star performers to expand their horizons through career moves to both new disciplines and new regions, allowing them to broaden their experience, but also their value to the Group. They know how greatly we value the experience acquired throughout their career, and as such 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 our business model.

Due to this constant depth of talent that is available to the business, the senior executive team can flex the business exposure to any of our markets, both up and down, according to prevailing market conditions and take decisions as to where PageGroup can achieve the greatest return on investment from 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 and 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 11 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 and 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 2015 Achievements

PageGroup made good progress against its three strategic objectives in 2015. With 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 2015, the fee earner and total headcount was at record levels for the Group. This was achieved together with the continued 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 our new Page Recruitment System was rolled out to 85% of our fee earners, ahead of our target of 80%. 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 on YourPage, our Employer Value Proposition 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 Review

How we categorise the markets

In 2013, PageGroup categorised each of its markets around the globe based on criteria such 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 35 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; and
- Large-scale economies.

Six historically successful geographies were categorised as Large, Proven, reflecting the fact that 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 in its ability to successfully scale operations.
EXAMPLES	Germany, Greater China, Latin America, South East Asia and the US.
INVESTMENT APPROACH	Sustained investment through cycle - adding headcount/offices/disciplines.
STRATEGIC PLAN	Create a market leading network of offices, management and headcount. c. 40% of Group gross profit/fee earners; 30% conversion rates.
2015 RESULTS	Gross profit growth of 9%, strong growth in the US, development of the German temp business. Conditions difficult in Brazil.
2016 PLAN	Continue investment in new headcount and management team, while improving conversion rates.

<h2>Large, Proven</h2>	<h2>Small and Medium, High Margin</h2>	
<p>Large markets in which PageGroup is already proven with a strong track record and a significant presence.</p>	<p>Have been or could be significant profit contributors for PageGroup, but not likely to be in excess of 300 fee earners.</p>	<p>CATEGORISATION</p>
<p>UK, France, Australia, the Netherlands, Italy and Spain.</p>	<p>Japan, Middle East, Africa, India, Canada, Turkey and other European countries.</p>	<p>EXAMPLES</p>
<p>Investment reflects gross profit growth and market conditions.</p>	<p>Respond to market conditions, focus on high margin opportunities.</p>	<p>INVESTMENT APPROACH</p>
<p>Collectively return to 2007 peak levels of operating profit & conversion rates; equivalent to c. 45% of Group gross profit/ fee earners.</p>	<p>Investment responsive to market conditions. Expected to represent c.15% of Group gross profit/fee earners; 30% conversion rates.</p>	<p>STRATEGIC PLAN</p>
<p>Continued roll-out of new disciplines within the office network.</p>	<p>Gross profit records in eight countries, improving profitability. Conditions difficult in the Middle East.</p>	<p>2015 RESULTS</p>
<p>Utilise capacity to drive productivity, improving conversion rates in the process.</p>	<p>Focus on growth and improving conversion rates.</p>	<p>2016 PLAN</p>



Large, High Potential Markets

Maximising Growth Markets:

Large, High Potential Markets – a case study

USA



2015 was a record breaking year for our Large, High Potential Markets, both as a whole and for three of the constituent regions, namely the US, Greater China and South East Asia. Our Large High Potential Markets now account for nearly 31% of the Group, up from 23% five years ago, with 50 offices and nearly 1,500 fee earners. We have also seen an improvement in our conversion rate for these markets, with conversion in 2015 of 14.8%, an increase of over two percentage points from 2014. This is further increased to 17% excluding Brazil.

Greater China saw 11% growth in 2015 with a five year compound annual growth rate of 20%, during which time it became PageGroup's third largest market. Our offices in Hong Kong, where we are clearly the largest international recruiter with the broadest penetration of the market, and Taipei, had record years but we saw good growth in all our locations as we continued to build on our market-leading capabilities. We saw in 2015 a lower dependency on multinationals as we focused on gaining greater penetration of the domestic market. Our Page Personnel businesses in China saw 17% growth in the year, with 80% growth for our temporary business.

Germany enjoyed 14% growth in 2015 and by the end of the year we had just under 275 fee earners, a five year compound annual growth rate of 15%. Page Personnel Germany and Michael Page Interim each had a record year, as our temporary business saw 35% growth in the year, to account for over one third of Germany's Gross Profit. We are now beginning to see a return from the significant investment we made in our German temporary business.

Our Latin America region, where we are the market leader, was impacted by Brazil, which saw a decline of 23% in Gross Profit over 2014 due to the political and economic uncertainty in the country. However, the other five countries (Mexico, Argentina, Colombia, Chile and Peru) collectively saw growth of 29% and all enjoyed record years. Mexico, which grew over 30% in the year, is now approximately two thirds the size of Brazil.

In our South East Asia region, Malaysia and Indonesia enjoyed record years but tougher market conditions in Singapore and a slowdown in the fourth quarter in Malaysia limited growth over 2014 to less than 2%. The five year compound annual growth rate, however, remains robust at 20%, with fee earner headcount nearly tripling in the last five years.

TOTAL	50	1,447	12%	9%	14%
	Offices	Fee earners 2015	Fee earners 2009-15 CAGR	Gross profit 2015 vs 2014	Gross profit 2010-15 CAGR
USA	8	255	8%	19%	16%

The US had a record breaking year in 2015, up 19% and enjoyed a five year compound annual growth rate of 16%. The country closed the year with 255 fee earners in eight offices. This is up from 175 fee earners in 2010, a compound growth rate of 8%.

Our New York office, which saw 26% growth, is our largest office and has a strong presence in the Financial Services sector, with our Finance, Legal and Marketing disciplines also making strong contributions to the gross profit of the office. This growth has led us to move office locations to give the opportunity to invest in our fee earner headcount and maximise this growth opportunity. Our new location adds c. 50% to our New York fee earner capacity.

Our Chicago office had a record year, up 13% and has laid a strong platform for future growth in a market with huge potential. Boston, whilst flat for the year, has turned a corner under new management. Los Angeles, which nearly doubled in 2015, and has further potential. Our Houston office suffered from the tough market conditions in the Oil and Gas market, but our consultants adapted to develop new skills and new market knowledge. Our

Stamford and New Jersey offices both saw 2015 growth of over 20%. From a lower base, temporary recruitment grew 20% in 2015 and represents a significant potential market across all of our locations.

We continue to focus on our staff retention in the region and to continue to diversify our business to increase the proportion of our fee earners operating outside New York and outside the traditional disciplines. The implementation of our new PRS operating system and a move towards shared services with the UK emphasised the continued development and improvement of the infrastructure needed to support front office growth and further raise our conversion rate.

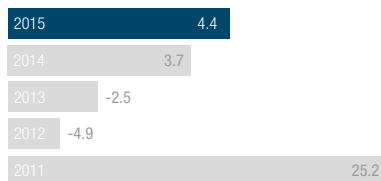
We have significant scope for growth in our current locations and while we have no plans to open new offices this year, we see the US as a significant opportunity for growth going forward. We have a strong and increasingly experienced management team and we are starting to achieve sufficient scale in our operations to drive future profitability.

Key Performance Indicators

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



Gross profit growth (%)



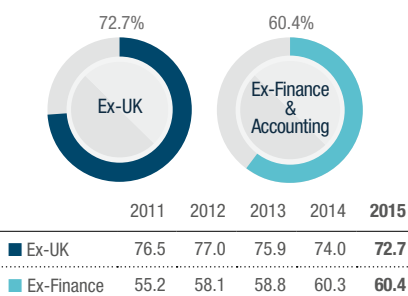
How measured: Gross profit growth represents revenue less cost of sales expressed as the percentage change over the prior year. It consists principally of placement fees for permanent candidates and margin earned on the placement of temporary candidates.

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 2015: Gross profit increased 4.4% in reported rates, 9.3% in constant currencies, as adverse currency movements impacted on the full year figures.

Relevant strategic objective: Organic growth.

Gross profit diversification (%)



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.

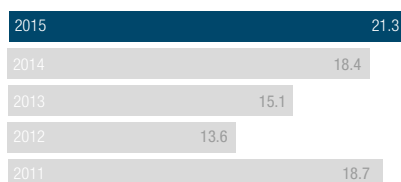
Why it's important: These percentages give an indication of how the business has diversified its revenue streams away from its historic concentrations in the UK and from the finance and accounting discipline.

How we performed in 2015: Geographies: the percentage fell slightly to 72.7% from 74.0% in 2014, 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.

Disciplines: The percentage remained broadly flat at 60.4% (2014: 60.3%), as our newer disciplines of Legal, HR, IT and Secretarial, performed strongly, with good growth from our core Finance discipline.

Relevant strategic objective: Diversification.

Basic earnings per share pre-exceptional items (p)



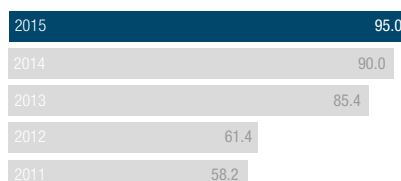
How measured: Profit for the year attributable to the Group's equity shareholders, divided by the weighted average number of shares in issue during the year; and compared to the prior year.

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

How we performed in 2015: The Group saw a 15.8% rise in pre-exceptional EPS to 21.3p, which represented a 10.4% rise in post-exceptional EPS. Despite the impact of adverse foreign exchange movements which lowered the Group's EPS by one percentage point in the year, improvements in trading, as well as our improved conversion rate, drove strong growth in the Group's EPS in 2015.

Relevant strategic objective: Sustainable growth.

Net cash (£m)



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 2015: After an increase in cash paid on ordinary dividends of 7% and a further £50m paid as a special dividend, net cash rose to £95m from £90m.

Relevant strategic objective: Sustainable growth.



Ratio of Permanent vs Temporary placements

Gross Profit	2011	2012	2013	2014	2015
■ Permanent	79	78	76	76	76
■ Temporary	21	22	24	24	24

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

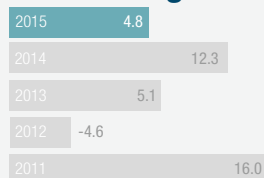
Why it's important: A guide to the operational gearing potential in the business, which is significantly greater for permanent recruitment.

How we performed in 2015: The ratio was flat at 76.2%, 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.



Fee earner headcount growth (%)



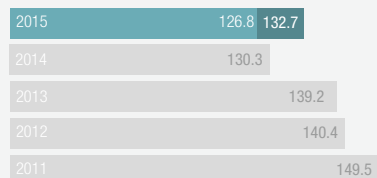
How measured: Number of fee earners and directors involved in revenue-generating activities at the year end, expressed as the percentage change compared to the prior year.

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 2015: Fee earner headcount grew at 4.8% in the year, resulting in 4,484 fee earners at the end of the year, a record for the Group.

Relevant strategic objective: Sustainable growth.

Gross profit per fee earner (£'000)



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 2015: In reported rates, the ratio fell to £126.8k from £130.3k. However, in constant currency it increased to £132.7k, despite the level of fee earners added and the greatest level of activity being at lower salary placement levels.

Relevant strategic objective: Organic growth.

Fee earner: operational support staff ratio

	2011	2012	2013	2014	2015
■ Fee earner	72	71	74	77	77
■ Support	28	29	26	23	23

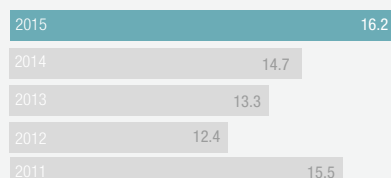
How measured: The percentage of fee earners compared to operational support staff at the year-end, expressed as a ratio.

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 2015: The ratio remained at the record 77:23, in line with 2014. This was facilitated by operational efficiencies achieved in the business that enabled 4.8% fee earner headcount growth. The ratio of joiners in the year was 80:20.

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.

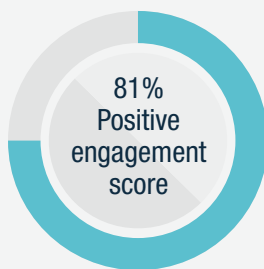
How we performed in 2015: The Group conversion ratio improved 1.5 percentage points, to 16.2% from 14.7%, helped by the business achieving a record fee earner to support staff ratio, as well as enjoying improved activity levels. The lower conversion rate of 14.5% in constant currency in the Large, High Potential Markets was a reflection of higher headcount growth, as well as continued challenging trading conditions in Brazil.

Relevant strategic objective: Sustainable growth.

Key Performance Indicators



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 2015: We recorded an 81% positive score for Employee Engagement in the latest Employee Survey in 2015 (2014: 75%). This was a combination of questions including: how valued our people felt; how proud they were to work for PageGroup; and the level of trust and recognition they received for their work.

Relevant strategic objective: Sustainable growth.

PEOPLE

Management experience

2015	11.2 years
2014	10.8 years
2013	11.1 years
2012	10.5 years
2011	10.6 years

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 2015: The average tenure of the Group's management increased from 10.8 years to 11.2 years, with a particular increase in the UK.

Relevant strategic objective: Talent and Skills development.



Total GHG emissions

Total energy derived emissions (CO ₂ e tonnes)	2014	2015
Source of emissions		
Direct GHG emissions	1,395	1,527
Indirect GHG emissions	4,742	4,935

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 44% of the Group by headcount, and extrapolated for the Group as a whole.

Why it's important: The emissions calculations look at the CO₂e impact of our operations in absolute terms.

How we performed in 2015: Direct GHG emissions relating to the combustion of fuel increased by 9.5% to 1,527 tonnes CO₂e, while Indirect GHG emissions, through the purchase of energy such as electricity, rose by 4.1% to 4,935 tonnes.

Relevant strategic objective: Sustainable growth.

GHG EMISSIONS

Intensity values of GHG emissions

CO ₂ e tonnes per 1,000 employees	2014	2015
Energy derived emissions	1,115	1,118
Business travel (air, car and rail) related emissions	507	463

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 increases in headcount. It helps to identify where progress has been made on emission reduction.

How we performed in 2015: Energy derived emissions increased by 0.2% and business travel related emissions fell by 8.7%, in part due to a continued Group-wide focus on reduction in travel late in 2014 and during 2015, and an increase in Group headcount of just over 4% in the year.

Relevant strategic objective: Sustainable growth.

The source of data and calculation methods year-on-year are on a consistent basis. The movements in KPIs are in line with expectations.

Greenhouse Gas Emissions ('GHG')

In line with the requirements of the Companies Act 2006 (Strategic Report and Directors' Report Regulations), PageGroup reports on all direct greenhouse gas (GHG) 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).

Since 2014, we have gathered energy data from our major offices. This is in conjunction with our environmental policy which focuses on implementing efficiency measures in our offices to reduce energy consumption and carbon emissions. As a result, for the 2014 emissions reporting, we reviewed all our 2013 data as well as enhancing the quality of our 2014 data collection. The 2015 data collection has continued this process. In order to provide improved consistency between the 2014 and 2015 data, the calculations behind the 2015 data have been revised.

Emissions have been calculated in line with the 2015 DEFRA reporting standards, and calculated using the UK Government conversion factors for Company Reporting produced for DEFRA and DECC.

Property energy emissions (direct emissions relating to gas and fuel oil and indirect emissions relating to electricity) derived from consumption in properties directly under the Group's control have been calculated by using a sample of offices across the world (including those for the entire UK business). These offices represent 44% of the global headcount in 2015. The emissions for the remaining offices were calculated by extrapolating headcount.

Direct emissions from fuel consumed by Company owned or leased vehicles were calculated using the fuel consumed by the German based car fleet. This represents 12% of the Group's global car fleet of just under 1,100 vehicles. The German business has one of the highest vehicle fleet per headcount in the Group. The emissions for vehicles in other countries were calculated by first extrapolating the fuel consumption of the German business per vehicle and then calculating the resulting emissions.

There were no fugitive emissions related to refrigerants topped up as part of air conditioning maintenance.

Intensity values

The intensity values are based on property and vehicle energy derived emissions per 1,000 headcount. This was chosen as being most representative of the Company's activity levels, and being unaffected by issues such as business mix or foreign exchange variations. The intensity value of 2015 emissions increased by 0.2% compared with 2014.

In addition to the mandatory reporting of emissions, we also calculated our business travel related emissions, and the intensity of emissions for 2014 and 2015.

Q&A



with Steve Ingham, CEO

Q. How do you use technology effectively in the business?

A. At a high level, technology delivers speed and efficiency for teams, boosting productivity. It also drives candidate acquisition and gives management the tools to drive sales on an ongoing basis.

Efficient use of technology to carry out the recruitment process effectively allows the teams to spend more time working with our clients and candidates to better deliver on their requirements. It minimises the time they spend on administration, whether that be searching, loading vacancies on job boards, or compliance. In turn, this maximises their exposure talking to candidates and clients with a system focused on streamlining processes, resulting in an increase in productivity.

Technology also gives us easy access to visual KPI information. These are on each manager's homepage and each consultant has their own KPIs, against which they monitor their progression. These can be tailored to each consultant daily, to ensure they are focusing on the relevant task needed to

deliver on their targets. Managers can track against targets set, enabling them to manage performance effectively down to an individual level with a sales focus.

Our greatest assets are our people. This real time data allows us to manage them more effectively on a day-to-day basis and develop them more quickly into great recruiters. We can quickly identify a training need, for example, where a consultant making 100 business development calls, but not generating enough new jobs, clearly needs training around the content of their calls to ensure success. They benefit from the training via new skills and increased remuneration, the Group benefits from a motivated workforce and improved productivity.

Q. What impact does disintermediation, such as LinkedIn and social media have on your business?

A. LinkedIn is another significant channel for us to acquire candidates and clients, as well as an opportunity to build our brands. Technology, including CV boards and networks like LinkedIn, has driven a perception that everyone has equal access to every candidate. Our skill at PageGroup is putting the human initiative and contact back into that process, which is crucial in such a candidate driven market. We know more about our candidates than any publicly available data ever will: their motivations; requirements; skills; personality; culture; style; image and desires.

We were also very proud to receive an award from LinkedIn in 2015, where we were named as globally the Most Socially Engaged Recruiter in 2015. More people engage with our content and presence on LinkedIn than any other recruiter. Meaningful and relevant content allows us to interact everyday with our potential and returning customers, providing the insight they need to help them, but also helping us increase our brand awareness and to build affinity so that we are their recruiter of choice.

Q. Do you anticipate further special returns to shareholders in 2016?

A. We continue to operate a policy of financing the activities and development of the Group from our retained earnings and to operate while maintaining a strong balance sheet position. We first use our cash to satisfy our operational and investment requirements, and to hedge our liabilities under the Group's share plans.

We then review our liquidity over and above this requirement to make returns to shareholders, firstly by way of ordinary dividend. Our policy is to grow this ordinary dividend over the course of the economic cycle, in line with our long-term growth rate; we believe this enables us to sustain the level of ordinary dividend payments during a downturn as well as increasing it during more prosperous times.

Cash generated in excess of these first two priorities will be returned to shareholders through supplementary returns, using special dividends or share buybacks. In 2015, after consultation with our shareholders, we made a supplementary return of 16p per share. We will continue to monitor our liquidity in 2016 and will make returns to shareholders in line with the above policy.

Q. What do you consider the outlook to be for 2016 and what do you consider to be your biggest challenge?

A. We are cautiously optimistic over the outlook for 2016. There are macro-economic challenges in a number of our larger markets and the current cycle is proving to be unpredictable in nature. We have limited visibility of the economic outlook and as such we will continue to focus on driving profitable growth, as we have throughout 2015. Managing the business through this economic volatility will be our key challenge for 2016, though I am highly confident that we have the best management team in place to do this.

Q. How far can someone go in their career at PageGroup?

A. As an organically grown business, there is plenty of opportunity to progress rapidly within PageGroup, from consultant to the senior leadership team, and we have many examples of this across the Group. As far as myself, and all the Chief Executive Officers before me are concerned, we started out as consultants and worked our way through the business. This is also true of every member of the senior operational management team; none were recruited in.

To facilitate this progression, we have a clearly defined talent development training roadmap, supporting the professional development of all our staff at every stage of their career.

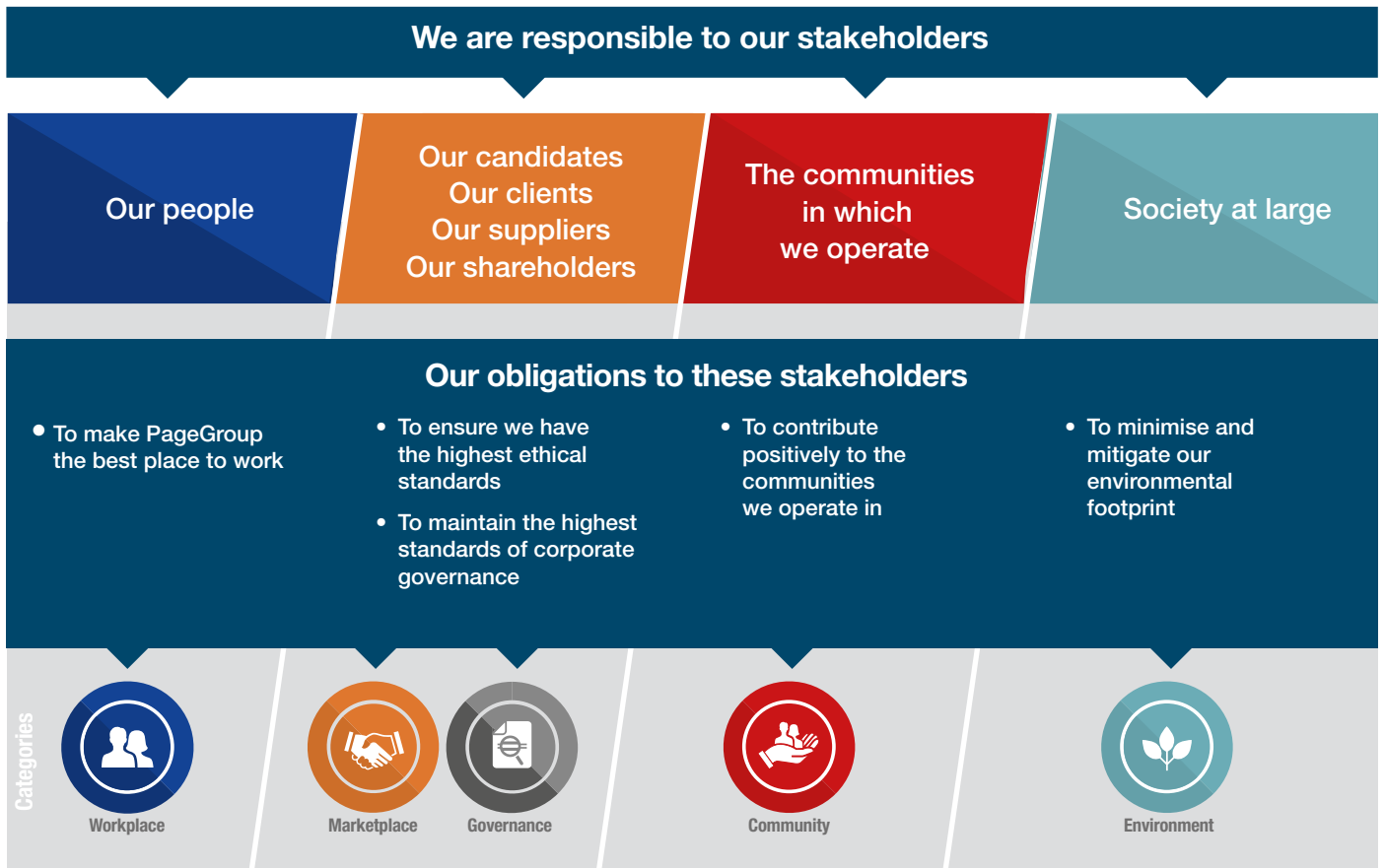
Q. How is PageGroup developing its Directors to become senior leaders of the future?

