Registered number. 4130921

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

COMPANY INFORMATION

DIRECTORS	Andrew Bracey Kelvin Stagg
COMPANY SECRETARY	Kelvin Stagg
REGISTERED NUMBER	4130921
REGISTERED OFFICE	Page House The Bourne Business Park 1 Dashwood Lang Road Addlestone Surrey KT15 2QW
INDEPENDENT AUDITORS	Ernst & Young LLP 1 More London Place London SE1 2AF

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

The directors of Michael Page International Recruitment Limited ("the company") present their report and the financial statements for the year ended 31 December 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

PRINCIPAL ACTIVITIES

Michael Page International Recruitment Limited operates as a specialist recruitment consultancy

BUSINESS REVIEW AND DIVIDENDS

The results for the company show a before tax profit of £40,057k (2011 £46,416k) and turnover of £294,798k (2011 £323,553k) Dividends of £5,123k were declared and paid out during the financial year (2011 £15,000k)

Key performance indicators ("KPIs")

Financial and non-financial key performance indicators used by management to monitor progress are listed below

Gross Margin 41 1% (2011 40 1%)

Gross profit as a percentage of turnover Gross margin has increased on last year as a result of the mix of permanent and temporary placements

Conversion 29 2% (2011 35 8%)
Operating profit as a percentage of gross profit showing the Company's effectiveness at controlling the costs and expenses associated with its normal business operations and the level of investment for the future Conversion declined compared to last year reflecting the impact of the economic slowdown on demand for the Company's services, lower productivity and the lag in headcount reductions

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

Productivity (gross profit per fee earner) £138 2k (2011 £134 7k)
Represents how productive fee earners are in the business and is calculated by dividing the gross profit for the year by the average number of fee earners and directors The higher the number, the higher their productivity Productivity is a function of the rate of investment in new fee earners, the impact of pricing and the general conditions of the recruitment market

Fee earner support staff ratio 88 12 (2011 88 12)
Represents the balance between operational and non-operational staff This has remained consistent year on year

Debtor days 33 (2011 43)
Represents the length of time the company receives payments from its debtors Calculated by comparing how many days billings it takes to cover the debtor balance

The source of data and calculation methods year-on-year are on a consistent basis

RESULTS

The profit for the year, after taxation, was £28,359 *(2011 - £38,495)*

DIRECTORS

The directors who served during the year and those in office at the date of this reportable include

Andrew Bracey (appointed 23 April 2012)
Kelvin Stagg (appointed 23 April 2012)
Steve Ingham (resigned 23 April 2012)
Stephen Puckett (resigned 23 April 2012)

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks

The key business risks and uncertainties affecting the company are considered to relate to people, the economic cycle, competition, technology and legal risks Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided on pages 28 and 29 of the Michael Page International plc annual report, which does not form part of this report

FINANCIAL RISK MANAGEMENT

The company has adopted the following risk management policies that seek to mitigate its exposure to financial risks

Financial assets and liabilities that expose the company to financial risk consist principally of cash, investment, trade debtors, trade creditors and intercompany debtors and creditors The financial risks associated with these financial instruments are considered minimal The most significant financial risk relates to investments, intercompany debtors and creditors, the intercompany debtors and creditors are recoverable within the enlarged Michael Page group The recoverability of investments are assessed at year end and when indicators of impairments arise

The company places its cash in creditworthy institutions The profile of trade debtors is such that the concentration of credit risk is not considered a concern

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

FINANCIAL RISK MANAGEMENT (Continued)

The carrying amounts of cash and bank balances, trade debtors and payables approximate their respective fair values due to the short-term maturity of these financial instruments

The directors are of a view that the company is not exposed to any significant interest rate, or inflation rate risk

FUTURE DEVELOPMENTS

While revenue and gross profit are down on 2011, Michael Page performed to a satisfactory level in 2012 amidst touch economic conditions Although confidence levels have improved, market conditions continue to remain tough Michael Page International Recruitment Limited is well diversified by location and discipline with limited exposure to one sector in particular

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

It is the policy of the company to agree appropriate terms and conditions for transactions with suppliers (by means of standard written terms to individually negotiated contracts) and that payment should be made in accordance with those terms and conditions, provided that the supplier has also complied with them

Creditor days for the company at 31 December 2012 were 2 (2011 3)

EMPLOYEE INVOLVEMENT

Communication with employees is effected through the company's intranet, information bulletins, briefing messages conducted by senior management and formal and informal discussions

