11 August 2016

Half Year Results for the Period Ended 30 June 2016

PageGroup plc ("PageGroup"), the specialist professional recruitment company, announces its unaudited half year results for the period ended 30 June 2016.

Financial summary (6 months to 30 June 2016)	**2016**	**2015**	**Change**	**Change CER***
Revenue	£575.9m	£530.4m	+8.6%	+5.5%
Gross profit	£299.2m	£280.9m	+6.5%	+3.6%
Operating profit	£47.1m	£40.0m	+17.6%	+12.1%
Profit before tax	£46.9m	£40.4m	+16.0%	
Basic earnings per share	10.8p	9.1p	+18.7%	
Diluted earnings per share	10.8p	9.0p	+20.0%	
Interim dividend per share	3.75p	3.6p	+4.2%	
Special dividend per share	6.46p	16.0p		

**Constant Exchange Rates (CER)*

HIGHLIGHTS (at CER)

- Group gross profit up 3.6% to £299.2m
- Strongest growth in EMEA +12.0%
- Operating profit increased 12.1% to £47.1m
- Favourable FX movements increased reported gross profit by c.£8m and operating profit by c.£2m
- Fee earner to operational support staff ratio remains at record 77:23 (H1 2015: 77:23)
- Conversion rate of gross profit to operating profit increased to 15.7% (H1 2015: 14.3%)
- Tax rate of 28% (H1 2015: 30%)
- Interim dividend up 4.2% to 3.75 pence per share, totalling £11.6m
- Special dividend of 6.46 pence per share, totalling £20.0m

Commenting, Steve Ingham, Chief Executive Officer, said:

"PageGroup delivered an increase of 3.6% in gross profit and 12.1% in operating profit in constant currencies in the first half of 2016, with the Group's conversion rate rising to 15.7% from 14.3%, reflecting an improved business performance and operational efficiencies.

"Movements in foreign exchange rates as a result of a weaker Sterling have benefitted our first half results by c. £8m of gross profit and c. £2m of operating profit.

"We saw good performances in Continental Europe and Latin America (ex-Brazil), which combined now account for around 45% of the Group. However, the challenging market conditions in several of our larger markets, including Greater China, the UK and Brazil, continued.

"The Board has announced an interim dividend of 3.75 pence per share, an increase of 4.2% over last year. In addition, the Group is pleased to announce today a special dividend of 6.46 pence per share in line with its intention to return surplus capital to shareholders. Taking both dividend payments together, this amounts to a cash return to shareholders of £31.6m payable on 12 October 2016.

“Fee earner headcount grew 45 (+1.0%) to end the half year at a record level for the Group. With our continued focus on operational efficiencies, we maintained our record fee earner to operational support staff ratio of 77:23.

“We are pleased with our first half performance, but remain mindful of ongoing macro-economic uncertainty in the UK and elsewhere as we start the second half of the year. However, we will continue to focus on driving profitable growth, as we did in the first half, whilst remaining able to respond quickly to any changes in market conditions.”

PageGroup will host a conference call, with on-line slide presentation, for analysts and investors at 8.30am on 11 August 2016, the details of which are below.

Link:

http://www.investis-live.com/pagegroup/579a151874443c0b00942874/jwe5sd

Please use the following dial-in number to join the conference:
+ 44 (0)20 3059 8125

Please quote "PageGroup" to gain access to the call

A presentation and recording to accompany the call will be posted on the PageGroup website during the course of the morning of 11 August 2016 at:

http://www.page.com/investors/investor-library/2016.aspx

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INTERIM MANAGEMENT REPORT

To the members of PageGroup plc

GROUP STRATEGY

At PageGroup we have a clear strategic vision. We aim to be the leading specialist recruiter in each of 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 gross profit growth at attractive conversion rates.

We offer our services across a broad range of disciplines and specialisms, solely within the professional recruitment market. Our origins are in permanent recruitment, but nearly a quarter of the gross profit of the business is now in temporary placements, where local culture and market conditions allow. In particular, we focus on opportunities where our industry and market expertise can set us apart from our competition. This enables us to offer a premium service that is valued by clients and attracts the highest calibre of candidates.

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

We therefore invest significantly in our people, as the recruitment, retention and development of the best talent available is central to our ability to grow the business and to manage our resources through economic cycles. Investment in the business has been focused on developing the long-term sustainability of the business and is supported by significant balance sheet strength and cash flow generation.

Organic, scalable growth
Our strategy is to grow organically, achieved by drawing upon the skills and experience of proven PageGroup management, ensuring we have the best and most experienced, home-grown talent in each key role. Our team-based structure and profit share business model is highly scalable. The small size of our specialist teams means we can increase headcount rapidly to achieve growth when market conditions are favourable.

Conversely, when market conditions tighten, these entrepreneurial, profit sharing teams reduce in size largely through natural attrition. Consequently, our cost base contracts during the lean times. Our strategy for organic growth has served the business well over the forty years since its inception and we believe it will continue to do so. We have grown from a small, single discipline management recruitment company operating in one country to a large multidiscipline, multinational business, operating in thirty five countries represented by our three key brands of Page Executive, Michael Page and Page Personnel.

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

As recruitment is a cyclical business, impacted significantly by the strength of economies, diversification is an important element of our strategy in order to reduce our dependency on individual businesses or markets, thereby increasing the resilience of the Group. This strategy is pursued entirely through the organic growth of existing and new teams, offices, disciplines and countries, maintaining a consistent team and meritocratic culture as we grow.

Talent and skills development
We recognise that it is our people who are at the heart of everything we do, particularly as an organically grown business where ensuring we have a talent pool with experience through economic cycles and across both geographies and disciplines is critical. Investing in our people is, therefore, a vital element of our strategy.

We seek to find the highest calibre staff from a wide range of backgrounds and then do our very best to retain them through offering a fulfilling career and an attractive working environment.

This includes a team-based structure, a profit share business model and continuous training and career development, often internationally. Our strong track record of internal career moves and promotion from within means that people who join us know that they could be our future senior managers and main Board directors.

