

Michael Page

INTERNATIONAL

2005 INTERIM RESULTS

15 August 2005

Overview

- Strong results well ahead of expectations
- UK, Asia Pacific and Americas continue to grow strongly
- Significant improvement in Continental Europe
- Operating profits increase by 79% from 28% increase in gross profits
- Low tax charge due to utilisation of prior years' tax losses
- Significantly increased adjusted earnings per share up 113%
- Interim dividend increased by 20%
- 12.8m shares repurchased during first half

Agenda

- Financial Results and segmental analysis
- Geographical Review
- Current trading and strategy

Profit and loss

	2005 £ m	Change	2004 £ m
Turnover	250.4	22.4%	204.6
Gross profit	128.2	27.6%	100.4
Pre IFRS operating profit	31.5	78.6%	17.6
IFRS impact	(0.9)		(0.5)
Operating profit	30.6	78.8%	17.1
Net interest	(0.1)		0.1
Profit before tax	30.5	77.1%	17.2
Taxation	(7.9)		2.7
Profit after tax	22.6	13.4%	19.9

IFRS

- First reported results under IFRS
- Key areas are share based payments (options), goodwill and proposed dividends
- Share option charge in first half £0.9m (2004: £0.5m)
- Increase due to new option grants and social charges

Taxation

	2005 £ m	2004 £ m
Profit before tax	30.5	17.2
Taxation on profits		
Current and deferred tax	(7.9)	(6.3)
Exceptional tax credit	-	9.0
Total income tax expense/credit	(7.9)	2.7
Effective tax rate on profits	26.0%	36.6%

Expected effective rate lower in 2005 due to utilisation of tax losses

Earnings per share and dividends

	2005 pence		2004 pence
Earnings per share			
Basic	6.6	17.9%	5.6
Diluted	6.5	16.1%	5.6
Adjusted before exceptional tax items	6.6	112.9%	3.1
Dividend			
Interim - per share	1.5	20.0%	1.25

Share repurchases

- Repurchased 12.8m shares in first half of 2005
- All held in treasury and do not receive dividends and not counted for EPS
- Total cost of repurchases £24.9m
- Average price 193.3p

Cash flow

	2005 £ m	2004 £ m
Operating profit	30.6	17.1
Depreciation/amortisation/share scheme charges	3.9	3.7
Increase in receivables	(17.1)	(11.4)
Increase in payables	3.0	2.8
Decrease in provisions	(0.3)	(4.3)
Net cash inflow from operating activities	20.1	8.0
Net interest (paid)/received	(0.0)	0.2
Taxation paid	(1.2)	(4.4)
Net capital expenditure	(2.9)	(1.7)
	15.9	2.0
Dividends paid	(9.04)	(8.2)
Purchase of own shares	(24.9)	(15.3)
Net cash outflow	(18.4)	(21.5)

Balance sheet

	2005 30 June £ m	2004 31 Dec £ m
Goodwill	1.5	1.5
Tangible assets	20.8	20.9
	22.3	22.5
Trade and other receivables	104.2	87.9
Trade and other payables	(64.6)	(62.4)
	39.6	25.5
Current and deferred taxes	(5.1)	1.5
Net (debt)/cash	(6.1)	12.2
Provisions	(0.9)	(1.2)
Net assets	49.9	60.5

Discipline analysis

		2005 £ m	%	2004 £ m	%
Turnover					
Finance & Accounting	16.1%	160.6	64%	138.2	68%
Marketing, Sales, Retail	16.3%	40.9	16%	35.2	17%
Other	57.2%	48.9	20%	31.1	15%
	22.4%	250.4		204.6	
Gross profit					
Finance & Accounting	23.1%	76.2	59%	61.9	62%
Marketing, Sales, Retail	21.9%	26.8	21%	22.0	22%
Other	52.0%	25.1	20%	16.5	16%
	27.6%	128.2		100.4	