The company endorses and supports the principles of equal employment opportunity

DISABLED EMPLOYEES

The company is committed to promoting equal opportunities both as an employer and as a provider of services The company will make every effort to prevent discrimination or other unfair treatment against any of our staff, potential staff or users of our services, regardless of gender, race, colour, nationality, ethnic or national origins, marital status, family circumstances, age, disability, sexual orientation, political or religious belief The company is opposed to racist and sexist practices and attitudes, and is committed to translating this into all aspects of its everyday work

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has made qualifying third party indemnity provisions for the benefit of its directors These were made during the year and remain in force at the date of this report

CHARITABLE DONATIONS

The company made charitoble donations of £57k during the year (2011 £68k)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

PROVISION OF INFORMATION TO AUDITORS

Each person who is a director at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and,
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information

AUDITORS

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

GOING CONCERN

The company is profitable and in a net asset position as at 31 December 2012 The directors have undertaken a review of future forecast profitability and liquidity Based on this review the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and as such the going concern basis continues to be adopted in preparing the financial statements

This report was approved by the board and signed on its behalf

Kelvin Stagg
Secretary

Date 25/9/13

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

We have audited the financial statements of Michael Page International Recruitment Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 20 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Gordon Cullen (Senior Statutory Auditor)

for and on behalf of ,Ernst & Young LLP, Statutory Auditor
1 More London Place
London
SE1 2AF

Date 30 SEP 2013

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £000	*2011 £000*
TURNOVER	2	**294,798**	*323,553*
Cost of sales		**(173,579)**	*(193,800)*
GROSS PROFIT		**121,219**	*129,753*
Administrative expenses		**(112,447)**	*(102,777)*
Other operating income	3	**26,574**	*19,440*
OPERATING PROFIT	4	**35,346**	*46,416*
Income from shares in group undertakings		**5,123**	-
Interest payable		**(412)**	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**40,057**	*46,416*
Tax on profit on ordinary activities	6	**(11,698)**	*(7,921)*
PROFIT FOR THE FINANCIAL YEAR		**28,359**	*38,495*

All amounts relate to continuing operations

The notes on pages 10 to 27 form part of these financial statements

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £000	*2011 £000*
PROFIT FOR THE FINANCIAL YEAR	**28,359**	*38,495*
Credit in respect of share schemes	**1,720**	*2,194*
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	**30,079**	*40,689*

The notes on pages 10 to 27 form part of these financial statements

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED
REGISTERED NUMBER· 4130921

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Notes	£000	2012 £000	£000	2011 £000
FIXED ASSETS					
Intangible fixed assets	7		**554**		*467*
Tangible fixed assets	8		**1,228**		*1,178*
Investments	9		**351,413**		*351,413*
			353,195		*353,058*
CURRENT ASSETS					
Debtors	10	**776,043**		*755,166*	
Cash in hand		**118**		-	
		776,161		*755,166*	
CREDITORS: amounts falling due within one year	11	**(489,671)**		*(494,377)*	
NET CURRENT ASSETS			**286,490**		*260,789*
TOTAL ASSETS LESS CURRENT LIABILITIES			**639,685**		*613,847*
CREDITORS: amounts falling due after more than one year	12		**(1,638)**		*(756)*
NET ASSETS			**638,047**		*613,091*
CAPITAL AND RESERVES					
Called up share capital	14		**421,544**		*421,544*
Profit and loss account	15		**216,503**		*191,547*
SHAREHOLDERS' FUNDS			**638,047**		*613,091*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

Kelvin Stagg
Director

Date 25/9/13.

The notes on pages 10 to 27 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below The accounting policies have all been applied consistently throughout the year and the preceding year

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is itself a wholly owned subsidiary company whose results are consolidated in the results of the ultimate parent, which are publically available (as set out in note 20) The company is therefore exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006 These financial statements therefore present information about the company as an individual undertaking and not about its group

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Going Concern

The company is profitable and in a net asset position as at 31 December 2012 The directors have undertaken a review of future forecast profitability and liquidity Based on this review the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and as such the going concern basis continues to be adopted in preparing the financial statements

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.5 Cost of sales

Cost of sales consists of the salary cost of temporary staff and costs incurred on behalf of clients, principally advertising costs

1.6 Gross profit

Gross profit is represented by turnover less cost of sales and consists of the total placement fees of permanent candidates, the margin earned on the placement of temporary candidates and the margin earned on advertising income

1.7 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities It is amortised to the profit and loss account over its estimated economic life

1. ACCOUNTING POLICIES (continued)

1.8 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.9 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	-	25% per annum