Sustainable Growth
When we invest in a new business, be it a new country, a new office or a new discipline, we do so for the long term. Downturns in the general economy of a country or in specific industries will inevitably have a knock-on effect on the recruitment market. However, it has been our practice in the past, and remains our intention, to maintain our presence in our chosen markets through these downturns, while closely controlling our cost base. In this way, we are able to retain our highly capable management teams in whom we have invested and, normally, we find that we gain market share during downturns, which positions our business for market-leading rates of growth when the economy improves. Pursuing this approach means that we carry spare capacity during downturns, which can have a negative effect on profitability in the short term. A strong balance sheet is, therefore, essential to support the business at these times.

Our strategic priorities comprise the following:

- increase the scale and diversification of PageGroup by growing organically existing and new teams, offices, disciplines and countries;

- manage the business with a team and meritocratic culture, whilst delivering a consistent and high quality client and candidate experience;

- invest through cycles in our Large, High Potential Markets of Germany, Greater China, Latin America, South East Asia and the US to achieve scale and market position;

- manage our fee earner headcount in all other markets to reflect prevailing market conditions, by selectively adding to geographies and disciplines where there is positive growth momentum, while reducing headcount where the outlook for growth or fee earner productivity is poor;

- focus on operational support consistency; and

- focus on succession planning and international career paths to encourage retention and development of key staff.

GROUP RESULTS

GROSS PROFIT		Reported (£m)			CER
	% of Group	**H1 2016**	**H1 2015**	**%**	**%**
EMEA	43%	129.1	109.1	+18.3%	+12.0%
UK	25%	74.8	75.7	-1.3%	-1.3%
Asia Pacific	19%	56.5	56.0	+0.9%	-2.6%
Americas	13%	38.8	40.1	-3.4%	-0.9%
Total	**100%**	**299.2**	**280.9**	**+6.5%**	**+3.6%**
Permanent	76%	228.2	218.0	+4.6%	+2.0%
Temporary	24%	71.0	62.9	+12.9%	+9.4%

The Group's revenue for the six months ended 30 June 2016 increased 8.6% to £575.9m (2015: £530.4m) and gross profit increased 6.5% to £299.2m (2015: £280.9m). At constant exchange rates, the Group's revenue increased 5.5% and gross profit by 3.6%. The Group's revenue mix between permanent and temporary placements was 40:60 (2015: 42:58) and for gross profit was 76:24 (2015: 78:22).

Revenue from temporary placements comprises the salaries of those placed, together with the margin charged. This margin on temporary placements improved slightly to 20.7% (2015: 20.4%) in the first half of 2016. Overall, pricing has remained relatively stable across all regions, although pricing has improved in markets and disciplines where there have been increasing instances of candidate shortages.

Total headcount increased modestly by 84, with our ongoing focus on conversion rates and maximising productivity from the investment in 206 fee earners added in 2015. Our fee earner to operational support staff ratio has remained at its record level of 77:23. We will continue to manage our headcount in the second half to react to trading conditions, either up or down.

In total, administrative expenses in the first half increased 4.6% to £252.1m (2015: £240.9m), driven by increases in headcount and foreign exchange movements, in constant currency administrative expenses are up 2.2%. At constant exchange rates the Group's operating profit from trading activities increased 12.1% to £47.1m (2015: £40.0m) an increase of 17.6% at reported rates.

The Group's conversion rate of gross profit to operating profit from trading activities improved to 15.7% (2015: 14.3%), reflecting a combination of full run-rate cost savings, steadily improving market conditions in many markets and improving consultant productivity. This was however in part offset by more challenging conditions in the UK, Brazil and Greater China.

OPERATING PROFIT AND CONVERSION RATES

The Group's organic growth model and profit-based team bonus ensures cost control remains tight. Approximately 75% of first half 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 returned to its record level of 77:23, with our ongoing focus on conversion rates and maximising productivity from the investment in 206 fee earners added in 2015.

Outside of the operational performance of the business, the creation of a shared service centre for Europe in Barcelona is progressing well. Currently 100% of Marketing, 66% of IT and around half of our Finance teams have been transitioned, with the remainder expected to be completed by the first half of 2017.

The Group views its conversion rate, which represents the ratio of operating profit to gross profit, as a key metric for the business. This conversion rate is affected by macro-economic conditions, the level of investment, particularly in fee earners and the degree of spare capacity within the business. The Group's conversion rate of 15.7% (2015: 14.3%) was an improvement on H1 2015, driven by a noticeable improvement in EMEA.

The Group benefitted in the period from the impact of movements in foreign exchange rates, as Sterling weakened against almost all of the currencies relevant to the Group's operations. In the first half, this increased the Group's revenue, gross profit and operating profit when expressed in Sterling by c. £16m, c. £8m and c. £2m, respectively.

OTHER ITEMS

A net interest charge of £0.2m (2015: income of £0.4m) reflected the lower level of cash held this year compared to 2015 and the continuing low interest rate environment. Interest income of £0.1m on cash balances held through the period was offset by financial charges related to the Group's Invoice Discounting Facility and overdrafts used to support local operations.

The charge for taxation is based on the expected effective annual tax rate of 28% (2015: 30%) on profit before taxation. This rate is lower than 2015 due to the reduction in the UK corporation tax rate as well as the mix of country profits and tax rates.

Basic and diluted earnings per share for the six months ended 30 June 2016 were both 10.8p, an increase of 18.7% and 20.0% respectively (2015: basic earnings per share 9.1p; diluted earnings per share 9.0p).

CASH FLOW

The Group started the year with net cash of £95m. In the first half, £41.3m was generated from operations after funding an increase in working capital of £16.5m, primarily due to an increase in trade receivables. Tax paid was £14.8m and net capital expenditure was £10.9m, with net interest paid of £0.1m. During the first half, £15m was spent on the purchase of shares into the employee benefit trust to hedge exposures under share-based awards and dividends of £24.6m were paid to shareholders. As a result, the Group had net cash of c. £74m at 30 June 2016.

DIVIDENDS AND SHARE REPURCHASES

It is the Directors' intention to continue to finance the activities and development of the Group from retained earnings and to operate while maintaining a strong balance sheet position.