A. We invest a significant amount of resource to succession planning, talent development and talent retention. As well as offering a competitive remuneration package, we also run executive coaching schemes, internal and external mentor programmes, 360 degree feedback assessments, Personal Development Plan development and a Global Directors Academy in which we partner with an external leadership development company.

All this investment generates the necessary skills with which our consultants of today can become the leaders of tomorrow.

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 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. We have procedures in place to track and report our broader CSR efforts on a more formal and documented basis and with reference to industry best practice on Environmental Social Governance (ESG) principles.

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

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

This work categorised our CSR elements into the five elements of Workplace, Marketplace, Governance, Community and Environment. Our CEO, Steve Ingham, the Executive Board Director, is responsible for CSR matters. From time to time the Board reviews the outputs which encompass all of the ESG topical areas relevant for our business. The development of these CSR elements is continuing in nature and the Company will report its progress under these CSR categories in future years.



The quality and integrity of our people is fundamental to our reputation as both an employer and as a business. People are at the centre of everything we do and form the basis of the proposition we offer to clients and candidates alike. We therefore place great value on ensuring that our workplace environment, our employees' wellbeing and their work-life balance are as good as we can make it.



We strive to ensure that PageGroup is a great place to work and employ a broad range of initiatives aimed at maintaining employee commitment to the business and increasing overall staff retention. We conduct regular "temperature checks" through our global employee survey which in 2015 received record levels of engagement. Respondents highlighted an improving work-life balance, while effective teamwork and a respectful, appreciative working environment were cited as particular strengths.



The feedback from the 2015 global employee engagement survey has been used to refine our employee value proposition, in which continuing the good work to improve work-life balance and supporting health and wellbeing will be priorities. Such initiatives have helped us to win numerous awards including Top Employers Europe 2016 by the Top Employers Institute, with individual awards for Germany, France and Spain. We have received similar awards for our teams in Asia and Hong Kong as well as in the UK.

We enjoy a diverse cultural and ethnic profile within the business and now have a 48:52 male/female gender balance globally. 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.

In 2015 we continued these initiatives resulting in OpenPage, Women@Page and the recently launched Pride@Page being recognised with a number of national awards in the UK. These awards, including the award for Most Effective Diversity and Inclusion Strategy in the Recruiter Investing in Talent Awards 2015, recognised our continued efforts at promoting equal opportunities and inclusion in the workplace both as an employer and as a provider of services.

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 21 to 24.

Gender diversity		%		%
At 31 December 2015				
Board Directors	5	71	2	29
Senior Management	247	79	66	21
Total employees	2,813	48	3,022	52

Gender diversity		%		%
At 31 December 2014				
Board Directors	5	71	2	29
Senior Management	251	79	67	21
Total employees	2,739	49	2,839	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 again achieved our target in 2015 of no issues requiring Board notification, no material regulatory breaches and no fines.

In 2014 we revised our supplier code of conduct. In 2015 we began incorporating this into our agreements with all of our key suppliers, as well as continuing to drive a programme of efficient procurement. During 2016 we will consider the provisions of the Modern Slavery Act.

We continue to improve our transparency and dialogue with all stakeholders and increased engagement with shareholders. We held another well received Investor Relations event in September, where analysts and investors had the opportunity to meet our regional leadership teams.



Highest standards of corporate governance

At PageGroup we are committed to high standards of governance and believe it underpins sustainable performance. The Board is collectively responsible for the Group's financial and operational performance as well as promoting the success of the business. The Board fulfils its responsibilities by directing and supervising the Company's strategies and policies.

Set out in the Corporate Governance section are details of the activities undertaken by the Board and its Standing Committees during 2015. These include 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 37 to 39.





Positive contributions to communities

As a business which has people at the centre of everything we do, it is essential that we make a positive impact on the communities where we operate. We value the significant impact altruistic activities can have on our employees' personal and professional development and encourage all staff members to actively support charities, not-for-profit organisations and community based activities.

All members of staff are encouraged to take a Corporate Social Responsibility day annually where they can volunteer their time to support community or charity. In many regions these efforts are coordinated and teams or offices join together on an activity.

In the UK we have raised over £1m for our charity partners over the last nine years. To raise these funds our UK employees have donated their time and money in a variety of ways, whether it is a bake sale or a triathlon. We also run a schools CSR programme, visiting schools and colleges to provide young adults with invaluable career advice. Globally, PageGroup has many longstanding charity commitments; such as our work with the Leukaemia and Lymphoma Society in the USA, the RSPCA in Australia or Habitat for Humanity in Indonesia and Singapore. Across Europe offices have conducted clothing drives, donating clothing and blankets to aid refugees, while in the UK our partnership with Smart Works helps job seekers with access to professional attire donated by our employees. 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 CO2 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. We continue to include environmental criteria when considering the location and specification of new properties and our programme for collecting GHG emission data also continues with an increased number of properties returning more accurate data, and a single resource now responsible for ensuring timely collation of that data.

 See pages 17 and 18 for our GHG reporting for 2015.



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 2015 are included in the CSR review on page 24.

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.

Our International Mobility Programme



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.

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.

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



How did you deliver against your 2015 priorities?

We delivered a strong performance in 2015. Market conditions were sufficiently robust so that the investment we made in our teams, new disciplines and rolling out our Page Recruiting System (“PRS”), started to benefit our performance. We delivered gross profit growth for the year of 12%. We also continued to monitor our costs, resulting in our conversion rate improving to 14.7%. We had notable results in our German Page Personnel business, which grew 32% for the year, as we started to see the return on the headcount investment we made in 2014. We also delivered a record year in Southern Europe, with collective growth of 28%.



We anticipate growth to continue into 2016, as we seek to maximise returns made on our investment in headcount and the roll-out of our PRS operating system.



Olivier Lemaitre
Regional Managing Director

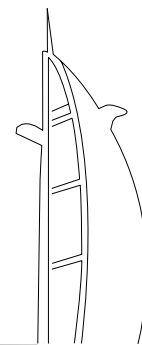
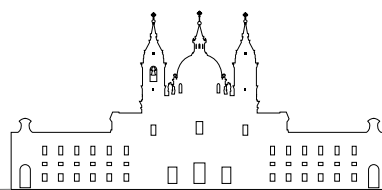
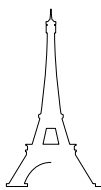


What are your priorities for 2016?

In 2016 we anticipate good growth to continue and so we will focus on maximising the returns we have made in our fee earner headcount and the roll-out of our PRS operating system. We will continue to focus on our fee earner productivity, ensuring that the new fee earners we added in 2015 get up to full productivity. We will continue our transition to the European Shared Service Centre in Barcelona, and anticipate that we will be able to transfer the majority of the finance functions in the region during 2016.

2015 Highlights

	2015	2014
Revenue	£421.3m	£419.7m
Gross profit (net fee income)	£217.0m	£212.0m
Operating profit before exceptional items	£31.9m	£30.1m
Conversion (operating profit/gross profit)	14.7%	14.2%
Year end staff headcount	2,295	2,113
Percentage of Group gross profit	39%	40%



Page Personnel

Record year for Page Personnel in Europe

Germany

Strong growth in our German Temp business

Southern Europe

Gross profit up by 28%

EMEA

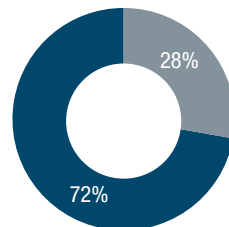
Gross profit records in four countries

Gross profit £m

2015	£217.0m
2014	£212.0m
2013	£207.8m
2012	£218.4m

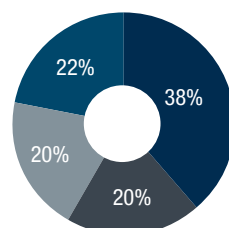
Headcount

2015	2,295
2014	2,113
2013	1,886
2012	2,040



Permanent to temporary ratio

%	2015	2014
Permanent	72	71
Temporary	28	29



Discipline mix

£m	2015	2014
Finance and Accounting	84.6	83.9
Marketing, Sales and Retail	42.4	41.4
Legal, Technology, HR, Secretarial and Healthcare	43.2	39.1
Engineering, Property & Construction, Procurement & Supply Chain	46.8	47.6

Regional Perspectives:

UK



How did you deliver against your 2015 priorities?

The UK continued to perform well in 2015. We saw growth of 10% over the course of the year. Within this we saw a notable result from our Page Personnel brand with growth of 19%. We continued to develop our people through our new Sales Academy, as well as our leadership and management training. We also placed considerable emphasis on our Employee Value Proposition (“EVP”) programme to ensure we nurtured and retained the best talent in our business, as these individuals are key to our future growth opportunities.

“

The UK continued to perform well in 2015, with overall growth of 10%, and a notable result from Page Personnel, up 19%.

Oliver Watson
Regional Managing Director

”

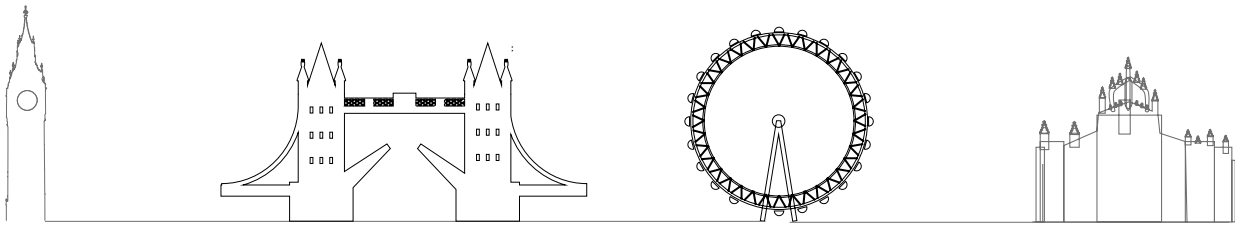
What are your priorities for 2016?

We want to continue to develop the business. We saw a slight tempering of growth during the fourth quarter of 2015 and, if this was to be prolonged into 2016, we may need to rethink our projected growth trajectory. We will continue to develop our existing disciplines and, in particular, we will seek to drive the business into areas where margins are good and market dynamics are positive.



2015 Highlights

	2015	2014
Revenue	£337.7m	£325.7m
Gross profit (net fee income)	£151.6m	£138.4m
Operating profit before exceptional items	£29.2m	£24.1m
Conversion (operating profit/gross profit)	19.3%	17.4%
Year end staff headcount	1,516	1,441
Percentage of Group gross profit	27%	26%



Gross profit for Page Personnel up 19%

Growth of over 20% in Legal and Financial Services

Most socially engaged recruiter on LinkedIn

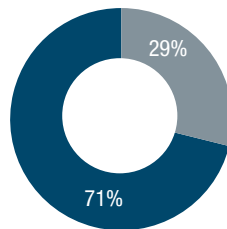
Multiple awards for workplace environment/ diversity initiatives

Gross profit £m

2015	£151.6m
2014	£138.4m
2013	£124.1m
2012	£121.4m

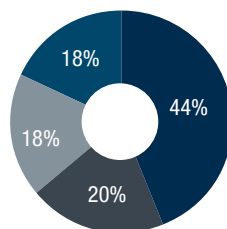
Headcount

2015	1,516
2014	1,441
2013	1,319
2012	1,237



Permanent to temporary ratio

%	2015	2014
Permanent	71	70
Temporary	29	30



Discipline mix

£m	2015	2014
Finance and Accounting	68.2	60.5
Marketing, Sales and Retail	30.0	29.9
Legal, Technology, HR, Secretarial and Healthcare	26.7	23.6
Engineering, Property & Construction, Procurement & Supply Chain	26.7	24.4



Regional Perspectives: Asia Pacific

How did you deliver against your 2015 priorities?

Overall for the year, Asia Pacific delivered growth of 5% in constant currencies. We have diversified our offerings in the Asian markets throughout 2015 and sought to improve consultant productivity over the course of the year. Trading conditions became more difficult as the year progressed, with concern over macro-economic conditions in China affecting confidence throughout the region. We reacted by focusing more on our domestic clients rather than the multi-nationals. In Australia, gross profit was down 2% in constant currency. We made leadership and management changes in Australia during the second half, which, we believe, will enable us to better react to the current environment and growth opportunities that exist.

“

We will continue to diversify our offerings across the region, with particular focus on the domestic client base, where there are significant opportunities.

”

Gary James
Regional Managing Director

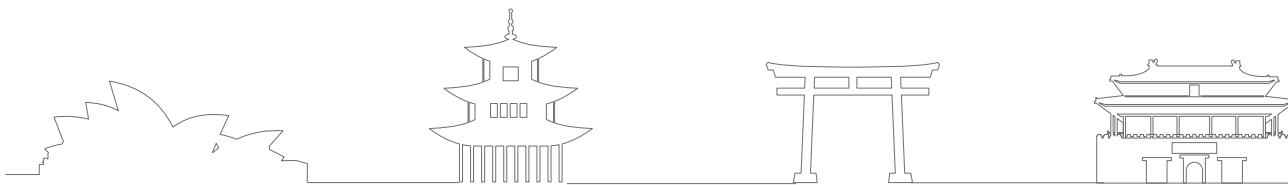


What are your priorities for 2016?

We will continue to monitor levels of demand throughout the region to ensure that we have the appropriate strategy to maximise future growth. We will look to diversify our offerings across the region into the domestic client base, where there are significant opportunities. Our focus will be on increasing productivity of our existing fee earners, but we will also seek to roll-out new disciplines to our existing office network.

2015 Highlights

	2015	2014
Revenue	£191.3m	£193.5m
Gross profit (net fee income)	£109.1m	£105.5m
Operating profit before exceptional items	£22.7m	£20.0m
Conversion (operating profit/gross profit)	20.8%	18.9%
Year end staff headcount	1,180	1,141
Percentage of Group gross profit	20%	20%



Australia

Down 2%; management restructure in H2 to maximise future growth

Greater China

Another record year, with five year CAGR of over 20%; diversification into domestic clients

Asia Pacific

Record year in six countries, including Greater China

South East Asia

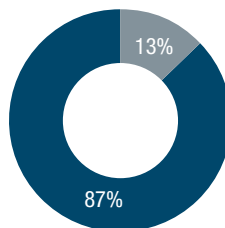
A record year, with five year gross profit CAGR of 20%

Gross profit £m

2015	£109.1m
2014	£105.5m
2013	£105.8m
2012	£114.9m

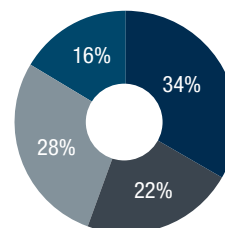
Headcount

2015	1,180
2014	1,141
2013	1,111
2012	1,036



Permanent to temporary ratio

%	2015	2014
■ Permanent	87	86
■ Temporary	13	14



Discipline mix

£m	2015	2014
■ Finance and Accounting	36.5	36.2
■ Marketing, Sales and Retail	24.5	21.8
■ Legal, Technology, HR, Secretarial and Healthcare	30.9	28.4
■ Engineering, Property & Construction, Procurement & Supply Chain	17.2	19.1

Regional Perspectives: Americas



How did you deliver against your 2015 priorities?

In North America, 2015 was a record year, with growth of 18% in a business that now represents 8% of the Group. This continues to be driven by our financial services business in New York and the tri-state area. We have also sought to improve our profitability throughout the region. Latin America continued to be a divergent market, with very tough economic conditions in Brazil, but very strong growth in the rest of the region. We responded by actively managing our headcount in Brazil to ensure it remained profitable, but where possible moved these people to other countries where we saw strong growth.

“

North America delivered a record year, with particularly impressive growth of 18%, now representing 8% of the Group.

”

Patrick Hollard
Regional Managing Director

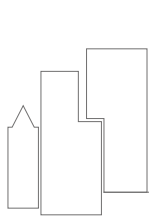


What are your priorities for 2016?

We will continue to actively manage our operations in Brazil to retain profitability. In the rest of Latin America, we will continue to diversify our offerings through new disciplines being rolled out in our existing office network, as well as increasing our brand awareness. In North America our priorities are to continue to drive the growth we have seen, particularly in our New York office. We will continue to focus on retaining the best people, to drive further improvements in our conversion rate.

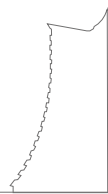
2015 Highlights

	2015	2014
Revenue	£114.7m	£108.0m
Gross profit (net fee income)	£78.4m	£76.9m
Operating profit before exceptional items	£6.2m	£4.3m
Conversion (operating profit/gross profit)	7.9%	5.6%
Year end staff headcount	844	883
Percentage of Group gross profit	14%	14%



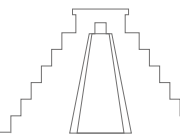
USA

Growth of 18%, driven by Financial Services



Latin America

Excluding Brazil, growth of 29%, with Mexico now two thirds the size of Brazil; Brazil down 23%



Americas

Brazil apart, all countries in the region had record years



Canada

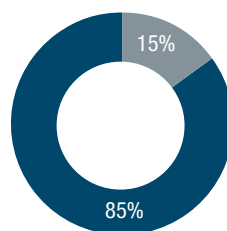
Growth of 15% despite economic conditions

Gross profit £m

2015	£78.4m
2014	£76.9m
2013	£76.2m
2012	£72.2m

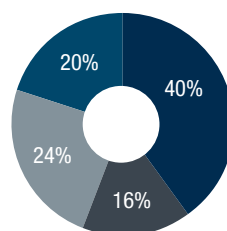
Headcount

2015	844
2014	883
2013	814
2012	786



Permanent to temporary ratio

%	2015	2014
■ Permanent	85	87
■ Temporary	15	13



Discipline mix

£m	2015	2014
■ Finance and Accounting	31.0	30.7
■ Marketing, Sales and Retail	12.8	13.3
■ Legal, Technology, HR, Secretarial and Healthcare	19.0	16.2
■ Engineering, Property & Construction, Procurement & Supply Chain	15.6	16.7

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 as defined in the Group's Risk Appetite statement.

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 Board 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 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.

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.

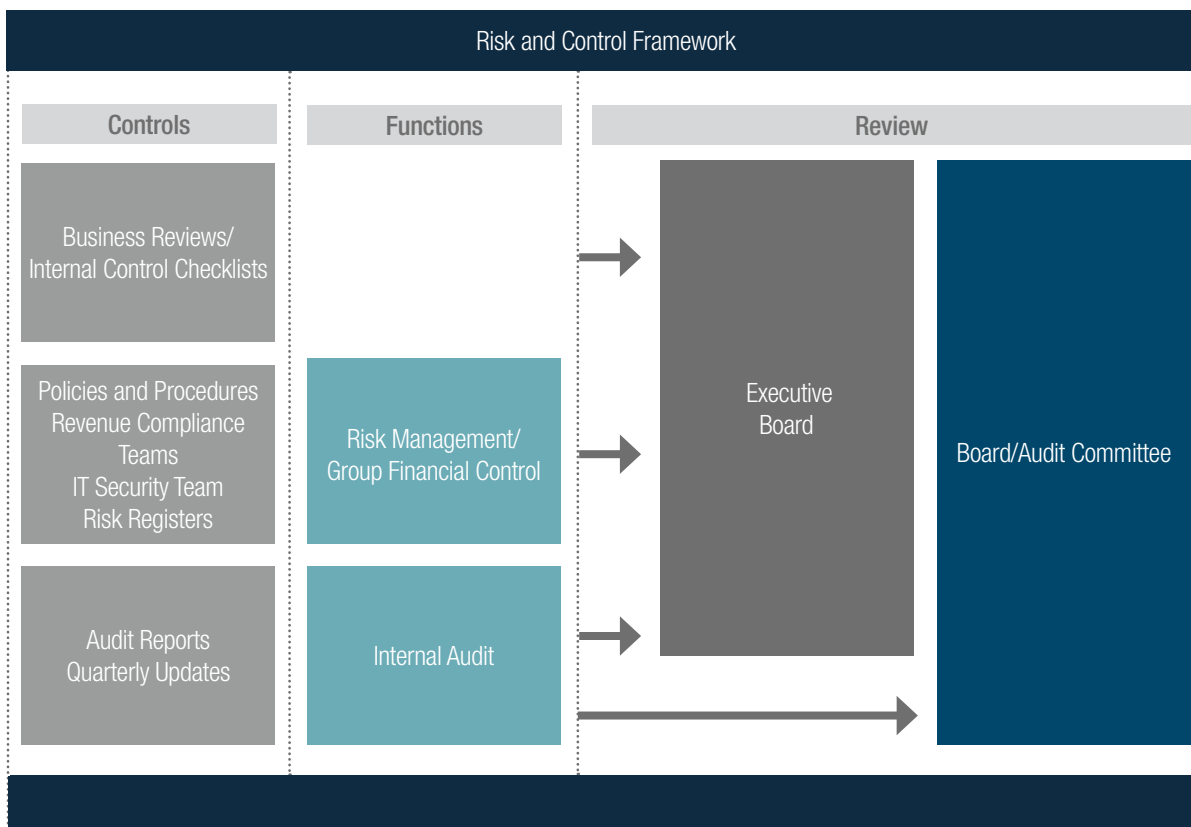
The Executive Board and the Board continue to focus on Strategic, People and Financial risks. For these we disclose KPIs which we use to monitor the risk impact, and the rewards and incentives we apply to ensure effective management.

 See strategic framework on page 5.

Our operational risks are those that the Executive Board have agreed can be managed by our people on a day-to-day basis. These are included within our risk registers and are reviewed by the Board on an exceptions basis, with the exception of data security (cyber risk) which has a more prominent position in the reviews.

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

Our Risk and Control Framework





Risk Appetite

Recruitment is inherently cyclical and provides limited forward visibility. This makes it sensitive to the economic environment and thus financially volatile creating a higher risk environment.

PageGroup operates in this environment with a low risk appetite, seeking to mitigate its strategic risks, maintain a strong financial position and only taking the operational risks it has the experience and capability to manage.

Our growth model is organic, rolling out the proven disciplines for brands to a wide geographic spread. We drive this by developing

and promoting our people from within the business, ensuring consistency of model and business culture across the Group.

We maintain a strong sales driven, meritocratic culture with a commitment to operating in an ethical, legal and sustainable manner.

We will always operate a conservative financial position with a strong balance sheet, reflecting the degree of operational gearing inherent in the business.

This measured approach to taking risk ensures we are best placed for success globally.



