

MICHAEL PAGE INTERNATIONAL

Q3 2008 TRADING UPDATE

Financial Highlights

- Group Q3 gross profit up 14.6% (3.9%*) at £141.4m
- EMEA gross profit (45.1% of Group) up 31.8% (12.5%*) to £63.7m
- UK gross profit (31.8% of Group) 8.3% lower at £44.9m
- Asia-Pacific gross profit (13.0% of Group) up 19.1% (6.2%*) to £18.4m
- Americas gross profit (10.1% of Group) up 34.9% (17.1%*) to £14.3m

Operating Highlights

- Diversification strategy delivering Group growth despite UK slowing
- 68% of Q3 gross profit generated outside the UK
- Continued year-on-year growth in three out of four regions
- Permanent gross profit growth of 13.5% (2.2%*)
- Temporary gross profit growth of 18.5% (10.0%*)
- Group headcount decreased by 84 in Q3 to 5,452

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

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

“Market conditions through the third quarter became increasingly challenging. The unprecedented turmoil in the financial sector during September has eroded confidence in the wider economy. This has reduced activity levels and increased the cautionary candidate and client behaviour we started to encounter in the first half of 2008, further reducing our visibility. As anticipated, our businesses have reacted quickly by reducing headcount through natural attrition where activity levels are slowing, such as the UK and North America.

“While the outlook is likely to become more challenging in some of our markets, our discipline and geographic diversity is underpinning the resilience of our overall business and we will continue to increase this diversity by cautiously investing in existing and new markets.”

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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=121159&s=1&k=707D4BE0ADBF5E7E86C7A051DF7F9C53>

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

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

Conference ID: 810872

Please quote ‘Michael Page Q3 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 4th Quarter and full year trading update on 8th January 2009.

Trading update

Michael Page International plc, the specialist recruitment consultancy, reports third quarter Group gross profit of £141.4m, an increase of 14.6% (3.9%*) over the £123.4m recorded in the third quarter of 2007. While we have experienced a slowing in all of our regions as a result of weakening market conditions and increased cautionary behaviour from clients and candidates, three of our four regions, representing almost 70% of the Group's gross profits, recorded year-on-year growth. Headcount moved broadly in line with market conditions during Q3, decreasing for the Group as a whole by 84 to 5,452 at the end of September. Where market conditions weakened the businesses in the Group reacted quickly reducing headcount, most noticeably in the UK by 76 and North America by 53, through natural attrition. These headcount reductions have been partially offset where the conditions remain strong, such as in Latin America where we have increased headcount by 21. We anticipate that our headcount will reduce further during the fourth quarter, if general market conditions continue to weaken.

EMEA Gross Profit (45.1% of Group in Q3 2008)				Growth rates
	2008	2007	Reported	Constant currency
Q3	£63.7m	£48.4m	+31.8%	+12.5%

Headcount at 30 September 2,370 (30 June 2,350)

At constant rates of exchange:

- France (14% of the Group) grew by 17% in Q3
- Germany (7% of the Group) grew by 23% in Q3
- Netherlands (7% of the Group) was lower by 3% in Q3
- Switzerland (4% of the Group) grew by 15% in Q3
- Spain (3% of the Group) was lower by 15% in Q3
- Italy (3% of the Group) grew by 15% in Q3
- Austria, Belgium, Ireland, Luxembourg, Poland, Portugal, Russia, South Africa, Sweden, Turkey, U.A.E. (5% of the Group) grew by 37% in Q3

In our largest region, Europe, Middle East and Africa (EMEA), representing 45.1% of Group gross profit, third quarter gross profit was £63.7m, an increase of 31.8% (12.5%*) over the £48.4m recorded in the third quarter of 2007. In France, we recorded third quarter year-on-year growth of 17%*. This performance, against a backdrop of weak French labour data, highlights the strength of our business and the benefits of specialist over generalist recruitment. While in Spain and the Netherlands we are experiencing tougher conditions, we continue to experience strong demand in the majority of the other countries in the region particularly in Germany and the Middle East where we will open our second office in Dubai during October.

UK Gross Profit (31.8% of Group in Q3 2008)			Growth rates
	2008	2007	
Q3	£44.9m	£49.0m	-8.3%

Headcount at 30 September 1,787 (30 June 1,863)

- Finance & Accounting (15% of the Group) was 15% lower in Q3
- Marketing, Sales and Retail (8% of Group) was lower by 5% in Q3
- Legal, Technology, HR and Secretarial (5% of the Group) was lower by 8% in Q3
- Engineering & Manufacturing, Procurement & Supply Chain, Property & Construction (3% of the Group) grew by 31% in Q3

In the UK, representing 31.8% of Group gross profit, third quarter gross profit was £44.9m, 8% lower than the £49.0m recorded in the third quarter of 2007. The weakness in the banking sector, which started over a year ago, is now having a significant impact on other sectors. As confidence erodes and clients and candidates become more cautious, the recruitment process lengthens which impacts productivity. The business has reacted quickly to changing market conditions and reduced headcount in the quarter by 76 to 1,787. With the exception of Finance and Accounting, Retail, Sales and Legal all the other disciplines achieved year-on-year growth in the quarter, providing further evidence of the benefits of discipline diversification.