Perm/Temp analysis

	Growth	2005 £ m	%	2004 £ m	%
Turnover					
Permanent	30.2%	98.7	39%	75.8	37%
Temporary	17.9%	151.7	61%	128.7	63%
	22.4%	250.4		204.6	
Gross profit					
Permanent	31.2%	93.5	73%	71.3	71%
Temporary	18.9%	34.7	27%	29.2	29%
	27.6%	128.2		100.4	
Gross margin					
Group		51.2%		49.1%	
Permanent		94.7%		94.0%	
Temporary		22.9%		22.7%	

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Geographical analysis of gross profit

	Growth	2005 £ m	%	2004 £ m	%
United Kingdom	18.5%	62.9	49%	53.1	53%
Continental Europe	37.2%	40.7	32%	29.7	30%
Asia Pacific	31.3%	18.8	15%	14.3	14%
Americas	71.8%	5.7	4%	3.3	3%
	27.6%	128.2	100%	100.4	100%

United Kingdom

	2005 H1 £ m	2004 H1 £ m	YOY change %
Turnover	127.9	11.5	14.7%
Gross profit	62.9	53.1	18.5%
Operating profit	15.5	10.9	42.3%
Operating margin	24.6%	20.5%	
Headcount at period end	1,286	1,206	

United Kingdom

- Finance and accounting gross profit grew 11%
 - Stronger growth in industry and commerce than in City
- Marketing, Sales and Retail grew by 19%
 - Weakest area is Retail but less than 4% of UK gross profit
- Other disciplines grew by 50%
 - Rapid growth in Engineering, Supply Chain and HR
- Scotland, now managed separately, grew gross profit 29%
- New office in Liverpool

Continental Europe

	2005 H1 £ m	2004 H1 £ m	YOY change %
Turnover	77.2	59.8	29.1%
Gross profit	40.7	29.7	37.2%
Operating profit	7.8	1.3	486.2%
Operating margin	19.1%	4.5%	
Headcount at period end	947	801	

Continental Europe

- France
 - Gross profit 14% higher and represents approx. 50% of the region
 - Increase largely perm rather than temp
 - Growth rates strengthened during first half
 - Spare capacity still exists
- Very strong growth in Switzerland, Germany, Holland, Sweden, Belgium and Spain all above 50%
- Italy growing at over 25%
- Increasing market share
- New office opened in Amersfoort and opening in Warsaw in Q3

Asia Pacific

	2005 H1 £ m	2004 H1 £ m	YOY change %
Turnover	37.3	27.9	33.5%
Gross profit	18.8	14.3	31.3%
Operating profit	6.6	4.7	38.9%
Operating margin	35.0%	33.1%	
Headcount at period end	351	299	

Asia Pacific

- Australian gross profit up by 25.8% driven by continuing strong demand from manufacturing and mining
- Opened Chatswood, North Sydney, office during first half
- Strong growth from Hong Kong and Singapore
- Shanghai office growing and profitable
- Tokyo achieved above 50% growth following investment

Americas

	2005 H1 £ m	2004 H1 £ m	YOY change %
Turnover	8.0	5.3	50.1%
Gross profit	5.7	3.3	71.8%
Operating profit	0.7	0.2	350.9%
Operating margin	12.9%	4.9%	
Headcount at period end	169	123	

