

2009 FIRST QUARTER TRADING UPDATE

Financial Highlights

First Quarter

- Group Q1 gross profit of £95.0m (2008: £140.3m) a decrease of 32.3% (39.7%*)
- EMEA gross profit (50% of Group) of £47.7m (2008: £65.2m) a decrease of 26.8% (39.1%*)
- UK gross profit (30% of Group) of £28.9m (2008: £47.1m) a decrease of 38.7%
- Asia-Pacific gross profit (10% of Group) of £9.4m (2008: £16.4m) a decrease of 42.3% (49.1%*)
- Americas gross profit (9% of Group) of £9.0m (2008: £11.6m) a decrease of 22.6% (33.6%*)
- Permanent gross profit (70% of Group) lower by 39.3% (46.5%*)
- Temporary gross profit (30% of Group) lower by 7.0% (15.3%*)
- Group headcount decreased by 809 (16%) in Q1 to 4,134

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

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

“As anticipated, the Group generated a higher gross profit in March than in either of the first two months of the quarter, resulting in a first quarter operating profit in the region of £3m. However, market conditions continued to weaken during the first quarter of 2009, with the impact of the financial crisis now evident in virtually every market and discipline in which we operate, albeit to varying degrees.

“We continue to reduce our cost base to reflect the lower levels of activity. While we anticipate that our overall cost base and headcount will reduce in the second quarter, in a few markets and disciplines which were the first to slow, we are not planning further headcount reductions.

“We remain confident that, with our strong balance sheet, leading brand and experienced management team, we can maintain our market presence and continue to gain market share.”

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The company will host a conference call for analysts and investors at 8.00am today. The live presentation can be viewed by following the link: <http://w.on24.com/r.htm?e=141476&s=1&k=67C86622C9226B57AF94898DC86AEDE3>

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

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

Conference ID: 831589

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 7th July 2009.

First Quarter Trading update

Michael Page International plc, the specialist recruitment consultancy, reports first quarter Group gross profit of £95.0m, a decrease of 32.3% (39.7%*) over the £140.3m recorded in the first quarter of 2008. As anticipated, the Group generated a higher gross profit in March than in either of the first two months of the quarter, resulting in a first quarter operating profit in the region of £3m. While March produced the highest gross profit in the quarter, the year-on-year rate of decline was slightly worse than the rate of decline in the first two months of the quarter. Additionally, Easter fell in March in 2008 whereas this year it is in April and will adversely impact our second quarter gross profit. As activity levels in all of our regions slow and confidence levels weaken, the businesses in the Group continue to react quickly by reducing headcount. Largely through natural attrition, headcount reduced by a further 809 people during the quarter (16%) to 4,134 at the end of March, 24% lower than the headcount at the end of March 2008. The headcount reduction has not incurred substantial severance costs during the period, with any such charges being treated as normal operating expenses.

EMEA Gross Profit		Year-on-year growth rates			
(50.2% of Group in Q1 2009)		2009	2008	Reported	Constant currency
Q1	£47.7m	£65.2m	-26.8%	-39.1%	
Headcount at 31 March 1,892 (31 December: 2,155)					
At constant rates of exchange:					
<ul style="list-style-type: none"> • France (18% of the Group) fell by 33% in Q1 • Netherlands (8% of the Group) fell by 36% in Q1 • Germany (7% of the Group) fell by 39% in Q1 • Italy (4% of the Group) fell by 43% in Q1 • Spain (4% of the Group) fell by 55% in Q1 • Switzerland (3% of the Group) fell by 57% in Q1 • Austria, Belgium, Ireland, Luxembourg, Poland, Portugal, Russia, South Africa, Sweden, Turkey, U.A.E. (5% of the Group) fell by 32% in Q1 					

In our largest region, Europe, Middle East and Africa (EMEA), representing 50.2% of Group gross profit, first quarter gross profit was £47.7m, 26.8% (39.1%*) lower than the £65.2m recorded in the first quarter of 2008. All countries in the region have now been impacted by the slowdown, albeit at different times and to differing degrees. The businesses in the region have reacted swiftly to these changing conditions, reducing headcount in the quarter by 263 (12%).

