

Michael Page

INTERNATIONAL

2004 INTERIM RESULTS

16 August 2004

Overview

- Encouraging results considerably improved over 2003
- Strong revenue growth in UK, Asia Pacific and Americas
- Early signs of increasing activity in Continental Europe
- 66% increase in operating profit
 - close attention to costs
 - benefits of operational gearing
- Four new offices in Bristol, Brisbane, Boston and Chicago
- Reinstated share buy back programme

Profit and loss

	2004 £ m	Change %	2003 £ m
Turnover	204.6	13.4%	180.4
Revenue	100.4	14.4%	87.8
Operating profit	17.6	65.7%	10.6
Net exceptional items	-		0.5
Net interest	0.2		0.5
Profit before tax	17.8	53.5%	11.6
Taxation	2.4		(4.4)
Profit after tax	20.2		7.2

Taxation

- 2004 effective rate is 37%
 - Charge on ordinary activities £6.6m
 - Unrelieved tax losses in overseas jurisdictions
- Exceptional tax credit on vesting of IPO Restricted Share Scheme £9.0m

Earnings per share and dividends

Earnings per share	2004	2003
Basic	5.7p	2.0p
Before exceptional	3.1p	1.9p
Dividend		
Interim	1.25p	1.1p
Payable on 15 October 2004		

Cash flow

	2004 £ m	2003 £ m
Operating profit	17.6	11.1
Depreciation and amortisation	3.3	3.5
Increase in debtors	(11.4)	(4.1)
Increase/(decrease) in creditors	2.8	(2.8)
Decrease in provisions	(4.3)	-
Net cash inflow from operating activities	8.0	7.7
Net interest received	0.2	0.4
Taxation paid	(4.4)	(4.7)
Net capital expenditure	(1.8)	(3.4)
Equity dividends paid	(8.2)	(8.2)
Shares repurchased	(15.3)	-
Net cash outflow	(21.5)	(8.2)

Balance sheet

	30 June 2004 £ m	31 Dec 2003 £ m
Goodwill	1.5	1.5
Tangible assets	21.1	23.1
Total Fixed Assets	22.6	24.6
Debtors	86.4	71.5
Creditors	(55.8)	(59.0)
	30.6	12.5
Net cash	0.8	22.4
Provisions	(1.6)	(6.2)
Net assets	52.3	53.3

Discipline Analysis

	2004 H1 £m	%	2003 H1 £m	%	2003 Year £m	%
Turnover						
Finance & Accounting	138.3	68%	125.1	69%	256.7	69%
Marketing, Sales, Retail	35.2	17%	29.7	16%	61.8	17%
Other	31.1	15%	25.6	14%	54.1	14%
	204.6		180.4		372.6	

Revenue

Finance & Accounting	61.9	62%	55.9	64%	113.6	64%
Marketing, Sales, Retail	22.0	22%	18.7	21%	37.7	21%
Other	16.5	16%	13.2	15%	27.2	15%
	100.4		87.8		178.5	

Perm/Temp Analysis

	H1 v H1 change %	2004 H1 £m	%	2003 H1 £m	%	2003 Year £m	%
Turnover							
Permanent	19.0%	75.8	37%	128.8	35%	128.8	35%
Temporary	10.3%	128.8	63%	116.7	65%	243.8	65%
		204.6		180.4		372.6	
Revenue							
Permanent	18.7%	71.2	71%	60.1	68%	121.8	68%
Temporary	5.3%	29.2	29%	27.7	32%	56.7	32%
		100.4		87.8		178.5	
Gross Margin							
Permanent		94.0%		94.3%		94.6%	
Temporary		22.7%		23.7%		23.2%	

Geographical Analysis of Revenue

	2004 H1 £m	%	2003 H1 £m	%	2003 Year £m	%
United Kingdom	53.1	53%	43.7	50%	90.6	51%
Continental Europe	29.7	30%	30.6	35%	58.2	33%
Asia Pacific	14.3	14%	11.5	13%	25.0	14%
Americas	3.3	3%	1.9	2%	4.6	3%
	100.4	100%	87.8	100%	178.5	100%

2004 Results

United Kingdom

	2004 H1 £ m	2003 H1 £ m	H1 on H1 change %	2003 Year £ m
Turnover	111.5	92.1	21%	194.3
Revenue	53.1	43.7	21%	90.6
Operating profit	11.1	6.7	65%	15.6
Operating margin	20.9%	15.4%		17.3%
Headcount at period end	1,207	1,069		1,110

2004 Results

United Kingdom

Finance and accounting

- Revenue increased by 18%

Marketing, Sales and Retail

- Revenue increased by 25%

Other – (Legal, IT, Secretarial, HR, Engineering/ Supply Chain)