Asia Pacific Gross Profit (13.0% of Group in Q3 2008)			Growth rates	
	2008	2007	Reported	Constant currency
Q3	£18.4m	£15.5m	+19.1%	+6.2%
Headcount at 30 September 707 (30 June: 702)				
At constant rates of exchange:				
<ul style="list-style-type: none"> • Australia (8% of the Group) grew by 13% in Q3 • Rest of Asia Pacific (5% of Group) was lower by 3% in Q3 				

In Asia Pacific, third quarter gross profit was £18.4m, an increase of 19.1% (6.2%*) over the £15.5m recorded in the third quarter of 2007. In Australia, which represents 8% of the Group, third quarter year-on-year gross profit growth was 13%* as our business continues to benefit from the discipline expansion. In Asia, the businesses were lower year-on-year in the third quarter by 3%*. The contraction in Asia was predominantly as a result of the weakness in the banking sector.

Americas Gross Profit (10.1% of Group in Q3 2008)			Growth rates	
	2008	2007	Reported	Constant currency
Q3	£14.3m	£10.6m	+34.9%	+17.1%
Headcount at 30 September 588 (30 June: 620)				
At constant rates of exchange:				
<ul style="list-style-type: none"> • Brazil, Mexico & Argentina (6% of the Group) grew by 49% in Q3 • USA & Canada (4% of the Group) was lower by 7% in Q3 				

In the Americas, third quarter gross profit was £14.3m, an increase of 34.9% (17.1%*) over the £10.6m recorded in the third quarter of 2007. Our North American businesses contracted in the third quarter year-on-year by 7%, where the increased discipline diversification of our business has enabled us to largely offset the reduction in Financial Services. In line with the market conditions, our headcount in North America reduced by 53. In Latin America, which represents 6% of the Group, third quarter year-on-year gross profit growth was 49%, with our businesses in Brazil and Mexico continuing to grow strongly and our new business in Argentina now trading profitably. Accordingly, our headcount in these businesses increased by 21.

Financial

Save for the effects of trading in the third quarter as described above, there has 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 2008.

Strategy

In successfully implementing our strategy of organically diversifying the Group, both geographically and by discipline, we have developed a more balanced revenue platform. As a consequence, Michael Page has moved significantly away from its origins in the UK. We now operate in 28 countries across 166 offices, with approaching 70% of Group gross profit now being generated outside of the UK.

Since the beginning of 2005, we have successfully launched 12 new countries, opened 47 offices and rolled out 110 existing and new disciplines to existing and new countries. As at the end of September 2008, approximately a third of our fee earners work in these newer businesses.

Our EMEA business has grown rapidly in recent years to become our largest region. Although many of the markets in this broad region are mature economies, the growth rates we have achieved underline our ability to grow market share and reinforce our belief that the structural changes occurring across European labour markets will form a key component of the future growth of the Group.

Our growth strategy is also focused on emerging and high growth markets. We have now been present in Brazil since 2000, mainland China since 2003, Russia and the UAE since 2006, and plan to open in India in 2009. We believe these markets offer excellent additional opportunities for near-term growth, given their rapid pace of economic development coupled with the underdeveloped nature of the specialist recruitment sector in these countries.

Strategy Continued...

Despite the wider concerns about the current economic outlook, we are confident that the underlying trends that are driving growth in the specialist recruitment sector will continue to benefit Michael Page going forward. Social and demographic change, increasing deregulation of labour markets, as well as increasing job and geographic mobility of candidates, offer exciting opportunities to expand the business. Given our significant investment in creating a global brand with a network of highly talented recruitment specialists, we are certain that Michael Page will be at the forefront of our sector in taking advantage of these developments.

Outlook

Headcount moved broadly in line with market conditions during Q3, decreasing for the Group as a whole by 84 to 5,452 at the end of September, and we anticipate that our headcount will reduce further during the fourth quarter if general market conditions continue to weaken.

While the outlook is likely to become more challenging in some of our markets, our discipline and geographic diversity is underpinning the resilience of our overall business and we will continue to increase this diversity by cautiously investing in existing and new markets.