Americas

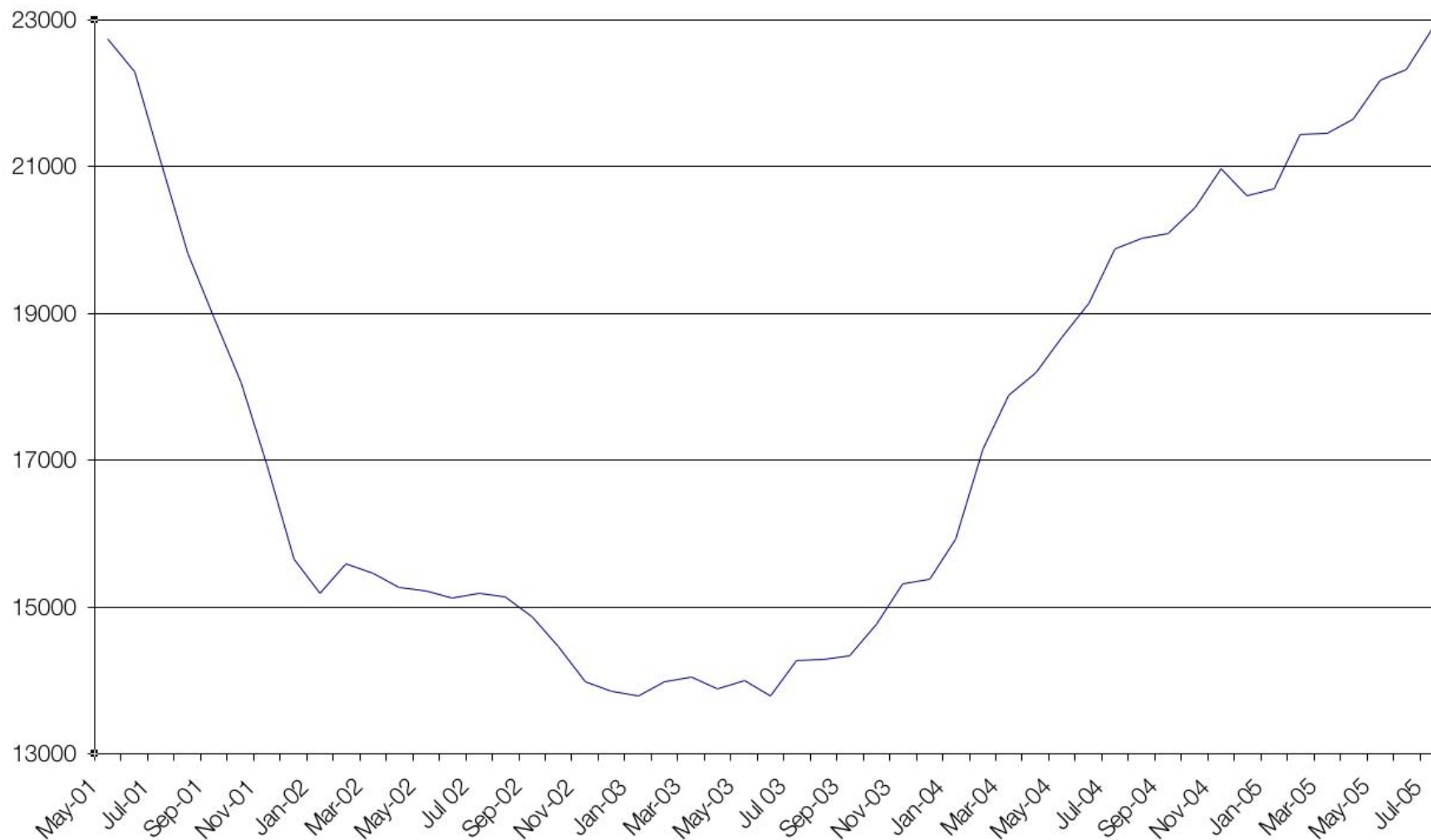
- USA continue to add headcount in existing five offices
- Opening Toronto office in Q3 and another on Eastern Seaboard in Q4
- Still only Finance and Accounting
- Brazil another very strong performance
- Sales & Marketing progressing well
- Increased size of Rio office
- Region generated £0.7m operating profit after continuing investment in expansion