Risk appetite range
 PageGroup Actual Net Risk assessment
 Further planned improvements

Principal Risks and Uncertainties

Financial Risks

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.



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, Swiss Franc, Chinese Renminbi and Singapore Dollar.



Actions to Mitigate Risk

- 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.

- 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. In 2015 the Company entered into hedges to cover its investment in foreign entities in the US and Canada.
- 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

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.
- We have established an Innovations Group comprising senior management who focus on developments in the marketplace.

Delivery of operational efficiencies (assessed under systems transformation and Change Risk Appetite)

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.



Operational Risks

Information Systems – 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.



Actions to Mitigate Risk

- Our core operating systems are governed on a global basis but are regionally based. We recognise the need to ensure best practice is applied throughout the Group and therefore our approach is to ensure common platforms, standards and processes are being applied. 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.

Information Systems – 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.

(Assessed under technology in our risk appetite)

- 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.
- Our service roll-out strategy is to fully pilot new services to ensure they operate effectively and achieve the benefits planned before they are deployed across the Group.

System Transformation and change

The Group is in the process of implementing a new suite of IT applications. This has now been successfully delivered to c.85% of our users. 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.



- We have successfully rolled-out our Page Recruitment System to the majority of the Group. The next stage in the programme is to ensure the business is deriving the benefits from the enhanced capability and common platforms.
- We have established a dedicated Group Programme 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 security

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.

Fiscal and legal compliance

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 central tax and treasury functions, which manages the Group's cash position and tax compliance.
- The Group tax function regularly monitors transfer pricing requirements and developments to ensure that appropriate actions are being taken and appropriate documentation is being maintained to meet local reporting and compliance requirements.
- 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.

Principal Risks and Uncertainties

Operational Risks

PageGroups brands and 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 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 advisers 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 conduct ongoing surveys of clients and candidates to ensure that we understand their requirements and can adapt our processes and procedures accordingly.
- We train our consultants to effectively use new media making the channels available to them as part of their day-to-day activity.
- We have a programme of activity which ensures that we effectively communicate the Page brands, keeping awareness high amongst both current and potential clients and candidates.

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.



- 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.
- The Group operates regional share or service centres which, as well as driving efficiencies, enable more effective control of activities.

People

People attraction, development and retention

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.

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



Actions to Mitigate Risk

- 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.
- The Group targets its recruitment process to attract and employ high quality individuals.
- 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

Going Concern

In adopting the going concern basis for preparing the financial statements for accounting purposes under International Accounting Standard 1 “Presentation of 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 37 to 39. 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 12 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.

Viability Statement

Assessing the prospects of the Company

Our strategy and the key risks we face are described on pages 6 and 37 to 39. A full business forecasting process is performed on a quarterly basis, with a full budget, for the following year created during October and November, being presented to the Board in December. 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. Discussion around strategy is undertaken by the Board in its normal course of business, as well as at an annual dedicated strategy day.

We also prepare longer term projections which drive our strategic plan. These are typically three years. Our strategic plan provides a clear vision for the Group, aligns the Group to one clear culture, provides clarity on investment priorities, branding, belief in achievable goals; and clarity on the goals for our financial vision.

The period over which we confirm longer-term viability

Within the context of the above, in accordance with provision C.2.2 of the 2014 revision of the UK Corporate Governance Code, the Board has assessed the viability of the Group.

Given the inherent uncertainty involved, the period over which the Directors consider it possible to form a reasonable expectation as to the Group’s longer term viability is the three year period to December 2018. This period, which represents the period used for strategic planning, has been selected as it is short enough to present the Board and, therefore, users of the annual report with a reasonable degree of confidence, whilst still providing an appropriate longer term outlook. Whilst the Board has no reason to believe the Group will not be viable over a longer period, the Board has taken into account the short-term visibility inherent in a recruitment business with a permanent recruitment bias.

Stress testing

The forecasting and budgeting process is also supported by scenarios that encompass a broad range of potential outcomes. These scenarios are designed to explore the resilience of the Group to the potential impact of the significant risks as set out on page 37 to 39, or a combination of those risks. A range of scenarios were considered, including cyber incidents, disintermediation by way of innovation, changes in technology, movements in foreign exchange rates, and a global downturn, amongst others. We have assumed that, as in the past, as downside risks materialise our headcount will flex through natural attrition in line with the drop of gross profit, such that the impact on operating profit is partially mitigated.

The scenarios were designed to be severe, but plausible and were modelled individually and in combination. In each case, the Group remained viable throughout. However, it is considered extremely unlikely that this combination of events would ever occur. Controls are also in place, where possible, to mitigate the impact of these scenarios and these are described on pages 37 to 39.

Various events may also alert the Main and Executive Boards to a potential threat to viability, for example, macro-events drive the recruitment industry, a drop in GDP in a particular country may lead to a reduction in gross profit growth rates.

We consider that this stress-testing based assessment of the Group’s prospects is reasonable in the circumstances given the inherent uncertainty involved.

Confirmation of longer-term viability

The Directors confirm that their assessment of the principal risks and uncertainties facing the Group was robust.

Based upon the robust assessment of the principal risks and uncertainties facing the Company and the stress-testing based assessment of the Company’s prospects, all of which are described above, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to December 2018.

Review of the Year

Financial summary	2015	2014	Change	Change CER*
Revenue	£1,064.9m	£1,046.9m	1.7%	7.1%
Gross profit	£556.1m	£532.8m	4.4%	9.3%
Operating profit before exceptional items **	£90.1m	£78.5m	14.8%	20.2%
Profit before tax before exceptional items	£90.7m	£78.4m	15.6%	
Basic earnings per share before exceptional items	21.3p	18.4p	15.8%	
Diluted earnings per share before exceptional items	21.1p	18.2p	15.9%	
Operating profit after exceptional items	£90.1m	£80.1m	12.5%	
Profit before tax after exceptional items	£90.7m	£80.4m	12.9%	
Basic earnings per share	21.3p	19.3p	10.4%	
Diluted earnings per share	21.1p	19.1p	10.5%	
Total dividend per share (excl. special dividend)	11.5p	11.0p	4.5%	
Total dividend per share (incl. special dividend)	27.5p	11.0p	150.0%	

* 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).

At constant exchange rates, the Group's revenue for the year ended 31 December 2015 increased 7.1% and gross profit by 9.3%. In reported rates, revenue increased 1.7% to £1,064.9m (2014: £1,046.9m) and gross profit increased 4.4% to £556.1m (2014: £532.8m).

The Group's revenue mix between permanent and temporary placements was 41:59 (2014: 40:60) and for gross profit was 76:24

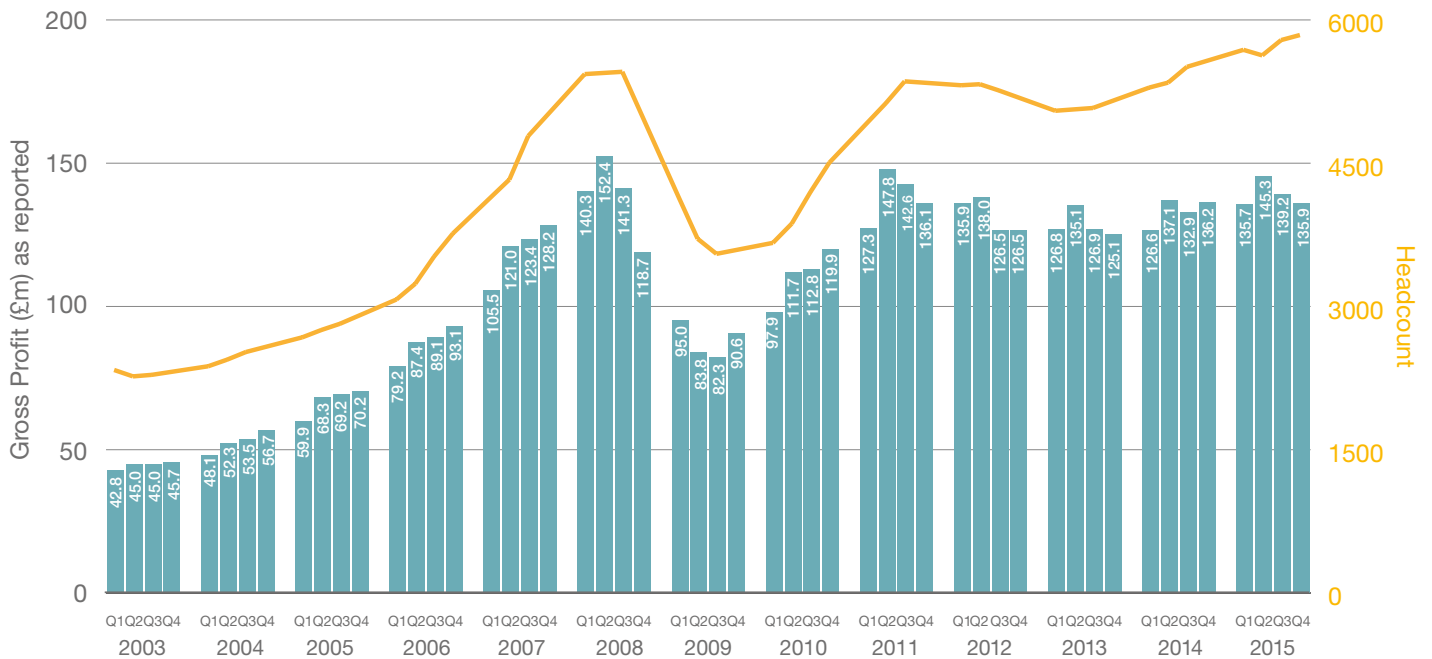
Perm/Temp gross profit	2015 (£m)	2014 (£m)
Permanent	424.0	406.1
Temporary	132.1	126.7
Total Gross Profit	556.1	532.8
Ratio (Perm/Temp)	76:24	76:24

(2014: 76:24). Revenue from temporary placements comprises the salaries of those placed, together with the margin charged. This margin on temporary placements increased slightly to 20.8% in 2015 (2014: 20.1%). Overall, pricing remained relatively stable across all regions, although a stronger pricing environment was experienced in markets and disciplines where there were increased instances of candidate shortages.

We saw strong growth from our Large, High Potential Markets category, with gross profit up 9% in constant currencies, another record performance from the category as a whole. Excluding Brazil, where we saw difficult economic conditions, the growth rate would have been 15%. Three of the five markets achieved record gross profit, and Germany delivered record gross profit from temporary recruitment, in line with the nature of our investment.

Total Group headcount increased by 257 in the year, up 4.6% to a record 5,835. This comprised a net increase of 206 fee earners (+4.8%) and an increase of 51 operational support staff (+3.9%), reflecting the continued strong focus on operational efficiency.

Group Quarterly Headcount and Gross Profit



As a result, our fee earner to operational support staff ratio was maintained at the record level of 77:23. In total, administrative expenses increased 2.6% to £466.0m (2014: £454.4m before exceptional items). The Group's operating profit from trading activities totalled £90.1m (2014: £78.5m before exceptional items), an increase of 20.2% at constant rates, although the growth was

lower at 14.8% in reported rates.

The Group's conversion rate of gross profit to operating profit from trading activities improved 1.5 percentage points to 16.2% (2014: 14.7%). 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
		2015	2014	%	%
Year-on-year	% of Group	2015	2014	%	%
EMEA	39%	217.0	212.0	2.3%	11.9%
UK	27%	151.6	138.4	9.6%	9.6%
Asia Pacific	20%	109.1	105.5	3.4%	4.9%
Americas	14%	78.4	76.9	2.0%	7.4%
Total	100%	556.1	532.8	4.4%	9.3%

Review of the Year

Europe, Middle East and Africa (EMEA)

EMEA (39% of Group in 2015)	Gross profit (£m)		Growth rates	
	FY 2015	FY 2014	Reported	(CER)
	217.0	212.0	2.3%	11.9%



Market Presence

EMEA is the Group's largest region, contributing 39% of the Group's gross profit in the year. With operations in 18 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 2015, the EMEA region generally saw strong market conditions, but was impacted significantly by the weakness of the Euro. In constant currency, revenue increased 10.4% on 2014 and gross profit increased by 11.9%. In reported rates, revenue in the region was up slightly at £421m, and gross profit increased 2.3% to £217m (2014: £212m). The region suffered from adverse foreign exchange movements that reduced revenue and gross profit by £42m and £20m, respectively.

Our larger businesses in France and Germany, together representing 47% of the region by gross profit, grew 7% and 14%, respectively, for the full year in constant currencies. Page Personnel in Germany, where last year we invested heavily in temporary and contracting, grew 32%. Page Personnel now represents approximately a third of our German business. Overall, 13 countries, representing around 95% of the region, grew in constant currencies compared to 2014. Our businesses in the Middle East, which represented 4% of the region, saw a decline of 8% in gross profit compared to 2014 due to political uncertainty and the weakness in the oil and gas sector.

The 5.9% increase in operating profit for 2015 to £31.9m (2014: £30.1m) and in the conversion rate to 14.7% (2014: 14.2%) were driven by improvements in market conditions, offset by headcount increases. Headcount across the region increased by 182 (8.6%) to 2,295 at the end of 2015 (2014: 2,113). The majority of the increase was fee earners as the business added headcount where growth opportunities were strongest, mainly in Southern Europe.

United Kingdom

UK (27% of Group in FY 2015)	Gross profit (£m)		Growth rates
	FY 2015	FY 2014	Reported
	151.6	138.4	9.6%



Market Presence

The UK represented 27% of the Group's gross profit in 2015 and is the Group's largest single market, operating from 28 offices covering 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.

The UK business operates under the three 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 21% of UK gross profit. The Michael Page business has limited competition of any scale, particularly in regional centres, and is growing its market share.

Performance

The UK business enjoyed steady growth through the first three quarters and saw signs of greater client confidence both in London and the regions. Revenue of £338m (2014: £326m) and gross profit of £152m (2014: £138m) were up 3.7% and 9.6%, respectively, reflecting continued progress in the business.

However, as we approached the end of the year, clients became increasingly reluctant to make decisions, but activity levels, such as job acquisitions and first interviews, remained positive. Activity levels were stronger at the lower salary levels and in Page Personnel.

UK disciplines such as Finance & Accounting (+13%), Property & Construction (+42%), Legal (+20%) and HR (+15%), performed strongly. Market conditions in our technical disciplines were more challenging, with Engineering down 3%. Michael Page was up 7%, while Page Personnel was up 19% 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 21.5% to £29.2m (2014: £24.1m) and the conversion rate to increase to 19.3% (2014: 17.4%).

Headcount rose 5.2% during the year to 1,516 at the end of December 2015 (2014: 1,441). Headcount was added selectively to strongly performing disciplines. Support headcount rose 1% to support the roll-out of our new operating system, PRS.

Review of the Year

Asia Pacific

Asia Pacific (20% of Group in 2015)	Gross profit (£m)		Growth rates	
	FY 2015	FY 2014	Reported	(CER)
	109.1	105.5	3.4%	4.9%



Market Presence

Asia Pacific represented 20% of the Group's gross profit in 2015, with 72% of the region being Asia and 28% Australasia. Other than in the financial centres of Tokyo, Singapore and Hong Kong, the Asian market is generally highly under-developed, but offers 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, over 750 staff and limited competition, the size of the opportunity in Asia is huge. Across the region, permanent placements accounted for 87% and temporary placements 13% of gross profit.

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.

Performance

In Asia Pacific, in constant currencies, revenue increased 3.6% and gross profit increased by 4.9%. In reported rates, revenues declined 1.1% to £191m (2014: £193m), while gross profit rose 3.4% to £109m (2014: £106m).

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 11% in constant currencies, despite growth slowing in the second half of the year. This was most notable amongst multi-nationals, with concerns over economic news from Greater China. South East Asia was flat on the prior year, due to difficult trading conditions in Singapore and Malaysia. In Australia, gross profit was down 2% in constant currency. We made leadership and management changes in Australia during the second half, which, we believe, will enable us to better react to the current environment and growth opportunities that exist.

Operating profit rose 13.7% to £22.7m (2014: £20.0m), resulting in an increase in the conversion rate to 20.8% (2014: 18.9%). Headcount across the region rose by 39 (3.4%) in the year, ending the year at 1,180 (2014: 1,141). The majority of these headcount additions were in Asia.

The Americas

Americas (14% of Group in FY 2015)	Gross profit (£m)		Growth rates	
	FY 2015	FY 2014	Reported	(CER)
	78.4	76.9	2.0%	7.4%



Market Presence

The Americas represented 14% of the Group's gross profit in 2015, being North America (54% of region) and Latin America (46% 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 8 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 500 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 85% and temporary placements 15% of gross profit.

Performance

In constant currencies, revenue increased 11.2% and gross profit increased by 7.4%. In reported rates, revenue increased 6.1% to £115m (2014: £108m) while gross profit improved 2.0% to £78.4m (2014: £76.9m). During the year, the region suffered from significant adverse foreign exchange movements that reduced revenue and gross profit by £5m and £4m, respectively.

In North America, our businesses performed well, with gross profit up 18% in constant currencies. This was driven in particular by our Financial Services business in New York and tri-state area, with the US up 19%. Our Canadian business performed strongly, up 15% despite the prevailing economic conditions and the challenging oil and gas market.

In Latin America, gross profit was down 2% year-on-year in constant currencies. The region continued to operate in two divergent markets, with tough economic conditions in Brazil, which led to a fall in gross profit of 23%, partially offset by strong performances elsewhere. Our business in Brazil reacted by reducing the number of fee earners by 73 during the year and, as a consequence, remained profitable. Excluding Brazil, the other countries in the region, which made up 58% of Latin America, saw growth of 29%.

Operating profit rose 44.9% to £6.2m (2014: £4.3m), with a conversion rate of 7.9% (2014: 5.6%). Headcount decreased by 39 (-4.4%) in 2015 to 844, (2014: 883).

Review of the Year

Operating Profit and Conversion Rates

The Group's organic growth model and profit-based team bonus ensures cost control remains tight. Approximately 75% of costs were employee related, including wages, bonuses, share-based long-term incentives, and training and relocation costs.

Our fee earner to operational support staff ratio maintained its record level of 77:23, with our ongoing focus on conversion rates and maximising productivity from the investment in 468 fee earners added in 2014, as well as the further 206 added in 2015.

The combination of slowly improving market conditions up to the latter part of the year, and the ongoing focus on cost control resulted in operating profit before exceptional items of £90.1m (2014: £78.5m) an increase of 14.8% in reported rates and 20.2% in constant currencies.

Our two key initiatives, outside of the operational performance of the business, the roll-out of our new operating system, PRS, and the creation of a shared service centre for Europe, have progressed well with c. 85% of our fee earners live on PRS at year end, ahead of our 80% target. The completion of our shared service centre should further improve our fee earner to operational support staff ratio.

Depreciation and amortisation for the year totalled £15.4m (2014: £17.9m). This included amortisation relating to PRS of £6.7m (2014: £8.8m). With the majority of the Group's fee earners going live on our new operating system, PRS, in 2015, we aligned the useful life of the system with the timing of the benefit.

The Group's conversion rate for the period of 16.2% (2014: 14.7%) was a strong improvement on 2014, as it was achieved alongside the Group's investment programme, which was focused in particular on its Large, High Potential Markets, and 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 14.8%, which was 1.4 percentage points lower than the rest of the Group of 16.2%. 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 the particularly difficult trading conditions in Brazil. Excluding Brazil, the conversion rate was above the Group average at 17.0%.

Conversion rates improved in all our regions. In EMEA, conversion increased from 14.2% to 14.7% and in the UK it increased from 17.4% to 19.3%. Within our two less developed regions, Asia Pacific increased from 18.9% to 20.8%, while the Americas increased from 5.6% to 7.9%, driven by an improved result in North America, partially offset by difficult trading conditions in Brazil.

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 £57m, £26m and £4m, respectively.

A net interest income of £0.6m reflected the continuing low interest rate environment, with £1.1m of interest income on cash balances held through the year, partially offset by financial charges relating to the Group's Invoice Discounting Facility and overdrafts used to support local operations of £0.5m.

Earnings Per Share and Dividends

In 2015, basic earnings per share, before exceptional items, increased 15.8% to 21.3p (2014: 18.4p), reflecting the improved business performance and our improved conversion rate. Diluted earnings per share, before exceptional items, which takes into account the dilutive effect of share options, was 21.1p (2014: 18.2p). After exceptional items, basic earnings per share rose 10.4% to 21.3p (2014: 19.3p) and diluted earnings per share was 21.1p (2014: 19.1p).

The Group's strategy is to operate a policy of financing the activities and development of the Group from our retained earnings and to maintain a strong balance sheet position. We first use our cash to satisfy our operational and investment requirements, and to hedge our liabilities under the Group's share plans. We then review our liquidity over and above this requirement to make returns to shareholders, firstly by way of ordinary dividend.

Our policy is to grow this ordinary dividend over the course of the economic cycle, in line with our long-term growth rate; we believe this enables us to sustain the level of ordinary dividend payments during a downturn as well as increasing it during more prosperous times. Cash generated in excess of these first two priorities will be returned to shareholders through supplementary returns, using special dividends or share buybacks.

In line with the improved growth rates and increase in operating profits, a final dividend of 7.9p (2014: 7.58p) per ordinary share is proposed. When taken together with the interim dividend of 3.6p (2014: 3.42p) per ordinary share, this would imply an increase in the total dividend for the year of 4.5% over 2014 to 11.5p per ordinary share.

The proposed final dividend, which amounts to £24.7m, will be paid on 20 June 2016 to shareholders on the register as at 20 May 2016, subject to shareholder approval at the Annual General Meeting on 9 June 2016.

In 2015, after consultation with our shareholders, we also paid a special dividend of 16.0p per share on 2 October 2015. We will continue to monitor our cash position in 2016 and will make returns to shareholders in line with the above policy.

Cash Flow and Balance Sheet

Cash flow in the year was strong, with £101.6m (2014: £88.1m) generated from underlying operations. The closing net cash balance was £95m at 31 December 2015, an increase of £5m on the prior year. The movements in the Group's cash flow in 2015 reflected increased activity in a number of the Group's markets as the year progressed. The increase of 1.7% in the Group's revenue drove a £11.4m increase in working capital, principally in the temporary placement business. This comprised an increase of £20.2m in receivables (2014: £22.2m increase), as well as an increase in payables of £8.8m (2014: £6.8m increase).

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.