1.10 Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount The recoverable amount is the higher of an asset's fair value less costs to sell and value in use For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units)
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired

1.11 Taxation

The charge for taxation is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

1.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

1. ACCOUNTING POLICIES (continued)

1.13 Share-based compensation

The group operates a number of equity-settled, share-based compensation plans Their subsequent accounting treatments are described below

- Share option schemes

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, earnings per share) Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable At each balance sheet date, the estimate of the number of options that are expected to become exercisable is revised The company recognises the impact of the revision of original estimates, if any, in the profit and loss account, and the corresponding adjustment to equity over the remaining vesting period

- Deferred Annual Bonus and Long Term Incentive Plans

Where deferred awards are made to directors and senior executives under either the Incentive Share Plan or the Annual Bonus Scheme, to reflect that the awards are for services over a longer period, the value of the expected award is charged to the profit and loss account on a straight-line basis over the vesting period to which the award relates

1.14 Pension costs

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The pension cost included in these accounts represents the contributions payable by the company to the fund in respect of the current year

1.15 Income from shares in group companies

Income from shares in group companies are recognised when the companies right to receive payment is established

2. TURNOVER

Turnover constitutes the value of services from its principal activities, which are recruitment consultancy and other ancillary services These consist of

- turnover from temporary placements, which represents amounts billed for the services of temporary staff including the salary cost of these staff This is recognised when the service has been provided,

- turnover from permanent placements, which is based on a percentage of the candidate's remuneration package, and is derived from both retained assignments (income recognised on completion of defined stages of work) and non-retained assignments (income recognised at the date an offer is accepted by a candidate, and where a start date has been determined) The latter includes turnover anticipated, but not invoiced, at the balance sheet date, which is correspondingly accrued on the balance sheet within prepayments and accrued income A provision is made against accrued income for possible cancellations of placements prior to, or shortly after, the commencement of employment, and

- turnover from amounts billed to clients for expenses incurred on their behalf (principally advertisements), which is recognised when the expense is incurred

All turnover arose within the United Kingdom

3. OTHER OPERATING INCOME

	2012	*2011*
	£000	*£000*
Royalty receivable	**26,574**	*19,440*

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2012	*2011*
	£000	*£000*
Amortisation of intangible fixed assets	**110**	-
Depreciation of tangible fixed assets	**453**	*402*
Profit on disposal of tangible fixed assets	**(11)**	*(133)*

During the year, no director received any emoluments *(2011 - £NIL)*

Auditors' remuneration for the audit of the financial statements of £48,000 (2011 £48,000) was borne by the intermediate parent company in the current and prior year

5. STAFF COSTS

Employment costs comprised

	2012 £000	2011 £000
Wages and salaries	**50,813**	*54,295*
Social security costs	**4,611**	*5,040*
Pension costs	**1,392**	*1,361*
Equity settled transactions	**1,720**	*2,193*
Total	**58,536**	*62,889*

The average number of employees (including directors) during the year was as follows

	2012	2011
Management	**70**	*71*
Client services	**807**	*892*
Support staff	**120**	*132*
Total	**997**	*1,095*

No remuneration was paid or is payable to the directors in their capacity as directors of the company (2011 NIL) Total emoluments paid by the enlarged Michael Page International plc group to the directors of the company (including pension scheme contributions) was £2,258k, (2011 £2,497k) It is not possible to identify the proportion of these emoluments that relate to the services to this company

6. TAXATION

	2012 £000	2011 £000
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	**5,506**	*8,572*
Adjustment in respect of prior periods	**5,682**	*(465)*
Current tax charge for the year	**11,188**	*8,107*
Deferred taxation		
Credit to the profit and loss account (current year)	**247**	*(354)*
Charge to the profit and loss account (prior year)	**207**	*50*
Effect of the reduction in the corporation tax rate	**56**	*118*
Deferred tax charge/(credit) for the year (note13)	**510**	*(186)*
Tax on profit on ordinary activities	**11,698**	*7,921*

TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than the effective rate of corporation tax in the UK of 24 5% (2011 26 5%) The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	40,057	46,417
Profit on ordinary activities multiplied by the effective rate of corporation tax in the UK of 24 5% (2011 26 5%)	9,814	12,300
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	197	238
Capital allowances for year in excess of depreciation	13	(25)
Dividends from UK companies	(1,255)	-
Tax deduction arising from exercise of employee options	(1,088)	(101)
Group relief received	(2,176)	(3,840)
Prior year adjustment	5,682	(465)
Current tax charge for the year (see note above)	11,188	8,107

