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good
to know
you

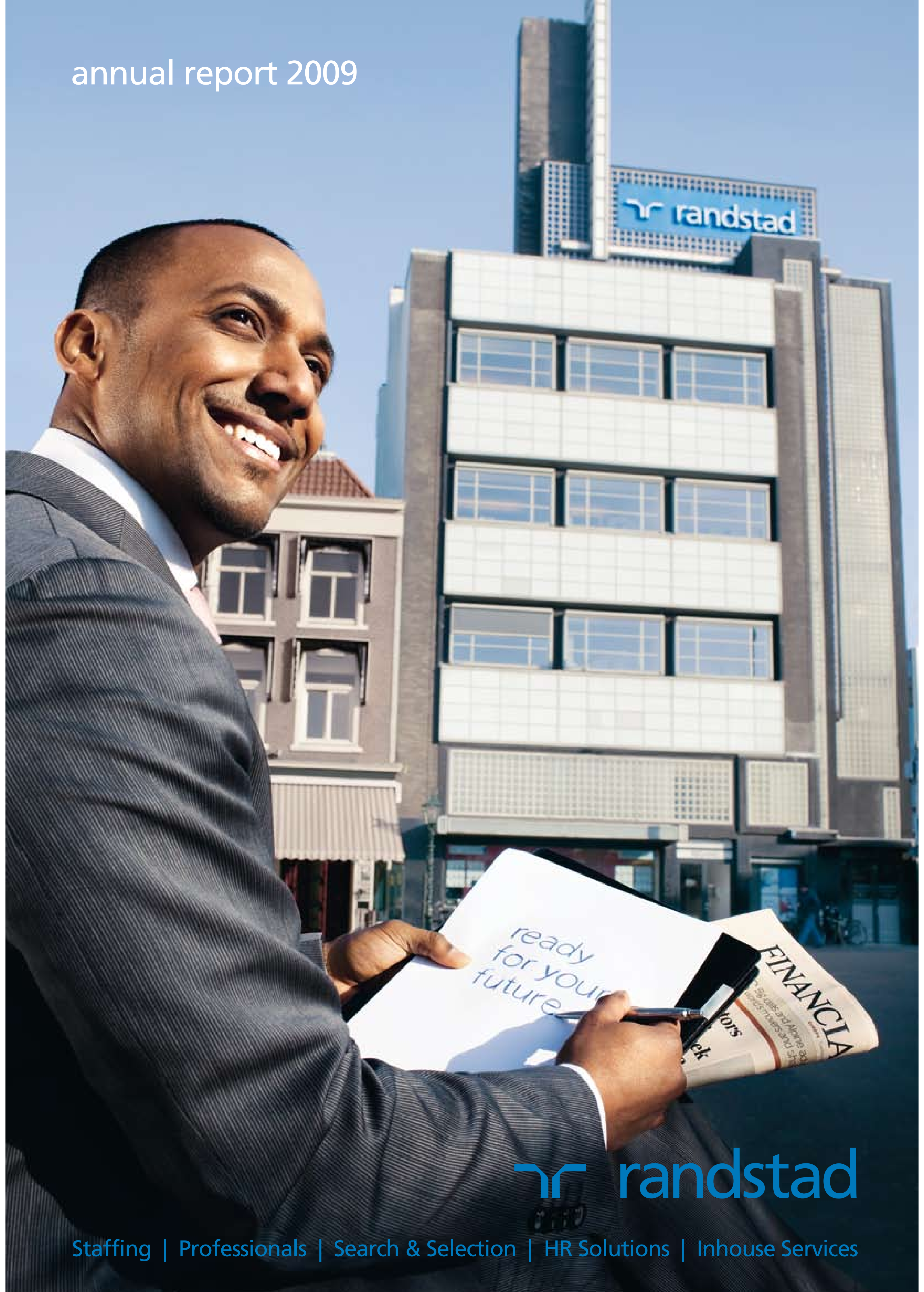
randstad

annual report 2009

ready for your future

randstad

annual report 2009



randstad

Staffing | Professionals | Search & Selection | HR Solutions | Inhouse Services

contents

financial statements

please
turn over
for
key points

Randstad matches supply and demand in the labor market and provides hr services

adding value for our clients with five distinctive service concepts:
- staffing
- professionals
- search & selection
- hr solutions
- inhouse services

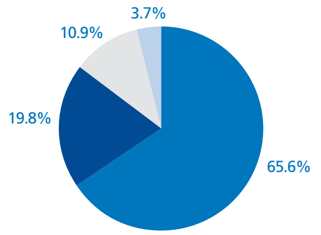
Safe Harbor statement
This document contains forecasts on Randstad Holding nv's future financial performance, results from operations, and goals and strategy. By definition, forecasts generate risk and uncertainty because they refer to events in the future and depend on circumstances that cannot be foreseen in advance. Numerous factors can contribute to material deviation from results and developments indicated in forecasts. Such factors can include general economic circumstances, scarcity on the labor market and the ensuing demand for (flex) personnel, changes in labor legislation, personnel costs, future exchange and interest rates, changes in tax rates, future corporate mergers, acquisitions and divestments, and the speed of technical developments. You should not place undue reliance on these forecasts. They are made at the time of publication of the annual financial statements and in no way provide guarantees for future performance. All operating and business environments are subject to risk and uncertainty. For this reason, we can offer no assurances that the forecasts published here will prove correct at a future date.

The Vedior Group has been consolidated since May 16, 2008. Throughout this report, to best reflect underlying performance and the way the companies have been managed, we focus in our analysis of revenue, gross profit, operating expenses and EBITA on the pro forma comparison, as if the companies had been combined since January 1, 2008. Pro forma 2008 figures, and the underlying 2009 figures, have been adjusted for one-offs. Below EBITA, and regarding the balance sheet and cash flow, for comparative purposes we focus on the actual results, to best reflect the impact of the merger.
Please note that the 2008 pro forma revenue figure has been restated, as we now report our Chinese payrolling business on a net basis (fee only) rather than on a gross basis. This change had no influence on gross profit or EBITA.

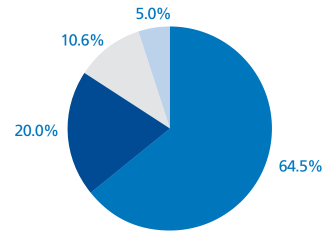
	Revenue	Gross profit	EBITA
2008			
Pro forma reported	17,177.4	3,540.0	834.4
Adjustment China	(185.8)	-	-
Pro forma adjusted	16,991.6	3,540.0	834.4
2009			
Actual	12,399.9	2,421.3	252.4
Integration costs	-	-	29.3
Restructuring costs	-	-	64.5
Book profits	-	-	(23.4)
Other	-	(7.1)	(7.1)
Underlying	12,399.9	2,414.2	315.7

Revenue split by service concept

2008 pro forma: revenue € 16,991.6 m



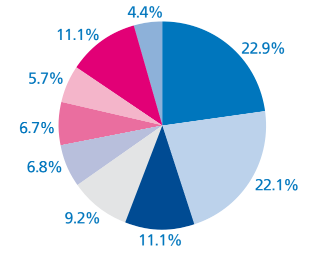
2009: revenue € 12,399.9 m



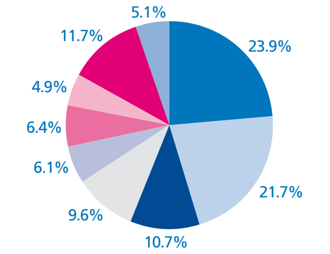
staffing
professionals
inhouse services
HR Solutions