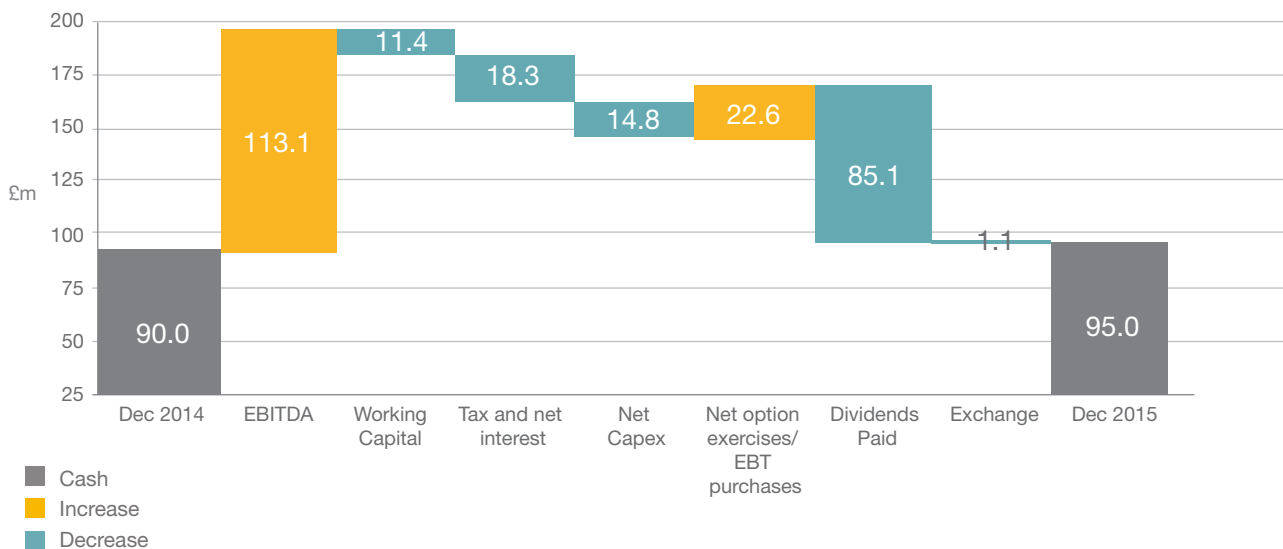
Income tax paid in the year was £19.1m (2014: £15.4m) an increase of £3.7m on the prior year. The increase reflects an increase in tax paid in the UK, plus withholding tax suffered in respect of repatriated cash plus a mix of lower net tax payments in EMEA and higher net payments in Asia Pacific and the Americas. Capital expenditure in 2015 was £15.2m (2014:

£12.7m). Spending on software development reduced slightly on the prior year to £6.0m (2014: £6.5m) as the roll-out phase of the Group's new operating system continued during the year.

Dividend payments were up on the prior year at £85.1m (2014: £32.7m) as a result of the special dividend paid in October of £50m. There was also a significant cash receipt from share option exercises, with our employees benefiting from the higher share price. In 2015, £22.6m was received by the Group from the exercise of options compared to £4.0m received in 2014. In 2015, no payments were made to purchase shares to satisfy future employee share awards (2014: £25.4m).

The most significant item in our balance sheet was trade receivables which amounted to £163.4m at 31 December 2015 (2014: £156.1m), comprising permanent fees invoiced and salaries and fees invoiced in the temporary placement business, but not yet paid. Days sales in debtors at 31 December 2015 were 46 days (2014: 45 days), reflecting continued strong credit control.

Cash flow waterfall 2015 year to date



Review of the Year

Foreign Exchange

Foreign exchange had a substantial impact on our results for the year, causing a decrease in gross profit of £26m, in administrative expenses of £22m and therefore in operating profit of £4m. This impact was felt globally, but by far the largest impact was within EMEA, where gross profit was impacted by over £20m as a result of the weakening of the Euro.

Taxation

The tax charge for the year was £24.5m (2014: £21.0m). There being no exceptional items in 2015, this represented an effective tax rate of 27.0% both before and after exceptional items (2014: 26.2% after exceptional items and 27.9% before exceptional items). The rate is higher than the effective UK Corporation Tax rate for the year of 20.25% (2014: 21.5%) principally due to the impact of disallowable expenditure and higher tax rates in overseas countries which was partially offset by the recognition of tax losses.

For 2015, the underlying tax rate was 29.4% (2014: 31.0% including deduction in China of 2.2% for costs incurred in the prior periods). The reduction from 2014 was predominantly due to greater profits from territories with lower tax rates, such as the UK where the corporation tax rate has fallen from 21.5% to 20.25%. In addition to the movement in the underlying rate, the effective tax rate in 2015 was impacted by further recognition of US losses and deferred tax on share options which together reduced the rate by 2.4%.

The tax charge for the year reflects the Group's tax policy which is aligned to business goals. It is PageGroup's policy to pay its fair share of tax in the countries in which it operates and to deal with its tax affairs in a straightforward, open and honest manner.

Share Options and Share Repurchases

At the beginning of 2015 the Group had 24.1m share options outstanding, of which 7.7m had vested, but had not been exercised. During the year, options were granted over 1.9m shares under the Group's share option plans. Options were exercised over 6.0m shares, generating £22.6m in cash, and options lapsed over 2.1m shares. At the end of 2015, options remained outstanding over 17.9m shares, of which 5.4m had vested, but had not been exercised. During 2015, no shares were purchased by the Group's Employee Benefit Trust to satisfy future employee share plan awards (2014: £25.4m). No shares were repurchased by the Company or cancelled during the year (2014: nil).

Approved by the Board on 9 March 2016 and signed on its behalf by:

Steve Ingham

Chief Executive Officer

Chairman's Introduction to Corporate Governance



Dear Shareholder,

Your Board remains committed to high standards of governance and the fostering of an effective governance framework. This underpins the Board's ability to set the overall strategic direction of PageGroup and supports its core values. The following pages of this Corporate Governance Report set out how the Company has complied with the UK Corporate Governance Code; the work and activities of each Board Committee; and the annual evaluation process.

During the year under review the Board continued to build a strong and well balanced Board. It appointed Patrick De Smedt as a Non-Executive Director in August. Patrick brings a wealth of experience to the Board, complementing that of the other Non-Executive Directors. At the end of

December Robin Buchanan stood down as Chairman of the Board and I was appointed as Chairman in his stead. The Board is grateful to Robin for his contribution over the last four years and thanks him for his service to the Company. Baroness Ruby McGregor-Smith will complete nine years on the Board in May 2016. Due to the recent Board changes and Ruby's extensive experience, gained through the different parts of the economic cycle, the Directors have requested, and Ruby has agreed, to continue to serve on the Board as a Non-Executive Director. Consequently Ruby will stand for re-election at the forthcoming Annual General Meeting. Ruby will cease to be a member of the Audit and Remuneration Committees with effect from 23 May 2016 and will also step down as Senior Independent Director in due course. Finally, the Board also wishes to note its thanks to Fabrice Lacombe, who joined the Group in 1996 and served as an Executive Board member from 2010 until his passing last December.

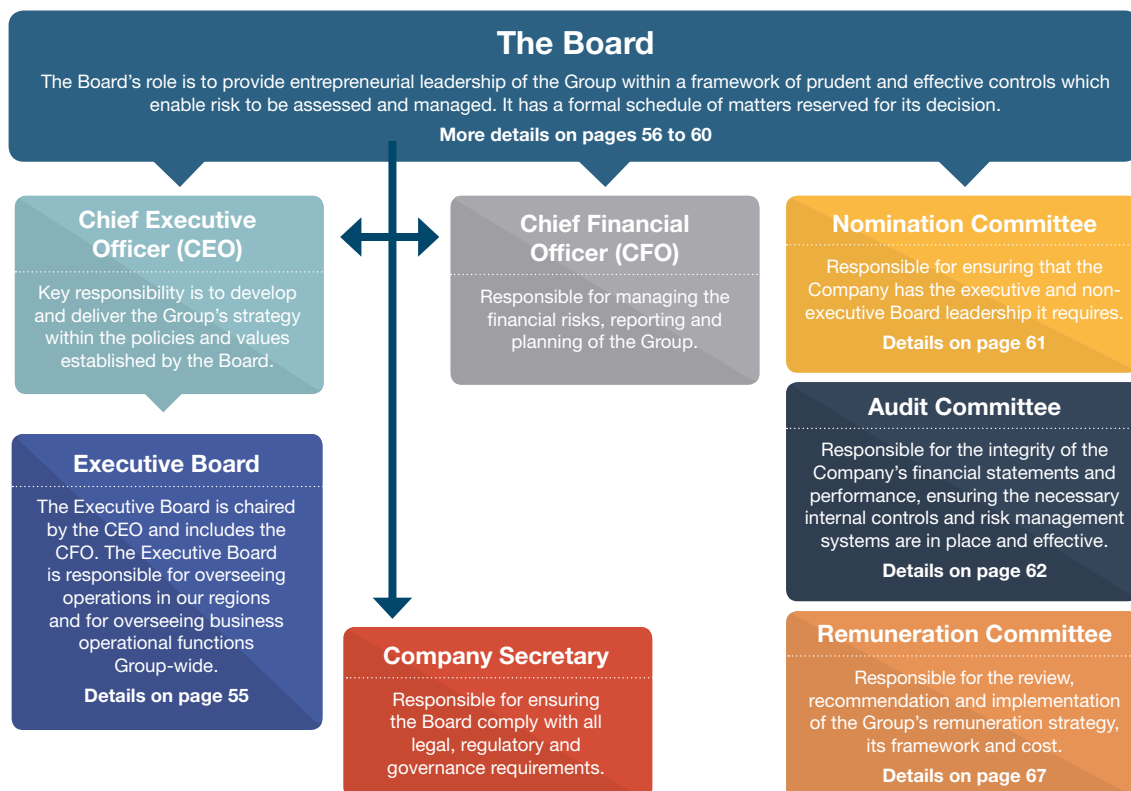
I hope you find our Corporate Governance Report informative and I will be available at the 2016 Annual General Meeting to respond to any questions you may have on this Report.

David Lowden

Chairman

9 March 2016

Our Corporate Governance Framework



Our Board of Directors

Our business is led by our Board of Directors. Biographical details of the Directors as at 9 March 2016 are as follows:



**David Lowden,
Chairman**

Date of appointment:

Director – August 2012
Chairman – 31 December 2015

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: Nomination (Chairman)

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



**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 29 years' service with the Group and recruitment industry
- Ten 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 5,800 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 nine 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



**Baroness Ruby McGregor-Smith CBE,
Senior Independent Director**

Date of appointment:

May 2007

Past Roles: Ruby 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; Chairperson of the Women's Business Council; Non-Executive Director of the Department of Education.

Board Committees: Audit, Nomination, Remuneration*

Skills and Experience:

- CEO, COO and CFO experience with a FTSE 250 public company for over 13 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

* Ruby will cease to be a member of the Audit and Remuneration Committees from 23 May 2016

Our Board of Directors



Simon Boddie,
Independent Non-Executive Director

Date of appointment:
September 2012

Past Roles: Simon is a Chartered Accountant. He was Group Finance Director of Electrocomponents plc from September 2005 to September 2015. 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.

Board Committees: Audit (Chairman), Nomination, Remuneration

Skills and Experience:

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



Danuta Gray,
Independent Non-Executive Director

Date of appointment:
December 2013

Past Roles: Danuta was Chairman of Telefonica O2 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 and Remuneration Committee Chairman, Old Mutual plc; Non-Executive Director, Paddy Power plc; Non-Executive Director and Senior Independent Director of Aldermore Bank PLC; Member of the Defence Board, UK Ministry of Defence.

Board Committees: Remuneration (Chairman), Audit, Nomination

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



**Patrick De Smedt,
Independent Non-Executive Director**

Date of appointment:

August 2015

Past Roles: Patrick spent 23 years at Microsoft during which time he founded the Benelux subsidiaries, led the development of its Western European business and served as Chairman of Microsoft for Europe, Middle East and Africa. Since leaving Microsoft in 2006, Patrick has served on the boards of a number of European public and private companies. He has deep knowledge of international markets and information technology, and experience as a non-executive in diverse industry sectors.

Other Current Appointments:

Non-Executive Director and Remuneration Committee Chairman of Victrex plc; Senior Independent Director of KCOM Group plc; Senior Independent Director and Remuneration Committee Chairman of Morgan Sindall Group plc; Non-Executive Director of Kodak Alaris Holdings Ltd; Non-Executive Director of Nexinto GmbH.

Board Committees: Audit, Nomination, Remuneration

Skills and Experience:

- Extensive experience of technology and customer services
- Experienced non-executive in several sectors
- Extensive experience in general management
- Many years of operating within international businesses with cultural diversity
- Proven ability for delivering shareholder value
- Leading and changing large businesses



**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 51.



Kelvin Stagg
Chief Financial Officer,
Executive Director

See biography on page 52.



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.



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, the Netherlands, Luxembourg and Switzerland. Since 2012 he has been responsible for PageGroup's operations in Continental Europe.



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.



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.

The Group sadly notes that **Fabrice Lacombe**, our Executive Board Director for France, Central and Eastern Europe, passed away after a long battle with illness in January 2016. Fabrice had a profound influence on PageGroup during his 21 years with the Company and also the recruitment sector in France, within which he was highly respected. We will remember Fabrice for his drive, intelligence, enthusiasm, integrity, commitment to fair play and great capacity for work. Many of our specialisations and offices, in France in particular, trace their origins back to Fabrice as do many colleagues who have gone on to become directors and managing directors who will remember his support and guidance.

Corporate Governance Report

Compliance with the UK Corporate Governance Code

During the year ended 31 December 2015 and to the date of this document, the Company has complied with the provisions of the UK Corporate Governance Code 2014 (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 49, the Directors' Remuneration Report on pages 67 to 79 and the Directors' Report on pages 82 to 85, 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 51 to 54.

Patrick De Smedt was appointed a Non-Executive Director of the Company on 1 August 2015. Robin Buchanan served as Non-Executive Chairman of the Company until his resignation from the Board on 31 December 2015. On the same date David Lowden was appointed Chairman of the Company. All other Directors served throughout the year. The Board considers that during the year under review, and in the case of Patrick De Smedt from his date of appointment onwards, each of Simon Boddie, Danuta Gray, David Lowden and Baroness Ruby McGregor-Smith were independent. In addition, the Board determined that each of Robin Buchanan and David Lowden were independent at the time of their respective appointments as Chairman.

Baroness Ruby McGregor-Smith will complete nine years on the Board in May 2016. Due to the recent Board changes and Ruby's extensive experience, gained through the different parts of the economic cycle, the Directors have requested, and Ruby has agreed, to continue to serve on the Board as a Non-Executive Director. Consequently Ruby will stand for re-election at the forthcoming Annual General Meeting. Ruby will cease to be a member of the Audit and Remuneration Committees with effect from 23 May 2016 and will also step down as Senior Independent Director in due course.

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 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. The Chairman 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 51. The Board considers that these are not a constraint on the Chairman's agreed time commitment to the Company.

Baroness 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 which includes:

- Group strategy and corporate objectives;
- Determining the nature and extent of the significant risks the Board is willing to take in achieving the strategic objectives of the Company;
- Major changes to the nature, scope or scale of the business of the Group;
- Corporate governance matters;
- Approval of Nomination Committee recommendations on the appointment and removal of Directors and succession planning;
- Changes to the Group's capital structure and approval of any business plan prior to a new entity being established in a new territory;
- Financial reporting, audit and tax matters;
- Material contracts and transactions not in the ordinary course of business;
- Material capital expenditure projects;
- Approval of the annual budget;
- Obtaining major finance; 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 environmental, social and governance information, major competitors and major risks.

Directors update and refresh their knowledge and familiarity with the Group through site visits, participation at meetings with and receiving presentations from senior management. This is in addition to the access that every Director has to the Company Secretary. The Company Secretary is responsible to the Board for ensuring that Board procedures are complied with as well as 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. In 2014 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 63 and 64; the Nomination Committee Report on page 61; and the Directors' Remuneration Report on pages 67 and 68.

Each Committee has clear terms of reference, copies of which 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 55. The Executive Board usually meets four 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 ¹	9	8	N/A	N/A	6	4	N/A	N/A
Simon Boddie	9	9	7	7	6	6	3	3
Patrick De Smedt ²	4	3	3	3	3	2	2	2
Danuta Gray	9	9	7	7	6	6	3	3
Steve Ingham	9	9	N/A	N/A	N/A	N/A	N/A	N/A
David Lowden	9	9	7	7	6	6	3	3
Baroness Ruby McGregor-Smith ³	9	8	7	6	6	5	3	2
Kelvin Stagg	9	9	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

1. Robin Buchanan was unable to attend the Board Meeting held on 12 October 2015 and the Nomination Committee Meetings held on 12 October 2015 and 9 December 2015 as these Meetings were devoted to the succession planning of the Chairman.
2. Patrick De Smedt was appointed a Director of the Company on 1 August 2015 and, therefore, was eligible to attend only four Board meetings, three Audit and Nomination Committee meetings and two Remuneration Committee meetings. He was unable to attend one Board and one Nomination Committee meeting, both of which were held on the same day and on short notice.
3. Baroness Ruby McGregor-Smith was unable to attend the August Board and Committee meetings, all of which were held on the same day, due to a prior engagement which she was unable to rearrange.

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 on several occasions without the presence of the Chairman.

Corporate Governance Report

Succession Planning

Executive development and succession planning discussions are held each year. 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 61 and the Strategic Report on pages 22 and 25.

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. An externally facilitated evaluation was undertaken in 2013 and in accordance with the Code will be undertaken again in 2016. In 2015 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, whether it is effective and well supported. The 2015 evaluation also considered whether the 2014 action points (see below) had been dealt with adequately. The evaluation was conducted by the 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 2014 internal evaluation noted the following action plan of matters for 2015:

- 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.

These action points were followed up and further work was completed in respect of each item.

The 2015 evaluation concluded that the Board is well set up to be effective; it has the right Executive leadership team in place; and continues to build bench strength from within the Group. It confirmed that the Board has continued to develop its approach

to its strategic planning and its focus on development and succession planning. Much work had been undertaken during the year under review in respect of risk appetite, risk management and the Group's longer term viability as detailed in the Strategic Report on page 40. The Corporate Social Responsibility plan was further reviewed by a number of senior executives in the Group with a view to improving data gathering and reporting. The Group's corporate and social responsibility activities are disclosed in the Strategic Report on pages 21 to 24. The number of Board and Committee meetings were reviewed and redesigned leading to a reduction in the number of Committee meetings, while ensuring that the effectiveness of the Committees was not compromised.

An action plan of the more significant matters for further attention during 2016 was agreed as follows:

- Continue to build the bench strength as part of the ongoing succession planning process;
- With the recent Board changes, review the Board's ongoing improvement of its composition, practices and processes; and
- Further investigate the strategic investment opportunities in key markets which will deliver competitive advantage.

These action points will be reviewed by the Board and its relevant Committees in the second quarter of 2016 to ensure they are dealt with accordingly.

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 Director and the Chairman are reported to the Board.

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. All Directors, except Patrick De Smedt, will submit themselves for re-election at the forthcoming Annual General Meeting. Patrick De Smedt, 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

In accordance with the Code the Board has overall responsibility for the effectiveness of the Group's system of internal control and risk management. 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, compliance 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 misstatement 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 37 to 39.
- **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 twice a year 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 Guidance on Risk Management and Related Financial and Business Reporting, the Board has reviewed and agreed its approach to risk and its risk appetite when considering its strategy and the management of its risks. It has also considered its longer term viability. Details on the Board's

risk appetite and its assessment of its longer term viability can be found in the Strategic Report on pages 36 and 40. Further, 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 a review of the internal audit activities and the financial, operational and compliance controls for the period from 1 January 2015 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 2015 the Executive Directors visited 10 cities on roadshows across the United Kingdom, Europe and North America. They also held investor conferences and equity sales teams' briefings, as well as over 121 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.

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.

Nomination Committee Report



David Lowden
Chairman

Purpose

The Nomination Committee is responsible for ensuring that the Company has the executive and non-executive Board leadership 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, Patrick De Smedt, Danuta Gray, David Lowden and Baroness Ruby McGregor-Smith. Patrick De Smedt became a member of the Committee on 1 August 2015 on his appointment as a Director of the Company. All other members served throughout the year. On 31 December 2015 Robin Buchanan ceased to be a member, and Chairman, of the Committee when he resigned as a Director of the Company. On the same date David Lowden was appointed Chairman of the Committee on his appointment as Chairman of the Company. During the year under review Robin Buchanan's other significant commitments were non-executive director of each of Schroders plc and Lyondell Basell Industries NV, and senior adviser to Bain & Company. Details of David Lowden's other significant commitments can be found on page 51.

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 Board level can be found in the Strategic Report on pages 22 and 25.

Activities During the Year

During 2015 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 58. The Committee continues to focus on succession planning both for senior management and the Board. The Committee undertook the selection of a new Non-Executive Director which resulted in the appointment of Patrick De Smedt on 1 August 2015.

The Committee also considered the extension of the term of appointment for each of David Lowden and Simon Boddie whose respective letters of appointment had reached the end of their initial three-year term in August and September respectively. Neither David nor Simon took part in discussions about the extension of their own term. The Committee extended both letters of appointment, each for a further three year period.

Further, in October 2015 Robin Buchanan informed the Board of his intention to step down from the Board at a date to be determined. He subsequently resigned as Chairman of the Board on 31 December 2015. The process for the selection of a chairman to succeed Robin Buchanan on his retirement was conducted by the Committee, led by Baroness Ruby McGregor-Smith, Senior Independent Director. Ruby was assisted by the independent executive search company, The Zygos Partnership. Following a thorough process during which the Nomination Committee considered both internal and external candidates, David Lowden was unanimously recommended to the Board as the Company's next Chairman. The Board approved the appointment with effect from 31 December 2015. Neither David Lowden nor Robin Buchanan took part in the selection process. 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 59.

Plan for 2016

In 2016 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

Purpose

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, Patrick De Smedt, Danuta Gray, David Lowden and Baroness Ruby McGregor-Smith. All served throughout the year except Patrick De Smedt who was appointed a member of the Committee on 1 August 2015 on his appointment as a Director of the Company. David Lowden ceased to be a member of the Committee on his appointment as Chairman of the Board on 31 December 2015. 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 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 51 to 54. 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 seven occasions. Details of the members' attendance at the meetings of the Committee can be found in the Corporate Governance Report on page 58. Set out in the table below is a summary of the main activities of the Committee during 2015. Key issues covered by the Committee are reported to the Board.

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. The Company has an established process for reviewing the annual report and accounts to ensure it is fair, balanced and understandable. This 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 2015 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.

Audit Committee Report

Main Activities of Audit Committee During 2015

January

Review of Financial Statements

- Quarter 4 trading update

March

Review of Financial Statements

- Draft preliminary announcement and 2014 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

Risk and Internal Control

- Ratification of principal risks
- Internal audit update

Compliance

- Meeting with external auditor without Executive Directors

External Auditor

- External auditor satisfaction survey
- Reappointment of external auditor

April

Review of Financial Statements

- Quarter 1 trading update

July

Review of Financial Statements

- Quarter 2 trading update

August

Review of Financial Statements

- Draft interim report

Risk and Internal Control

- Internal audit update
- Risk management update
- Review of the requirements to incorporate a viability statement in the 2015 Annual Report and Accounts

External Auditor

- External auditor's 2014 management letter
- External auditor's interim review
- Assessment of risk of material misstatement
- Scope of the full year audit
- Interim review management letter of representation
- Review of external auditor independence and objectivity
- External auditor partner rotation

Compliance

- Meeting with external auditor without Executive Directors

October

Review of Financial Statements

- Quarter 3 trading update

December

Review of Financial Statements

- Review of 2015 Annual Report and Accounts process

Risk and Internal Control

- Internal audit update
- Approval of internal audit plan for 2016
- Confirmation of principal risks
- Review of the approach to incorporate a viability statement in the 2015 Annual Report and Accounts

External Auditor

- Updated assessment of risk of material misstatement
- Updated scope of the full year audit
- Approval of the external auditor's letter of engagement
- Approval of the external auditor's fees
- Review of non-audit fees policy

Compliance

- Year end legislative and procedural matters
- Regulatory update

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 98 to 101.