Reductions in the corporation tax rate to 21% and 20% effective 1 April 2014 and 1 April 2015 respectively were enacted on 18 July 2013 under the Finance Act 2013

The company recognised a deferred tax asset at 31 December 2012 of £834k (2011 £1,344k), the enacted tax rate reductions had no impact (2011 no impact) on deferred taxation in the company's reported figures

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

7. INTANGIBLE FIXED ASSETS

	Goodwill (Trademark) £000
Cost	
At 1 January 2012	**550**
Additions	**197**
At 31 December 2012	**747**
Amortisation	
At 1 January 2012	**83**
Charge for the year	**110**
At 31 December 2012	**193**
Net book value	
At 31 December 2012	**554**
At 31 December 2011	*467*

8. TANGIBLE FIXED ASSETS

	Motor vehicles £000
Cost	
At 1 January 2012	**1,676**
Additions	**862**
Disposals	**(668)**
Group transfers	**(45)**
At 31 December 2012	**1,825**
Depreciation	
At 1 January 2012	**498**
Charge for the year	**453**
On disposals	**(340)**
Group transfers	**(14)**
At 31 December 2012	**597**
Net book value	
At 31 December 2012	**1,228**
At 31 December 2011	*1,178*

9. INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2012 and 31 December 2012	**351,413**
Net book value	
At 31 December 2012	**351,413**
At 31 December 2011	*351,413*

INVESTMENTS (continued)

Subsidiary undertakings

Name of undertaking	Country of Incorporation	Percentage Held	Principal activity
Michael Page Recruitment Group Limited*	Great Britain	100%	Holding company
Michael Page Holdings Limited	Great Britain	100%	Holding company
Michael Page Partnership Limited	Great Britain	100%	Holding company
Michael Page International Holdings Limited	Great Britain	100%	Holding company
Michael Page UK Limited	Great Britain	100%	Non trading company
Page Personnel (UK) Limited	Great Britain	100%	Non trading company
Michael Page Limited	Great Britain	100%	Non trading company
Slamway Limited	Great Britain	100%	Dormant
Michael Page Employment Services Limited (Formerly Burhill Park Limited)	Great Britain	100%	Recruitment Consultancy
The Assessment Centre Limited	Great Britain	100%	Dormant
LPM (Group Services) Limited	Great Britain	100%	Dormant
Sales Recruitment Specialists Limited	Great Britain	100%	Dormant
The Page Partnership Limited	Great Britain	100%	Dormant
Burhill Park Limited (Formerly Michael Page Employment Services Limited)	Great Britain	100%	Dormant
Michael Page International 1982 Limited	Great Britain	100%	Dormant
Michael Page International Investment Limited	Great Britain	100%	Dormant
Michael Page International Finance Limited	Great Britain	100%	Dormant
Michael Page International (Deutschland) GmbH	Germany	100%	Recruitment Consultancy
Page Personnel (Deutschland) GmbH	Germany	100%	Recruitment Consultancy
Michael Page Interim (Deutschland) GmbH	Germany	100%	Recruitment Consultancy
Michael Page International (Nederland) BV	Netherlands	100%	Recruitment Consultancy
Page Interim BV	Netherlands	100%	Recruitment Consultancy
Michael Page International (Belgium) NV/SA	Belgium	100%	Recruitment Consultancy
Page Interim (Belgium) NV/SA	Belgium	100%	Recruitment Consultancy
Page Personnel Interim SA (Luxembourg)	Luxembourg	100%	Recruitment Consultancy
Michael Page International GmbH	Austria	100%	Recruitment Consultancy
Michael Page International (Sweden) AB	Sweden	100%	Recruitment Consultancy
Michael Page International (Switzerland) SA	Switzerland	100%	Recruitment Consultancy
Michael Page International Canada Limited	Canada	100%	Recruitment Consultancy
Michael Page International (Japan) K K	Japan	100%	Recruitment Consultancy
Michael Page International (Hong Kong) Limited	Hong Kong	100%	Recruitment Consultancy
Michael Page (Beijing) Recruitment Co Ltd	China	100%	Recruitment Consultancy
Michael Page (Shanghai) Recruitment Co Ltd	China	100%	Recruitment Consultancy
Michael Page International (Shanghai) Consulting Ltd	China	100%	Recruitment Consultancy
Michael Page Co Ltd	Taiwan	100%	Recruitment Consultancy
Michael Page International (SA) (Pty) Limited	South Africa	100%	Recruitment Consultancy
Michael Page International (Poland) Sp Z O O	Poland	100%	Recruitment Consultancy
Michael Page International (UAE) Limited	UAE	100%	Recruitment Consultancy
Michael Page International RU LLC	Russia	100%	Recruitment Consultancy
Michael Page International (Australia) pty Limited	Australia	100%	Recruitment Consultancy
Michael Page International (Malaysia) Sdn Bhd	Malaysia	100%	Recruitment Consultancy
Michael Page International Recruitment Pvt Ltd	India	9 15%	Recruitment Consultancy
Michael Page International Personnel Italia Spa	Italy	25%	Recruitment Consultancy
Page Personnel Italia Spa	Italy	25%	Recruitment Consultancy
Michael Page International Brasil SC Ltda	Brasil	10%	Recruitment Consultancy
Michael Page International Chile Ltda	Chile	10%	Recruitment Consultancy
MPI Argentina SA	Argentina	10%	Recruitment Consultancy