The Group's first use of cash is to satisfy operational and investment requirements, as well as hedging its liabilities under the Group's share plans. The level of cash required for this purpose will vary depending upon the revenue mix of geographies, permanent and temporary recruitment, and point in the economic cycle.

Our second use of cash is to make returns to shareholders by way of an ordinary dividend. Our policy is to grow the ordinary 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 ordinary dividend payment during downturns, 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 and/or share buybacks. Historically, the Group has returned cash to shareholders by buying back and cancelling its shares. Over the 15 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 approaching £400m of dividend payments during the same period.

The Board has announced an interim dividend of 3.75 pence per share, an increase of 4.2% over last year. In addition, the Group is pleased to announce today a special dividend of 6.46 pence per share in line with its intention to return surplus capital to shareholders. Taking both dividend payments together, this amounts to a cash return to shareholders of £31.6m payable on 12 October 2016.

This supplementary dividend will be paid at the same time as the interim dividend on 12 October 2016 to shareholders on the register as at 9 September 2016.

During the first half, c. £15m of shares were purchased into the employee benefit trust. No shares were purchased into the employee benefit trust in 2015.

All growth rates given below are in constant currency unless otherwise stated.

EUROPE, MIDDLE EAST AND AFRICA (EMEA)

EMEA	**£m**		**Growth rates**	
(43% of Group in H1 2016)	**H1 2016**	**H1 2015**	**Reported**	**CER**
Gross Profit	129.1	109.1	+18.3%	+12.0%
Operating Profit	23.8	15.6	+52.4%	+41.5%
Conversion Rate (%)	18.5%	14.3%		

EMEA is the Group's largest region, contributing 43% of Group first half gross profit. In reported rates, revenue in the region increased by 19.2% to £254.3m (2015: £213.5m) and gross profit increased 18.3% to £129.1m (2015: £109.1m). In constant currency, revenue increased 12.5% on the first half of 2015 and gross profit increased by 12.0%.

The EMEA region experienced improving market conditions throughout the first half. Page Personnel performed well across the region, with growth of 13%. Our largest businesses in France and Germany, together representing 45% of the region by gross profit, grew 5% and 7% respectively. In France, Page Personnel represents 63% of the business and had a record first half performance. Similarly, Page Personnel Germany, which represents 34% of the business, had an excellent and record first half, growing 18%. Elsewhere in the region, Southern Europe delivered yet another strong set of results, collectively up 22%, with growth in excess of 20% also achieved in Austria, Belgium, the Netherlands and Sweden.

Our business in the Middle East & Africa was down 17%, with the Middle East impacted by continuing instability, down 28%.

The 52.4% increase in operating profit for the first half of 2016 to £23.8m (2015: £15.6m), and improvement in the conversion rate to 18.5% (2015: 14.3%) was due principally to the favourable trading conditions in 2016. It should be noted that the 2015 conversion rate, excluding the impact of closing Russia and transitioning into our new shared service centre, would have been 16.2%. Headcount across the region increased 132 (6%) in the first half of 2016 to 2,427 at the end of June 2016 (2,295 at 31 December 2015).

UNITED KINGDOM

UK	**£m**		**Growth rates**
(25% of Group in H1 2016)	**H1 2016**	**H1 2015**	
Gross Profit	74.8	75.7	-1.3%
Operating Profit	11.6	12.5	-7.1%
Conversion Rate (%)	15.6%	16.5%	

In the UK, representing 25% of Group first half gross profit, revenue increased 1.6% to £166.7m (2015: £164.0m), but gross profit decreased 1.3% to £74.8m (2015: £75.7m), with uncertainty impacting clients' decision-making in the lead up to the EU Referendum.

With clients continuing to focus on hiring at the lower salary levels, Page Personnel, which represents 22% of the UK, performed strongly, with growth of 5%. Page Personnel Finance was strong across the UK, while the newer Page Personnel HR, Secretarial, and Property & Construction disciplines continued to expand their footprint successfully. Trading conditions were more difficult within Michael Page, which operates at higher salary levels and with over 70% permanent recruitment. As such, it declined 3% for the first half of 2016. Within this, we did see a notable result from our Legal discipline, which saw growth of 23%.

Headcount decreased 3% during the first half of 2016 to 1,466 at the end of June 2016 (1,516 at 31 December 2015) as we managed our headcount in response to the tougher trading conditions. Operating profit decreased 7.1% to £11.6m (2015: £12.5m) and the conversion rate decreased to 15.6% (2015: 16.5%).

ASIA PACIFIC

Asia Pacific	**£m**		**Growth rates**	
(19% of Group in H1 2016)	**H1 2016**	**H1 2015**	**Reported**	**CER**
Gross Profit	56.5	56.0	+0.9%	-2.6%
Operating Profit	9.4	9.9	-5.0%	-10.9%
Conversion Rate (%)	16.6%	17.6%		

In Asia Pacific, representing 19% of Group first half gross profit, in reported rates revenue decreased 0.5% to £97.6m (2015: £98.0m), but gross profit increased 0.9% to £56.5m (2015: £56.0m). In constant currency, revenue decreased 4.1% and gross profit decreased 2.6%.

Asia, comprising 13% of the Group and 71% of Asia Pacific, declined 4%. Greater China saw mixed performances across the market. Hong Kong, where our clients are predominately multi-nationals, was impacted by the economic concerns and as a result was down 14% in the half. In Greater China, which was down 7% overall, we saw a stronger performance in the domestic market, which now represents over 30% of mainland China. We will continue to focus on the opportunity within this domestic client base. Elsewhere in Asia, India, Indonesia and Malaysia combined grew over 10% in constant currencies.

In Australasia, where Australia was flat, the number of placements at lower salary levels increased. As a consequence, Page Personnel outperformed Michael Page, with growth of 5%. In Michael Page, trading conditions were more difficult, particularly in Western Australia and as such growth was flat in the first half. However, Australia improved through the half, with growth of 4% in Q2.

Operating profit decreased 5.0% to £9.4m (2015: £9.9m), resulting in a decrease in the conversion rate to 16.6% (2015: 17.6%). Headcount across the region was broadly flat through the first half at 1,176 at the end of June 2016 (1,180 at 31 December 2015).