Revenue split by geographical area

2008 pro forma: revenue € 16,991.6 m



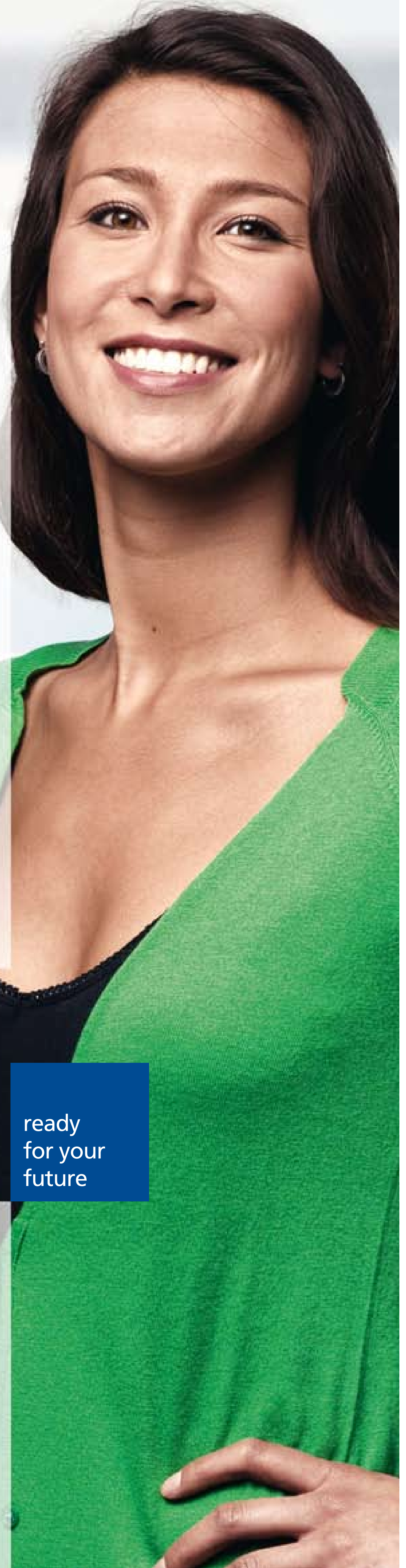
2009: revenue € 12,399.9 m



Netherlands
France
Germany
Belgium/Luxembourg
United Kingdom
Iberia
Other European countries
North America
Rest of world

key points 2009

- The integration of Randstad and Vedior was successfully completed
- The synergy targets came in ahead of schedule and ahead of target
- In the sharpest downturn in the history of our industry, revenue declined by 27% to € 12.4 billion
- Our extensively prepared 'managing through the cycle' approach worked
- Operating expenses were reduced by 22% to € 2.1 billion, backed by natural attrition, synergies and restructuring; extensive global footprint maintained
- Cash flow was strong and net debt was reduced by over € 600 million to € 1.0 billion
- It is proposed to further strengthen the balance sheet and not to pay dividend
- Classical recovery patterns became visible in Q4



ready for your future

The 'new' Randstad, ready for your future

For the theme of this year's annual report, we look back on how today's world of work has been shaped, and how we have shaped the 'new' Randstad to benefit from current and future drivers of growth. We outline our vision on the employment markets of tomorrow, and describe our readiness to achieve our mission of taking the lead in shaping the world of work of the future.

colophon

design concept
Design Bridge

design and dtp
Cascade - visuele communicatie bv

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print management
Sorgdrager Production &
Communication Support

paper
Heaven 42

Mixed Sources
FSC

core data

Key financials (in millions of €)	2009	2008	∆%
Pro forma			
Revenue	12,399.9	16,991.6	(27)
Gross profit	2,414.2	3,540.0	(32)
EBITA [1]	315.7	834.4	(62)
Average number of candidates [2]	465,600	607,900	(23)
Average number of corporate employees	27,640	34,550	(20)
Actual			
Revenue	12,399.9	14,038.4	(12)
Gross profit	2,421.3	2,972.3	(19)
EBITA [1]	252.4	644.0	(61)
Net income	67.6	18.4	267
Free cash flow	698.1	672.7	4
Net debt [3]	1,014.7	1,641.0	(38)
Shareholders' equity	2,491.0	2,416.9	3
Ratios (in % of revenue)			
Gross margin	19.5	21.2	
EBITA margin	2.0	4.6	
Net income margin	0.5	0.1	
Share data			
Basic earnings per ordinary share (in €)	0.36	0.07	414
Diluted earnings per ordinary share before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs (in €)	1.21	3.21	(62)
Dividend per ordinary share (in €)	-	-	-
Payout per ordinary share (in %) [4]	-	-	-
Closing price (in €)	34.90	14.55	140
Market capitalization, year-end (€ million)	5,917.6	2,466.9	140
Enterprise value, year-end (€-million) [5]	6,932.3	4,107.9	69
Employees/outlets			
Average number of candidates	465,600	555,600	(16)
Average number of corporate employees	27,640	28,230	(2)
Number of branches, year-end [6]	3,182	4,146	(23)
Number of inhouse locations, year-end [6]	947	1,087	(13)

1 EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill.

2 Figures for 2008 have been restated following reclassifications in China and France.

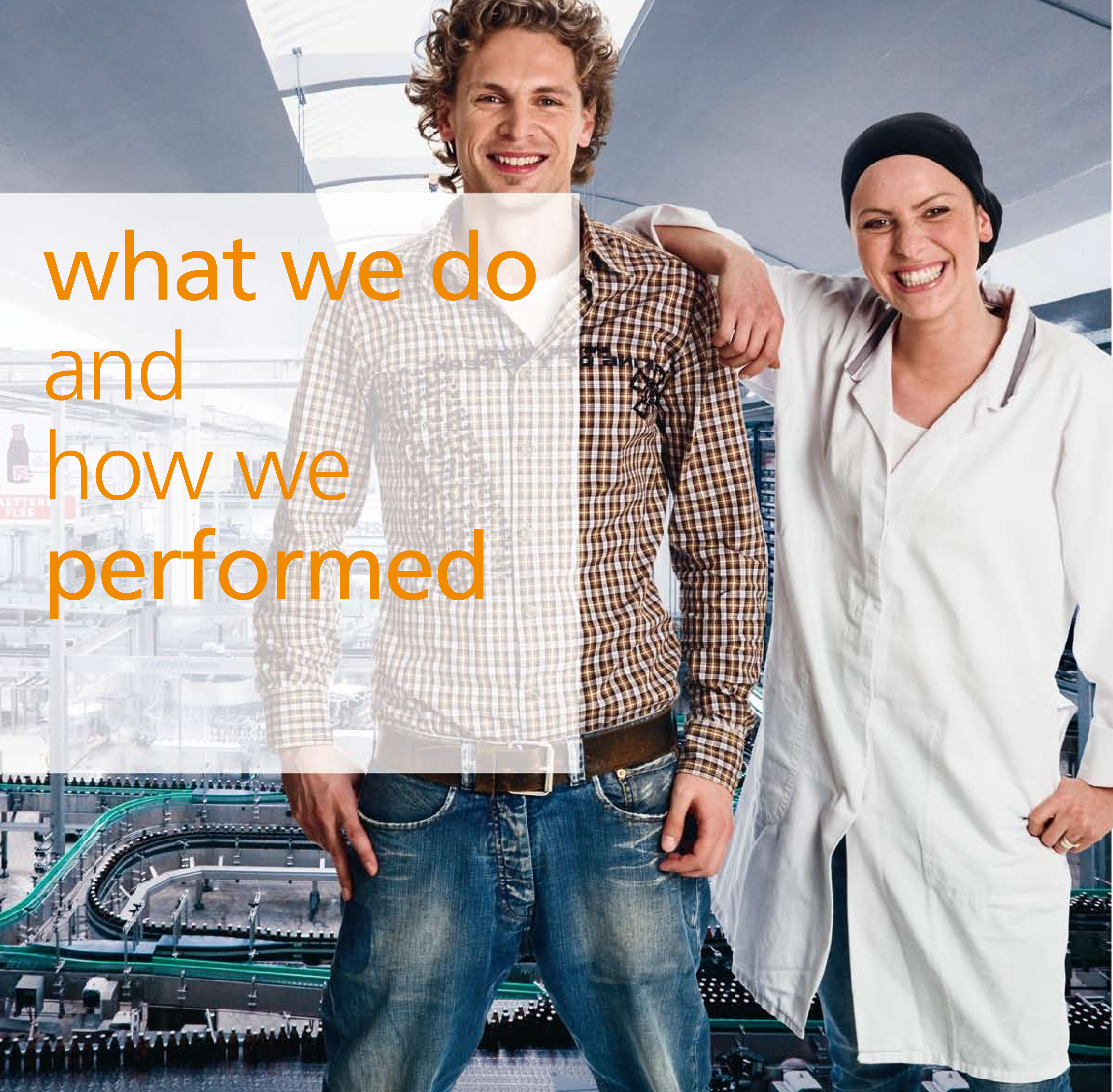
3 Net debt: cash and cash equivalents minus borrowings.

4 Payout per ordinary share in %: dividend per ordinary share on basic earnings per ordinary share.

5 Enterprise value: market capitalization and net debt.

6 Branches are outlets from which various clients are served with a number of various services and which are located in residential/commercial areas. Inhouse locations are outlets from which one client is served with a limited number of job profiles and which are located on the site of the customer.

what we do and how we performed



profile

Randstad is the world's second-largest provider of HR services.

Our services

We match people with companies that will develop their potential, and match companies with people who will take their business to the next level.

In addition to our temporary and permanent placement staffing services, the provision of temporary and seconded professionals and the search & selection of middle and senior managers, we offer specialized HR Solutions and provide dedicated on-site workforce management with inhouse services.

