

9 April 2010

Michael Page International plc

FIRST QUARTER 2010 INTERIM MANAGEMENT STATEMENT

Financial Summary

- **Group** Q1 gross profit of £97.8m, sequentially +£7.2m or +7.9% (+7.9%*) on Q4 2009 and +2.9% (+1.9%*) on the £95.0m in Q1 2009
- **EMEA** (46% of Group) Q1 gross profit of £44.6m, sequentially +£2.4m or +5.6% (+7.6%*) on Q4 2009 and -6.5% (-4.6%*) against the £47.7m in Q1 2009
- **UK** (30% of Group) Q1 gross profit of £28.9m, sequentially +£2.4m or +9.2% on Q4 2009 and flat against £28.9m in Q1 2009
- **Asia Pacific** (13% of Group) Q1 gross profit of £13.2m, sequentially +£1.0m or +7.5% (+3.2%*) on Q4 2009 and +39.3% (+26.2%*) against the £9.4m in Q1 2009
- **Americas** (11% of Group) Q1 gross profit of £11.1m, sequentially +£1.5m or +15.3% (+11.9%*) on Q4 2009 and +23.9% (+17.4%*) against the £9.0m in Q1 2009
- **Q1 Permanent** gross profit (77% of Group) sequentially +£8.5m or +12.9% (+12.8%*) on Q4 2009 and +13.0% (+11.8%*) against the £66.3m in Q1 2009
- **Q1 Temporary** gross profit (23% of Group) sequentially -£1.3m or -5.7% (-5.6%*) on Q4 2009 and -20.3% (-20.9%*) against the £28.7m in Q1 2009
- **Group headcount** at 31 March 2010 of 3,659, 110 (3.1%) more than at 31 December 2009
- **8.7m shares** (2.7% of share capital) purchased during the quarter
- **Net cash** at 31 March 2010 in the region of £118m (£137.2m at 31 December 2009)

* Denotes where overseas results denominated in foreign currencies have been translated at constant rates of exchange for constant currency illustrative purposes.

Commenting on the first quarter trading, Steve Ingham, Chief Executive said:

"Our performance in the first quarter was encouraging, with gross profit up 8% sequentially on the fourth quarter of 2009 at £98m and all four of our geographic regions now reporting sequential growth. The improvement in our performance has been driven largely by greater permanent recruitment activity, as confidence levels have increased leading to a higher rate of job churn, and a stronger than expected performance in the UK.

"Over the last few years we have concentrated our investment in diversifying the Group internationally and we now have 40% of our fee earners in underdeveloped markets. We have strong market leading positions in specialist recruitment in Asia and Latin America and are particularly optimistic about our prospects in these regions. While we believe the outlook for the UK, Continental Europe and North America is less certain, we are now experiencing an improvement in almost all markets. With the benefit of maintaining our presence in all our markets, our lower cost base and our operational gearing, we are well positioned to improve significantly our performance in 2010."

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The company will host a conference call for analysts and investors at 9.00am today. The live presentation can be viewed by following the link:

<http://w.on24.com/r.htm?e=200842&s=1&k=DD0F36388E9890AC5BA82D4FD5EEE8EF>

The dial-in details for the conference call are as follows:

Dial-In: +44 (0)20 7162 0025

Conference ID: 861441

Please quote "Michael Page Conference Call" to gain access to the call.

The presentation and recording of the call will be available on the company's website later today at

<http://investors.michaelpage.co.uk/presentations>

The Group will issue its second quarter and half year trading update on 9th July 2010.

Trading update

Michael Page International plc (MPI), the specialist recruitment consultancy, reports first quarter Group gross profit of £97.8m (Q1 2009: £95.0m), a year-on-year increase of 2.9% in reported currency (+1.9%*). Sequentially, the first quarter was £7.2m, 7.9% (+7.9%*) higher than the fourth quarter of 2009. Group headcount increased by 110 during the quarter to 3,659 at the end of March 2010.