- Revenue increased by 36%

2004 Results

Continental Europe

	2004 H1 £ m	2003 H1 £ m	H1 on H1 change %	2003 Year £ m
Turnover	59.8	62.1	-3.6%	120.4
Revenue	29.7	30.6	-3.1%	58.2
Operating profit	1.5	0.9	59.6%	-0.3
Operating margin	5.1%	3.1%		-0.5%
Headcount at period end	805	855		785

2004 Results

Continental Europe

- Largest businesses in France and Holland produced lower revenue in challenging market
- All other countries in the region grew revenue
- Belgium and Sweden started in 2003 now profitable

2004 Results

Asia Pacific

	2004 H1 £ m	2003 H1 £ m	H1 on H1 change %	2003 Year £ m
Turnover	27.9	23.7	18.0%	51.4
Revenue	14.3	11.5	24.3%	25.0
Operating profit	4.8	3.2	51.6%	7.6
Operating margin	33.7%	27.6%		30.3%
Headcount at period end	300	283		280

2004 Results

Asia Pacific

- Australian operations continue to develop; new office in Brisbane
- Hong Kong and Singapore achieved revenue growth in excess of 40%
- Entered into strategic alliance in Shanghai

2004 Results

Americas

	2004 H1 £ m	2003 H1 £ m	H1 on H1 change %	2003 Year £ m
Turnover	5.3	2.6	106%	6.6
Revenue	3.3	1.9	75%	4.6
Operating profit	0.2	(0.2)		0.1
Operating margin	6.1%	-12.1%		1.3%
Headcount at period end	123	72		85

2004 Results

Americas

Revenue increased by 74% and generated profits despite new office start costs

USA

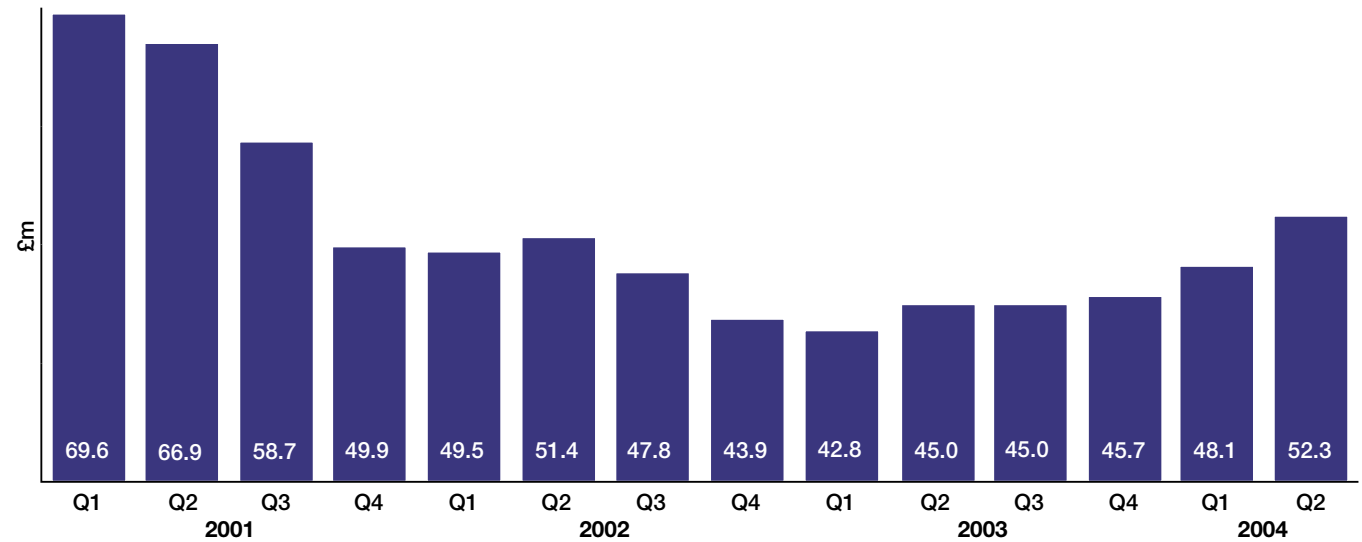
- Developing strong Finance business in temp and perm
- Boston and Chicago offices opened during first half

Brazil

- Revenue growth of over 40%
- Started Sales and Marketing in June

Group Quarterly Revenue Trend

Q1 2001 to Q2 2004



Global Job Count

www.michaelpage.co.uk



Current Trading

- Encouraged by first half revenue growth
- While seasonally slower summer, anticipate further progress in second half particularly if recent improving trends in Continental Europe are maintained
- Pre bonus cost base estimate for year still £13m per month

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