THE AMERICAS

Americas	**£m**		**Growth rates**	
(13% of Group in H1 2016)	**H1 2016**	**H1 2015**	**Reported**	**CER**
Gross Profit	38.8	40.1	-3.4%	-0.9%
Operating Profit	2.3	2.0	+12.1%	+16.8%
Conversion Rate (%)	5.8%	5.0%		

In the Americas, representing 13% of Group first half gross profit, in reported rates revenue increased 4.5% to £57.3m (2015: £54.9m) while gross profit decreased 3.4% to £38.8m (2015: £40.1m). In constant currency, revenue increased by 6.4% whereas gross profit decreased by 0.9%.

North America saw growth of 3%, though conditions were tougher in the second quarter, particularly within the New York Financial Services market. We saw good growth elsewhere in the US, as we continued to grow our market presence in the other cities in which we operate. Canada, currently in recession and combined with the low oil price, was down 6%.

Latin America was down 5%, with variable market conditions across the region. Brazil (35% of LatAm) experienced another challenging half, down 28%. We saw no improvement to trading conditions in Brazil, though it should be noted that the comparators do ease in the second half of the year. With our dominant market position, strong brand and highly experienced management team, we believe that there will be opportunities to take market share that will ensure we emerge even stronger when this market recovers.

Elsewhere, our other countries, which now represent 65% of gross profit in LatAm, had another strong half, growing at 15%. Our performances in Mexico and Argentina were particularly strong. Mexico, which is approaching the size of Brazil, exited the first half well, with growth of 15% in the second quarter.

Headcount was broadly flat in the first half of 2016, at 850 at the end of June 2016 (844 at 31 December 2015). Operating profit increased 12.1% to £2.3m (2015: £2.0m), with a conversion rate of 5.8% (2015: 5.0%).

OUTLOOK

We are pleased with our first half performance, but remain mindful of ongoing macro-economic uncertainty in the UK and elsewhere as we start the second half of the year. However, we will continue to focus on driving profitable growth, as we did in the first half, whilst remaining able to respond quickly to any changes in market conditions.

KEY PERFORMANCE INDICATORS ("KPIs")

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

KPI	Definition, method of calculation and analysis
Gross profit growth	**How measured:** Gross profit represents revenue less cost of sales and consists of the total placement fees of permanent candidates, the margin earned on the placement of temporary candidates and the margin on advertising income, i.e. it represents net fee income. The measure used is the increase or decrease in gross profit as a percentage of the prior year gross profit. **Why it's important:** The growth of gross profit relative to the previous year is an indicator of the growth of the net fees from the business as a whole. It demonstrates whether we are in line with our strategy to grow the business. **How we performed in H1 2016:** With signs of improvement in many of our markets, gross profit income in H1 2016 increased by 3.6% in constant currency, although this increased to 6.5% at reported rates after the impact of foreign exchange (H1 2015: 6.5% in reported rates, 10.7% in constant currency). **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 H1 2016:** Geographies: the percentage increased slightly to 75.0% from 73.1% in 2015, demonstrating further diversification. This increase

	reflected the economic recovery felt in Continental Europe, along with the weakness of Sterling. Disciplines: the percentage increased slightly to 61.2% (2015: 60.6%), as our newer disciplines of Legal, HR, IT and Secretarial, performed strongly, with good growth in our core Finance discipline. **Relevant strategic objective:** Diversification
Ratio of gross profits generated from permanent and temporary placements	**How measured:** Gross profit from each type of placement expressed as a percentage of total gross profit. **Why it's important:** This ratio helps us to understand where we are in the economic cycle since the temporary market tends to be more resilient when the economy is weak, although in several of our core strategic markets, working in a temporary role, or as a contractor or interim employee, is not currently normal practice, for example mainland China. **How we performed in H1 2016:** In H1 2016, we saw a stronger performance from our Page Personnel brand, which has a higher proportion of temporary placements. The improved trading conditions in these markets meant 76% of our gross profit was generated from permanent placements and 24% from temporary. H1 2015 (78:22). **Relevant strategic objective:** Organic growth
Gross profit per fee earner	**How measured:** Gross profit for the year divided by the average number of fee generating operating staff in the year **Why it's important:** This is a key indicator of productivity. **How we performed in H1 2016:** Gross profit per fee earner was £66.3k in H1 2016 compared to £64.9k in H1 2015. There has been an increase in productivity compared to 2015 as a result of the impact of favourable currency movements. If stated in constant currency, productivity is broadly flat year-on-year. **Relevant strategic objective:** Organic growth
Conversion before exceptional items	**How measured:** Operating profit before interest and taxation (EBIT) before exceptional items as a percentage of gross profit. **Why it's important:** This demonstrates the Group's effectiveness at controlling the costs and expenses associated with its normal business operations. It will be impacted by the level of productivity and the level of investment for future growth. **How we performed in H1 2016:** Operating profit as a percentage of gross profit increased to 15.7% in 2016, up from 14.3% in the prior year, driven by the work done in 2015 to achieve consistency and efficiency across the Group, as well as an improvement in trading conditions in Continental Europe. **Relevant strategic objective:** Build for the long-term
Basic earnings per share before exceptional items	**How measured:** Profit for the year attributable to the Group's equity shareholders, divided by the weighted average number of shares in issue during the year **Why it's important:** This measures the overall profitability of the Group. **How we performed in H1 2016:** Earnings per share (EPS) in H1 2016 was 10.8p, an 18.7% improvement on the EPS in 2015 of 9.1p. **Relevant strategic objective:** Build for the long-term, Organic growth
Fee-earner: operational support staff headcount ratio	**How measured:** The percentage of fee-earners compared to operational support staff at the period-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 H1 2016:** The ratio continued at a record 77:23 despite the increase in our support headcount of 39 since year end. We have added 45 fee earners in that same period. (H1 2015: 77:23). **Relevant strategic objective:** Sustainable growth
Fee-earner headcount growth	**How measured:** Number of fee-earners and directors involved in revenue-generating activities at the period 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 H1 2016:** Fee earner headcount grew at 1%, resulting in 4,529 fee-earners at the period end, as we continued to manage our headcount, both up and down to respond to market conditions. **Relevant strategic objective:** Sustainable growth
Net cash	**How measured:** Cash and short-term deposits less bank overdrafts and loans.