The growth in gross profit has been generated entirely from an increase in permanent recruitment. Group gross profit from permanent recruitment in the first quarter was £74.9m, an increase of 13.0% (+11.8%*) over the £66.3m in the first quarter of 2009 and a sequential increase of 12.9% (+12.8%*) over the £66.4m in the fourth quarter of 2009.

Group gross profit from temporary recruitment in the first quarter was £22.9m, a decrease of 20.3% (-20.9%*) over the £28.7m in the first quarter of 2009 and a sequential decrease of 5.7% (-5.6%*) over the £24.2m in the fourth quarter of 2009.

The perm/temp ratio in the first quarter was 77:23 (Q1 2009: 70:30) compared to 73:27 in the fourth quarter of 2009.

EMEA Gross Profit (46% of Group in Q1 2010)			Growth rates	
			Reported	Constant exchange
Q1 2010 vs. Q1 2009	£44.6m	£47.7m	-6.5%	-4.6%
Q1 2010 vs. Q4 2009	£44.6m	£42.2m	+5.6%	+7.6%
Headcount at 31 March 1,565 (31 December 1,572) In local currency: <ul style="list-style-type: none">• France (18% of the Group) was higher by 2% against Q1 2009 (3% higher than Q4 2009)• Germany (6% of the Group) was lower by 5% against Q1 2009 (19% higher than Q4 2009)• Netherlands (4% of the Group) was lower by 44% against Q1 2009 (11% lower than Q4 2009)• Italy (4% of the Group) was higher by 4% against Q1 2009 (14% higher than Q4 2009)• Spain (4% of the Group) was higher by 4% against Q1 2009 (18% higher than Q4 2009)• Austria, Belgium, Ireland, Luxembourg, Poland, Portugal, Russia, South Africa, Sweden, Switzerland, Turkey, U.A.E. (10% of the Group) was higher by 13% against Q1 2009 (15% higher than Q4 2009)				

In our largest region, Europe, Middle East and Africa (EMEA), representing 46% of Group gross profit, first quarter gross profit was £44.6m, a decrease of 6.5% (-4.6%*) over the £47.7m recorded in the first quarter of 2009. Sequentially, EMEA grew by £2.4m, an increase of 5.6% (+7.6%*) over the £42.2m recorded in the fourth quarter of 2009.

Market conditions, while weak, in general continued to show further stabilisation and improvement, resulting in a second consecutive quarter of sequential growth. In France, Germany, Italy and Spain, gross profit in the first quarter was higher than the fourth quarter gross profit in 2009. With the exception of the Netherlands, the majority of the other countries also grew sequentially. Headcount across the region reduced slightly, with the increase in gross profit being achieved by improved productivity.

UK Gross Profit (30% of Group in Q1 2010)			Growth rates
Q1 2010 vs. Q1 2009	£28.9m	£28.9m	+0.1%
Q1 2010 vs. Q4 2009	£28.9m	£26.5m	+9.2%
Headcount at 31 March 1,210 (31 December 1,179) <ul style="list-style-type: none">• Finance & Accounting (15% of the Group) was 4% lower against Q1 2009 (5% higher than Q4 2009)• Marketing, Sales and Retail (7% of Group) was higher by 9% against Q1 2009 (17% higher than Q4 2009)• Legal, Technology, HR and Secretarial (5% of the Group) was flat against Q1 2009 (11% higher than Q4 2009)• Engineering & Manufacturing, Procurement & Supply Chain, Property & Construction (3% of the Group) was higher by 5% against Q1 2009 (12% higher than Q4 2009)			

In the UK, representing 30% of Group gross profit, first quarter gross profit was £28.9m, flat on the first quarter of 2009, but sequentially 9.2% higher than the fourth quarter of 2009. Market conditions in general improved during the quarter, with the strongest being in Financial Services, Sales, Retail, Human Resources and Technology. Headcount during the first quarter increased by 31 to 1,210 (Q4 2009: 1,179).