Randstad believes in offering a comprehensive range of HR services to our clients. The balance in our service portfolio between general staffing and specialized professionals, and between temporary and permanent placement, is unique in our industry. We play a pivotal role in shaping the world of work, leveraging the true value of human capital for the benefit of our clients, candidates, employees and investors.

Our global presence

Randstad was founded in the Netherlands in 1960 and has grown and expanded ever since. We are now ranked number two in the world in our industry in terms of revenue and operate in 44 countries; representing more than 90% of the global HR services market. Randstad has top three positions in Argentina, Belgium, Canada, Chile, Cyprus, France, Germany, Greece, India, Luxembourg, Mexico, the Netherlands, Poland, Portugal, Spain, Switzerland and the UK, together with major positions in Australia and the United States.

Our mission

Shaping the world of work

Within its first 25 years, staffing and HR services had become one of the world's fastest-growing industries. In its next 25 years or so, until the current downturn, the value of the global markets for these services had grown to over € 200 billion. Yet staffing and other HR services are still in their infancy, even in many major economies. As in other young and growing industries, its global leaders must actively develop these markets. They must take responsibility for stimulating growth, introducing innovations, and developing their structures and regulatory environment. In doing so, they can ensure that strong long-term worldwide growth rates will continue for many decades to come.

In Randstad today, many of the industry's pioneers have come together to form such a global leader. Even in this year's challenging conditions, we have been providing work for over 465,000 people around the world every day. We will continue to shape the markets of tomorrow and develop growth opportunities wherever they present themselves. By giving employees the work they are best suited for, and by finding candidates for employers that make the best fit with their organization. And by doing so, providing true value to society as a whole.

In short, our mission is to take the lead in **shaping the world of work**.

Our core values

Randstad is known for continuing to adhere to and live by the core values established in its early days: *to know, serve and trust, striving for perfection* and *simultaneous promotion of all interests*.

To know	We are experts. We know our clients, their companies, our candidates and our business. In our business it's often the details that count the most.
to serve	We succeed through a spirit of excellent service, exceeding the core requirements of our industry.
and to trust	We are respectful. We value our relationships and treat people well.
Striving for perfection	We always seek to improve and innovate. We are here to delight our clients and candidates in everything we do. This gives us the edge.
Simultaneous promotion of all interests	We see the bigger picture, and take our social responsibility seriously. Our business must always benefit society as a whole.

Our collective identity is maintained by our shared commitment to these values, which together form a virtuous circle. We can only promote the interests of all our stakeholders if we know them well. Our thorough knowledge of them and our business enables us to serve them better. Our engagement with and service to our stakeholders builds mutual trust. This trust is enhanced by continually striving for perfection and promoting the interests of our stakeholders and society in general.

The values we share serve as a compass for everyone at Randstad, guiding our behavior and representing the foundation of our culture. Our continuing success, our ability to achieve our mission, and our reputation for integrity, service and professionalism are based on them.

Our culture

'Good to know you'

Our shared culture, expressed through our behavior, is a clear indicator of the way we live our values. At Randstad, we believe that creating the best solutions in HR services means always doing more, going further. This starts with continuously deepening our understanding of the environment and marketplace in which we operate. We need to understand the present and future needs of our clients, candidates, shareholders and other stakeholders. Many companies say that their people are their most important asset. As we are in the people business and one of the world's biggest employers, we could not agree more. As success depends largely on the people you employ, it also depends on the people you employ to find them. The better we know our clients and candidates and the better our rapport with them is, the better we are at matching their needs and exceeding their expectations. They experience us as friendly and open as well as professional and driven.

As we approach our 50th anniversary, 'Good to know you' continues to represent the Randstad culture – what we stand for, and how we behave. We mean it, it is at the heart of everything we do, and it is certainly how we want to be known.

Our strategic approach

Randstad's strategy is based on four building blocks: strong concepts, best people, excellent execution and superior brands.

Strong concepts
We offer five strong service concepts to our clients and candidates: staffing, professionals, search & selection, HR Solutions and inhouse services.

Best people
All our corporate employees benefit from the focus on their development and the opportunities we provide to achieve their potential.

Excellent execution
We have blueprints for the many best practice-based processes we execute each day. Perfection is often in the details, so we take pride in getting them right.

Superior brands
Our focus on recognizable and superior brands ensures that clients and candidates know who we are and that our people act in the knowledge that they represent a world leader in HR services.

Our unit model

The unit structure we deploy in most countries in the staffing segment is a good example of a feature that distinguishes Randstad. Each unit addresses a geographic area or segment and consists of two consultants who are responsible for both client service and candidate selection. They work as a team, ensuring one is always available to their clients and candidates, and are often dedicated to specific specialties. The client's consultants are the same people who recruit candidates for them and make the match. They are experts in the local labor market, and become experts in their clients' businesses, understanding their needs and the candidate profiles that will best meet them.

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profile

services	main brands	statistics [1]	regions and outlets [2]

staffing

Temporary staffing, permanent placement and specialties – specific market segments on which dedicated units focus – represent our core business. These services are offered through our well-known network of high street and suburban branches. We deploy our unique unit structure in most countries, where each unit consists of two consultants who are responsible for both client service and candidate selection.

Main brands: randstad, tempo-team

Revenue from third parties

	2009	2008 pro forma
Revenue staffing (€ millions)	7,997.8	11,153.6
Revenue professionals (€ millions)	2,474.1	3,357.1
Revenue HR Solutions (€ millions)	616.9	634.4
Combined outlets, year-end (number)	3,182	4,146

Netherlands (451)
France (925)
Germany (262)
Belgium/Luxembourg (221)
United Kingdom (212)
Iberia (235)
Other European countries (266)
North America (371)
Rest of world (239)

professionals

For middle and senior management positions, we recruit supervisors, managers, professionals, interim specialists and consultants with professional qualifications. These specialists can be engineers, IT or finance specialists and professionals from a large number of other disciplines, such as HR, education, legal, healthcare and marketing & communications.

Main brands: randstad, expectra groupe randstad, randstad care, YACHT a Randstad company, randstad Construction | Property | Engineering

search & selection

We have subsidiaries in several countries specializing exclusively in the recruitment of middle and senior managers for permanent positions within client organizations. These services include a number of related recruitment and training programs that are usually fee-based.

Main brands: SAPPHIRE a Randstad company

HR Solutions

We offer a comprehensive range of HR project management, managed services, recruitment process outsourcing and HR consultancy services, such as outplacement, career management and HR administration outsourcing. These services can be provided separately from our regular staffing and permanent placement offerings.

Main brands: randstad, tempo-team, randstad managed services

inhouse services

This is a very efficient solution for managing a high quality workforce with client-specific skill sets, aimed at improving labor flexibility, retention, productivity and efficiency.
We work on site exclusively for one client, usually providing a large number of candidates with a limited number of well-defined job profiles, often in the manufacturing and logistics segments. We often work with the client to determine specific performance criteria, and we provide total HR management, including recruitment & selection, training, planning, retention and management reporting.

Main brands: randstad, tempo-team

Revenue from third parties

	2009	2008 pro forma
Revenue total (€ millions)	1,311.1	1,846.5
Inhouse locations, year-end (number)	947	1,087

Netherlands (303)
France (63)
Germany (166)
Belgium/Luxembourg (108)
United Kingdom (80)
Iberia (30)
Other European countries (74)
North America (123)
Rest of world (0)

1 HR Solutions is included in the staffing segment statistics, but is shown here separately for information purposes.
2 The number between brackets indicates the number of outlets.

executive board

Greg Netland (1962, American)
After graduating in economics, Greg Netland joined Sapphire Technologies in 1987. He played a key role in Sapphire's integration with Select Appointments in 1994, and in Select's merger with Vedior in 1999. He was promoted to COO and executive vice-president of business development of Vedior North America in 2001, and then again to its CEO in 2003. He joined Vedior's board of management in 2007. He was appointed to the Randstad executive board following the merger with Vedior, and is responsible for the combined businesses in the USA, Canada and Latin America.

Ben Noteboom (1958, Dutch), CEO and chairman of the executive board
After graduating in law, Ben Noteboom held international management positions with a major chemical company. He joined Randstad in 1993, with initial responsibility for the integration of a number of major acquisitions. He then held a series of senior management positions with Randstad and started inhouse services, for which he had Europe-wide responsibility from 2000. He joined the executive board in 2001, and was appointed CEO and its chairman in March 2003. In addition to his leadership of the Group, he is responsible for Randstad in the Netherlands and HR, IT, marketing & communications, business concept development and legal and public affairs for the Group. On April 28, 2009 he was appointed to the supervisory board of listed international retail company Royal Ahold.