	Why it's important: The level of net cash is a key measure of our success in managing our working capital and determines our ability to reinvest in the business and to return cash to shareholders. **How we performed in H1 2016:** Net cash is lower than June 2015, decreasing during the first half of the year to £74m. This was as a result of share purchases into the Employee Benefit Trust of £15m in 2016 that was not incurred in 2015, as well as £20.5m received in 2015 as a result of the exercise of share options which has not been received in 2016. **Relevant strategic objective:** Build for the long-term

The source of data and calculation methods year-on-year are on a consistent basis. The movements in KPIs are in line with expectations. Disclosure for GHG emissions and People KPIs is provided annually.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks. The main risks that PageGroup believes could potentially impact the Group's operating and financial performance for the remainder of the financial year remain those set out in the Annual Report and Accounts for the year ending 31 December 2015 on pages 37 to 39.

There have been no changes to these risk categories in the first half to 30 June 2016. However, there is clearly an increased degree of uncertainty in the UK following the outcome of the EU Referendum, but it is too early to say how the result will impact our results going forward. We have a proven track record of being able to manage our headcount and costs effectively throughout the economic cycle, and it should be noted that the UK is a more resilient market due to its size and maturity. This was demonstrated in 2009, when gross profit fell 37%, but despite this we still generated over £10m of Operating Profit. We also currently expect Continental Europe to continue to remain positive, subject to any Referendum contagion. In light of this uncertainty, we will continue to focus on activity levels, particularly in these markets, adjusting headcount during the second half to react to market conditions, both up and down. As always, we remain focused on driving profitable growth, whilst remaining able to respond quickly and effectively to any changes in market conditions

TREASURY MANAGEMENT, BANK FACILITIES AND CURRENCY RISK

It is the Directors' intention to continue to finance the activities and development of the Group from retained earnings and to operate while maintaining a strong balance sheet position.

The Group's first use of cash is to satisfy operational and investment requirements, as well as hedging its liabilities under the Group's share plans. The level of cash required for this purpose will vary depending upon the revenue mix of geographies, permanent and temporary recruitment, and point in the economic cycle.

Our second use of cash is to make returns to shareholders by way of an ordinary dividend. Our policy is to grow the ordinary 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 ordinary dividend payment during downturns, 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 and / or share buybacks.

Cash surpluses are invested in short-term deposits, with any working capital requirements being provided from Group cash resources, Group facilities, or by local overdraft facilities. The Group has a multi-currency notional cash pool between the Eurozone subsidiaries and the UK-based Group Treasury subsidiary. The structure facilitates interest and balance compensation of cash and bank overdrafts. The Group has an Invoice Financing facility with HSBC Bank, the availability of which is limited to the level of UK trade receivable available for financing. This facility is subject to conventional banking covenants.

The main functional currencies of the Group are Sterling, Euro, US Dollar, Swiss Franc, Chinese Renminbi and Australian Dollar. The Group does not have material exposure to foreign denominated monetary assets and liabilities. 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 certain cases, where the Group gives or receives short-term loans to and from other Group companies with different reporting currencies, it may use short-dated foreign exchange swap derivative financial instruments to manage the currency and interest rate exposure that arises on these loans. In 2016 the Company entered into hedges to cover its investment in foreign entities in the US and Canada.

GOING CONCERN

The Board has undertaken a recent and thorough review of the Group's forecasts and associated risks and sensitivities. Despite the uncertainty in the economy and its inherent risk and impact on the business, the Board has concluded, given the level of cash in the business and Group borrowing facilities, the geographical and discipline diversification, limited concentration risk, as well as the ability to manage the cost base, that the Group has adequate resources to continue in operational existence for the foreseeable future being a period of at least 12 months from the date of this announcement.

CAUTIONARY STATEMENT

This Interim Management Report ("IMR") has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose. This IMR contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

This IMR has been prepared for the Group as a whole and therefore gives greater emphasis to those matters that are significant to PageGroup plc and its subsidiary undertakings when viewed as a whole.

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

By order of the Board,

Steve Ingham Chief Executive Officer	Kelvin Stagg Chief Financial Officer
10 August 2016	10 August 2016

INDEPENDENT REVIEW REPORT TO PAGEGROUP PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and related notes 1 to 13. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London
10 August 2016

Condensed Consolidated Income Statement
For the six months ended 30 June 2016

	Note	Six months ended 30 June 2016 Unaudited £'000	Six months ended 30 June 2015 Unaudited £'000	Year ended 31 December 2015 Audited £'000
Revenue	3	**575,891**	530,374	1,064,945
Cost of sales		**(276,740)**	(249,430)	(508,840)
Gross profit	3	**299,151**	280,944	556,105
Administrative expenses		**(252,053)**	(240,904)	(466,034)
Operating profit	3	**47,098**	40,040	90,071
Financial income	4	**50**	625	1,116
Financial expenses	4	**(241)**	(238)	(490)
Profit before tax	3	**46,907**	40,427	90,697
Income tax expense	5	**(13,134)**	(12,140)	(24,489)
Profit for the period		**33,773**	28,287	66,208
Attributable to:				
Owners of the parent		**33,773**	28,287	66,208
Earnings per share				
Basic earnings per share (pence)	8	**10.8**	9.1	21.3
Diluted earnings per share (pence)	8	**10.8**	9.0	21.1

The above results all relate to continuing operations.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2016

	Six months ended 30 June 2016 Unaudited £'000	Six months ended 30 June 2015 Unaudited £'000	Year ended 31 December 2015 Audited £'000
Profit for the period	**33,773**	28,287	66,208
Other comprehensive income/(loss) for the period			
Items that may subsequently be reclassified to profit and loss:			
Currency translation differences	**18,622**	(4,603)	(5,825)
Loss on hedging instruments	**(1,393)**	-	(173)
Total comprehensive income for the period	**51,002**	23,684	60,210
Attributable to:			
Owners of the parent	**51,002**	23,684	60,210

