

Michael Page International plc

Q4 AND FULL YEAR 2010 TRADING UPDATE

Group Highlights

- Q4 gross profit of £119.8m up 32.2% (31.4%*) on Q4 2009
- 2010 gross profit of £442.1m, an increase of £90.4m or 25.7% (23.8%*) on 2009
- Continued organic investment in headcount, new offices and country openings
- Group headcount at 31 December 2010 of 4,498, up 949 (26.7%) on 31 December 2009
- 2010 operating profit from trading activities is expected to be marginally ahead of the current Reuters consensus of £70.1m (2009 operating profit: £20.2m)
- 18.7m shares (5.8% of share capital) purchased during the year at a cost of £76.8m. 15m shares placed into the Employee Benefit Trust and 3.7m cancelled
- Net cash at 31 December 2010 in the region of £82m (31 December 2009: £137.2m)

Regional/Discipline Highlights

- EMEA (44% of Group) Q4 gross profit of £52.8m up 25.0% (29.8%*) on Q4 2009
- UK (26% of Group) Q4 gross profit of £30.7m up 15.7% on Q4 2009
- Asia Pacific (17% of Group) Q4 gross profit of £20.7m up 69.3% (54.0%*) on Q4 2009
- Americas (13% of Group) Q4 gross profit of £15.6m up 61.7% (52.5%*) on Q4 2009
- Permanent (78% of Group) Q4 gross profit of £93.1m up 40.3% (39.0%*) on Q4 2009
- Temporary (22% of Group) Q4 gross profit of £26.7m up 10.0% (10.6%*) on Q4 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 fourth quarter trading, Steve Ingham, Chief Executive said:

"I am delighted to report another strong quarter of organic growth in year-on-year gross profit, up 32%, with all regions improving. Most of this growth came from permanent recruitment, up 40%, with temporary recruitment growth rates also improving, now up 10%.

"We are clearly benefiting from our geographic and discipline diversification. We have seen steady growth in the UK and strong growth in most of Europe, Australia and North America. However, with more than 40% of our fee earners now operating in our newer markets, including Asia, Latin America and the Middle East, with faster growing economies and limited competition, we are making rapid progress and are ideally placed for this to continue.

"During the fourth quarter, we added significantly to our platform in these faster growing markets, growing headcount organically (up 11%) and opening five new offices, including one new country, Chile. At the beginning of 2011, we are continuing our strategy of organic development with the launch of businesses in three new countries, with offices in Doha, Qatar, in Kuala Lumpur, Malaysia, and in Mumbai and Gurgaon, New Delhi, in India.

"This takes our geographic platform to 32 countries. With the depth of Michael Page management experience that we have placed around the world in established and new markets, combined with the increasing confidence in world economies, I am optimistic about our prospects for 2011."

Enquiries:**Michael Page International plc****01932 264144**

Steve Ingham, Chief Executive

Stephen Puckett, Group Finance Director

Financial Dynamics**020 7269 7291**

Richard Mountain/Sophie Moate

The company will host a conference call and presentation for analysts and investors at 9.00am today. The live presentation can be viewed by following the link: <http://event.on24.com/r.htm?e=272547&s=1&k=6A33EE2A5AF4216B70185216DEC87C3>

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

Dial-In: +44 (0)20 7162 0077**Conference ID:** 883599

Please quote "Michael Page Q4 Trading Update" 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 preliminary results for 2010 on 7 March 2011.

Group trading and operating profit update

Michael Page International plc (MPI), the specialist recruitment consultancy, reports fourth quarter Group gross profit of £119.8m, a year-on-year increase of 32.2% (31.4%*) over the £90.6m in the fourth quarter of 2009. Sequentially, the fourth quarter was £7.0m (6.2% or 4.4%*) higher than the third quarter of 2010. Full year gross profit was £442.1m, which was 25.7% (23.8%*) higher than in 2009.

Group gross profit from permanent recruitment in the fourth quarter was £93.1m, an increase of 40.3% (39.0%*) over the £66.4m in the fourth quarter of 2009 and sequentially up £5.4m or 6.2% (4.4%*) over the £87.7m in the third quarter of 2010.

Group gross profit from temporary recruitment in the fourth quarter was £26.7m, an increase of 10.0% (10.6%*) over the £24.2m in the fourth quarter of 2009 and sequentially up £1.6m or 6.3% (4.5%*) over the £25.1m in the third quarter of 2010.