Robert-Jan van de Kraats (1960, Dutch), CFO and vice-chairman of the executive board
A certified auditor, Robert-Jan van de Kraats began his career with one of the big four accountancy firms. In 1989, he joined an international technology group as finance and IT director for the Netherlands. He held various senior positions with an international credit insurance group from 1994 and in 1999 was appointed CFO and member of its managing board. He joined Randstad in 2001 as CFO and member of the executive board, and was appointed as its vice-chairman in 2006. He is responsible for finance & accounting, tax, treasury, business risk & audit, investor relations and shared service centers for the Group. In addition he is responsible for Yacht Netherlands and a number of smaller operating companies, such as those in Japan and China. He is also a supervisory board member of Ordina, a listed IT company, and SNS Reaal, a listed banking and insurance company.

Brian Wilkinson (1956, British)
After graduating in English literature in 1978 and with many years in the UK staffing and recruitment industry already behind him, Brian Wilkinson joined Vedior in 1999 as UK development manager. He became a member of Vedior's board of management in 2003. He was appointed to the Randstad executive board following the merger with Vedior, and is responsible for the combined businesses in the UK, Australia & Pacific, the Middle East and parts of Asia.

Leo Lindelauf (1951, Dutch)
Following his studies at an academy for social studies, Leo Lindelauf completed a study in industrial engineering and management science. He began his career as a community worker. He joined Randstad in 1979, working as district manager and regional manager before being appointed regional director in the Netherlands. He became managing director of Tempo-Team in 1994 and managing director operations for Randstad Europe, including the position of general manager Randstad Netherlands, in 1999. Appointed to the executive board in 2001, he is now responsible for all of our operations in Germany, Spain, Italy, Portugal, Angola and Mozambique, as well as for Tempo-Team in the Netherlands.

Jacques van den Broek (1960, Dutch)
Following graduation in law, Jacques van den Broek held a management position with an international trading company until he joined Randstad in 1988 as branch manager. Appointments followed as regional director in the Netherlands and, subsequently, marketing director Europe. In 2002, he moved to Capac Inhouse Services as managing director, also taking on responsibility for Randstad in Denmark and Switzerland. Jacques van den Broek joined the executive board in 2004, and is now responsible for France, Belgium & Luxembourg, Poland, Switzerland, and Group international accounts.

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message from the CEO

Dear stakeholder,

Against the background of the most severe market downturn in our history, we delivered a solid performance in 2009. We were well prepared to deal with the extremely difficult market conditions we faced. Reacting quickly and diligently to bring down operating expenses enabled us to mitigate the impact of falling revenue and margin pressure. The integration of Vedior has been successfully completed. In the process, we not only managed to exceed the cost synergies derived from the merger that had been identified, but also to do so a year earlier than originally anticipated. Furthermore, we made big strides on the road to really becoming one company.

We have been able to prove that our strategy works, and showed our ability to react effectively to market developments. Our commercial strength and future growth potential remain in place as we did not leave important markets. Our expanded geographical presence and the increased diversification in our portfolio enabled us to win more international contracts in 2009. The more complete offering we are now able to provide to major international clients around the world is also meeting their need to consolidate suppliers and their increasing demand for managed services.

While the significant reduction in costs represented a vital achievement, it could obviously only be accomplished in large part through an equally strong reduction in employee numbers. This was managed very well, and achieved mainly through the merger and natural attrition. Unfortunately, it inevitably also demanded some reorganization. I therefore not only want to thank everybody for their hard work and dedication in making this happen, but also to express my appreciation to those employees who have had to leave us for their contribution to Randstad; in some cases made over many years.

The first signs of recovery could be seen towards the end of the year, but due to the limited certainty we have regarding its strength, we are once again proposing that no ordinary dividend is paid for 2009. We regret having to take this decision for the second year in our history, and aim to reinstate dividend payments as soon as the leverage ratio is below 2.0 again. We feel that it is prudent to strengthen the balance sheet in order to ensure that a sound financial position is maintained. I am pleased to be able to say that our stock showed a bigger increase during 2009 than any other on the main board of the Dutch stock exchange, ending the year at 140% above the 2008 closing price. It may make us feel a little uncomfortable that it should have performed so well in a year in which we had to let go of many valued employees, but we trust that it is an indication that investors are confident that the 'new' Randstad is now ready for the future.

For my part, and on behalf of my executive board colleagues, I can assure you that we are fully confident that Randstad is well placed to return to our pursuit of sustainable growth, as soon as the market recovery begins. Now that we have completed the integration, we are ready to extract the value of the combination and fully leverage its strengths. The recession has had some serious consequences, but the long-term structural growth drivers of our industry are fully intact. The awareness that we can help to create an agile labor market, to the benefit of the working population, is growing. We continue to shape the world of work and are hence ready for your future. We enter the year of Randstad's 50th anniversary with confidence.

Ben Noteboom

report from the executive board

Highlights

2009 was a challenging year. We successfully integrated Randstad and Vedior. At the same time we had to face the global recession. The dedication of our people in rigorously managing through the cycle and lowering costs while winning many new clients and contracts enabled us to counter the worst effects of declining revenue and increased pressure on margins. Signs of stabilization and recovery appeared by the end of the year.

Please note that throughout this report, to best reflect underlying performance, since the Vedior Group has been consolidated since May 16, 2008 we focus in our analysis of revenue, gross profit, operating expenses and EBITA on the pro forma comparison, as if the companies had been combined since January 1, 2008. Pro forma figures have been adjusted for one-offs. Below EBITA, and regarding the balance sheet and cash flow, we focus for comparative purposes on the actual 2008 results, to reflect the impact of the merger. The 2008 pro forma revenue figure has been restated as we now report our Chinese payrolling business on a net basis (fee only) rather than on a gross basis. This change had no influence on gross profit or EBITA.

Successful merger

The merger with Vedior can be considered a success, which is a result of thorough and careful planning and execution:

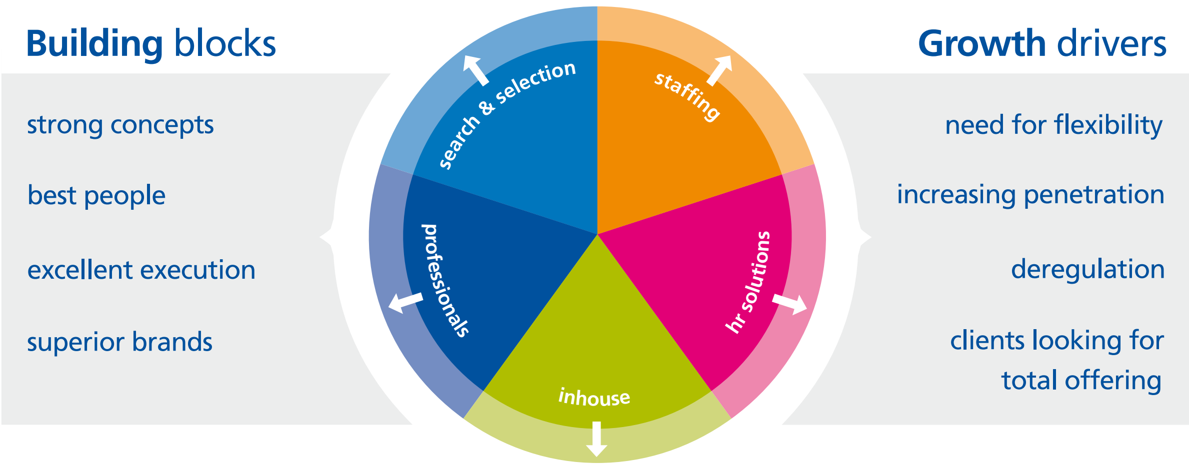
- all staffing activities have been integrated;
- we have retained almost all key people;
- we have retained all major clients;
- we have realized and exceeded the synergies we had identified. The cost synergies reached an annualized level of € 100 million, whereas they were initially estimated at € 80 million. Moreover, they were realized a year ahead of schedule. The tax synergies, initially estimated at € 20 million, reached a level of approximately € 40 million;
- the development of the professionals strategy is well underway and ahead of schedule.

After completing the integration, we now focus on leveraging the strengths and best practices of both entities in geographies and market segments. This implies copying and pasting inhouse services, specialties and professionals concepts across the enlarged footprint. But also harmonizing and improving working capital management. Due to the adverse market circumstances, we will not achieve our goal of the deal becoming EVA-accretive (a return on investment above the weighted average cost of capital) by 2010, but due to the successful integration we feel confident that the required return will be reached in about three years, if economic recovery continues. All in all, enormous potential remains for further improvements in 2010. We have the scale and scope to capitalize on the key long-term trends in the HR services industry that are becoming visible again as we enter our 50th anniversary year.