INVESTMENTS (continued)

Page Personnel Argentina SA	Argentina	25%	Recruitment Consultancy
Page Personnel Argentina Servicios Eventuales SA	Argentina	25%	Recruitment Consultancy
Michael Page International Mexico Servicios Corporativos SA de CV	Mexico	10%	Recruitment Consultancy
Michael Page International Mexico Reclutamiento Especializado SA de CV	Mexico	10%	Recruitment Consultancy
Michael Page International Empressa de Trabalho Temporario e Servicos de Consultadoria Lda	Portugal	2%	Recruitment Consultancy

* The equity of the subsidiary undertaking is held directly by the company The other subsidiaries are held through indirect ownership

All companies operate principally in their country of incorporation The Group headed by Michael Page International plc holds 100% of all classes of issued share capital

10. DEBTORS

	2012 £000	*2011 £000*
Trade debtors	**33,221**	*40,864*
Amounts owed by group undertakings	**731,238**	*702,543*
Prepayments and accrued income	**10,750**	*10,415*
Deferred tax asset (note 13)	**834**	*1,344*
	776,043	*755,166*

11. CREDITORS:
Amounts falling due within one year

	2012 £000	*2011 £000*
Bank loans and overdrafts	**-**	*8*
Trade creditors	**212**	*325*
Amounts owed to group undertakings	**454,175**	*462,884*
Corporation tax	**5,246**	*136*
Social security and other taxes	**7,597**	*9,373*
Other creditors	**13,595**	*12,844*
Accruals and deferred income	**8,846**	*8,807*
	489,671	*494,377*

12. CREDITORS

Amounts falling due after more than one year

	2012 £000	*2011 £000*
Bank loans	**1,155**	*-*
Other creditors	**483**	*756*
	1,638	*756*

13. DEFERRED TAX ASSET

	2012 £000	*2011 £000*
At 1 January	**1,344**	*1,158*
(Charged for the year)/released during the year (note 6)	**(510)**	*186*
At 31 December	**834**	*1,344*

Deferred tax assets consist of:

	2012 £000	*2011 £000*
Accelerated capital allowances	**28**	*95*
Share based payments	**806**	*1,249*
Total	**834**	*1,344*

14 SHARE CAPITAL

	2012 £	*2011 £*
Authorised, allotted, called up and fully paid		
421,544,427 ordinary shares of £1 each	**421,544,427**	*421,544,427*

SHARE CAPITAL (continued)

The ultimate parent company 'Michael Page International plc' provides the following remuneration schemes the Annual Bonus Plan (ABP), Incentive Share Plan (ISP), Executive Share Option Scheme (ESOS) and Share Option Scheme (SOS) Where directors serve on both the boards of Michael Page International Recruitment Limited and the ultimate parent company, their remuneration with regards to the latter is provided on pages 54 to 63 of the Michael Page International plc annual report for the year ended 31 December 2012, which does not form part of this report The ABP scheme applies specifically for the Executive Directors serving on the board of the ultimate parent company and has been provided for information only

Share Option Plans

The Group has share option awards currently outstanding under an Executive Share Option scheme (ESOS) and a share option scheme (SOS) These plans are described below

At 31 December 2012 the following options had been granted and remained outstanding in respect of the Company's ordinary shares of 1p under both the Michael Page Executive Share Option Scheme and the Share Option Scheme All options granted are settled by the physical delivery of shares The Group has no legal or constructive obligation to repurchase or settle the options in cash