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

Significant issue	How the Committee addressed the issue
Revenue recognition	<p>Context: 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. Revenue from permanent placements 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). Revenue from temporary placements, which represents amounts billed for the services of temporary staff, including the salary cost of these staff, is recognised when the service has been provided.</p> <p>Actions taken: The Committee reviews and discusses revenue recognition with management, the internal audit team and the external auditor.</p> <p>Conclusions and rationale: The Committee concluded that the approach to revenue recognition was consistent with the policies and that any judgments made were appropriate.</p>
Accounting for Page Recruitment System	<p>Context: Accounting for the Page Recruitment System and related applications relating to the intangible assets, with particular focus on appropriate cost capitalisation, carrying value and useful economic life and its revision.</p> <p>Actions taken: The Committee reviews the cost capitalisation and carrying value twice a year to ensure that the judgments made by the Company remain appropriate. The Group extended the useful life of specific components of the PRS intangible asset during the year to align the useful life of the system with the timing of the benefit.</p> <p>Conclusion and rationale: The Committee concluded that the appropriate costs have been capitalised and the carrying value is fairly stated.</p>
Deferred tax and assets and transfer pricing provisions	<p>Context: Deferred tax assets and transfer pricing provisions with particular reference to their recoverability and adequacy. With c.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.</p> <p>Actions taken: The Committee reviews this area on a six monthly basis to ensure transfer pricing provisions remain appropriate and that deferred tax assets are properly recognised and remain recoverable.</p> <p>Conclusions and rationale: The Committee agreed with management's assessment of the deferred tax assets and provisions held around transfer pricing.</p>

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

Audit Committee Report

External Auditor's Independence and Effectiveness

The Committee monitors the objectivity, independence and effectiveness of the external auditor. The Company is mindful of the provisions of the Code, best practice, the Competition and Market Authority Audit Order and EU audit legislation as regards audit firm rotation and the provision of non-audit services. The Committee considered both matters in 2014 and 2015.

Ernst & Young LLP, the Company's current external auditor, were appointed in 2011 following a tender process. In accordance with professional standards, Ernst & Young LLP operate a policy of rotating the Audit Partner every five years. The current Audit Partner, Iain Wilkie, who has served as the Company's Audit Partner since the appointment Ernst & Young LLP, a period of four years and six months, will step down after the completion of the 2015 year end audit. A new Audit Partner will be appointed for the 2016 Audit.

The Committee considered and approved a formal policy for the tender of the external audit in 2014. This provided 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. This policy remains unchanged.

The Committee reviewed its policy on the use of the external auditor for non-audit services again in 2015 and determined that the policy should remain unchanged. This policy places a prohibition on using the external auditor for:

- 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);
- Services related to the Group's internal audit function; and
- 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.

Since the approval of the new policy in 2014 the external auditor has not been given new instructions for such matters and, where such activities were previously performed by the external auditor, arrangements have been made to ensure they cease this activity by the end of December 2016.

The Committee considers that in 2015 it has complied with the Competition and Market Authority Audit Order.

Further, during the year under review, the Committee negotiated the terms of the external auditor's engagement letter, discussed and agreed the scope of the year end audit and approved the audit fee. Details of the fees paid to Ernst & Young LLP during 2015 in respect of non-audit services are shown on page 104.

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 or at Board level;
- 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 which is ascertained from staff surveys completed by staff involved in the audit process.

Following a full evaluation of the external auditor at the end of the 2015 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 risk management and the systems of internal control and their effectiveness are set out in the Corporate Governance Report on pages 59 and 60.

On behalf of the Board the Committee reviewed the Group's risk assessment procedures for identifying its principal risks and its longer term viability. The risk assessment takes account of all risks, including environmental, social and governance matters, inherent in the strategy of the business and its plan. These procedures include regular 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 35 to 39. Key performance indicators and management incentives are highlighted for the main financial, strategic and people risks in the Strategic Report on page 6.

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. 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 2014 which 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 59.

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 Company 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.

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 2014. It was 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. A review of compliance with the policy is undertaken annually. The review undertaken in 2015 showed there was a good understanding of the issue and no breaches were reported.

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 promoted in all regions by the Internal Audit function and 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.

Simon Boddie

Chairman of the Audit Committee

9 March 2016

Directors' Remuneration Report



Danuta Gray
Committee Chairman

Annual Statement

Dear Shareholder,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2015. I was delighted to be appointed as Chair of the Remuneration Committee from 31 December 2015 when David Lowden stepped down on his appointment as Chairman of the Board. My thanks go to David who served as Chair of the Committee for the past four years.

This Director's Remuneration 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. (The full Remuneration Policy Report can be found on our website at www.page.com). The Remuneration Policy Report was first published in 2013 and was put to, and approved by, shareholders at the June 2014 Annual General Meeting. There were no changes to this policy in 2015. Further, it is the intention of the Remuneration Committee not to make any changes to the remuneration policy in 2016.

The approach of PageGroup's Remuneration Committee has remained consistent with previous years; Executive Directors and senior executives receive a mix of annual and long term incentives which reward strong business and financial performance in line with the Company's strategy. These are measured against robust benchmarks. Using financial, strategic and people objectives, the business looks to achieve a coherence of assessment and measurement across agreed KPIs, risks and remuneration. The Committee believes it has the proportions appropriately balanced, with a combination of financial metrics and other criteria. It is the achievement of the combination of these objectives that we believe maximises the potential for long-term and sustainable shareholder value.

The Remuneration Committee addressed the following matters in 2015:

Base Salary

In 2015 base salaries for the Chief Executive Officer and the Chief Financial Officer were increased by 1.8% and 2.5% respectively. For 2016, the Committee has decided to increase the Chief Executive Officer's base salary by 2%. Kelvin Stagg was appointed as PageGroup's Chief Financial Officer in June 2014 and was awarded a below market salary on his appointment. Since his appointment Kelvin has taken on additional areas of responsibility. In line with the Company's Remuneration Policy, the Committee has decided to award Kelvin a staged salary increase of 5.7% for 2016. This will bring his salary in line with his benchmarked peer group. These base salary increases for the Chief Executive Officer and the Chief Financial Officer are, respectively, in line with and above the increase for the UK Head Office workforce.

Annual Bonus

As in previous years, the performance criteria in 2015 remained a mix of profit before tax and the achievement of strategic targets. Targeted performance for annual bonus purposes was a growth in profit before tax and exceptional items of 17.1% in constant currency. Details of the strategic targets and the assessment of performance against those targets can be found on page 70.

With the delivery of the 2015 financial, strategic and people objectives, the total annual bonus payout for the Chief Executive Officer was determined at £681,932, being 68% of the maximum bonus opportunity and for the Chief Financial Officer was £309,276, being 67% of the maximum bonus opportunity.

Long-Term Incentives

The Remuneration Committee awarded shares under the PageGroup Long Term Incentive Plan to both Executive Directors. The awards made in 2015, together with the relevant performance criteria, are detailed on pages 72 and 74 respectively. For 2016 an award, as a percentage of base salary, will be 200% for the Chief Executive Officer and an increase in award to 175% of base salary for the Chief Financial Officer. This increased award was made as part of the staged remuneration increase noted above. The performance criteria relating to these awards, which the Committee believe are appropriately challenging, are 62.5% measured against cumulative EPS targets, 12.5% against comparative growth rates and 25% against strategic objectives. The Committee consider the strategic targets are commercially sensitive and performance against these will be reported retrospectively.

On behalf of the Committee I thank you for your continued support and trust that you find the Directors' Remuneration Report informative. I very much hope that we will receive your support at the 2016 AGM.

Danuta Gray

Chairman of the Remuneration Committee

9 March 2016

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 68 to 79 has been audited where required under the Regulations. The elements of the Directors' Annual Remuneration Report subject to audit are the:

- (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 2015;
- (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, Patrick De Smedt, Danuta Gray and Baroness Ruby McGregor-Smith. All served throughout the year except Patrick De Smedt who became a member of the Committee on his appointment as a Director of the Company on 1 August 2015. Further, on 31 December 2015 David Lowden ceased to be a member and Chairman of the Committee on his appointment as Chairman of the Company. On the same date Danuta Gray was appointed Chairman of the Committee. Details of the members' attendance at meetings of the Committee can be found on page 58.

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 retendering 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 £17,395. 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 2014 Board and Committee evaluation process recommended that meetings of the Board standing committees could be streamlined into fewer but longer meetings. As a consequence the Committee met a total of three times during 2015 and discussed the following matters:

- The setting of performance targets for the 2015 incentive awards made to the Executive Directors;
- Monitoring the progress of strategic objectives;
- Reviewing reporting regulations regarding remuneration;
- Approving the amount of bonuses and share plan awards for the Executive Directors based on pre-set performance targets;
- Reviewing various shareholder bodies' communications and policies in respect of remuneration; and
- Undertaking its annual review and approval of salaries and incentives of the Executive Directors and other senior executives.

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 shareholder voting in this respect can be found on page 79. 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 80 to 81. The Committee continued to operate this Remuneration Policy during 2015 and intends to continue its operation during 2016.

Directors' Remuneration Report

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 2015 and 31 December 2014.

2015

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	Dividends paid on unvested shares £'000	Total £'000
Steve Ingham	575	35	144	682	–	153	1,589
Kelvin Stagg	307	24	61	309	–	50	751
Non Executive							
Robin Buchanan	233	–	–	–	–	–	233
Simon Boddie	66	–	–	–	–	–	66
Patrick De Smedt	22	–	–	–	–	–	22
Danuta Gray	52	–	–	–	–	–	52
David Lowden	67	–	–	–	–	–	67
Ruby McGregor-Smith	58	–	–	–	–	–	58

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 £'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

Notes:

- (a) Salary and fees represent the salary and fees paid in cash in respect of the financial year.
(b) The salary and fees paid to Kelvin Stagg for the 2014 financial year reflect that he was appointed part way through the year.
- 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.
- Pension includes the cash value of Company contributions to defined contribution pension plans and cash payments in lieu of pension contributions.
- The "Short-Term Incentives" figure for each of the 2014 and 2015 years includes the annual cash bonus.
- Patrick De Smedt was appointed a Director of the Company on 1 August 2015. The fees shown in the 2015 table reflect the amount paid to him from the date of appointment to 31 December 2015.
- Robin Buchanan ceased to be a Director of the Company on 31 December 2015. The fees noted above cover the period 1 January 2015 to 31 December 2015.

Determination of Annual Bonus for the Financial Year Ended 31 December 2015

The annual bonus payment for the Executive Directors for the financial year ended 31 December 2015 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	718,750	417,432	287,500	264,500	1,006,250	681,932
	% of salary	125	73	50	46	175	119
	% of maximum total bonus	71	41	29	27	100	68
CFO	£'000	307,500	178,588	153,750	130,688	461,250	309,276
	% of salary	100	58	50	43	150	101
	% of maximum	67	39	33	28	100	67

As in prior years, the PBT thresholds and maximum targets for 2015 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 £68.9m and £114.8m. The actual outcome of PBT before exceptional items was £90.7m which resulted in the payment of £417,432 to Steve Ingham which represented 58% of £718,750, this being the maximum payable under this measure. Kelvin Stagg received £178,588 which represented 58% of £307,500, this being the maximum payable under this measure.

Performance against the strategic measures was assessed against a number of areas, both financial and environmental, social and governance. The maximum payment for the delivery of strategic performance objectives in 2015 was equal to 50% of base salary. The Committee assessed performance against these measures at the end of 2015 in line with the framework set out at the beginning of the year. These areas, together with the Committee's assessment of performance, are set out in the table below:

Strategic performance	Assessment of 2015 performance
<p>Steve Ingham – CEO</p> <p>Areas of focus:</p> <ul style="list-style-type: none"> - Executive Leadership Development - Strategy Development - PageGroup People Development - PageGroup IT systems 	<p>Succession planning and additional training of senior management were completed in the year. Many people development initiatives were undertaken throughout the year, with diversity being of particular note. Good progress was made in all three strategic markets with operational efficiencies being implemented. Significant progress had been made in respect of PRS with an 85% Group roll-out having been achieved by the year end.</p>
<p>Kelvin Stagg – CFO</p> <p>Areas of focus:</p> <ul style="list-style-type: none"> - Executive Leadership Development - Risk Management and Internal Controls - Cost Management, Financial, Strategic and Management Information - Tax and Treasury Management 	<p>The development of a global financial executive team was completed during 2015. Risk management and internal control continued to operate effectively, with risk management being further embedded into the Group's operations and divisions. Significant work was completed in respect of risk appetite and risk assessment. The cost management, financial, strategic and management information processes; and the tax and treasury functions made further progress since the previous year.</p>

Based on this assessment the Remuneration Committee determined that 46% of salary was payable to Steve Ingham, representing 92% of the maximum payable under this element and 43% was payable to Kelvin Stagg representing 85% of the maximum payable under this element.

Directors' Remuneration Report

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 70 the annual bonus for the financial year ended 31 December 2015 for the Chief Executive Officer and the Chief Financial Officer was 119% and 101% 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 Michael Page International Incentive Share Plan (ISP). The 2015 value represents the value of the percentage of the Performance Award held by each of the Chief Executive Officer and the Chief Financial Officer that was granted on 12 March 2013. The performance period of the 2013 Performance Award ended on 31 December 2015 and details of the performance condition are set out on page 72 with the description of outstanding share awards on page 72. Over the performance period, the Company's average annual EPS growth was equal to 11.0%. 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:

2013 LTIP Award – performance condition measurement

Base year 2012 adjusted* EPS	17.40
Actual 2015 adjusted* EPS	24.16
RPI index for December 2012	231.90
RPI index for December 2015	245.50
Earnings growth across the period	38.82%
RPI growth across the period	5.86%
EPS growth across the period	33.0%
Average annual EPS growth	11.0%

* 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 2015 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 2016 salary increase for the purpose of comparison.

		Proposed 2016 increase %	2015 increase %	2014 increase %
Salary	Chief Executive Officer	2	1.8	2.7
	Group Head Office population	2 ¹	2.5 ¹	3.0 ¹

Note:

1. Represents average increase.

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.

Details of the Long-Term Incentive Award made in 2015

On 20 March 2015 an award of shares under the Long-Term Incentive Plan 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	211,413 shares	200% of salary	£1,130,000	25%	31 December 2017
Kelvin Stagg	84,191 shares	150% of salary	£450,000	25%	31 December 2017

Note:

The market price of the shares as at the date of grant was 534.50p.

The performance conditions attaching to the Long-Term Incentive Plan awards can be found on page 74.

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 Scheme, the 2009 Share Option Scheme, 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 2015	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2015	End of performance period	Vesting date
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		82,973	–	–	(41,005)	41,968		
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%

Directors' Remuneration Report

Incentive Share Plan – Deferred Awards

Details of the Deferred Awards under the Incentive Share Plan that remain outstanding at 31 December 2015 are as follows:

Executive	Grant date	Number of shares at 1 January 2015	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2015	End of performance period	Vesting date
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		165,948	–	(82,011)	–	83,937		
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 2015 are as follows:

Executive	Grant date	Number of shares at 1 January 2015	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2015	End of performance period	Vesting date
Steve Ingham	11 March 2014	227,273	–	–	–	227,273	31 December 2016	11 March 2017
Steve Ingham	20 March 2015	–	211,413	–	–	211,413	31 December 2017	20 March 2018
Total		227,273	211,413	–	–	438,686		
Kelvin Stagg	11 March 2014	70,248	–	–	–	70,248	31 December 2016	11 March 2017
Kelvin Stagg	20 March 2015	–	84,191	–	–	84,191	31 December 2017	20 March 2018
Total		70,248	84,191	–	–	154,439		

The performance criteria relating to the Long-Term Incentive Plan awards granted in the year 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 66p;
- 100% of the shares will vest for achieving three-year cumulative EPS of 87p; and
- Between 25% to 100% of the shares will vest for three-year cumulative EPS in between 66p and 87p.

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 STThree.

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 which vested under the old Annual Bonus Plan during 2015 were as follows:

Executive	Grant date	Number of shares at 1 January 2015	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2015	End of performance period	Vesting date
Steve Ingham	11 March 2013	8,631	–	(8,631)	–	–	N/A	11 March 2015
Total		8,631	–	(8,631)	–	–		

Kelvin Stagg does not hold any awards under the Annual Bonus Plan. No awards were made under the Annual Bonus Plan during 2015.

Directors' Remuneration Report

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 2015 are as follows:

The Michael Page Executive Share Option Scheme

Executive	Grant date	Number of options at 1 January 2015 or date of appointment	Exercised during the year	Lapsed during the year	Number of options at 31 December 2015	Exercise price (p)	Exercise period
Steve Ingham	10 March 2010	374,147	–	–	374,147 ¹	381.5	2013-2020
Total		374,147	–	–	374,147		
Kelvin Stagg	10 March 2010	50,000	–	–	50,000 ¹	381.5	2013-2020
Total		50,000	–	–	50,000		

Note:

1. At 31 December 2015 all options had vested and were available for exercise.

The market price of the shares as at 31 December 2015 was 484.30p per share, with a range during the year of 399.40p to 560.50p per share.

The Michael Page 2009 Share Option Scheme

Executive	Grant date	Number of options at 1 January 2015	Exercised during the year	Lapsed during the year	Number of options at 31 December 2015	Exercise price (p)	Exercise period
Kelvin Stagg	9 March 2009	20,000 ¹	–	–	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 ¹	–	–	30,000	477	2015-2022
Total		80,000	–	–	80,000		

Note:

1. At 31 December 2015 40,720 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

Details of awards made under the Deferred Cash Plan that remain outstanding at 31 December 2015 are set out below:

Executive	Grant date	Award at 1 January 2015	Awards made during the year	Vested during the year	Lapsed during the year	Awards at 31 December 2015	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.

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 2015 Steve Ingham complied with this requirement. Kelvin Stagg who was appointed a Director during 2014 is in the process of building the required minimum holding.

The beneficial interests of the Directors who served during 2015, 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 72 and 73 or share options which have vested but have not been exercised, as set out on page 75.

Executive Directors	Ordinary shares as at 1 January 2015	Ordinary shares acquired on vesting of share awards			Purchased in year	Disposal in year	No longer a connected person	Ordinary shares as at 31 December 2015	Value of holding as at 31 December 2015	Executive Directors Value of holding as at 31 December 2015 as a % of salary
		ISP	ABP	Total						
		Steve Ingham	1,736,267	82,011						
Kelvin Stagg	14,804	–	–	–	–	–	–	14,804	£71,696	23

Notes:

- 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 72 and 73 as outstanding awards under the Long-Term Incentive Plan and the Incentive Share Plan.
- Steve Ingham: During the year under review 82,011 Ordinary shares vested pursuant to a deferred award under the ISP and 8,631 Ordinary shares vested pursuant to an award under the old Annual Bonus Plan.
- The value of the Executive Directors' holdings uses the closing share price on 31 December 2015 of 484.30p per share.

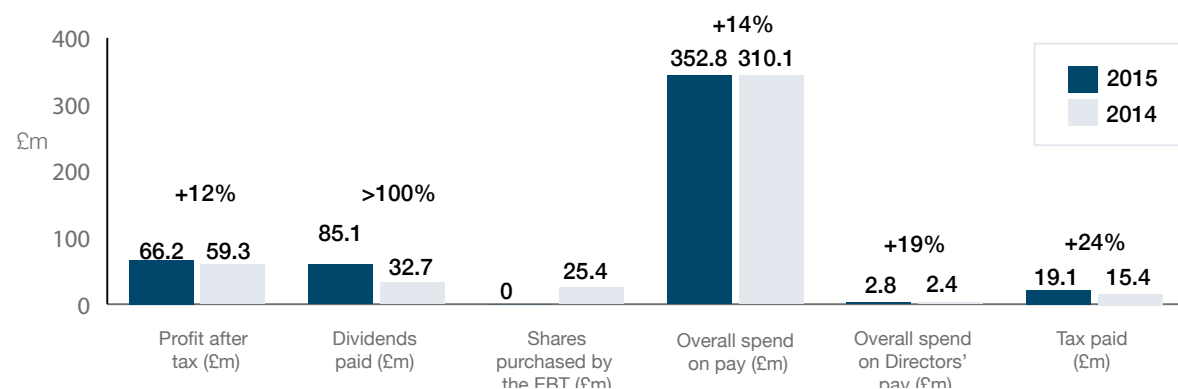
Non-Executive Directors	Ordinary shares of 1p	As at 1 January 2015	Purchased in the year	As at 31 December 2015
Robin Buchanan	Direct Holding	138,027	–	138,027

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 2015 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 104) overall spend on Directors' pay as included in the single figure table on page 69 and the tax paid in the financial year. The percentage change to the prior year is also shown.



Directors' Remuneration Report

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 2015
Simon Boddie	24 September 2015	31 months
Patrick De Smedt	1 August 2015	30 months
Danuta Gray	10 December 2013	11 months
David Lowden	22 August 2015	30 months
Ruby McGregor-Smith	23 May 2013	5 months

Implementation of the Remuneration Policy for Executive Directors in 2016

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. The Remuneration Committee decided to increase the salary of the Chief Executive Officer and the Chief Financial Officer by 2% and 5.7% respectively. Kelvin Stagg was appointed as PageGroup's Chief Financial Officer in June 2014 and was awarded a below market salary on his appointment. Since his appointment Kelvin has taken on additional areas of responsibility. In line with the Company's Remuneration Policy, the Committee has decided to award Kelvin a staged salary increase of 5.7% for 2016.

Annual Bonus

The operation of the annual bonus will remain unchanged in 2016 with the same weighting between financial and other strategic measures as in 2015. Performance against these measures and the relevant targets will be disclosed in next year's Directors' Remuneration Report.

Long-Term Incentive

It is currently the Committee's intent that in 2016 the face value of Long-Term Incentive Plan awards as a percentage of base salary will be 200% of base salary for the Chief Executive Officer and an increase to 175% of base salary for the Chief Financial Officer. The increased award for the Chief Financial Officer is part of a staged remuneration increase in accordance with the Company's Remuneration Policy and reflects an increase in his responsibilities. The performance measures and weightings for awards to be granted in 2016 will be the same as for the awards granted in 2015:

- 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 80.5p. The target range for the 2016 LTIP award is based on cumulative EPS. The threshold target is set to reward management for generating a significant level of absolute growth whilst taking into account the prevailing economic circumstances. Given the current uncertain economic outlook, the Committee believes it appropriate to maintain the threshold target for LTIP awards at 66p. To reach this target would require cumulative EPS growth of 5.7p over 2015 EPS, which is equivalent to 4.6% per annum growth and is considered sufficiently challenging in the prevailing climate. The maximum target has been set so that awards only vest for delivering a high level of growth. As a result, the maximum target is 80.5p which is equivalent to growth of 15.2% per annum on top of the 2015 EPS in each year of the performance period. The comparator gross profit growth measure will be the same as for those Long-Term Incentive Plan awards granted in 2015. 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.