Successfully managing through the cycle

We demonstrated our ability to manage through the cycle. Our solid performance in exceptionally adverse conditions in

Growth drivers & strategy



targets
- EBITA margin of 5% to 6% through the cycle, not below 4% in normal downturn
- mid-term EBITA margins of 4 to 5% for inhouse services, 5 to 7% for staffing and 10 to 15% for professionals
- continuous market share gains
- sound financial position; leverage ratio of between 0 and 2

2009 is thanks to the consistent dedication and motivation of our people around the world. The downturn was harsh, but we reacted adequately and in time. Operating expenses were adjusted to address the effects of declining revenue. At the end of 2009 headcount had been reduced by 24% to 25,300, while the number of outlets had been reduced by 21% to 4,129. At the same time we focused on cash generation to reduce our net debt position.

These efforts resulted in:
- total revenue of € 12,399.9 million, a decrease of 27% compared to € 16,991.6 million pro forma in 2008;
- operating expenses of € 2,098.5 million, a decrease of 22% compared to € 2,705.6 million pro forma in 2008;
- EBITA of € 315.7 million, a decrease of 62% compared to € 834.4 million pro forma in 2008;
- net income of € 67.6 million, an increase of 267% compared to € 18.4 million in 2008. (The 2008 result had been impacted by a goodwill impairment charge);
- diluted EPS before one-offs of € 1.21, a decrease of 62% compared to € 3.21 in 2008, and
- net debt at year-end of € 1,014.7 million, with the leverage ratio at 2.5, compared to € 1,641.0 at year-end 2008 (leverage ratio 1.8).

Strategy

We operate in markets that are expected to show healthy structural growth over time. We will continue working on our performance and managing through the cycle by remaining focused on our strategic goals. Our strategic agenda has a number of primary components, which are visualized in the diagram above.

The building blocks on the left represent the strategic ingredients for success. The external growth drivers are found on the right. In combination they enable us to grow our business in all five service offerings, shown in the center, and to reach our strategic financial targets, which are listed underneath.

Strategic building blocks

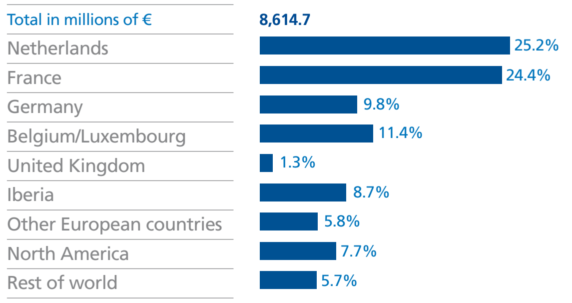
Strong concepts

Our service concepts are based on best practice and proven procedures, ensuring efficient working methods and excellence in service delivery. They can rapidly be replicated and leveraged in other markets, and are relatively easy to adapt to meet specific needs. The consistency of our service concepts and quality around the world means our international clients know they can trust Randstad to meet their needs anywhere.

Staffing and specialties

In many countries our staffing consultants have a dual role, not only serving their clients but also recruiting the candidates and making the match. This sets us apart from many competitors with separate sales and recruitment forces and enables us to make a better match. Furthermore, we preserve and document knowledge and best practices in our business concepts, in order to ensure that clients

Geographic spread revenue staffing[1]
in % of revenue



1 Including HR Solutions

receive an offering that has been proven to work. Our service offering in staffing includes many specialties: specific market segments on which dedicated units focus, such as healthcare, transport, airports and contact centers. Specialties leverage our extensive branch network, our brands and front-office processes to make an above-average contribution to EBITA.

Progress in 2009

While continuing to focus on the market, we completed the integration of the Randstad and Vedior staffing businesses early in the second half of 2009, a year ahead of schedule. The year began with organic revenue declines in staffing of 29%, but the rate of decline slowed each quarter during the year. Although staffing began to recover in several geographies in the second half of the year, organic revenue in staffing declined by 26% for 2009 as a whole. Financial services, contact centers and government-related segments performed relatively well however. Consultant numbers were reduced to align costs with volume developments. The number of offices was also reduced.

Professionals and Search & Selection

We have the broadest and deepest offering in a wide range of professionals sectors and geographies. This diversified business mix is extremely helpful, especially in the challenging economic climate we faced in 2009. Most of our operating companies offer both professionals on a temporary basis as well as through permanent positions (Search & Selection). For this reason, we describe progress in these two offerings together here.

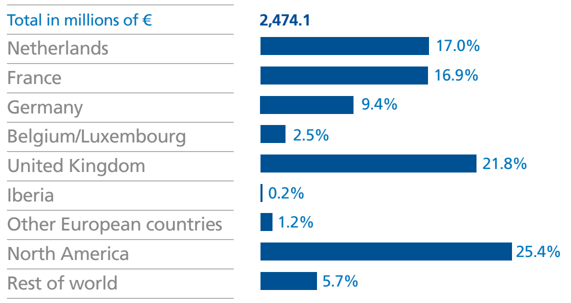
Progress in 2009

The rate of organic revenue decline in professionals stabilized at 26% in the middle of the year and improved slightly to 23% at the end of the year. The best performing sector across the board was healthcare, which correlates less closely with overall economic conditions, and IT was above average in most countries.

We have defined best practices for our service offerings in the professional segment, enabling us to apply these across our markets. They are now being tested and preparations are being made for their rollout in a 'copy-and-paste' process as markets recover. In the meantime, selected rebranding was implemented during the year. Randstad Construction, Property & Engineering was introduced across merged and restructured businesses in the UK and the Middle East for example. A number of separate operating companies in finance, healthcare, education and IT have been or will soon be merged and rebranded. For the other operating companies, the creation of a brand family (see 'Superior brands') and the establishment of shared service centers will help to increase profitability going forward.

HR Solutions

Geographic spread revenue professionals
in % of revenue



Our HR Solutions offering is designed to free up the time of our client HR managers, enabling them to concentrate on their company's essential strategic HR issues. They are derived from and developed out of Randstad's extensive experience in HR services.

A key offering within HR Solutions is represented by Randstad Managed Services (RMS), through which we take on primary responsibility for the organization and management of a client's contingent workforce. Our RMS offering is largely built on knowledge that was available and best practices that had been developed within the Vedior organization. These services are particularly useful for companies who want to have a single point of contact that can ensure transparency and compliance in their large volumes of professional skills from many different suppliers. RMS has experience with most vendor management system technologies that are used to automate the hiring process flow and provide the client with statistical management information.

Key figures by segment

in millions of €	Revenue 2009	Revenue 2008	Growth Total	Growth Organic
Staffing	8,614.7	11,788.0	(27%)	(26%)
Inhouse services	1,311.1	1,846.5	(29%)	(29%)
Professionals	2,474.1	3,357.1	(26%)	(24%)
Total	12,399.9	16,991.6	(27%)	(26%)

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Adapting to change

Change may be the only constant, but some developments have a more profound impact on the way people live and work than others. The unprecedented social and economic change that was set in motion by the industrial revolution for example, when the shift from agriculture to industry and commerce changed the world of work for most of us forever. It was reshaped again in the 20th century, with the emergence of sophisticated technologies and a truly global marketplace. Highly adaptive people with new and refined skill-sets were now demanded by an expanding service sector and the 'knowledge economy'. Randstad has been meeting needs like these since its beginning, with its first temporary staffer being a well-educated executive assistant, fluent in several languages.

Also included within HR Solutions is a comprehensive range of HR project management, recruitment process outsourcing and HR consultancy offerings, such as outplacement, career management and HR administration outsourcing.

Progress in 2009

We reassessed growth ambitions and potential for our Dutch salary administration and payroll services offerings during 2008, and sold most of our business activities in this area by the end of 2009. Progress in RMS and recruitment process outsourcing remained encouraging during the year.

Inhouse services

Our inhouse services meet the structural needs of companies for large numbers of temporary workers. We work on site exclusively for each client and tailor our processes to their specific requirements, improving workforce flexibility, retention, productivity and efficiency.

Geographic spread revenue inhouse services

in % of revenue

Total in millions of €	1,311.1
Netherlands	33.7%
France	7.5%
Germany	18.5%
Belgium/Luxembourg	10.9%
United Kingdom	8.0%
Iberia	3.2%
Other European countries	6.0%
North America	12.2%
Rest of world	0.0%

Progress in 2009

Inhouse services experienced the greatest revenue decline, at -38%, in the first half of the year, due to its exposure to the industrial and logistics segments, but the rate of decline stabilized earlier than in staffing and professionals. Furthermore, relative to our other offerings it showed the strongest improvement throughout the second half of 2009, with the organic revenue decline slowing to -9% by Q4 and -29% over the full year. Recovery was visible across a broad range of industrial segments, and logistics also picked up in most countries.