Year of grant	Balance at 1 January 2012	Granted in year	Exercised in year	Lapsed/ transferred in year	No of shares outstanding at 31 December 2012	Exercise Base EPS (pence)	Price per share	Exercise period
2002 (Note 1)*	10,000	-	(10,000)	-	-	5 8	186p	March 2006 - March 2012
2003 (Note 1)*	60,000	-	(60,000)	-	-	5 8	81 5p	April 2006 - April 2013
2004 (Note 1)*	67 500	-	(40 000)	-	27 500	4 1	171p	March 2007 - March 2014
2005 (Note 1)*	190,769	-	(79 380)	(20 000)	91,389	7 5	190 75p	March 2008 - March 2015
2006 (Note 1)*	218,000	-	(132 000)	(18,000)	68 000	15 5	309 9p	March 2009 - March 2016
2009 (Note 2)	1,642,500	-	(744 570)	(43 050)	854,880	n/a	187 5p	March 2012 - March 2019
2010 (Note 1)	2,617,500	-	-	(344 708)	2,272,792	6 6	381 5p	March 2013 - March 2020
2011 (Note 2)	984,445			(71,179)	913,266	n/a	491 0p	March 2014 - March 2021
2012 (Note 2)	-	1,087 000		(63 445)	1 023,555	n/a	477p	March 2015 - March 2022
Total 2012	5,790,714	1,087,000	(1 065,950)	(560 382)	5,251,382			
Weighted average exercise price 2012 (£)	3 28	4 77	1 96	3 82	3 82			
Total 2011	4,579 577	1 002 500	(202,543)	(1 473,820)	3 905 714			
Weighted average exercise price 2011 (£)	2 87	4 91	2 07	2 66	2 14			

*These options have fully vested
†The Operating Profit ranges for each award are fully disclosed in Note 2 of this Note

SHARE CAPITAL (continued)

1,041,769 options were exercisable at the end of 2012 at a weighted average exercise price of £1 95 (2011 £3 27) The weighted average share price at the date of exercise was £4 62

Note 1

Executive Share Option Scheme (ESOS)

Using the ESOS, awards of share options can be made to key management personnel and senior employees toeceive shares in PageGroup Share options are exercisable at the market price of the shares at the date of the grant

No awards were made under the ESOS scheme in 2009, 2011 or 2012

For grants under the ESOS plan, the performance condition is tested on the third anniversary and no retesting will occur thereafter These options were granted subject to a performance condition requiring that an option may only be exercised, in normal circumstances, if there has been an increase in base earnings per share of at least 3% per annum above the growth in the UK Retail Price Index The respective base earnings per share for each grant are shown in the table on page 100 of the Page Group Annual Report

For the 2010 share option grant for Executive Directors only, the vesting of awards will be subject to profit before tax performance conditions measured over a three year period Vesting will occur on a phased basis, with 30% of the award vesting for threshold performance, increasing on a straight line basis to 100% of the award for maximum performance

Share Option Scheme (SOS)

Note 2

Executive Directors of the Company are not eligible to participate in this scheme Any exercises of awards made under this plan must be settled by market purchased shares

This new scheme was created in 2009 to provide an effective plan under which to grant awards in 2009 It was the Board's view that grants made under the existing ESOS plan, which would have required an increase over the 2008 base earnings per share of at least 3% per annum above the growth in the UK Retail Price Index by 2011, would not be achievable due to the impact of the global downturn on the Group's EPS and thus would not provide the required retention incentive

The 2009 grant made under the SOS plan is subject to a performance condition that will be tested, initially, three years after the date of grant and then annually until either the entire grant has vested, or ten years from the date of the award have elapsed, in which case any awards outstanding under the grant will lapse The performance condition is directly linked to the Group's Operating Profit If Operating Profit is £30m then 30% of the award would vest For every £1m of Operating Profit over £30m, a further 1% would vest 100% of the award would vest if Operating Profit was £100m

As the Group's 2011 Operating Profit was £86 0m, 86% of this award vested on 10 March 2012 The remaining 14% was retested in March 2013, but with 2012 Operating Profit at £65 1m being lower than in 2011, no additional options vested

Further grants under the SOS plan were made in 2011 and 2012 The performance conditions for these grants are also directly linked to the Group's Operating Profit

SHARE CAPITAL (continued)

For the 2011 grant, if Operating Profit is in excess of £100m, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £200m or more

For the 2012 grant, if Operating Profit is in excess of £50m, a proportion of the award equivalent to the amount of Operating Profit achieved will vest up to a maximum of 100% if the Operating Profit is £100m or more