The perm/temp ratio in the fourth quarter was 78:22 (Q4 2009: 73:27), flat on the third quarter of 2010.

Group headcount increased by 305 people during the quarter (7.3%) to 4,498 at the end of December and 949 (26.7%) higher than the 3,549 at the end of December 2009.

The reported increase in gross profit every quarter throughout 2010 was achieved largely through the utilisation of spare capacity we maintained during the downturn and higher productivity as market conditions improved. In the second half of the year particularly, we continued our strategy of organic development, investing significantly in new headcount and the preparation and opening of a number of new offices and countries. Consequently, Group operating profit from trading activities for the year is expected to be marginally ahead of the current Reuters consensus of £70.1m (2009 operating profit: £20.2m).

Regional trading update

EMEA Gross Profit (44% of Group in Q4 2010)			Growth Rates	
			Reported	Constant currency
Q4 2010 vs Q4 2009	£52.8m	£42.2m	+25.0%	+29.8%
Q4 2010 vs Q3 2010	£52.8m	£44.6m	+18.4%	+15.6%

Headcount up 123 (+7.2%) 31 December to 1,831 (30 September 1,708)

At constant rates of exchange:

- France (17% of the Group) was higher by 29% against Q4 2009 (sequentially 24% higher than Q3 2010)
- Germany (6% of the Group) was higher by 38% against Q4 2009 (sequentially 9% higher than Q3 2010)
- Netherlands (4% of the Group) was higher by 1% against Q4 2009 (sequentially 10% higher than Q3 2010)
- Italy (4% of the Group) was higher by 36% against Q4 2009 (sequentially 21% higher than Q3 2010)
- Spain (3% of the Group) was higher by 26% against Q4 2009 (sequentially 12% higher than Q3 2010)
- Austria, Belgium, Ireland, Luxembourg, Poland, Portugal, Russia, South Africa, Sweden, Switzerland, Turkey, U.A.E. (10% of the Group) was higher by 43% against Q4 2009 (sequentially 7% higher than Q3 2010)

In our largest region, Europe, Middle East and Africa (EMEA), representing 44% of Group gross profit, fourth quarter gross profit was £52.8m, an increase of 25.0% (29.8%*) over the £42.2m recorded in the fourth quarter of 2009.

Following the seasonally quieter third quarter, we achieved strong year-on-year growth across the region with all the larger countries, with the exception of the Netherlands, growing at over 25%. While the Netherlands remains the most challenging, we are seeing further signs of stabilisation in this market and for the first time in 2010, quarterly year-on-year gross profits were flat. We achieved particularly strong performances in France, Germany, Italy, Switzerland and the U.A.E. To support the growth and capture the opportunities across the 17 countries that comprise the EMEA region, we continued to invest in headcount, which increased by 123 (+7.2%) in the quarter. At the beginning of 2011 we opened our third office in the Middle East in Doha, Qatar.

UK Gross Profit (26% of Group in Q4 2010)			Growth Rates
			Reported
Q4 2010 vs Q4 2009	£30.7m	£26.5m	+15.7%
Q4 2010 vs Q3 2010	£30.7m	£33.0m	-7.0%

Headcount up (+1.1%) 31 December to 1,324 (30 September 1,310)

- Finance & Accounting (13% of the Group) was 11% higher against Q4 2009 (sequentially 8% lower than Q3 2010)
- Marketing, Sales and Retail (6% of Group) was higher by 19% against Q4 2009 (sequentially 11% lower than Q3 2010)
- Legal, Technology, HR and Secretarial (4% of the Group) was higher by 18% against Q4 2009 (sequentially 3% lower than Q3 2010)
- Engineering & Manufacturing, Procurement & Supply Chain, Property & Construction (3% of the Group) was higher by 31% against Q4 2009 (sequentially 2% higher than Q3 2010)

In the UK, representing 26% of Group gross profit, fourth quarter gross profit was £30.7m, 15.7% higher than the £26.5m recorded in the fourth quarter of 2009.

With the exception of the public sector, the UK market continued to recover as confidence levels improved. Good year-on-year growth was achieved in all disciplines throughout all regions of the UK. Following the large graduate intake during quarter three, headcount increased by 14 (+1.1%) during the fourth quarter, reflecting the more cautious and uncertain outlook for the UK economy in 2011.