Best people

'Best people' acknowledges the importance of our corporate staff in maintaining and building on our success and position in the market. The true value of any business is in its people and we are very proud of our employees. At all times, even the difficult ones, we continue to invest in them and create the circumstances in which they can grow and provide excellent performance. We therefore deeply regret that the need to reduce costs during 2009 meant that we had to let more than 8,000 of our people go. Natural attrition is always high in our industry. Around half of the total reduction in corporate employees in 2009 was achieved in this way. However, the other half was needed as well to align the cost base with decreased revenue.

Progress in 2009

Talent management

During the completion of integration in 2009, changes to management positions were made on the basis of merit, and close attention was paid to expanding existing talent

Reduction corporate staff [1]

	Year-end 2009	Year-end 2008	Reduction
Netherlands	5,510	7,450	1,940
France	3,900	4,800	900
Germany	2,350	3,200	850
Belgium & Luxembourg	2,030	2,370	340
United Kingdom	2,070	3,000	930
Iberia	1,500	1,940	440
Other Europe	1,470	2,240	770
North America	2,840	3,950	1,110
Rest of world	3,480	4,280	800
Corporate	150	170	20
Total	25,300	33,400	8,100

1 Corporate staff = corporate employees + temporary staff for own use.

retention programs. The need for a local and global approach to the flow of staff and talent management is all the greater given our continued ambition to fill 80% of management positions from within, a target we achieved again in 2009. Talent management initiatives also include global talent reviews, enabling us to track the talent pipeline from a Group perspective and to address possible issues early on.

Randstad Institute

Almost 400 top managers from around the world participated in 15 different talent development programs at the Randstad Institute, our internal business school, throughout the year. The updated programs are created in cooperation with leading business schools such as INSEAD in France and TiasNimbas in the Netherlands. The number of senior executive Randstad Institute programs was expanded in 2009 to reflect the wider scope of the Group, to share the wealth of knowledge we have within it and to ensure we retain senior talent.

Career development

We encourage employees to help to define their own career development. Tools include regular individual development planning meetings and the intranet is used to communicate training and development opportunities to staff at all levels. A global internal vacancy database enables employees to quickly learn about local and international career opportunities.

Employee engagement

We hold a global employee engagement survey each year to support retention. The survey measures key engagement drivers such as satisfaction, pride, intention to stay and likelihood to recommend. The outcomes help management determine which factors will most effectively raise engagement levels in each employee group.
In 2009 the survey showed that, while there is room for improvement, engagement is high, scoring a 7.1 on a scale of 10 (7.5 in 2008). Employees also indicate that they are proud to work at Randstad, with 38% giving pride a score of 9 or higher (41% in 2008). We are pleased that, despite the difficult market circumstances, the survey only showed a mild detoriation. Survey reports are treated as an opportunity for further dialogue about engagement at all levels within the organization. Engagement is further stimulated by a share purchase plan for all employees and a performance share plan for a group of senior managers.

Excellent execution

All of our activities are supported by best practices, translated into standardized work processes that enable us to spend more time with clients and candidates, provide clients with market-leading services, and thus gain market share.
The excellent execution of our consultants is measured by the productivity of the unique units they work in, described on page 5. The unit steering model we employ in our staffing business is designed to optimize productivity as measured by employees working and/or gross profit per unit. Productivity measurement is key to generating strong conversion of gross profit growth into EBITA growth.

Progress in 2009
In 2009, we focused on what we call the recovery ratio. We set targets for each country for offsetting a percentage of gross profit reduction by reducing operating costs. This provided clarity and helped in the establishment of internal benchmarks. Receivables management is more aligned. Despite our clients' focus on retaining cash in the face of their own declining revenue, the moving average of DSO (days sales outstanding) during the year was reduced from 59 to 58 days. Back office processes were streamlined during the year by combining a number of them during 2009. Excellent execution also played a key role in 2009 in capturing synergies beyond the savings. Our integrated risk and opportunity management processes, detailed on pages 46-51, which helped us to manage our risks adequately, represent another component of this building block.

Superior brands

Our superior brands are a guarantee to our clients that they will receive the highest quality service and the best employees worldwide. Superior brands give us better pricing options and the spontaneous awareness that facilitates selling, prospecting and the introduction of new products and services. They make it easier for us to recruit and retain the best candidates and corporate employees. They enhance our visibility and credibility with regulators and legislators. They provide us with more supportive investors and additional financing options.

Progress in 2009
Following a stable performance in 2008, Randstad global brand awareness grew strongly again during 2009, driven by the successful media programs used to rebrand Vediorbis to Randstad in France. More than 95% of revenue was within the Randstad brand family by the end of 2009. Over one hundred brand change projects were initiated in 2008 and 2009, and over sixty of those had been completed by year-end.

A new family of specialist and professionals brands joined us with the combination with Vedior in 2008, giving Randstad a leading position in the global professionals market. We take a pragmatic approach, and only rebrand in specific cases. Operating companies that have good reasons to retain their own brand may do so. By the end of 2009, one-third of our professionals business was being generated using the Randstad main brand. In order to preserve the value of the professionals businesses choosing to retain their brands, while adding the clear brand awareness and recognition that Randstad has developed in the staffing market, a new professionals house style was developed in consultation with the major operating companies. By the end of 2009, all non-rebranded major professionals businesses had the look and feel of this new Randstad professionals brand family, with the existing brands endorsed with the tagline 'a Randstad company'. Considerable marketing efficiencies have been gained as a result, as we use one central photo database as in staffing, while production costs, using web-based templates, have been reduced.

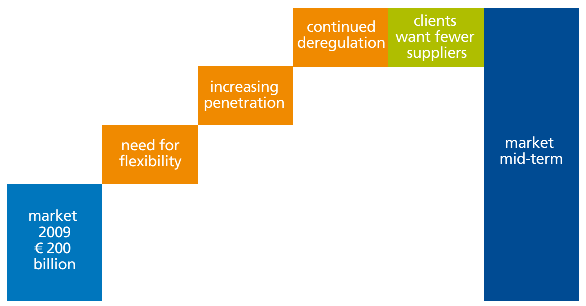
Dependency on interaction through the Internet has increased, and will continue to do so. This also requires strong brands. The more limited the number of brands, the more targeted our Internet-related investments can be. As changing web traffic patterns involve more direct routing through the search engines rather than through intermediate sites such as job boards and content portals, we have improved our presence significantly. Examples include free job posting options now being offered to our clients in France and Germany, and access to all our published job openings anywhere in the world being provided on www.randstad.com.

Strategic growth drivers

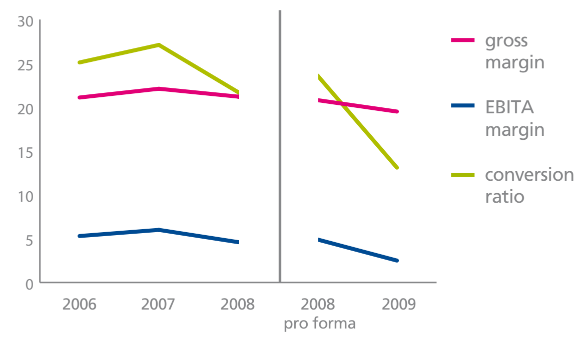
Need for flexibility

One of the most important drivers of the long-term structural growth in our markets is our clients' need for flexibility. There is a growing recognition that a more flexible workforce helps them improve productivity and be more competitive. The depth of the economic downturn in 2009 has made clear that many companies were not flexible enough. Flexibility is therefore expected to be higher on the strategic agenda of our clients in the years ahead. In addition, a study by SEO Economic Research (Mind the Gap) that we supported shows that structural skill shortages, made particularly acute by an aging population combined with declining – and often negative – population growth in Europe and elsewhere, increase the need for flexibility over the long term.

Future external growth drivers



Gross margin, EBITA margin and conversion ratio



Increasing penetration

While average penetration rates (the percentage of agency employees in the total working population) may have come down due to the economic crisis, they generally increase with each cycle. Yet only in the most developed flexible employment markets, such as the UK, the Netherlands and France, have these rates exceeded 2%, so the potential structural growth over the longer term is enormous. The need for flexibility and deregulation are clear drivers, but it is also evidenced that countries where staffing acts as a lubricant in the employment market – hence those with relatively high penetration – have lower unemployment rates.