Condensed Consolidated Balance Sheet
As at 30 June 2016

	Note	30 June 2016 Unaudited £'000	30 June 2015 Unaudited £'000	31 December 2015 Audited £'000
Non-current assets				
Property, plant and equipment	9	**26,834**	20,347	21,411
Intangible assets - Goodwill and other intangible		**1,672**	1,793	1,733
- Computer software		**34,787**	34,731	34,533
Deferred tax assets		**14,542**	10,104	14,055
Other receivables	10	**4,254**	2,083	2,693
		82,089	69,058	74,425
Current assets				
Trade and other receivables	10	**258,443**	216,273	214,732
Current tax receivable		**11,237**	6,779	8,814
Cash and cash equivalents	13	**82,222**	100,520	95,018
		351,902	323,572	318,564
Total assets	3	**433,991**	392,630	392,989
Current liabilities				
Trade and other payables	11	**(159,516)**	(131,093)	(141,935)
Bank overdrafts	13	**(8,588)**	-	-
Current tax payable		**(20,663)**	(16,408)	(22,738)
		(188,767)	(147,501)	(164,673)
Net current assets		**163,135**	176,071	153,891
Non-current liabilities				
Other payables	11	**(7,731)**	(3,450)	(5,390)
Deferred tax liabilities		**(1,902)**	(556)	(1,167)
		(9,633)	(4,006)	(6,557)
Total liabilities	3	**(198,400)**	(151,507)	(171,230)
Net assets		**235,591**	241,123	221,759
Capital and reserves				
Called-up share capital		**3,259**	3,254	3,258
Share premium		**90,393**	88,717	90,268
Capital redemption reserve		**932**	932	932
Reserve for shares held in the employee benefit trust		**(73,348)**	(62,345)	(61,365)
Currency translation reserve		**29,263**	11,863	10,641
Retained earnings		**185,092**	198,702	178,025
Total equity		**235,591**	241,123	221,759

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2016

	Called-up share capital	Share premium	Capital redemption reserve	Reserve for shares held in the employee benefit trust	Currency translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2015	**3,219**	**75,215**	**932**	**(72,407)**	**16,466**	**192,798**	**216,223**
Currency translation differences	-	-	-	-	(4,603)	-	(4,603)
Net expense recognised directly in equity	-	-	-	-	(4,603)	-	(4,603)
Profit for the six months ended 30 June 2015	-	-	-	-	-	28,287	28,287
Total comprehensive (loss)/income for the period	-	-	-	-	(4,603)	28,287	23,684
Exercise of share plans	35	13,502	-	-	-	6,989	20,526
Reserve transfer when shares held in the employee benefit trust vest	-	-	-	10,062	-	(10,062)	-
Credit in respect of share schemes	-	-	-	-	-	3,896	3,896
Credit in respect of tax on share schemes	-	-	-	-	-	496	496
Dividends	-	-	-	-	-	(23,702)	(23,702)
	35	13,502	-	10,062	-	(22,383)	1,216
Balance at 30 June 2015	**3,254**	**88,717**	**932**	**(62,345)**	**11,863**	**198,702**	**241,123**
Currency translation differences	-	-	-	-	(1,222)	-	(1,222)
Net expense recognised directly in equity	-	-	-	-	(1,222)	-	(1,222)
Loss on hedging instruments	-	-	-	-	-	(173)	(173)
Profit for the six months ended 31 December 2015	-	-	-	-	-	37,921	37,921
Total comprehensive (loss)/income for the period	-	-	-	-	(1,222)	37,748	36,526
Exercise of share plans	4	1,551	-	-	-	781	2,336
Reserve transfer when shares held in the employee benefit trust vest	-	-	-	980	-	(980)	-
Credit in respect of share schemes	-	-	-	-	-	2,905	2,905
Credit in respect of tax on share schemes	-	-	-	-	-	232	232
Dividends	-	-	-	-	-	(61,363)	(61,363)
	4	1,551	-	980	-	(58,425)	(55,890)
Balance at 31 December 2015 and 1 January 2016	**3,258**	**90,268**	**932**	**(61,365)**	**10,641**	**178,025**	**221,759**
Currency translation differences	-	-	-	-	18,622	-	18,622
Net income recognised directly in equity	-	-	-	-	18,622	-	18,622
Loss on hedging instruments	-	-	-	-	-	(1,393)	(1,393)
Profit for the six months ended 30 June 2016	-	-	-	-	-	33,773	33,773
Total comprehensive income for the period	-	-	-	-	18,622	32,380	51,002
Purchase of shares held in employee benefit trust	-	-	-	(15,058)	-	-	(15,058)
Exercise of share plans	1	125	-	-	-	41	167
Reserve transfer when shares held in the employee benefit trust vest	-	-	-	3,075	-	(3,075)	-
Credit in respect of share schemes	-	-	-	-	-	2,488	2,488
Debit in respect of tax on share schemes	-	-	-	-	-	(203)	(203)
Dividends	-	-	-	-	-	(24,564)	(24,564)
	1	125	-	(11,983)	-	(25,313)	(37,170)
Balance at 30 June 2016	**3,259**	**90,393**	**932**	**(73,348)**	**29,263**	**185,092**	**235,591**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2016

	Note	30 June 2016 Unaudited £'000	30 June 2015 Unaudited £'000	Year ended 31 December 2015 Audited £'000
Cash generated from operations	12	**41,262**	28,156	101,603
Income tax paid		**(14,802)**	(10,338)	(19,091)
Net cash generated from operating activities		**26,460**	17,818	82,512
Cash flows from investing activities				
Purchases of property, plant and equipment		**(7,269)**	(3,611)	(9,161)
Purchases of intangible assets		**(4,634)**	(2,055)	(6,015)
Proceeds from the sale of property, plant and equipment, and computer software		**994**	335	374
Interest received		**50**	625	1,116
Net cash used in investing activities		**(10,859)**	(4,706)	(13,686)
Cash flows from financing activities				
Dividends paid		**(24,564)**	(23,702)	(85,065)
Interest paid		**(124)**	(241)	(269)
Issue of own shares for the exercise of options		**167**	20,526	22,619
Purchase of shares into the employee benefit trust		**(15,058)**	-	-
Net cash used in financing activities		**(39,579)**	(3,417)	(62,715)
Net (decrease)/increase in cash and cash equivalents		**(23,978)**	9,695	6,111
Cash and cash equivalents at the beginning of the period		**95,018**	90,012	90,012
Exchange gain/(loss) on cash and cash equivalents		**2,594**	813	(1,105)
Cash and cash equivalents at the end of the period	13	**73,634**	100,520	95,018