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 2016

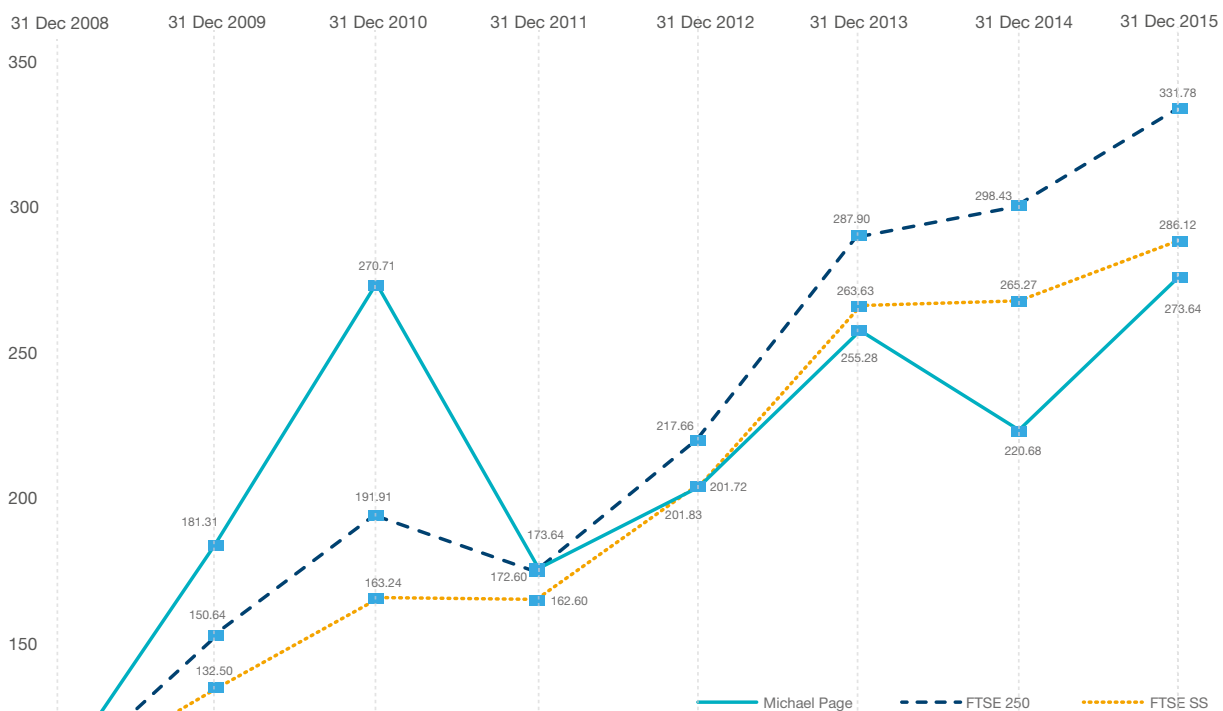
The fees per annum for the Board Chairman and the Non-Executive Directors have been agreed as follows:

Chairman	£200,000
Non-Executive basic fee	£52,000
Additional fees payable:	
Senior Independent Director	£6,000
Chairman of the Audit Committee	£14,000
Chairman of the Remuneration Committee	£14,000

The Senior Independent Director fee was increased to £7,000 from March 2016.

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 FTSE 250 index and the FTSE Support Services index over the period 31 December 2008 to 31 December 2015. The graph shows the Total Shareholder Return generated by the movement in the share price and the reinvestment of dividends. The FTSE 250 index and the FTSE Support Services indexes have been selected as the Company was a member of each index throughout the period.



Directors' Remuneration Report

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

CEO	2009	2010	2011	2012	2013	2014	2015
Single remuneration total	£1,010,000	£2,184,000	£1,647,000	£2,723,000	£1,318,000	£1,494,000	£1,589,000
Short-term incentives (% of maximum) (note 1)	N/A	N/A	N/A	N/A	58%	71%	68%
Long-term incentives (% of maximum) (note 1)	N/A	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 the years 2013, 2014 and 2015.

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. The Remuneration Policy Report was not varied or amended so was not put to shareholders at the 4 June 2015 Annual General Meeting. The table below shows the results of the voting on the Remuneration Policy Report at the 2014 Annual General Meeting and the Directors' Remuneration Report put to shareholders at the 2015 Annual General Meeting. Each resolution required a simple majority of the votes cast to be in favour in order for each of the resolutions to be passed.

Resolutions	AGM	Votes For	%	Votes Against	%	Votes Withheld
Remuneration Policy Report	5 June 2014	263,878,771	98.70	3,467,477	1.30	10,806,402
Directors' Remuneration Report	4 June 2015	252,210,920	94.01	16,072,998	5.99	3,383,141

A full schedule in respect of shareholder voting on all the resolutions put to shareholders at the 2015 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 (2014: £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

Danuta Gray

Chairman of the Remuneration Committee
9 March 2016

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	<p>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.</p> <p>Salaries are normally reviewed annually.</p> <p>Salary is paid monthly and increases are generally effective from 1 January.</p>	<p>Current CEO salary level is £575,000 which can be increased in line with the parameters set out under the column 'Operation'.</p> <p>Aim for market competitive salaries.</p> <p>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.</p>
Benefits (Fixed pay)	<p>Attract, retain and reward high calibre Executive Directors</p> <p>Provision of opportunities for connecting with clients, investors and staff to facilitate growth strategy</p>	<p>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.</p> <p>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.</p> <p>Membership of clubs as appropriate for the development of business.</p>	Competitive benefits in line with market practice.
Annual Bonus (Variable pay)	Incentivise the delivery of annual financial and strategic targets	<p>At least half based on audited financial measures, such as Profit Before Tax. No more than one half assessed against other strategic targets.</p> <p>Any strategic element will be payable only if the Committee is also satisfied in the circumstances with the underlying performance of the business.</p> <p>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.</p> <p>Clawback provisions will be put in place for misstatement and misconduct.</p>	Maximum award of 175% of salary.
Deferred Bonus Plan (Variable pay)	Focus Executive Directors on long-term performance and align the interests of Executive Directors with shareholders	<p>The terms of the new Deferred Bonus Plan, as referred to below, were approved by shareholders at the 2013 AGM.</p> <p>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.</p> <p>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.</p> <p>Dividends accrue or are paid on unvested awards over the vesting period.</p> <p>Clawback provisions are in place for misstatement and misconduct.</p>	Not applicable (see "Annual Bonus" section above).

Directors' Remuneration Report

Element	Purpose and link to strategy	Operation	Maximum opportunity
Long-term Incentive Plan (Variable pay)	Incentivise share ownership and long-term performance in line with Group strategy	<p>The terms of the new Long-term Incentive Plan, as referred to below, were approved by shareholders at the 2013 AGM.</p> <p>Awards are granted in the form of restricted shares or nil-cost options.</p> <p>Awards have a performance period of at least three financial years.</p> <p>At least 62.5% of any award is based on financial measures, such as EPS.</p> <p>At least 12.5% of any award will be based on relative growth compared to a peer group.</p> <p>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.</p> <p>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%.</p> <p>There is no opportunity to re-test performance measures.</p> <p>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.</p> <p>Dividends accrue or are paid on unvested awards over the vesting period.</p> <p>Clawback provisions are in place for misstatement and misconduct.</p>	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.

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.	<p>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.</p> <p>Fee increases are normally reviewed annually and are generally effective from 1 January.</p>	<p>The maximum aggregate fees for all Directors allowed by the Company's Articles of Association is £600,000.</p> <p>Current fee levels are set out in the Directors' Annual Remuneration Report.</p>

Directors' Report



Elaine Marriner
Company Secretary

The Directors present their Report together with the consolidated financial statements for the year ended 31 December 2015.

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

Directors

The Directors who served throughout the year under review were Robin Buchanan, Simon Boddie, Danuta Gray, Steve Ingham, David Lowden, Baroness Ruby McGregor-Smith and Kelvin Stagg. Patrick De Smedt was appointed a Non-Executive Director of the Company on 1 August 2015. Robin Buchanan resigned as a Director and Chairman of the Company on 31 December 2015. With effect from the same date David Lowden was appointed Chairman of the Company and Chairman of the Nomination Committee. On that date he ceased to be a member and Chairman of the Remuneration Committee and a member of the Audit Committee.

Results and Dividends

The results for the year are set out in the Consolidated Income Statement on page 93. An analysis of revenue, profit and net assets by region is shown in Note 2 on pages 102 and 103. A final dividend for 2014 of 7.58p per Ordinary share was paid on 22 June 2015; an interim dividend for 2015 of 3.6p per Ordinary share was paid on 2 October 2015; and a special dividend of 16p per share was also paid on 2 October 2015.

Substantial Shareholders

At 31 December 2015 the Company had been notified, in accordance with the FCA Disclosure and Transparency Rules, of the undermentioned noted interests in its Ordinary share capital. The percentage of voting rights shown below are as at the date of notification.

Shareholder	No of Ordinary shares	% of Voting Rights
Causeway Capital Management LLC	22,718,240	6.98
The Capital Group of Companies, Inc	22,151,708	6.80
UBS Trustees (Jersey) Limited as Trustees of the Michael Page Employee Benefit Trust	15,103,870	5.31
Franklin Templeton Institutional LLC	15,308,070	5.03
FIL Limited	15,103,870	4.98

The following notifications were received during the period 1 January 2016 to 10 March 2016:

Shareholder	No of Ordinary shares	% of Voting Rights
UBS Trustees (Jersey) Limited as Trustees of the Michael Page Employees' Benefit Trust*	Nil	0
Sanne Fiduciary Services Limited in its capacity as trustee of the Michael Page Employees' Benefit Trust*	14,776,231	4.53

* These notifications were made as a result of a change of Trustee of the Michael Page Employees' Benefit Trust.

The Directors recommend the payment of a final dividend for the year ended 31 December 2015 of 7.9p per Ordinary share on 20 June 2016 to shareholders on the register of members on 20 May 2016. If approved by shareholders at the Annual General Meeting, this will result in a total dividend for the year of 11.5p per Ordinary share (2014:11p).

Share Capital

As at 31 December 2015 the Company's issued capital comprised a single class of 325,919,705 Ordinary shares of 1p each, totalling £3,259,197.05. At the Annual General Meeting held on 4 June 2015 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 4,018,915 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.

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 25 and 26.

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 116 to 120.

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 significant post balance sheet events since 31 December 2015.

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.

Directors' Statements 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.

1. 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 judgments 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 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.

Directors' Report

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.

2. 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.

3. 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.

4. 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.

Annual General Meeting

The Annual General Meeting of the Company will be held on 9 June 2016 and the notice of meeting can be found on pages 126 to 130. It is also available on the Company's website www.page.com.

By order of the Board

Elaine Marriner
Company Secretary
9 March 2016

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

Our opinion on the financial statements

In our opinion:

- Michael Page International plc's Group financial statements and Parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006, and, as regards the Group financial statements, Article 4 of the IAS Regulation.

What we have audited

Michael Page International plc's financial statements comprise:

Group	Parent company
Consolidated balance sheet as at 31 December 2015	Balance sheet as at 31 December 2015
Consolidated income statement for the year then ended	
Consolidated statement of comprehensive income for the year then ended	
Consolidated statement of changes in equity for the year then ended	Statement of changes in equity for the year then ended
Consolidated cash flow statement for the year then ended	Cash flow statement for the year then ended
Related notes 1 to 25 to the financial statements	Related notes 1 to 25 to the financial statements

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Overview of our audit approach

Risks of material misstatement	<ul style="list-style-type: none"> • Revenue recognition • Accounting for Page Recruitment System (PRS) • Taxation matters
Audit scope	<ul style="list-style-type: none"> • We performed an audit of the complete financial information of six components and audit procedures on specific balances for a further seven components • The components where we performed full or specific audit procedures accounted for 88% of revenue, 82% of gross profit, 83% of profit before tax and 81% of total assets • We performed other audit procedures over the remaining 25 components
Materiality	<ul style="list-style-type: none"> • Overall Group materiality of £4.5m which represents 5% of profit before tax

Our assessment of risk of material misstatement

We identified the risks of material misstatement described below as those that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures below which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual areas.

Risk	Our response to the risk	What we concluded to the Audit Committee
<p>Revenue recognition</p> <p>Refer to the Audit Committee Report (page 64); Accounting policies (page 99); and Note 2 of the Consolidated Financial Statements (page 102).</p> <p>The Group has reported revenues of £1.06 billion (2014: £1.05 billion) and two significant revenue streams: permanent placement revenue and temporary placement revenue.</p> <p>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. Consequently, there is a risk that revenue recognition may occur before revenue recognition criteria have been met. 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.</p> <p>For temporary placement revenue, revenue may be recognised when revenue recognition criteria has not been met, namely an approved timesheet has not been submitted. Revenue may also be recorded at the incorrect rate. This risk can occur during the year or in particular around year end cut-off when an accrual is recorded for days worked prior to submission of the weekly timesheets.</p>	<p>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 at all the full scope and four of seven specific scope locations.</p> <p>We selected a sample in all full scope and specific scope locations of permanent and temporary placement revenue transactions for detailed transaction testing to verify that revenue had been appropriately recognised in the correct period and to verify that the transaction occurred and was recorded at the correct value. We performed analytical procedures at all full scope and specific scope locations.</p> <p>We compared the level of actual permanent placement revenue reversals, which occur as a result of non-completion of contractual placements, to the provision recorded against accrued income in the group financial statements to determine if the provision was appropriate.</p> <p>We performed full and specific scope audit procedures over this risk area in 13 locations, which covered 88% of the risk amount.</p> <p>For all other locations which covered 12% of the risk amount, 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. The processes and group-wide controls for these locations are consistent with the rest of the Group.</p>	<p>We concluded that revenue recognised in the year is materially correct on the basis of our procedures performed both at group and by component audit teams.</p>
<p>Accounting for Page Recruitment System (PRS)</p> <p>Refer to the Audit Committee Report (page 64); Accounting policies (page 99); and Note 12 of the Consolidated Financial Statements (page 108).</p> <p>The net book value of this asset is £31.2 million (2014: £33.6 million).</p> <p>The implementation and roll-out of the PRS intangible asset has been in progress for a number of years. We consider the risk around the accounting for the PRS intangible asset to have decreased from the prior year due to the significant progress made in the roll-out in the current year.</p> <p>The risk concerns the carrying value of the intangible asset and whether any potential indicators of impairment exist.</p> <p>There is a risk that the PRS intangible asset is amortised over an inappropriate useful life. The Group's assessment of the useful life requires judgement as to the future utilisation of the operating system applications.</p> <p>The business also continues to capitalise costs in relation to the asset as the roll-out is still in progress. There is a risk that these costs are capitalised when they do not meet the criteria for capitalisation.</p>	<p>We assessed the current status and future outlook of the roll-out of the PRS operating system and considered if any indicators of potential impairment exist which had not been considered by management.</p> <p>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 on the plan based on the Board's demonstrable commitment to complete the roll-out in 2016 and the significant progress made in the roll-out during 2015.</p> <p>We enquired about the use and benefits of the applications at the full and specific scope locations in which PRS was rolled-out during the year. We confirmed that the use and benefits of the applications are similar to the positive observations made in prior year for the United Kingdom and the United States roll-outs. We also viewed the upgraded websites on a sample basis to confirm that these are now used by the locations where PRS were rolled out during the year.</p> <p>The Group extended the useful life of specific components of the PRS intangible asset during the year. We examined the remaining useful life in comparison to the period over which future economic benefits are expected to be realised.</p> <p>We tested a sample of items capitalised in the year for compliance with IFRS and Group asset capitalisation policy.</p> <p>Audit procedures in relation to the PRS intangible asset were performed by the group audit team, with the exception of specific enquiries about the use and benefits of the applications being performed by our component teams at the full and specific scope locations.</p>	<p>No indicators of impairment were identified.</p> <p>We concur with the revised useful life allocated to the PRS intangible asset.</p> <p>We conclude that the PRS intangible asset balance at 31 December 2015 is materially correct.</p>

Risk	Our response to the risk	What we concluded to the Audit Committee
<p>Taxation matters</p> <p>Refer to the Audit Committee Report (page 64); Accounting policies (page 100); and Notes 8 and 17 of the Consolidated Financial Statements (pages 106 and 113).</p> <p>PageGroup operates across a large number of jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including transfer pricing.</p> <p>We have focused on two matters relating to the transfer pricing reserve and the recognition of deferred tax assets.</p> <p>Transfer pricing reserve: We consider the risk around transfer pricing to have increased from the prior year due to transfer pricing being a continuing area of focus for many tax authorities and subject to greater challenge from them.</p> <p>Recognition of deferred tax assets: 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. We consider the risk around the recognition of deferred tax assets to have decreased due to continued profitability in jurisdictions and states recognising a deferred tax asset. In addition, off balance sheet deferred tax balances in jurisdictions that have become profitable are now recognised in full.</p>	<p>With assistance from our international tax specialists, we analysed and challenged the method, assumptions and judgements used by management to determine the Group's transfer pricing reserve. We challenged the tax exposures estimated by management along with enquiries, claims or assessments made by tax authorities to date.</p> <p>Additionally, our specialists used their knowledge and experience of the application of international and local legislation to support our consideration of the appropriateness of the reserve determined by management.</p> <p>Our audit procedures on the recognition of deferred tax assets included assessing and challenging the assumptions and judgements included in the future profit forecasts in respect of the relevant components of 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.</p> <p>We also considered the adequacy of the Group's disclosures in respect of transfer pricing and deferred tax assets.</p> <p>The majority of our audit procedures were performed by the group audit team in relation to the two areas of focus.</p>	<p>We concluded that management's judgements in relation to the potential risk around transfer pricing are appropriate to not result in a material misstatement.</p> <p>We conclude that management's judgements in relation to deferred tax asset recognition were appropriate.</p>

The scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment and other factors such as recent Internal audit results when assessing the level of work to be performed at each entity.

We used gross profit as a measure to determine our group audit scope in addition to revenue and profit before tax as this is a key measure used by management to determine the size of a component in relation to the Group.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we selected 13 of the 38 reporting components that represent the principal business units within the Group.

Of the 13 components selected, we performed an audit of the complete financial information of six components ("full scope components"), which comprised the United Kingdom, France, China, Hong Kong, Australia and the Group's Head Office. These were selected based on their size, with the exception of the Group's Head Office, which was selected based on risk characteristics. For the remaining seven components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile: Brazil, Italy, Germany, the Netherlands, Spain, Switzerland and the United States.

These 13 reporting components where we performed audit procedures accounted for:

- 88% (2014: 88%) of the Group's revenue;
- 82% (2014: 82%) of the Group's gross profit;
- 83% (2014: 79%) of the Group's profit before tax; and
- 81% (2014: 83%) of the Group's total assets.

Of this, the full scope components contributed:

- 60% (2014: 47%) of the Group's revenue;
- 53% (2014: 40%) of the Group's gross profit;
- 59% (2014: 41%) of the Group's profit before tax; and
- 56% (2014: 42%) of the Group's total assets.

The specific scope components contributed:

- 27% (2014: 41%) of the Group's revenue
- 29% (2014: 42%) of the Group's gross profit;
- 24% (2014: 38%) of the Group's profit before tax; and
- 25% (2014: 41%) of the Group's total assets.

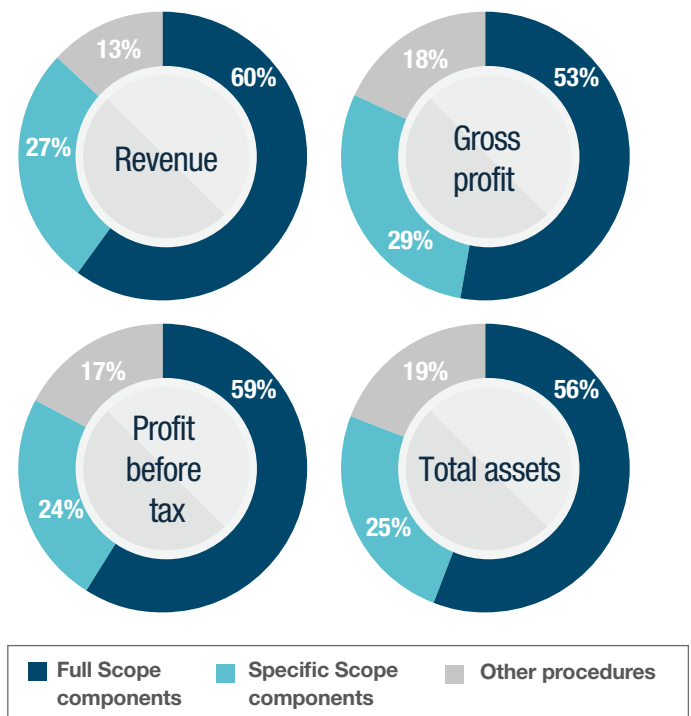
The audit scope of these specific scope components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

The remaining 25 components together represent:

- 13% of the Group's revenue;
- 18% of the Group's gross profit;
- 17% of the Group's profit before tax; and
- 19% of the Group's total assets.

None of the remaining 25 components are individually greater than 1.8% of the Group's revenue, 2.1% of the Group's gross profit, 3.8% of the Group's profit before tax, and 1.9% of the Group's total assets. For these components, we performed other audit procedures, including analytical review procedures on a country-by-country basis, obtaining 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 to respond to any potential risks of material misstatement to the Group financial statements.

The charts below illustrate the coverage obtained from the audit work performed.



Changes from the prior year

China, Hong Kong and Australia have been designated as full scope components this year, whereas they were designated as specific scope locations in the prior year. We have changed the designation in order to obtain greater quantitative full scope coverage of the Group's key metrics. We do not perceive any additional risk in these components and no additional risk areas were discovered as a result of the increase in audit scope.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit team, or by component auditors from other EY global network firms operating under our instruction. Of the six full scope components, audit procedures were performed on one of these, being the Group's Head Office, directly by the Group audit team. For the largest full scope component, the United Kingdom, the component audit team included several senior members from the Group audit team, including the Group audit senior manager. For the remaining four full scope components and the seven specific scope components, where the work was performed by component auditors, we determined the appropriate level of group team involvement to

enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The Group audit team followed a programme of planned visits that has been designed to ensure that a senior member of the Group audit team visits at least three (2014: two) of the full scope components each year. The number of full scope locations visited in the year has increased over the prior year as a result of the increase in designated full scope locations. During the current year's audit cycle, visits were undertaken by the Senior Statutory Auditor to the component teams performing the audit work for the United Kingdom, France, China and Hong Kong components. These visits involved discussing the audit approach with the component team and any issues arising from their work and reviewing key audit working papers on risk areas, and attending the audit closing meeting with local management. A visit to the newly established shared service centre in Barcelona was undertaken by the Group audit senior manager. The purpose of this visit was to obtain an understanding of the shared service centre (SSC) operations, in relation to the countries now supported by the SSC.