Asia Pacific Gross Profit

(17% of Group in Q4 2010)

			Growth Rates	
			Reported	Constant currency
Q4 2010 vs Q4 2009	£20.7m	£12.2m	+69.3%	+54.0%
Q4 2010 vs Q3 2010	£20.7m	£20.3m	+2.2%	-1.2%

Headcount up 95 (+15.9%) 31 December to 691 (30 September: 596)

At constant rates of exchange:

- Australia and New Zealand (8% of the Group) was higher by 35% against Q4 2009 (sequentially 5% lower than Q3 2010)
- Asia (9% of Group) was higher by 77% against Q4 2009 (sequentially 2% higher than Q3 2010)

In Asia Pacific, representing 17% of Group gross profit, fourth quarter gross profit was a record £20.7m, an increase of 69.3% (54.0%*) over the £12.2m recorded in the fourth quarter of 2009 and sequentially the region grew by £0.4m (2.2% or -1.2%*). To achieve and continue the organic growth in gross profit, headcount increased by 95 (+15.9%) people across the region.

In Australia and New Zealand, which represents 8% of the Group, fourth quarter gross profit grew by 35%*. In Asia, where market conditions continued to be strong, the businesses grew in the fourth quarter by 77%*. Across Asia Pacific, we continued our organic investment in additional headcount and opened new offices in Guangzhou, China and Jurong, in Singapore. At the beginning of 2011 we opened new offices in Kuala Lumpur, Malaysia and in both Mumbai and Gurgaon, New Delhi, in India.

Americas Gross Profit

(13% of Group in Q4 2010)

			Growth Rates	
			Reported	Constant currency
Q4 2010 vs Q4 2009	£15.6m	£9.7m	+61.7%	+52.5%
Q4 2010 vs Q3 2010	£15.6m	£14.9m	+4.8%	+3.9%

Headcount up 73 (+12.6%) 31 December to 652 (30 September: 579)

At constant rates of exchange:

- Brazil, Mexico, Argentina & Chile (9% of the Group) was higher by 59%, against Q4 2009 (sequentially 6% higher than Q3 2010)
- USA & Canada (4% of the Group) was higher by 42%, against Q4 2009 (sequentially flat on Q3 2010)

In the Americas, representing 13% of Group gross profit, fourth quarter gross profit was a record £15.6m, an increase of 61.7% (52.5%*) over the £9.7m recorded in the fourth quarter of 2009 and grew sequentially by £0.7m (4.8% or 3.9%*). Headcount in the region increased by 73 (+12.6%) people as the businesses invested for further growth, particularly in Latin America.

In North America, while there remain concerns over the strength of the US economy, our businesses continue to thrive, growing in the fourth quarter by 42%*. In Latin America, which is now 9% of the Group, market conditions remained strong and we continued to invest organically by increasing headcount in all countries. In the period we opened an office in Santiago, Chile and a further two Brazilian offices in Recife and São José dos Campos, São Paulo. In Brazil, we now have ten Michael Page and Page Personnel offices and 300 employees.

Share repurchases

During the year, the Group purchased 18.7m shares (5.8% of share capital) at a cost of £76.8m (410.7p per share). 15m shares were placed into the Employee Benefit Trust and 3.7m were cancelled.

Financial Position and VAT reclaim

Save for the effects of trading in the third and fourth quarters and share repurchases as described above, there have been no other significant changes in the financial position of the Group since the publication of the half year results for the six months ended 30 June 2010.

Net cash at 31 December 2010 was in the region of £82m (31 December 2009: £137.2m).

During the quarter we have had correspondence and discussions with HMRC concerning the amended claims for a further refund of VAT and related interest, but the eventual outcome remains uncertain.

At 31 December 2010, there were approximately 321.6m shares in issue, of which 14.9m are held by the Employee Benefit Trust upon which dividends and voting rights are waived. Accordingly, 306.7m shares receive dividends and hold voting rights.

The Group will issue its preliminary results for 2010 on 7 March 2011.

Cautionary statement

This Fourth Quarter and Full Year 2010 Trading Update ("TU") 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 TU should not be relied on by any other party or for any other purpose. This TU 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 TU has been prepared for the Group as a whole and therefore gives greater emphasis to those matters that are significant to Michael Page International plc and its subsidiary undertakings when viewed as a whole.