Notes to the condensed set of interim financial statements

For the six months ended 30 June 2016

1. General information

The information for the year ended 31 December 2015 does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Accounting policies

Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with IAS 34 'Interim financial reporting' and with the Disclosure and Transparency Rules of the Financial Conduct Authority.

The unaudited interim condensed consolidated financial statements do not constitute the Group's statutory financial statements. The Group's most recent statutory financial statements, which comprise the annual report and audited financial statements for the year ended 31 December 2015, were approved by the directors on 9 March 2016. The interim condensed consolidated financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the interim management report. The interim management report also includes a summary of the Group's financial position, its cash flows and its borrowing facilities.

The directors believe the Group is well placed to manage its business risks successfully. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current committed facilities.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly financial report.

New accounting standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015.

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

3. 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. Segment operating profit represents the profit earned by each segment including allocation of central administration costs. This is the measure reported to the Group's Board, the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance.

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

	Revenue			Gross Profit		
	Six months ended		Year ended	Six months ended		Year ended
	30 June 2016 £'000	**30 June 2015 £'000**	**31 December 2015 £'000**	**30 June 2016 £'000**	**30 June 2015 £'000**	**31 December 2015 £'000**
EMEA	**254,341**	213,453	421,310	**129,137**	109,120	216,987
United Kingdom	**166,655**	164,008	337,673	**74,743**	75,697	151,581
Asia Pacific						
Australia and New Zealand	**48,025**	51,035	95,835	**16,310**	15,800	30,077
Asia	**49,537**	46,989	95,468	**40,215**	40,199	79,033
Total	**97,562**	98,024	191,303	**56,525**	55,999	109,110
Americas	**57,333**	54,889	114,659	**38,746**	40,128	78,427
	575,891	530,374	1,064,945	**299,151**	280,944	556,105

	Operating Profit		
	Six months ended		Year ended
	30 June 2016 £'000	**30 June 2015 £'000**	**31 December 2015 £'000**
EMEA	**23,841**	15,641	31,889
United Kingdom	**11,623**	12,515	29,235
Asia Pacific			
Australia and New Zealand	**1,998**	1,802	4,696
Asia	**7,382**	8,071	18,020
Total	**9,380**	9,873	22,716
Americas	**2,254**	2,011	6,231
Operating profit	**47,098**	40,040	90,071
Financial (expense)/income	**(191)**	387	626
Profit before tax	**46,907**	40,427	90,697

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

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

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

	Total Assets			Total Liabilities		
	30 June 2016 £'000	**30 June 2015 £'000**	**31 December 2015 £'000**	**30 June 2016 £'000**	**30 June 2015 £'000**	**31 December 2015 £'000**
EMEA	**166,280**	130,110	143,621	**81,624**	65,237	74,687
United Kingdom	**124,919**	136,372	128,699	**57,220**	35,290	40,499
Asia Pacific						
Australia and New Zealand	**24,415**	25,994	21,953	**10,661**	9,901	8,008
Asia	**57,686**	50,452	48,213	**14,798**	11,076	12,616
Total	**82,101**	76,446	70,166	**25,459**	20,977	20,624
Americas	**49,454**	42,923	41,689	**13,434**	13,595	12,682
Segment assets/liabilities	**422,754**	385,851	384,175	**177,737**	135,099	148,492
Income tax	**11,237**	6,779	8,814	**20,663**	16,408	22,738
	433,991	392,630	392,989	**198,400**	151,507	171,230

	Property, Plant & Equipment			Intangible Assets		
	30 June 2016 £'000	**30 June 2015 £'000**	**31 December 2015 £'000**	**30 June 2016 £'000**	**30 June 2015 £'000**	**31 December 2015 £'000**
EMEA	**8,561**	5,300	6,479	**2,981**	412	2,449
United Kingdom	**7,209**	7,060	7,204	**32,769**	35,412	33,187
Asia Pacific						
Australia and New Zealand	**1,362**	1,376	1,255	**50**	102	73
Asia	**2,599**	1,628	1,364	**42**	57	43
Total	**3,961**	3,004	2,619	**92**	159	116
Americas	**7,103**	4,983	5,109	**617**	541	514
	26,834	20,347	21,411	**36,459**	36,524	36,266

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

(c) Revenue and gross profit by discipline

	Revenue			**Gross Profit**		
	Six months ended		**Year ended**	**Six months ended**		**Year ended**
	30 June 2016 £'000	**30 June 2015 £'000**	**31 December 2015 £'000**	**30 June 2016 £'000**	**30 June 2015 £'000**	**31 December 2015 £'000**
Finance and Accounting	**248,789**	229,039	468,364	**116,035**	110,599	220,082
Legal, Technology, HR, Secretarial and Other	**142,119**	127,429	253,456	**66,590**	58,834	119,842
Engineering, Property & Construction, Procurement & Supply Chain	**105,125**	96,143	190,547	**57,894**	54,995	106,321
Marketing, Sales and Retail	**79,858**	77,763	152,578	**58,632**	56,516	109,860
	575,891	530,374	1,064,945	**299,151**	280,944	556,105

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

	Revenue			**Gross Profit**		
	Six months ended		**Year ended**	**Six months ended**		**Year ended**
	30 June 2016 £'000	**30 June 2015 £'000**	**31 December 2015 £'000**	**30 June 2016 £'000**	**30 June 2015 £'000**	**31 December 2015 £'000**
Permanent	**232,129**	221,650	431,292	**228,136**	218,049	424,015
Temporary	**343,762**	308,724	633,653	**71,015**	62,895	132,090
	575,891	530,374	1,064,945	**299,151**	280,944	556,105

4. Financial income / (expenses)

	Six months ended		**Year ended**
	30 June 2016 £'000	**30 June 2015 £'000**	**31 December 2015 £'000**
Financial income			
Bank interest receivable	**50**	625	1,116
Financial expenses			
Bank interest payable	**(241)**	(238)	(490)

5. Taxation

Taxation for the six month period is charged at 28.0% (six months ended 30 June 2015: 30.0%; year ended 31 December 2015: 27.0%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six month period.