The Group audit team attended all four regional audit closing meetings with regional management and the Group CFO, at which all key areas of judgement were discussed and challenged. The Senior Statutory Auditor also attended a separate meeting with the regional CFO of the Asia Pacific region at which the performance of the region and key audit risk areas were discussed. The Asia Pacific region includes three of our full scope components.

The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, including the planning, post-interim and final stages, reviewed key working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £4.5 million (2014: £3.9 million), which is 5% of profit before tax (2014: 5% profit before tax and exceptional items). We believe that profit before tax is the principal consideration for stakeholders in assessing the financial performance of the Group and in 2014 adjusted this figure to exclude the impact of exceptional items which were non-recurring. There are no exceptional items in 2015. Materiality has increased year over year solely due to the increase in profit before tax (2014: profit before tax and exceptional items).

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2014: 50%) of our planning materiality, namely £2.25m (2014: £1.95m).

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.45m to £1.13m (2014: £0.38m to £0.94m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.23m (2014: £0.20m), which is set at 5% of planning materiality, 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 in forming our opinion.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 85, 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.

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.

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

<p>ISAs (UK and Ireland) reporting</p>	<p>We are required to report to you if, in our opinion, financial and non-financial information in the annual report is:</p> <ul style="list-style-type: none"> • 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 • otherwise misleading. <p>In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the directors' statement that they consider the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy; and whether the annual report appropriately addresses those matters that we communicated to the Audit Committee that we consider should have been disclosed.</p>	<p>We have no exceptions to report.</p>
<p>Companies Act 2006 reporting</p>	<p>We are required to report to you if, in our opinion:</p> <ul style="list-style-type: none"> • 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. 	<p>We have no exceptions to report.</p>
<p>Listing Rules review requirements</p>	<p>We are required to review:</p> <ul style="list-style-type: none"> • the directors' statement in relation to going concern, set out on page 40, and longer-term viability, also set out on page 40; and • the part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. 	<p>We have no exceptions to report.</p>

Statement on the directors' assessment of the principal risks that would threaten the solvency or liquidity of the entity

ISAs (UK and Ireland) reporting	<p>We are required to give a statement as to whether we have anything material to add or to draw attention to in relation to:</p> <ul style="list-style-type: none"> • the directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity; • the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated; • the directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and • the directors' explanation in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions. 	We have nothing material to add or to draw attention to.
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Iain Wilkie (Senior statutory auditor)

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

9 March 2016

Notes:

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

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

	Note	2015 £'000	Before exceptional items 2014 £'000	Exceptional items (Note 5) 2014 £'000	After exceptional items 2014 £'000
Revenue	2	1,064,945	1,046,887	–	1,046,887
Cost of sales		(508,840)	(514,070)	–	(514,070)
Gross profit	2	556,105	532,817	–	532,817
Administrative expenses		(466,034)	(454,356)	1,631	(452,725)
Operating profit	2	90,071	78,461	1,631	80,092
Financial income	6	1,116	488	–	488
Financial expenses	6	(490)	(517)	298	(219)
Profit before tax	2	90,697	78,432	1,929	80,361
Income tax (expense)/income	7	(24,489)	(21,863)	833	(21,030)
Profit for the year	3	66,208	56,569	2,762	59,331
Attributable to:					
Owners of the parent		66,208			59,331
Earnings per share					
Basic earnings per share (pence)	10	21.3			19.3
Diluted earnings per share (pence)	10	21.1			19.1

The above results relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015 £'000	2014 £'000
Profit for the year	66,208	59,331
Other comprehensive loss for the year		
Items that may subsequently be reclassified to profit and loss:		
Currency translation differences	(5,825)	(3,949)
Loss on hedging instruments	(173)	–
Total comprehensive income for the year	60,210	55,382
Attributed to:		
Owners of the parent	60,210	55,382

CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS

As at 31 December 2015

	Note	Group		Company	
		2015 £'000	2014 £'000	2015 £'000	2014 £'000
Non-current assets					
Property, plant and equipment	11	21,411	21,808	–	–
Intangible assets		1,733	1,853	–	–
- Goodwill and other intangibles	12			–	–
- Computer software (including assets held under construction)	12	34,533	36,693	–	–
Investments	13	–	–	505,912	502,318
Deferred tax assets	17	14,055	11,644	–	–
Other receivables	14	2,693	1,842	–	–
		74,425	73,840	505,912	502,318
Current assets					
Trade and other receivables	14	214,732	203,042	636,601	636,371
Current tax receivable	8	8,814	7,479	–	–
Cash and cash equivalents	20	95,018	90,012	–	–
		318,564	300,533	636,601	636,371
Total assets	2	392,989	374,373	1,142,513	1,138,689
Current liabilities					
Trade and other payables	15	(141,935)	(135,888)	(724,291)	(660,925)
Current tax payable	8	(22,738)	(14,910)	–	–
		(164,673)	(150,798)	(724,291)	(660,925)
Net current assets/(liabilities)		153,891	149,735	(87,690)	(24,554)
Non-current liabilities					
Other payables	15	(5,390)	(4,743)	–	–
Deferred tax liabilities	17	(1,167)	(2,609)	–	–
		(6,557)	(7,352)	–	–
Total liabilities	2	(171,230)	(158,150)	(724,291)	(660,925)
Net assets		221,759	216,223	418,222	477,764
Capital and reserves					
Called-up share capital	18	3,258	3,219	3,258	3,219
Share premium	19	90,268	75,215	90,268	75,215
Capital redemption reserve	19	932	932	932	932
Reserve for shares held in the employee benefit trust	19	(61,365)	(72,407)	–	–
Currency translation reserve	19	10,641	16,466	–	–
Retained earnings		178,025	192,798	323,764	398,398
Total equity		221,759	216,223	418,222	477,764

The financial statements of Michael Page International plc (Company Number 3310225) set out on pages 93 to 121 were approved by the Board of Directors and authorised for issue on 9 March 2016.

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 2015

2015	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 2015		3,219	75,215	932	(72,407)	16,466	192,798	216,223
Currency translation differences		–	–	–	–	(5,825)	–	(5,825)
Net expense recognised directly in equity		–	–	–	–	(5,825)	–	(5,825)
Loss on hedging instruments		–	–	–	–	–	(173)	(173)
Profit for the year		–	–	–	–	–	66,208	66,208
Total comprehensive (loss)/income for the year		–	–	–	–	(5,825)	66,035	60,210
Exercise of share plans		39	15,053	–	–	–	7,770	22,862
Transfer from reserve for shares held in the employee benefit trust		–	–	–	11,042	–	(11,042)	–
Credit in respect of share schemes		–	–	–	–	–	6,801	6,801
Credit in respect of tax on share schemes		–	–	–	–	–	728	728
Dividends	9	–	–	–	–	–	(85,065)	(85,065)
		39	15,053	–	11,042	–	(80,808)	(54,674)
Balance at 31 December 2015		3,258	90,268	932	(61,365)	10,641	178,025	221,759

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

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

For the year ended 31 December 2015

Company	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2015		3,219	75,215	932	398,398	477,764
Profit for the year		–	–	–	3,630	3,630
Total comprehensive income for the year		–	–	–	3,630	3,630
Exercise of share plans		39	15,053	–	–	15,092
Credit in respect of share schemes		–	–	–	6,801	6,801
Dividends	9	–	–	–	(85,065)	(85,065)
		39	15,053	–	(78,264)	(63,172)
Balance at 31 December 2015		3,258	90,268	932	323,764	418,222

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

CONSOLIDATED AND PARENT COMPANY CASH FLOW STATEMENTS

For the year ended 31 December 2015

	Note	Group		Company	
		2015 £'000	2014 £'000	2015 £'000	2014 £'000
Profit before tax	2	90,697	80,361	3,630	8,336
Exceptional items	5	–	(1,929)	–	–
Profit before tax and exceptional items		90,697	78,432	3,630	8,336
Depreciation and amortisation charges	11/12	15,417	17,896	–	–
Loss on sale of property, plant and equipment, and computer software		690	294	–	–
Share scheme charges		6,869	7,120	–	–
Net finance income		(626)	(269)	–	–
Operating cash flow before changes in working capital, finance costs and exceptional items		113,047	103,473	3,630	8,336
Increase in receivables		(20,248)	(22,212)	(230)	(33,317)
Increase in payables		8,804	6,831	63,366	53,149
Cash generated from underlying operations		101,603	88,092	66,766	28,168
Cash flow on exceptional items	5	–	(1,098)	–	–
Cash generated from operations		101,603	86,994	66,766	28,168
Income tax paid		(19,091)	(15,357)	–	–
Net cash from operating activities		82,512	71,637	66,766	28,168
Cash flows from investing activities					
Proceeds in respect of share scheme recharges to subsidiaries		–	–	3,207	1,051
Purchases of property, plant and equipment	11	(9,161)	(6,231)	–	–
Purchases of intangibles	12	(6,015)	(6,468)	–	–
Proceeds from the sale of property, plant and equipment, and computer software		374	824	–	–
Interest received		1,116	505	–	–
Net cash (used in)/from investing activities		(13,686)	(11,370)	3,207	1,051
Cash flows from financing activities					
Dividends paid		(85,065)	(32,706)	(85,065)	(32,706)
Interest paid		(269)	–	–	–
Issue of own shares for the exercise of options		22,619	3,954	15,092	3,487
Purchase of shares held in the employee benefit trust		–	(25,445)	–	–
Net cash used in financing activities		(62,715)	(54,197)	(69,973)	(29,219)
Net increase in cash and cash equivalents		6,111	6,070	–	–
Cash and cash equivalents at the beginning of the year		90,012	85,394	–	–
Exchange loss on cash and cash equivalents		(1,105)	(1,452)	–	–
Cash and cash equivalents at the end of the year	20	95,018	90,012	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

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 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 £3.6m (2014: £8.3m). 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 2015. 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 2015:

- IFRS 2 Share-based Payment – Amendments to IFRS 2
- IFRS 8 Operating Segments – Amendments to IFRS 8
- IAS 24 Related Party Disclosures – Amendments to IAS 24
- IFRS 13 Fair Value Measurement – Amendments to IFRS 13

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.

- IAS 1 Disclosure Initiative – Amendments to IAS 1; effective date 1 January 2016
- IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation; effective date 1 January 2016
- IFRS 9 Financial Instruments; effective date 1 January 2018
- IFRS 15 Revenue from Contracts with Customers; effective date 1 January 2018
- IFRS 16 Leases; effective date 1 January 2019

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 Strategic Report on page 40.

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)

Page Group 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)

The Page Partnership Limited (1675582)

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 except PRS 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 (2014: £311.7m).

The Group extended the useful life of specific components of the PRS intangible asset during the year to align the useful life of the system with the timing of the benefit. The effect of this was to reduce the amortisation charge by c. £3m.

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**Non-financial 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).

Financial assets

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 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.

(ii) Management Incentive Plan and Long-Term Incentive Plan

Where deferred awards are made to Directors and senior executives under either the Management Incentive Plan or the Long-Term Incentive Plan, 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.

s) Hedge accounting

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as Other Comprehensive Income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or

loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss. The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

t) Critical accounting estimates and judgments

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

Estimates and judgments 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 judgments 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 judgment, 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.

u) 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. Segments are aggregated in accordance with management ownership, determined by the possession of similar characteristics. No judgements were applied to identify the reportable segments.

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

	Revenue 2015 £'000	Gross Profit 2015 £'000	Operating Profit		
			Before exceptional items 2015 £'000	Exceptional items (Note 5) 2015 £'000	After exceptional items 2015 £'000
2015					
EMEA	421,310	216,987	31,889	–	31,889
United Kingdom	337,673	151,581	29,235	–	29,235
Asia Pacific					
Australia and New Zealand	95,835	30,077	4,696	–	4,696
Asia	95,468	79,033	18,020	–	18,020
Total – Asia Pacific	191,303	109,110	22,716	–	22,716
Americas	114,659	78,427	6,231	–	6,231
Operating profit	–	–	90,071	–	90,071
Financial income	–	–	626	–	626
Revenue/gross profit/profit before tax	1,064,945	556,105	90,697	–	90,697

	Revenue 2014 £'000	Gross Profit 2014 £'000	Operating Profit		
			Before exceptional items 2014 £'000	Exceptional items (Note 5) 2014 £'000	After exceptional items 2014 £'000
2014					
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 (expense)/income	–	–	(29)	298	269
Revenue/gross profit/profit before tax	1,046,887	532,817	78,432	1,929	80,361

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, capital expenditure and non-current assets and capital expenditure by reportable segment

		Total Assets		Total Liabilities	
		2015	2014	2015	2014
		£'000	£'000	£'000	£'000
EMEA		143,621	135,374	74,687	68,947
United Kingdom		128,699	118,042	40,499	40,608
Asia Pacific	Australia and New Zealand	21,953	27,265	8,008	9,079
	Asia	48,213	43,457	12,616	11,301
	Total – Asia Pacific	70,166	70,722	20,624	20,380
Americas		41,689	42,756	12,682	13,305
Segment assets/liabilities		384,175	366,894	148,492	143,240
Income tax		8,814	7,479	22,738	14,910
		392,989	374,373	171,230	158,150

		Property, Plant and Equipment		Intangible Assets	
		2015	2014	2015	2014
		£'000	£'000	£'000	£'000
EMEA		6,479	6,142	2,449	457
United Kingdom		7,204	7,175	33,187	37,134
Asia Pacific	Australia and New Zealand	1,255	1,643	73	134
	Asia	1,364	1,643	43	60
	Total – Asia Pacific	2,619	3,286	116	194
Americas		5,109	5,205	514	761
		21,411	21,808	36,266	38,546

		Property, Plant and Equipment		Intangible Assets	
		2015	2014	2015	2014
		£'000	£'000	£'000	£'000
Capital expenditure					
EMEA		3,252	1,641	709	237
United Kingdom		2,866	2,778	5,149	5,592
Asia Pacific	Australia and New Zealand	133	325	8	92
	Asia	628	441	7	23
	Total – Asia Pacific	761	766	15	115
Americas		2,282	1,046	142	524
		9,161	6,231	6,015	6,468

(c) Revenue and gross profit by discipline

		Revenue		Gross Profit	
		2015	2014	2015	2014
		£'000	£'000	£'000	£'000
Finance and Accounting		468,364	465,250	220,082	211,366
Legal, Technology, HR, Secretarial and other		253,456	240,105	119,842	107,210
Engineering, Property & Construction, Procurement & Supply Chain		190,547	193,922	106,321	107,729
Marketing, Sales and Retail		152,578	147,610	109,860	106,512
		1,064,945	1,046,887	556,105	532,817

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

		Revenue		Gross Profit	
		2015	2014	2015	2014
		£'000	£'000	£'000	£'000
Permanent		431,292	417,401	424,015	406,414
Temporary		633,653	629,486	132,090	126,403
		1,064,945	1,046,887	556,105	532,817

3. Profit for the year

	2015 £'000	2014 £'000
Profit for the year is stated after charging:		
Employment costs (Note 4)	352,753	310,122
Net exchange losses	827	150
Depreciation of property, plant and equipment – owned (Note 11)	7,366	7,922
Amortisation of intangibles (Note 12)	8,051	9,974
Impairment of trade receivables (Note 21)	7,167	7,230
Loss on sale of property, plant and equipment and computer software	690	294
Operating lease rentals		
– Land and buildings	24,926	26,211
– Plant and machinery	2,895	4,721
Fees payable to the Company's auditor:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	194	156
Fees payable to the Company's auditor and associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	410	424
– Audit related assurance services	87	120
Total audit fees	691	700
– Tax compliance services for the Company and its subsidiaries	78	172
– Tax advice for the Company, its subsidiaries and individual employees in relation to moving employees internationally	194	143
– Tax advisory services	29	18
Total non-audit fees	301	333
Total fees	992	1,033

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 2015 were as follows:

	2015 Average No.	2014 Average No.	At 31 Dec 2015 No.	At 31 Dec 2014 No.
Management	310	311	301	318
Client services	4,071	3,782	4,183	3,960
Administration	1,333	1,321	1,351	1,300
	5,714	5,414	5,835	5,578

Employment costs (including Directors' emoluments) comprised:

	2015 £'000	2014 £'000
Wages and salaries	295,767	256,187
Social security costs	34,984	32,498
Pension costs – defined contribution plans	11,801	14,000
Share-based payments and deferred cash plan	10,201	7,437
	352,753	310,122

No staff are employed by the Parent Company (2014: 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 69 to 76.

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 would be no adjustment for the 2010 tax year. Accordingly, in 2014, the Group recorded £1.6m relating to the reversal of amounts that were previously provided as an exceptional charge and a further £0.6m that was included within operating profit. There was also a release of £0.3m of exceptional interest and £0.8m of income tax relating to this exceptional item. There are no exceptional items in the current year.

6. Financial income/(expenses)

	2015 £'000	2014 £'000
Financial income		
Bank interest receivable	1,116	488
	1,116	488
Financial expenses		
Bank interest payable	(490)	(517)
Exceptional interest (Note 5)	-	298
	(490)	(219)

7. Taxation on profits on ordinary activities

The charge for taxation is based on the effective annual tax rate of 27.0% on profit before tax (2014: 26.2%).

	2015 £'000	2014 £'000
Analysis of charge in the year		
UK income tax at 20.25% (2014: 21.5%) for year	13,462	8,999
Adjustments in respect of prior year	64	(2,097)
Overseas income tax	14,289	14,439
	27,815	21,341
Deferred tax		
Adjustment in respect of prior years	(365)	2,140
Origination and reversal of temporary differences	(2,039)	(709)
Recognition of previously unrecognised losses and other tax attributes	(1,893)	(2,209)
Charge of tax losses recognised	971	467
Deferred tax income	(3,326)	(311)
Total income tax expense in the income statement	24,489	21,030

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

	2015 £'000	%	2014 £'000	%
Reconciliation of effective tax rate				
Profit before taxation	90,697		80,361	
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK	18,364	20.2	17,278	21.5
Effects of:				
Disallowable items and other permanent differences	1,840	2.0	91	0.1
Unrelieved overseas losses	568	0.6	288	0.4
Utilisation of losses not previously recognised	(28)	-	(1,211)	(1.5)
Recognition of overseas losses and other tax attributes	(1,893)	(2.1)	(2,209)	(2.7)
Higher tax rates on overseas earnings	5,951	6.6	6,784	8.4
Movement of rate difference	(12)	-	(35)	(0.1)
Adjustment to tax charge in respect of prior periods	(301)	(0.3)	44	0.1
Tax expense and effective rate for the year	24,489	27.0	21,030	26.2
Tax recognised directly in equity			2015 £'000	2014 £'000
Relating to settled transactions			(728)	518

8. Current tax assets and liabilities

The current tax asset of £8.8m (2014: £7.5m), and current tax liability of £22.7m (2014: £14.9m) for the Group, and current tax asset and liability of £nil (2014: £nil) for the Parent Company, represent the amount of income taxes recoverable and payable in respect of current and prior periods. The Group maintains a provision in relation to disputes and uncertain tax positions, including transfer pricing, which is included in the current tax liability. The Group has considered if there is a need to make a disclosure in relation to IAS 1 estimation uncertainty and have concluded that as no material adjustment to the carrying value of the transfer pricing reserve at 31 December 2015 is anticipated within the next financial year, no disclosure is required.

9. Dividends

	2015 £'000	2014 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2014 of 7.58p per Ordinary share (2013: 7.25p)	23,702	22,220
Interim dividend for the year ended 31 December 2015 of 3.60p per Ordinary share (2014: 3.42p)	11,271	10,486
Special dividend for the year ended 31 December 2015 of 16.0p per Ordinary share (2014: nil)	50,092	–
	85,065	32,706
Amounts proposed as distributions to equity holders in the year:		
Proposed final dividend for the year ended 31 December 2015 of 7.90p per Ordinary share (2014: 7.58p)	24,747	23,232

The proposed final dividend had not been approved by shareholders at 31 December 2015 and therefore has not been included as a liability. The comparative final dividend at 31 December 2014 was also not recognised as a liability in the prior year.

The proposed final dividend of 7.90p (2014: 7.58p) per Ordinary share will be paid on 20 June 2016 to shareholders on the register at the close of business on 20 May 2016, 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:

	2015 £'000	2014 £'000
Earnings		
Earnings for basic and diluted earnings per share (£'000)	66,208	59,331
Exceptional items (£'000) (Note 5)	–	(2,762)
Earnings for basic and diluted earnings per share before exceptional items (£'000)	66,208	56,569
Number of shares		
	number	number
Weighted average number of shares used for basic earnings per share ('000)	311,436	308,020
Dilutive effect of share plans ('000)	2,368	2,303
Diluted weighted average number of shares used for diluted earnings per share ('000)	313,804	310,323
	pence	pence
Basic earnings per share	21.3	19.3
Diluted earnings per share	21.1	19.1
Basic earnings per share before exceptional items	21.3	18.4
Diluted earnings per share before exceptional items	21.1	18.2

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 diluted earnings per share calculation remain potentially dilutive until they are either exercised or they lapse.

11. Property, plant and equipment

Group	2015			
	Leasehold improvements £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January	33,696	48,050	2,622	84,368
Additions	3,609	4,807	745	9,161
Disposals	(3,868)	(3,833)	(951)	(8,652)
Effect of movements in foreign exchange	(1,336)	(1,596)	(147)	(3,079)
At 31 December	32,101	47,428	2,269	81,798
Depreciation				
At 1 January	22,943	38,488	1,129	62,560
Charge for the year	3,146	3,630	590	7,366
Disposals	(3,195)	(3,838)	(579)	(7,612)
Effect of movements in foreign exchange	(707)	(1,117)	(103)	(1,927)
At 31 December	22,187	37,163	1,037	60,387
Net book value				
At 31 December	9,914	10,265	1,232	21,411

Group	2014			
	Leasehold improvements £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
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

12. Intangible assets

2015

Group	Computer software £'000	Computer software, assets under construction £'000	Subtotal £'000	Goodwill £'000	Trademark £'000	Subtotal £'000	Total
Cost							
At 1 January	63,327	1,819	65,146	1,539	746	2,285	67,431
Additions	1,009	5,006	6,015	-	-	-	6,015
Disposals	(384)	-	(384)	-	-	-	(384)
Transfers	3,621	(3,621)	-	-	-	-	-
Effect of movements in foreign exchange	(811)	-	(811)	-	-	-	(811)
At 31 December	66,762	3,204	69,966	1,539	746	2,285	72,251
Amortisation							
At 1 January	28,453	-	28,453	-	432	432	28,885
Charge for the year	7,931	-	7,931	-	120	120	8,051
Disposals	(359)	-	(359)	-	-	-	(359)
Effect of movements in foreign exchange	(592)	-	(592)	-	-	-	(592)
At 31 December	35,433	-	35,433	-	552	552	35,985
Net book value							
At 31 December	31,329	3,204	34,533	1,539	194	1,733	36,266

2014

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

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:

	2015 £'000	2014 £'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 2015 there was no impairment of goodwill.