Share Option valuation and measurement

In 2012, options were granted on 11 March with the estimated fair value of the options granted on that day of £1 38 In 2011, options were granted on 11 March The estimated fair values of the options granted on that date was £1 28

Share options are granted under service and non-market performance conditions These conditions are not taken into account in the fair value measurement at grant date There are no market conditions associated with the share option grants

Share Option valuation and measurement

The options outstanding at 31 December 2012 have an exercise price in the range of 171 0 pence to 492 9 pence and a weighted average contractual life of 7 5 years The fair values of options granted during the year were calculated using the Black-Scholes option pricing model The inputs into the model were as follows

	Share Option Scheme		Incentive Share Scheme		Deferred Bonus Shares	
	2012	2011	2012	2011	2012	2011
Share price (£)	4 77	4 91	4 77	4 91	4 77	4 91
Average exercise price (£)	4 77	4 91	Nil	Nil	Nil	Nil
Weighted average fair value (£)	1 38	1 28	4 47	4 65	4 56	4 73
Expected volatility	40%	31%	40%	31%	40%	31%
Expected life	5 years	5 years	3 years	3 years	2 years	2 Years
Risk free rate	0 87%	2 84%	0 73%	2 84%	0 50%	2 84%
Expected dividend yield	2 10%	1 83%	Nil	Nil	Nil	Nil

Expected volatility was determined by reference to historical volatility of the Company's share price since flotation The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations Expectations of early exercise are incorporated into the Black-Scholes option pricing model

The company recognised total expenses of £1,720k (2011 £2,194k) related to equity-settled share-based payment transactions during the year

SHARE CAPITAL (continued)

Annual Bonus Plan

In 2012, the Annual Bonus Plan operated for Steve Ingham and, for the proportion of the year during which he served, Stephen Puckett Charles-Henri Dumon did not receive a bonus during 2012 Andrew Bracey did not participate in the bonus pool in 2012 and had a maximum bonus opportunity of 150% of salary, subject to the achievement of stretching financial and personal targets set by the Committee

The Annual Bonus Plan makes awards from a pool of profits earned during the financial year In 2012, the bonus pool for the participating Executive Directors was equal to 3 85% of profits earned above a threshold equal to half of targeted profits for the year Had profits exceeded 1 1 times the targeted level, then an additional 1 3% of profits earned above the targeted level would have been added to the bonus pool The Remuneration Committee retains the discretion to review this arrangement and set different rates and thresholds as it deems appropriate for the business

Profits are defined as company profit before taxation, exceptional items and before the Executive Directors' annual bonus charges and charges or credits resulting from the Incentive Share Plan described below or other share option grants The bonus pool calculation is not entirely formulaic as the Committee has the ability to vary the pool both up and down, by up to 10%, to reflect its view of the performance of the Company relative to its directly comparable peers Despite what the Committee believed was a strong performance of the business in tough trading conditions, due to the overall reduction in profit the Committee decided not to vary the 2012 bonus pool

The targeted level of profits for 2012 was £93 0m, as defined above, and was set at the start of 2012 by reference to market expectations and internal forecasts at that time Due to the downturn in market conditions during 2012, the targeted level of profits was not achieved by the business and, as a result, the bonus pool from which the executive directors individual bonuses are drawn for the participating executive directors reduced by 23 4% compared to 2011 However, the amount of the bonus pool for the Executive Directors was adjusted down further as a result of taking into account the changes to the Board, both in terms of those executive directors included in the pool and the changes to Steve Ingham's responsibilities during the year This resulted in the overall pool being allocated being reduced from the 3 85% of profits (as defined above) used in previous years, to 2 59%

Unlike all other employees who receive all their annual bonuses in cash, the Executive Directors' cash element of their annual bonus is restricted to a multiple of salary In the event that the Executive Director's annual bonus entitlement is greater than 150% of salary, only an amount equal to 150% of the executive's salary is paid in cash To reward service over a longer period, any amount of the bonus pool above 150% of the individual's salary level is deferred, paid into an employee benefit trust and invested in the Company's shares with no matching investment by the Company Such shares are reserved for the executive and vest in equal annual tranches over two years, normally so long as the executive is still in employment at that time The Income Statement for the year carries a charge for the Directors' annual bonus paid in cash while the deferred amount is charged in subsequent years until the shares vest Based on the 2012 results, the total amount deferred for the Executive Directors is £0 1m (2011 £0 1m)