6. Dividends

	Six months ended		Year ended
	30 June 2016 £'000	30 June 2015 £'000	31 December 2015 £'000
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2015 of 7.90p per ordinary share (2014: 7.58p)	**24,564**	23,702	23,702
Interim dividend for the period ended 30 June 2015 of 3.60p per ordinary share	**-**	-	11,271
Special dividend for the year ended 31 December 2015 of 16.0p per ordinary share	**-**	-	50,092
	24,564	23,702	85,065
Amounts proposed as distributions to equity holders in the period:			
Proposed interim dividend for the period ended 30 June 2016 of 3.75p per ordinary share (2015: 3.60p)	**11,617**	11,254	-
Proposed special dividend for the year ended 31 December 2016 of 6.46p per ordinary share (2015: 16.0p)	**20,013**	50,019	-
Proposed final dividend for the year ended 31 December 2015 of 7.90p per ordinary share	**-**	-	24,747

The proposed interim dividend had not been approved by the Board at 30 June 2016 and therefore has not been included as a liability. The comparative interim dividend at 30 June 2015 was also not recognised as a liability in the prior period.

The proposed interim dividend of 3.75 pence (2015: 3.60 pence) per ordinary share and special dividend of 6.46 pence (2015: 16.0 pence) per ordinary share will be paid on 12 October 2016 to shareholders on the register at the close of business on 9 September 2016.

7. Share-based payments

In accordance with IFRS 2 “Share-based Payment”, a charge of £2.0m has been recognised for share options and other share-based payment arrangements (including social charges) (30 June 2015: £5.1m, 31 December 2015: £7.6m).

8. Earnings per ordinary share

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

	Six months ended		Year ended
Earnings	30 June 2016	30 June 2015	31 December 2015
Earnings for basic and diluted earnings per share (£'000)	**33,773**	28,287	66,208
Number of shares			
Weighted average number of shares used for basic earnings per share ('000)	**312,249**	309,827	311,436
Dilution effect of share plans ('000)	**974**	2,988	2,368
Diluted weighted average number of shares used for diluted earnings per share ('000)	**313,223**	312,815	313,804
Basic earnings per share (pence)	**10.8**	9.1	21.3
Diluted earnings per share (pence)	**10.8**	9.0	21.1

The above results all relate to continuing operations.

9. Property, plant and equipment

Additions

During the period ended 30 June 2016, the Group acquired property, plant and equipment with a cost of £7.3m (30 June 2015: £3.6m, 31 December 2015: £9.2m). These additions relate to fit-out costs for our European SSC and new office locations in New York, Paris and Tokyo.

10. Trade and other receivables

	30 June 2016 £'000	30 June 2015 £'000	31 December 2015 £'000
Current			
Trade receivables	**198,152**	168,763	169,012
Less provision for impairment of receivables	**(6,715)**	(4,964)	(5,635)
Net trade receivables	**191,437**	163,799	163,377
Other receivables	**12,084**	9,434	9,041
Prepayments and accrued income	**54,922**	43,040	42,314
	258,443	216,273	214,732
Non-current			
Other Receivables	**4,254**	2,083	2,693

11. Trade and other payables

	30 June 2016 £'000	30 June 2015 £'000	31 December 2015 £'000
Current			
Trade payables	**8,738**	6,146	15,659
Other tax and social security	**47,052**	41,791	44,181
Other payables	**12,292**	7,807	10,813
Accruals	**89,729**	73,984	70,543
Deferred income	**1,705**	1,365	739
	159,516	131,093	141,935
Non-current			
Deferred income	**7,432**	3,190	5,092
Other tax and social security	**299**	260	298
	7,731	3,450	5,390

12. Cash flows from operating activities

	Six months ended		Year ended
	30 June 2016 £'000	30 June 2015 £'000	31 December 2015 £'000
Profit before tax	**46,907**	40,427	90,697
Depreciation and amortisation charges	**8,221**	7,640	15,417
(Income)/loss on sale of property, plant and equipment, and computer software	**(9)**	17	690
Share scheme charges	**2,414**	3,896	6,869
Net finance costs/(income)	**191**	(387)	(626)
Operating cash flow before changes in working capital	**57,724**	51,593	113,047
Increase in receivables	**(22,599)**	(23,906)	(20,248)
Increase in payables	**6,137**	469	8,804
Cash generated from operations	**41,262**	28,156	101,603

13. Cash and cash equivalents

	Six months ended 30 June 2016 £'000	Six months ended 30 June 2015 £'000	Year ended 31 December 2015 £'000
Cash at bank and in hand	**74,773**	97,169	76,957
Short-term deposits	**7,449**	3,351	18,061
Cash and cash equivalents	**82,222**	100,520	95,018
Bank overdrafts	**(8,588)**	-	-
Cash and cash equivalents in the statement of cash flows	**73,634**	100,520	95,018
Net funds	**73,634**	100,520	95,018

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.

PageGroup maintains an Invoice Financing Facility with HSBC whereby the Group has the option to discount facilities in order to advance cash on its receivables. The facility is used only ad hoc in case the Group needs to fund any major GBP cash outflow.

RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge:-

a) the condensed set of interim financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting";

b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

On behalf of the Board

S Ingham Chief Executive Officer	K Stagg Chief Financial Officer

10 August 2016

Copies of the condensed interim financial statements are now available and can be downloaded from the Company's website
http://www.page.com/investors/investor-library/2016.aspx