UK Gross Profit		Year-on-year growth rates			
(30.4% of Group in Q1 2009)		2009	2008	Reported	
Q1	£28.9m	£47.1m	-38.7%		
Headcount at 31 March 1,378 (31 December: 1,640)					
<ul style="list-style-type: none"> • Finance & Accounting (16% of the Group) fell by 37% in Q1 • Marketing, Sales and Retail (6% of Group) fell by 48% in Q1 • Legal, Technology, HR and Secretarial (5% of the Group) fell by 42% in Q1 • Engineering & Manufacturing, Procurement & Supply Chain, Property & Construction (3% of the Group) fell by 18% in Q1 					

In the UK, representing 30.4% of Group gross profit, first quarter gross profit was £28.9m, 38.7% lower than the £47.1m recorded in the first quarter of 2008. The impact of the economic slowdown is now affecting all regions and disciplines with only businesses servicing the public sector and the smallest discipline, Property & Construction, generating year-on-year growth. The businesses continue to react quickly to changing market conditions, with headcount reducing in the quarter by 262 (16%).

Asia Pacific Gross Profit

(9.9% of Group in Q1 2009)

	Year-on-year growth rates			
	2009	2008	Reported	Constant currency
Q1	£9.4m	£16.4m	-42.3%	-49.1%

Headcount at 31 March 460 (31 December: 638)

At constant rates of exchange:

- Australia and New Zealand (6% of the Group) fell by 44% in Q1
- Asia (4% of Group) fell by 57% in Q1

In Asia Pacific, representing 9.9% of Group gross profit, first quarter gross profit was £9.4m, a decrease of 42.3% (49.1%*) over the £16.4m recorded in the first quarter of 2008. In Australia, which represents 6% of the Group, first quarter gross profit fell by 44%*. The Australian economy has weakened significantly, which, combined with the seasonally quieter summer months has substantially reduced activity levels across all States and business sectors. In Asia, gross profits were lower year-on-year in the first quarter by 57%*. The contraction in Asia is larger due to our businesses almost exclusively making permanent placements, as the temporary placement market in the specialist professional staffing space has yet to become established. Headcount has been rapidly reduced by 178 (28%) during the quarter.

Americas Gross Profit

(9.5% of Group in Q1 2009)

	Year-on-year growth rates			
	2009	2008	Reported	Constant currency
Q1	£9.0m	£11.6m	-22.6%	-33.6%

Headcount at 31 March 404 (31 December: 510)

At constant rates of exchange:

- Brazil, Mexico & Argentina (5% of the Group) fell by 18% in Q1
- USA & Canada (4% of the Group) fell by 49% in Q1

In the Americas, representing 9.5% of Group gross profit, first quarter gross profit was £9.0m, 22.6% (33.6%*) lower than the £11.6m recorded in the first quarter of 2008. Latin America, which represents 5% of the Group, has now experienced negative growth with first quarter year-on-year gross profit declining by 18%*. Our North American businesses contracted in the first quarter year-on-year by 49%*, with the continuing poor economic conditions impacting all disciplines and regions. The cost base in the Americas has been reduced, with headcount in these businesses decreasing by 106 (21%) in the quarter.

Financial

During the first quarter, approximately 1m shares were purchased by the Company's employee benefit trust to satisfy share plan awards at a cost of £1.9m, with an average share price of 196p. After the usual payment of profit share bonuses in January, the Group's net cash position at 31 March 2009 was around £75m.

Save for the effects of trading in the first quarter and the items 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 2008.

Outlook

Market conditions continued to weaken during the first quarter, with many jobs being cancelled or put on hold and the "churn" of people in work slowing as confidence levels eroded. We are, however, experiencing similar behaviour from our clients, candidates and competitors as in previous economic slowdowns. Likewise, permanent recruitment is being impacted more than temporary placements, but will recover faster when economic conditions improve.

With our profit share model, the teams continue to reduce their cost base to reflect the lower levels of activity. While we anticipate that our overall cost base and headcount will reduce in the second quarter, in a few markets and disciplines which were the first to slow, we are not planning further headcount reductions.

We remain confident that, with our strong balance sheet, leading brand and experienced management team, we can maintain our market presence and continue to gain market share.

The second quarter trading update will be issued on 7 July 2009.