13. Investments

Company	Subsidiary undertakings £'000
Cost at 1 January 2015	502,318
Transactions relating to share plans for subsidiaries' employees	3,594
Cost at 31 December 2015	505,912

The Company's principal subsidiary undertakings at 31 December 2015, 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
Page Personnel Argentina SA	Argentina	Recruitment Consultancy
Page Personnel Argentina Servicios Eventuales 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
Page Personnel International Chile Limitada	Chile	Recruitment Consultancy
Empresa de Servicios Transitorios Page Interim Chile Limitada	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 Partnership Limited	England and Wales	Non-trading
Michael Page Employment Services Limited	England and Wales	Recruitment Consultancy
LPM (Professional Recruitment) Limited	England and Wales	Holding company

Name of undertaking	Country of incorporation	Principal activity
Accountancy Additions Limited	England and Wales	Non-trading
Slamway Limited	England and Wales	Non-trading
The Assessment Centre Limited	England and Wales	Non-trading
LPM (Group Services) Limited	England and Wales	Non-trading
The Page Partnership Limited	England and Wales	Non-trading
Sales Recruitment Specialists Limited	England and Wales	Non-trading
Burhill Park Limited	England and Wales	Non-trading
Michael Page International 1982 Limited	England and Wales	Non-trading
Michael Page International Investment Limited	England and Wales	Non-trading
Michael Page International Finance Limited	England and Wales	Non-trading
Page Personnel (UK) Limited	England and Wales	Recruitment Consultancy
Michael Page International (France) SAS	France	Recruitment Consultancy
Michael Page Financial Services SAS	France	Support services
Page Personnel SAS	France	Recruitment Consultancy
MP Commercial EURL	France	Recruitment Consultancy
MP Ingenieurs et Informatique SARLU	France	Recruitment Consultancy
Page Formation EURL	France	Recruitment Consultancy
MP International – LRR EURL	France	Recruitment Consultancy
MP Finance et Comptabilite EURL	France	Recruitment Consultancy
MP Services SASU	France	Recruitment Consultancy
MP Nord EURL	France	Recruitment Consultancy
MP Sud EURL	France	Recruitment Consultancy
Michael Page Advertising SARLU	France	Recruitment Consultancy
Page Consulting SARLU	France	Recruitment Consultancy
Page Executive EURL	France	Recruitment Consultancy
Michael Page EDP EURL	France	Recruitment Consultancy
Michael Page Monaco SARL	France	Recruitment Consultancy
MP Immobilier et Construction EURL	France	Recruitment Consultancy
Michael Page IT Services SARLU	France	Recruitment Consultancy
Talent for SARLU	France	Non-trading
Michael Page International (Deutschland) GmbH	Germany	Recruitment Consultancy
Page Personnel Services GmbH	Germany	Recruitment Consultancy
Page Personnel (Deutschland) GmbH	Germany	Recruitment Consultancy
Michael Page Interim GmbH	Germany	Recruitment Consultancy
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
Page Personnel Interim SA	Luxembourg	Non-trading
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

Name of undertaking	Country of incorporation	Principal activity
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 Empresa 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 Africa (SA) (Pty) Limited	South Africa	Non-trading
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 AD SL	Spain	Recruitment Consultancy
Page Group Europe SL	Spain	Recruitment Consultancy
Page Personnel ETT SA	Spain	Recruitment Consultancy
Michael Page International (Sweden) AB	Sweden	Recruitment Consultancy
Michael Page International (Switzerland) SA	Switzerland	Recruitment Consultancy
Taiwan Michael Page International Co Ltd	Taiwan	Recruitment Consultancy
Michael Page Thailand Limited	Thailand	Holding company
Michael Page International Recruitment (Thailand) Limited	Thailand	Recruitment Consultancy
Michael Page International NEM Istihdam Danismanligi Limited Sirketi	Turkey	Recruitment Consultancy
Michael Page International Yonetim Servisleri Danismanligi Ltd	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	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Current				
Trade receivables	169,012	161,878	–	–
Less provision for impairment of receivables	(5,635)	(5,818)	–	–
Net trade receivables	163,377	156,060	–	–
Amounts due from Group companies	–	–	636,601	636,371
Other receivables	9,041	6,572	–	–
Prepayments and accrued income	42,314	40,410	–	–
	214,732	203,042	636,601	636,371
Non-current				
Other receivables	2,693	1,842	–	–

The fair values of trade and other receivables are not materially different to those disclosed above.

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	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Current				
Trade payables	15,659	10,007	–	–
Amounts owed to Group companies	–	–	724,291	660,898
Other tax and social security	44,181	42,183	–	–
Other payables	10,813	9,341	–	27
Accruals	70,543	73,666	–	–
Deferred income	739	691	–	–
	141,935	135,888	724,291	660,925
Non-current				
Deferred income	5,092	4,456	–	–
Other tax and social security	298	287	–	–
	5,390	4,743	–	–

The fair values of trade and other payables are not materially different to those disclosed above.

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 £1.1m (2014: £0.8m) 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	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Bank overdrafts	-	-	-	-

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

The Group has a £10m committed overdraft facility with Deutsche Bank, as well as a £1m facility with HSBC. All other bank overdrafts and facilities are repayable on demand.

At 31 December 2015, the Group had available £10m (2014: £10m) of undrawn committed borrowing facilities with Deutsche Bank, £1m facility with HSBC, and £29.8m 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 2015	(2,468)	(4,481)	(2,086)	(9,035)
Recognised in equity for the year	(512)	-	-	(512)
Recognised in profit or loss for the year	410	(509)	(3,228)	(3,327)
Exchange differences	-	-	(14)	(14)
At 31 December 2015	(2,570)	(4,990)	(5,328)	(12,888)
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)

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:

	2015 £'000	2014 £'000
Deferred tax assets	(14,055)	(11,644)
Deferred tax liabilities	1,167	2,609
	(12,888)	(9,035)

No deferred tax liability has been recognised in respect of £87.9m (2014: £88.9m) of unremitted earnings of subsidiaries because the Group is in a position to control the timing of the reversal of the temporary difference and it is not probable that such differences will reverse in the foreseeable future.

The movement in the deferred tax balance in the year includes the effect of further recognition of tax losses in the US of £1.1m offset by the derecognition of losses in Taiwan and the utilisation of losses in other territories. The movement in Other comprised of temporary differences between the recognition of income and expenditure for accounting and tax purposes. This can vary from year to year and in 2015 resulted in an increase in the deferred tax asset of £3.2m (2014: £0.9m decrease).

The realisation of the deferred tax asset is dependent on generating future taxable profits in the overseas territories in which the deferred tax has arisen. Of the net deferred tax asset recognised, no amount relates to territories that were loss making in the current year. In addition there are carried forward losses of £12.1m arising in overseas territories for which no deferred tax is recognised given the future utilisation of the tax losses is uncertain; there were no other tax attributes recognised in those territories. These tax losses and other tax attributes remain available to offset future taxable profits in the respective territories where they have arisen.

The Group has estimated the likely value of deferred tax assets in respect of trading losses carried forward and all other categories. The Group has considered if there is a need to make a disclosure in relation to IAS 1 estimation uncertainty and have concluded that as no material adjustment to the carrying value of the deferred tax asset at 31 December 2015 is anticipated within the next financial year, no disclosure is required.

18. Called-up share capital

	2015		2014	
	£'000	Number of shares	£'000	Number of shares
Allotted, called-up and fully paid ordinary shares of 1p each				
At 1 January	3,219	321,834,542	3,208	320,826,167
Shares issued	39	4,085,163	11	1,008,375
At 31 December	3,258	325,919,705	3,219	321,834,542

Shares issued in the year related to the Executive Share Option Scheme.

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 2015 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. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Year of grant	Balance at 1 January 2015	Granted in year	Exercised in year	Lapsed in year	No. of options outstanding at 31 December 2015	Base EPS/ OP range†	Exercise price per share	Exercise period
2005 (Note 1)*	51,399	–	(51,399)	–	–	7.5	190.75p-191.5p	March 2008 – March 2015
2006 (Note 1)*	225,000	–	(197,000)	–	28,000	15.5	309.9p	March 2009 – March 2016
2009 (Note 2)	1,663,989	–	(536,441)	(84,183)	1,043,365	OP Range	187.5p-211.84p	March 2012 – March 2019
2010 (Note 1)*	6,406,540	–	(3,780,516)	–	2,626,024	6.6	381.5p-383.0p	March 2013 – March 2020
2011 (Note 2)	3,090,820	–	–	(462,251)	2,628,569	OP Range	491.0p-492.9p	March 2014 – March 2021
2012 (Note 2)	3,806,261	–	(1,402,270)	(239,673)	2,164,318	OP Range	477.0p	March 2015 – March 2022
2013 (Note 2)	4,057,567	–	–	(490,094)	3,567,473	OP Range	442.0p	March 2016 – March 2023
2014 (Note 2)	4,800,833	–	–	(652,227)	4,148,606	OP Range	484.0p	March 2017 – March 2024
2015 (Note 2)	–	1,860,000	–	(150,000)	1,710,000	OP Range	526.0p	March 2018 – March 2025
Total 2015	24,102,409	1,860,000	(5,967,626)	(2,078,428)	17,916,355			
Weighted average exercise price 2015 (£)	4.27	5.26	3.83	4.66	4.48			
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			

* These options have fully vested

† The Operating Profit ranges for each award are fully disclosed in Note 2 of this Note. 5,438,436 options were exercisable at the end of 2015 at a weighted average exercise price of £3.83 (2014: £3.53). The weighted average share price at the date of exercise was £5.16.

Note 1

Executive Share Option Scheme

Using the ESOS, awards of share options can be made to key management personnel and senior employees to receive shares in the Company.

No awards have been made under the ESOS since 2010 and this award has fully vested.

For grants under the ESOS, 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.

Note 2**Share Option Scheme**

Executive Directors of the Company are not eligible to participate in this plan. Any exercises of awards made under this plan are settled by shares held in the Employee Benefit Trust.

This new scheme was created in 2009 to provide an effective plan under which to grant awards from 2009 onwards. It was the Board's view that grants made under the existing ESOS, 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 was tested, initially, three years after the date of grant and since then has been and will be tested annually until either the entire grant vests, or ten years from the date of grant 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% has been retested in each subsequent year. No additional options vested other than in 2015, when an additional 4% 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. None of this award has yet vested.

For the 2012, 2013, 2014 and 2015 grants, 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. Operating Profit of £90.1m has so far been achieved.

Other share-based payment plans

The Company also operates a Management Incentive Plan for the Executive Directors and senior employees and a Long-Term Incentive Plan for the Senior Executives. Details of these plans are disclosed in the Directors' Remuneration Report and are settled by cash or 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. These plans are described as follows:

	LTIP	MIP
As at 1 Jan 2015	306,152	2,410,970
Granted	295,604	609,917
Lapsed	–	(278,016)
Exercised	(8,631)	(734,551)
Outstanding as at 31 Dec 2015	593,125	2,008,320
Weighted average fair value at the date of measurement	–	–

Share option valuation and measurement

In 2015, options were granted on 20 March with the estimated fair value of the options granted on that day of £0.84. In 2014, options were granted on 11 March. The estimated fair values of the options granted on that date was £0.87.

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.

The options outstanding at 31 December 2015 have an exercise price in the range of 187.5p to 526.0p and a weighted average contractual life of 6.5 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		Management Incentive Plan	
	2015	2014	2015	2014	2015	2014
Share price (£)	5.26	4.84	5.26	4.84	5.26	4.84
Average exercise price (£)	5.26	4.84	Nil	Nil	Nil	Nil
Weighted average fair value (£)	0.84	0.87	5.26	4.84	4.94-5.26	4.54
Expected volatility	23%	24%	23%	24%	23%	24%
Expected life	5 years	5 years	3 years	3 years	3 years	3 years
Risk free rate	0.71%	1.40%	0.71%	0.83%	0.71%	0.93%
Expected dividend yield	2.09%	2.17%	Nil	Nil	2.09%	2.17%

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 £7.6m, including social security, (2014: £5.8m) 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 2015, the reserve for shares held in the employee benefit trust consisted of 14,776,231 Ordinary shares (2014: 17,458,124 Ordinary shares) held for the purpose of satisfying awards made under the Management Incentive Share Plan, the Long Term Incentive Plan and the SOS, representing 4.5% of the called-up share capital with a market value of £71.6m (2014: £71.9m).

There are 12,663,133 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

	2015 £'000	Group 2014 £'000	2015 £'000	Company 2014 £'000
Cash at bank and in hand	76,957	84,941	–	–
Short-term deposits	18,061	5,071	–	–
Cash and cash equivalents	95,018	90,012	–	–
Cash and cash equivalents in the statement of cash flows	95,018	90,012	–	–
Net funds	95,018	90,012	–	–

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 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 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 2015 amounted to £163.4m (2014: £156.1m).

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 £67.4m (2014: £64.3m) 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 46 days in excess of the initial credit period (2014: 45 days).

The ageing of trade receivables at the reporting date was:

	Gross trade receivables 2015 £'000	Provision 2015 £'000	Net trade receivables 2015 £'000	Gross trade receivables 2014 £'000	Provision 2014 £'000	Net trade receivables 2014 £'000
Not past due	96,207	258	95,949	92,239	511	91,728
Past due 0-30 days	43,928	118	43,810	42,816	237	42,579
Past due 31-150 days	22,760	60	22,700	21,024	116	20,908
More than 150 days	6,117	5,199	918	5,799	4,954	845
	169,012	5,635	163,377	161,878	5,818	156,060

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:

	2015 £'000	2014 £'000
Balance at beginning of the year	5,818	6,658
Impairment losses recognised on receivables	7,167	7,230
Amounts written off as uncollectable	(1,405)	(1,249)
Amounts recovered during the year	(2,579)	(2,550)
Impairment losses reversed	(3,366)	(4,271)
Balance at end of the year	5,635	5,818

Most of the allowance for doubtful debts represents a provision for debts which the Group estimate may be irrecoverable, as well as individually impaired trade receivables with a balance of £2.9m (2014: £3.2m) which have been placed in litigation.

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	
	2015 £'000	2014 £'000
EMEA	89,288	79,964
United Kingdom	40,147	37,323
Asia Pacific	20,545	23,287
Americas	13,397	15,486
	163,377	156,060

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

	Carrying amount	
	2015 £'000	2014 £'000
EMEA	1,262	1,652
United Kingdom	16,502	13,885
Asia Pacific	13,138	12,296
Americas	6,845	5,656
	37,747	33,489

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. 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:

	Less than 1 month £'000	1-3 months £'000	3-12 months £'000	More than 12 months £'000
	2015			
Trade payables	9,302	5,122	1,191	44
Accruals and other payables	42,032	21,603	17,721	-
2014				
Trade payables	6,679	3,328	-	-
Accruals and other payables	40,682	20,969	21,356	-

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 2015 and 31 December 2014.

(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 below. 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 2015 relate to cash and bank overdrafts. The average interest rate paid on bank overdrafts was 2.23% (2014: 2.22%).

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 Swiss Franc, Singapore Dollar and Australian Dollar. The Group does not have material transactional currency exposures. The Group is exposed to foreign currency translation differences in accounting for its overseas operations. The Group policy is not to hedge translation exposure.

The Group has entered into hedges to cover its investments in foreign entities in the US and Canada designating them as net investment hedges. The portion of gains or losses on the hedging instruments determined to be an effective hedge are transferred to other comprehensive income. The pre-tax loss on effective hedging instruments deferred within other comprehensive income as at 31 December 2015 is £0.2m.

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 rate derivatives to manage the currency 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	
	2015 £m	2014 £m
Derivative Assets	0.3	0.3
Derivative Liabilities	(0.8)	(0.5)
Net Derivative Liabilities	(0.5)	(0.2)

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 2014. 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.

	2015 equity £'000	2015 PBT £'000
Euro	(5,287)	(1,271)
Australian Dollar	(1,232)	(24)
Swiss Franc	(1,355)	(96)
Chinese Renminbi	(964)	(228)
Singapore Dollar	(1,044)	(52)
Other	(3,099)	(516)

	2014 equity £'000	2014 PBT £'000
Euro	(4,259)	(246)
Australian Dollar	(1,447)	(183)
Swiss Franc	(614)	71
Hong Kong Dollar	(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

A 10% 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 2015 the Group was committed to make the following payments in respect of non-cancellable operating leases:

	Land and buildings		Other	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Within one year	23,473	24,780	3,399	3,002
Within two to five years	57,584	49,221	3,602	2,735
After five years	21,766	15,227	-	-
Total	102,823	89,228	7,001	5,737

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 £2.6m of contractual capital commitments as at 31 December 2015 relating to property, plant and equipment (2014: £nil). The Group had contractual capital commitments of £1.1m as at 31 December 2015 relating to computer software (2014: £nil).

23. Contingent liabilities

Guarantees

The Company has provided guarantees to other Group undertakings amounting to £0.3m (2014: £0.3m) in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.

VAT group registration

As a result of group registration for VAT purposes, the Company is contingently liable for VAT liabilities arising in other companies within the VAT group which at 31 December 2015 amounted to £7.5m (2014: £4.7m).

24. Events after the balance sheet date

Between 31 December 2015 and 9 March 2016, 28k options were exercised, leading to an increase in share capital of £280 and an increase in share premium of £0.1m.

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 51 to 55. 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. The transactions for the year were:

Related party transactions

	2015 £'000	2014 £'000
Wages and salaries	5,420	5,880
Social security costs	1,000	994
Pension costs – defined contribution plans	189	106
Share-based payments and deferred cash plan	1,882	1,209
	8,491	8,189

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.

Transactions	Dividends received		Amounts owed by related parties		Amounts owed to related parties	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Transactions	3,630	8,345	636,601	636,371	724,291	660,898

FIVE YEAR SUMMARY

	2011 £'000	2012 £'000	2013 £'000	2014 £'000	2015 £'000
Revenue	1,019,087	989,882	1,005,502	1,046,887	1,064,945
Gross profit	553,781	526,869	513,881	532,817	556,105
Operating profit before exceptional items	86,035	65,121	68,178	78,461	90,071
Operating profit after exceptional items	86,035	57,287*	65,725*	80,092*	90,071
Profit before tax	86,147	57,003*	64,057*	80,361*	90,697
Profit attributable to equity holders	56,857	36,197*	42,604*	59,331*	66,208
Conversion†	15.5%	12.4%	13.3%	14.7%	16.2%
Basic earnings per share (pence)	18.7	11.9*	13.8*	19.3*	21.3

* 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 9 June 2016 at 9.30am at Page House, 1 Dashwood Lang Road, The Bourne Business Park, Addlestone, Surrey, KT15 2QW. Every shareholder is entitled to attend and vote at the Meeting.

Final dividend for the year ended 31 December 2015

To be paid (if approved) on 20 June 2016 to shareholders on the register of members on 20 May 2016.

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,
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 EC1A 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 9 June 2016 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 2015.
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 2015. (Note 1)
3. To declare a final dividend on the ordinary share capital of the Company for the year ended 31 December 2015 of 7.9p per share.
4. To re-elect David Lowden as a Director of the Company. (Note 2)
5. To re-elect Simon Boddie as a Director of the Company. (Note 2)
6. To re-elect Danuta Gray as a Director of the Company. (Note 2)
7. To re-elect Steve Ingham as a Director of the Company. (Note 2)
8. To re-elect Baroness Ruby McGregor-Smith CBE as a Director of the Company. (Note 2)
9. To re-elect Kelvin Stagg as a Director of the Company. (Note 2)
10. To elect Patrick De Smedt as a Director of the Company. (Note 2)
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, 17 and 18 will be proposed as Special Resolutions.

13. Ordinary Resolution – Authority to Allot Shares (Note 3)

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 £1,086,493.18, provided that this authority, shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on 9 September 2017, 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 4)

THAT in accordance with sections 366 and 367 of the Companies Act 2006 (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 9 September 2017 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 5)

THAT the Directors be and they are hereby empowered pursuant to sections 570 and 573 of the Companies Act 2006 (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 £162,973.97, 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 6)

THAT the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006 (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 32,594,795 representing 10% of the issued ordinary share capital of the Company as at 9 April 2016;
- (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 9 September 2017 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 - Change of Company Name (Note 7)

THAT the name of the Company be and it is hereby changed to PageGroup plc.

18. Special Resolution – Notice of General Meetings (Note 8)

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 1,353,714 shares representing 0.41% 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 2016

Notes

1. Resolution 2 – Approval of the Directors' Remuneration Report

New requirements were introduced in 2014 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 Danuta Gray, Remuneration Committee Chairman;
- (b) the Annual Report on Remuneration, which sets out payments made in or relating to the financial year ending 2015; 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 67 to 79. 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.

2. 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 Patrick De Smedt, 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 51 to 54 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.

3. 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 £1,086,493.18 representing approximately one-third of the Company's issued ordinary share capital as at 9 April 2016 (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 allotting new shares. As at the date of this Notice the Company does not hold any ordinary shares in the capital of the Company in treasury.

4. 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.

5. 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 £1,086,493.18, (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 £162,973.97 representing approximately 5% of the issued ordinary share capital of the Company as at 9 April 2016 (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.

6. 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 32,594,795 (representing 10% of the Company's issued ordinary share capital as at 9 April 2016 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 2016 (the latest practicable date prior to the publication of this Notice), there were 2,626,024 options to subscribe for shares in the capital of the Company representing 0.80% 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% of the Company's issued share capital.

7. Resolution 17 – Change of Company Name

This Resolution seeks to change the name of the Company from its current name to PageGroup plc. The Company underwent a rebranding exercise in 2013, but did not, at that time, change its name. The Directors now wish the Company to use PageGroup plc as its company name.

8. Resolution 18 – Notice of General Meetings

This Resolution seeks to renew the authority granted at the 2015 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.

9. To be entitled to attend and vote, whether in person or by proxy, at the Annual General Meeting (the 'Meeting'), members must be registered in the Register of Members of the Company at 6.00 pm on Tuesday 7 June 2016 (or, if the Meeting is adjourned, at 6.00 pm on the date which is two days prior to the adjourned meeting). Changes to entries on the Register of Members after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the Meeting or adjourned meeting. A member entitled to attend and vote at 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.
10. 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.
11. 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 or + 44 (0) 208 639 3399 (calls cost 12p per minute plus your phone company's access charges. Calls from outside the United Kingdom will be charged at the applicable international rate). Lines are open Monday to Friday, 9.00am to 5.30pm, excluding public holidays in England and Wales. If you require additional copies of the Form of Proxy you may photocopy the Form of Proxy.
12. 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 13 below;

and in each case must be received by the Company not less than 48 hours before the time of the Meeting.
12. A copy of this Notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy 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.
13. 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.
14. 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.

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 2016 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 325,947,955 ordinary shares. No shares are held in treasury. Therefore the total voting rights in the Company are 325,947,955.
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.

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