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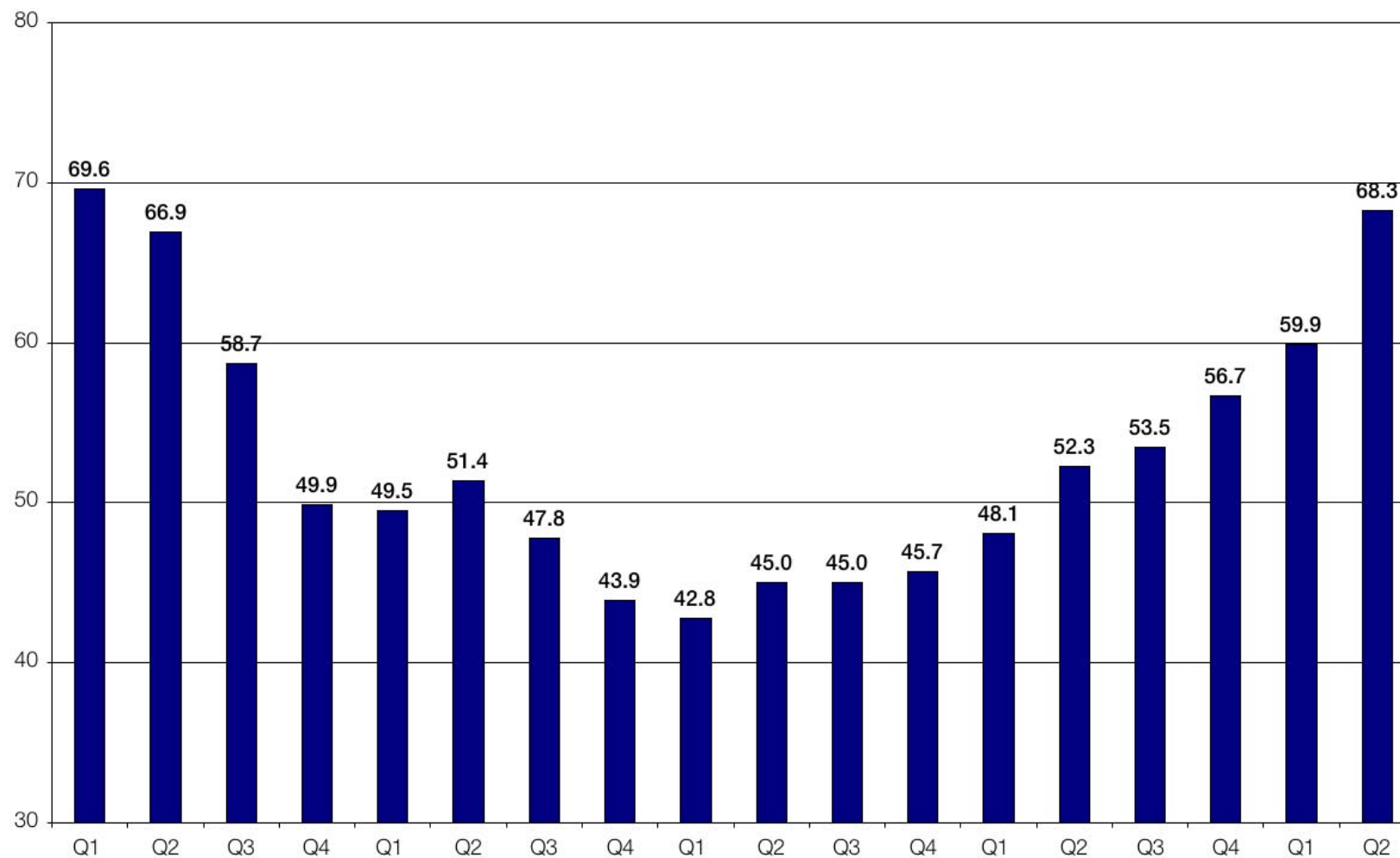
Global Job Count

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Group Quarterly Gross Profit Trend

Q1 2001 to Q2 2005



Strategy

- Remains unchanged
- Organically grow existing offices
- Roll out existing disciplines
- Open new offices
- Enter new geographic markets
- Continue to invest in people and systems

Current Trading

- Good activity levels in UK, Asia Pacific and the Americas
- Improved conditions continuing in Continental Europe but still tough
- Growth in France strengthened during the first half
- Investing in a large number of our businesses for future growth
- Plan to open a number of new offices in H2 2005
- Q3 Trading update will be issued on 5 October 2005
- Investor day 12 October in London

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