As mentioned previously, Andrew Bracey did not participate in the bonus pool in 2012, but received a bonus that was assessed from a maximum bonus opportunity of 150% of salary The Committee decided to award 75% of the 100% opportunity that was subject to the achievement of financial targets and 100% of the 50% opportunity that was subject to personal targets As a result, Andrew Bracey received a bonus of 125% of his base salary, or £450,000

SHARE CAPITAL (continued)

Long-Term Incentives

The Company currently operates two forms of long-term incentive for Executive Directors and senior management, being the Incentive Share Plan and the Executive Share Option Scheme As in 2011, no awards were made in 2012 under the Executive Share Option Scheme

Incentive Share Plan (ISP)

The ISP, which was approved by shareholders in 2003, is funded with a percentage, currently 6%, of group profits Not more than 30% of this amount is available for awards to the Executive Directors, the balance being available for awards to senior employees Awards under the ISP are satisfied in shares of the Company, which are market purchased and held by the employee benefit trust The Committee retains the discretion to review the proportion of profits dedicated to the ISP in the light of the growth in the size of the Company, its profitability and the number of Executive Directors Awards vest after a three year period Two thirds of these shares ("Deferred Share Awards") are subject to a three-year deferral period, during which they will be forfeited if the relevant director or senior employee leaves, other than in "compassionate circumstances" The remaining third ("Performance Share Awards") are also deferred for three years, but are subject to the following earnings per share ("EPS") growth targets over the three year period

• Performance share awards of up to 50% of a Director's or senior employee's salary only vest if EPS grows by an average of 5% over the growth in UK RPI per annum over the three year period,

• Any excess between 50% and 75% of salary only vests to the extent that EPS grows by 7 5% over the growth in UK RPI per annum over the three year period,

• Finally, to the extent that the performance share award is greater than 75% of an executive's salary, the hurdle is 10% over the growth in UK RPI per annum over the three year period, and

• If awards do not vest after three years, they automaticallylapse

Based on the 2012 results, the total award available to be made in 2013 was £4,664,148 Of this, £556,500 was allocated to Steve Ingham, being an award of 12% of the pool, slightly up on the proportion awarded in previous years in recognition of his increased responsibilities (2011 10%) Andrew Bracey was awarded £360,000, being 100% of his base salary Awards totalling £3,750,000 will be made to other senior employees Details of the awards made in 2012 to the Executive Directors are disclosed on page 61 of the Michael Page International plc Annual Report As reported in the 2009 Remuneration Report, due to the highly uncertain outlook at the time of making the awards, the Remuneration Committee concluded that performance shares awarded in March 2009 would vest over the four year period to March 2013 As such, the performance criteria on the Performance Shares and Performance Share Options awarded under the Incentive Share Plan in 2009 were tested at the end of 2012 and having exceeded the required 10% over the growth in UK RPI per annum over the four year period, they will vest in full on 10 March 2013 No awards were made under the Incentive Share Plan in 2010 and thus there are no other Incentive Share Plan awards to test for performance against the 2012 results This is reflected in the statutory accounts of Michael Page International plc

15. RESERVES

	Profit and loss account £000
At 1 January 2012	**191,547**
Profit for the year	**28,359**
Dividends (note 16)	**(5,123)**
Credit in respect of share scheme	**1,720**
At 31 December 2012	**216,503**

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £000	*2011 £000*
Opening shareholders' funds	**613,091**	*165,857*
Transfer of preference shares to ordinary shares	**-**	*421,544*
Profit for the year	**28,399**	*38,496*
Dividends (note17)	**(5,123)**	*(15,000)*
Credit in respect of share scheme	**1,720**	*2,194*
Closing shareholders' funds	**638,087**	*613,091*

17. DIVIDENDS

	2012 £000	*2011 £000*
Dividends paid on equity capital	**5,123**	*15,000*

18. CONTINGENT LIABILITIES

As a result of group registration for VAT purposes, the company is contingently liable for VAT liabilities arising in other companies within the VAT group, which at 31 December 2012 amounted to £4 7m (2011 £5 5m)

19 RELATED PARTY TRANSACTIONS

The company is taking advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No 8 "Related Party Disclosures" not to disclose transactions with group companies that are directly or indirectly wholly owned subsidiaries

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent company is Michael Page International plc, a company incorporated in England and Wales Michael Page International plc is the parent undertaking of the largest and smallest group which includes the results of the company and for which group financial statements are prepared Copies of the group's financial statements of Michael Page International plc are available from The Page Group, Page House, The Bourne Business Park, 1 Dashwood Lang Road, Addlestone, Surrey, KT15 2QW