Continued deregulation

Another driver of market growth is deregulation, a factor we try to influence as much as possible. While deregulation is a well-known and accepted term, we stress that we are not looking for a system without rules. In fact, we strive on the one hand for the lifting of unjustified restrictions in overregulated markets, and on the other for a fair and effective regulatory environment in markets where this has yet to be introduced. New opportunities continue to open up as governments increasingly recognize the need for flexibility in their employment market. In terms of the countries that together contribute a large portion of Randstad's revenue, a major step forward was taken in 2008, when the European Parliament adopted the Agency Work Directive. It recognizes the positive role of agency work, provides more flexibility, and must be implemented by all EU member states in their national legislation by 2012. A very positive aspect of the Directive is the obligatory revision of all restrictions on the use of temporary agency employees in the coming three years, and the subsequent lifting of those that are unjustified or disproportionate, such as the bans on the use of temporary agency employees in the public sector in France, Belgium and Spain. The removal of restrictions in terms of contracts and sectors we can serve will significantly accelerate growth in many of our key European markets. We discuss the legislative environment in which we operate in more detail on page 21.

Clients want fewer suppliers and look for a total offering

Clients are increasingly looking for fewer suppliers, and from those suppliers they tend to use a broader range of HR services, from staffing services through the recruitment of professionals to outsourcing and the provision of managed services. This will not necessarily enlarge the market, but as Randstad has a uniquely comprehensive portfolio of services and a strong presence in almost all major markets, we are well placed to gain market share because of this trend. More clients are looking for global solutions, establishing international staff procurement organizations. Our international account management team coordinates collaborative efforts across all our country operations to offer cross-border service agreements based on quality and cost efficiency. International accounts continued to make a significant contribution to total revenue in 2009.

Strategic financial targets

The strategic targets we established in 2002 and updated slightly in 2008 are:
- EBITA margin of 5-6% on average through the economic cycle; not below 4% in normal downturns;
- mid-term EBITA margin targets for the segments of 4 – 5% for inhouse services, 5 – 7% for staffing and 10 – 15% for professionals;
- continuous market share gains;

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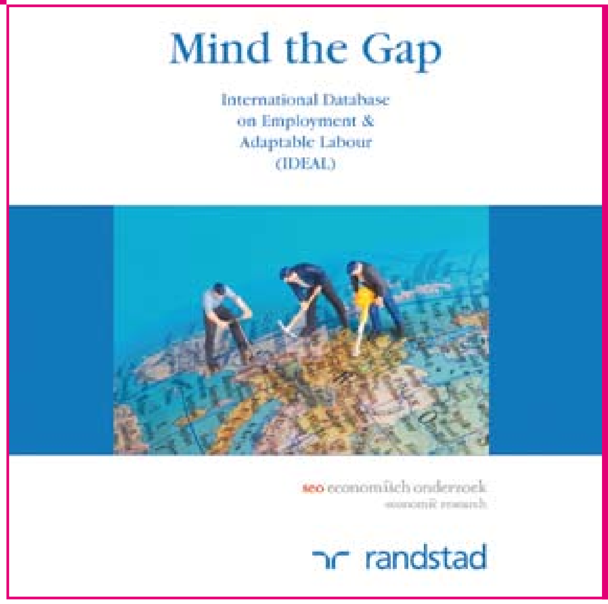


People and skills shortfalls

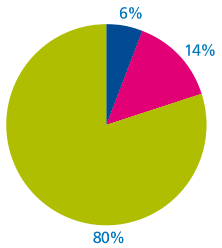
New challenges lie ahead, requiring 21st century solutions. As the Randstad/SEO report 'Mind the Gap' (2007) revealed, aging and declining population growth are set to cause enormous scarcity of people working in most Western economies. In the EU labor market alone, it is estimated that we will have a potential employment gap of 33 million people by 2050 – unless participation rates, productivity and employee mobility are improved. We will otherwise be unable to maintain current living standards. Skills shortages are just as important. In a globalized, service-oriented world of work, highly sophisticated and specialized skills are needed. As will become apparent again as we recover from the current economic downturn, the demand for and mobility of professionals will increase dramatically in the years ahead.

- maintaining a sound financial position (leverage ratio, or net debt divided by EBITDA, of between 0 and 2).

Given the very severe market conditions we faced in 2009, we were unable to achieve these targets. The minimum 4% EBITA margin we aim to achieve was set for a normal downturn scenario in which revenue declines by 10% for two consecutive years, followed by a 5% decline in a further year. The revenue decline during 2009 was steeper within a single year than this stress case scenario had anticipated totaling over three years. As a result, despite major cost reductions, the EBITA margin reached 2.5%. Our aim is to reach a margin of 4% as soon as possible. The merger with Vedior boosted our pro forma global market share from 3% to 6%. Due to the focus on integration and cost containment, we did not gain market share in a few main markets in 2009. Now that the integration and major cost reduction initiatives have been completed however, market focus should improve and we aim to outperform the market again in 2010. We significantly improved our net debt position from € 1,641.0 million to € 1,014.7 million. As EBITDA came down however, the leverage ratio rose to 2.5. In this context, net debt reduction remains a key priority for 2010.

Global market share

Top 3: Randstad	6%
Top 3: others	14%
Total top 3	20%
Rest of market	80%
Total	100%



It remains our overall financial goal to achieve an average EBITA margin of 5 - 6% through the cycle. This ensures the Group's financial position, and the 4% minimum should reduce volatility but still allow us to invest when appropriate. Maintaining a leverage ratio of between 0 and 2 is commensurate with an investment grade rating and important for continuity. We have a policy of using floating rates on the debt as this provides a natural hedge (see risk & opportunity management on pages 46-51).

Strategy through economic cycles

Underlying our EBITA targets is full awareness of the challenges and opportunities presented by economic cycles. The value of the careful preparations we had been making since 2006 for managing through the cycle, based on lessons learned from previous downturns, was certainly demonstrated in 2009. Based on the scenarios we had developed, we knew what had to be done, everyone was aligned and we executed rapidly. As a result we achieved significantly better financial results than we were able to during the last, much milder, downturn. Three factors are of major importance to our through-the-cycle strategy: revenue, direct costs and operating expenses.

Revenue

Maintaining profitability starts at the revenue line. Our wide geographic spread and diversified business mix would help us to manage the risk of revenue volatility in a normal downturn. The downturn in 2009 was unusually severe in all our industry's major geographic markets however. It also impacted almost all business segments, although some verticals that move in different cycles, such as healthcare and education, performed reasonably well.

Direct costs

Direct costs consist largely of salaries we pay to our candidates and social security charges. Due to internal policy changes and new opportunities arising from revised collective labor agreements in the Netherlands and Germany, we had significantly fewer staffing employees on permanent contracts than in the last downturn, which reduced idle time risk.

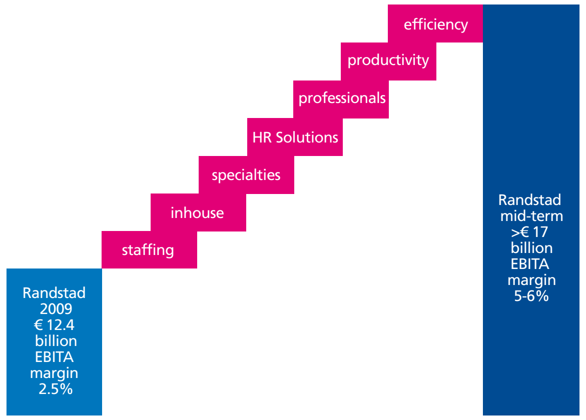
Operating expenses

In general, the more flexible the indirect cost base, the lower the risk. Personnel costs are the largest contributor to indirect costs. Through the use of our unit steering model, we know when and where we have to reduce corporate staff numbers. Controlled contraction of corporate staff levels is supported by regular staff turnover, which proved to be a valuable tool in 2009. Bonus and commission schemes are equally flexible. Especially in the US and the UK professionals businesses, bonus and commission schemes form a far larger proportion of total compensation than in our traditional staffing business and, with reduced volume, associated costs came down substantially. Another substantial indirect cost is represented by accommodation costs. The dense network resulting from the merger with Vedior greatly facilitated accommodation cost management, enabling us to make a significant reduction in offices without damaging the integrity of the network or our market presence. In the past few years IT costs had been made flexible by outsourcing several functions so that costs partly reflect processed volume. One national IT platform is used where possible to lower fixed costs. Standardizing our marketing tools leads to lower fixed costs. Marketing support costs can vary with volume, and in 2009 these costs came down. Successful cost control depends on reaction time, and our improved reporting and review process enabled us to react faster than in previous cycles. We were able to immediately reduce our operating expenses in response to declining revenue. Focus on 'simple' metrics, such as the recovery ratio (the percentage of lost gross profit that is recovered through reduced operating expenses), has been instrumental in managing our cost base.