Asia Pacific Gross Profit (13% of Group in Q1 2010)			Growth rates	
			Reported	Constant exchange
Q1 2010 vs. Q1 2009	£13.2m	£9.4m	+39.3%	+26.2%
Q1 2010 vs. Q4 2009	£13.2m	£12.2m	+7.5%	+3.2%
Headcount at 31 March 440 (31 December: 403)				
In local currency:				
<ul style="list-style-type: none"> Australia and New Zealand (8% of the Group) was higher by 7% against Q1 2009 (8% higher than Q4 2009) Asia (5% of Group) was higher by 54% against Q1 2009 (3% lower than Q4 2009) 				

In Asia Pacific, first quarter gross profit was £13.2m, an increase of 39.3% (+26.2%*) over the £9.4m recorded in the first quarter of 2009. Sequentially, the region grew by £1.0m (+7.5% or +3.2%*). The first quarter is typically the slowest in this region due to seasonal factors. However, in Australia and New Zealand, the first quarter gross profit was 8% higher than the fourth quarter of 2009 and 7% higher year over year. In Asia, Chinese New Year is a big holiday period and, as a result, first quarter gross profit was sequentially 3% lower than the fourth quarter of 2009, but 54% higher year over year. Headcount across the region grew by 37 (+9%) to 440, with the majority of the additions in Asia.

Americas Gross Profit (11% of Group in Q1 2010)			Growth rates	
			Reported	Constant exchange
Q1 2010 vs Q1 2009	£11.1m	£9.0m	+23.9%	+17.4%
Q1 2010 vs Q4 2009	£11.1m	£9.6m	+15.3%	+11.9%
Headcount at 31 March 444 (31 December 395)				
In local currency:				
<ul style="list-style-type: none"> Brazil, Mexico & Argentina (7% of the Group) was higher by 24%, against Q1 2009 (9% higher than Q4 2009) USA & Canada (4% of the Group) was higher by 10%, against Q1 2009 (17% higher than Q4 2009) 				

In the Americas, first quarter gross profit was £11.1m, an increase of 23.9% (+17.4%*) over the £9.0m recorded in the first quarter of 2009. Sequentially, the region grew by £1.5m, 15.3% (+11.9%*) higher than the fourth quarter. In Latin America, the first quarter is seasonally quieter due to holiday periods. However, gross profit was up 9% on the fourth quarter of 2009 and 24% higher year over year. In North America, market conditions have improved slightly, particularly in Financial Services, with gross profit growing 17% over the fourth quarter of 2009 and higher by 8% year-on-year. Headcount across the region grew by 49 (+12%) to 444, with the majority of the additions in Latin America.

Update on VAT reclaim

An agreement with HMRC has been reached in principle for MPI to retain £28.5 million (net of fees) in respect of reclaimed VAT and interest thereon. The drafting of a formal contractual agreement is currently being discussed. When it is signed, the Group will return approximately £12m of the £50m it received from HMRC in 2009.

Share purchases

During the quarter, the Group's Employee Benefit Trust purchased 8.7m shares at an average cost of 406.1p per share, totalling £35.1m, of which £21.9m had been cash settled at 31 March 2010. These shares have been purchased to satisfy the Group's share plan arrangements and until they are beneficially awarded to staff, will not receive dividends nor count in basic earnings per share calculations.

Financial Position

Save for the effects of trading in the first quarter, the position with respect to the VAT reclaim and share purchases described above, there have been no other significant changes in the financial position of the Group since the publication of the results for the year ended 31 December 2009.

Net cash at the end of March 2010 is in the region of £118m (£138m at 31 December 2009).

At 31 March 2010, there were approximately 324m shares in issue.

The Group will issue its second quarter and half year trading update on 9th July 2010.

Cautionary statement

This First Quarter 2010 Interim Management Statement ("IMS") 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 IMS should not be relied on by any other party or for any other purpose. This IMS 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 IMS has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Michael Page International plc and its subsidiary undertakings when viewed as a whole.