Extracting the value of the new Randstad

Now that the integration has been completed, we focus on extracting the value of the new Randstad. The number of opportunities to reach our targets, based on organic growth, is large. We have established a good track record in copying and pasting best practices since 2003, especially in staffing, staffing specialties and inhouse services. We will continue to do this, now over the enlarged footprint, and extend the process to the professionals segment. Our inhouse services offering has been one of our key growth areas over the last ten years. We believe that at least 15% of the total staffing market is suitable for inhouse services, offering significant early potential for growth in many countries as the economy recovers. We also see strong opportunities offering a broader range of specialties in more countries. In addition, we have been capturing best practices in the professionals segment. Now we can implement them in the existing professionals businesses in order to improve growth and profitability. Once that is successful we can use these best practices to

Extracting the value of the new Randstad



invest in organic growth and broaden the professionals offering in many markets. The considerable capacity remaining across the Group will be utilized to stimulate productivity as the economy picks up. Continued improvements in efficiency will be made through further reductions in numbers of brands, rationalization of back office operations and leveraging the profitability advantages of our larger branches.

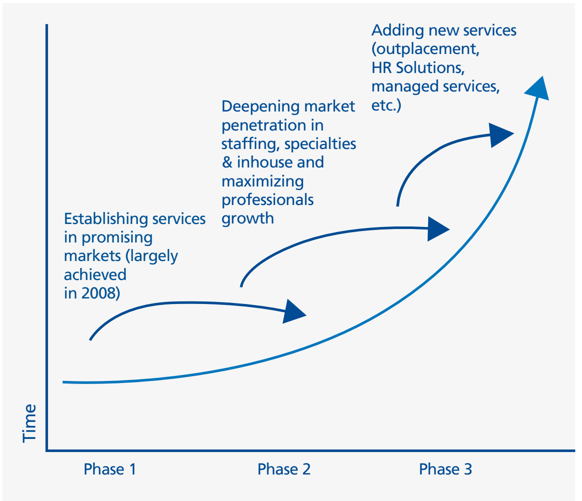
Randstad's geographic markets

How we apply our strategy in our markets

Each country in which Randstad operates has its own specific characteristics. Firstly, the staffing markets themselves are in different phases of development. Labor laws and penetration rates differ, and markets can be in different stages of the economic cycle. However varied they may be, they all have opportunities for growth. Although Randstad is ranked number two in HR services worldwide in terms of revenue, we only have an 6% share of the total global market. Secondly, within our various markets, Randstad itself is in different phases of development. The graph on this page illustrates the three phases through which we establish, develop and 'copy & paste' our strong service concepts, competences and best practices as our market presence grows and as HR services markets grow and mature. We are active in countries representing more than 90% of the global HR services market. Following the expansion of our global footprint last year, our priority is to expand in the countries we cover rather than to add markets.

In countries that have markets that are growing and maturing, our services are gaining recognition. Often, this is because we contribute to flexibility in the workplace and open up the labor market for the young or unemployed. Deregulation has usually occurred in the past decade in these markets, and here we deepen our penetration in staffing and inhouse services while maximizing the growth of our

'Copy & paste' organic growth strategy: three phases



professionals activities. For markets where staffing has long been a reputable solution for flexibility in the workplace, penetration rates are usually higher. Examples are Belgium, the Netherlands, the UK and the US. Market characteristics differ, but the working environment is well and flexibly regulated. The business environment and potential candidates know and value the services Randstad offers. Growth can be achieved in a different way here, as they are ready for differentiated staffing propositions and additional added value services, such as outplacement, HR Solutions and managed sevices.

Gross margin differentials

A further distinguishing factor between individual markets is gross margin. The level of gross margin we can achieve in each market depends on the level of added value. In general, added value relates to service levels, risk and cost factors. The table below explains some of the factors that influence gross margin. Several of the differentials are integral so it cannot be assumed that gross margins will converge to a significant extent. Service levels make a big difference. In the US and the Netherlands, for instance, it is common for Randstad to handle the whole recruitment process and manage several other HR functions as well, which drives gross

Gross margin differentials explained
added value experienced

	NL	GE	FR	US	BE
Outsourcing HR activities	+	+	+/-	++	+
Level of specialties	++	+/-	+	++	+
Flexibilty	++	++	++	+/-	++
Idle time management	+/-	++	n.a.	n.a.	n.a.
Lower total labor cost	+	+	+/-	+/-	n.a.
Social acceptance/quality	++	+/-	-	+/-	++

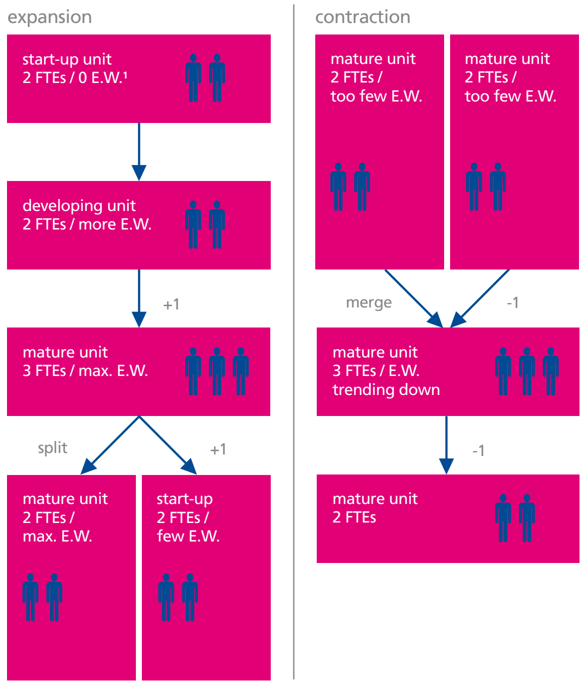
margin. Outsourcing of these HR functions has been less common in France, but it is developing here also. The relative importance of the professionals offering also differs by country. In the US, the UK and the Netherlands, professionals make up a large part of the total market and are a clear gross margin driver for the sector as a whole. In many other markets, this offering is far less developed. In continental Europe, labor markets tend to be highly regulated and employee dismissal often requires a severance payment. Our services provide clients with flexibility in these markets and the shift of risk is thus added value. Idle time risk is therefore reflected in gross margin. This has a positive impact on gross margin in the Netherlands and Germany.

The combination of improved flexibility, security for temporary staff and competitive total labor cost achieved through a collective labor agreement for the staffing industry is among the key reasons why clients in the Netherlands and Germany work with staffing companies. Through the use of a sector-wide collective labor agreement, processing costs are lower. In general, it is easier to deploy temporary staff, as in a defined period they receive the same pay rate, no matter in what sector they work. Such sector-wide collective labor agreements that help the HR services sector to reduce cost, a reduction that can be passed on to the clients, do not exist in other markets. In France, for example, unit labor cost per hour for staffing is even higher than for permanent employees, due to equal pay with permanent employees being required during the assignment and additional payments being required at the end of an assignment. This indirectly impacts the French gross margin negatively. On balance, staffing is still cheaper for employers in France as they only pay for actual hours worked.

How we grow our markets

In all our current markets, we work on the basis of our strategic building blocks. Organic growth is pursued and achieved by introducing appropriate strong concepts, driven by best people most usually through our unique unit structure and excellent execution using standardized processes. The growth model we usually apply is known as the 'lily-pad', where more lilies grow from a common stem until they cover an entire pond.
First, we research the local market thoroughly. Once we have identified an area with sufficient market potential, a team of two consultants starts up a 'unit', the structure we use to grow our business. A third consultant is added when the unit reaches maximum capacity. Then we add a fourth consultant and split the unit into two. As the business grows, more and more units are added, including specialties and new services. Once we have covered a particular area thoroughly, we consider opening a new branch. There are strict criteria for the expansion of our branch networks. As our business and market share in the first location grows, we move into an adjacent area where we repeat the growth model.
To manage through the cycle, this controlled growth model

Lily-pad model, controlled expansion and contraction



1 E.W. = employees/candidates working

can be reversed for controlled contraction when working candidate numbers fall, by merging mature units and then reducing FTE numbers. The unit steering model was used in this way to reduce operating expenses in line with declining revenue in 2009.

The legislative environment

In addition to labor markets functioning well and long-term economic growth, a fair and effective regulatory framework is a key driver for the growth of the staffing industry.

On a global level, private employment agencies are regulated by ILO Convention No.181 and Recommendation No.188. This Convention, adopted in 1997, defines common minimum standards for private employment agencies, explicitly recognizing the importance of flexibility in the functioning of labor markets. Only 21 countries worldwide, amongst which are 12 EU countries, have ratified the Convention to date however. Turkey, India, Mexico and Malaysia have yet to ratify the Convention for example, and have yet to establish an effective legal framework for staffing. Proper regulation is necessary in order to develop this young industry in these countries, prevent unfair competition and distinguish quality, decent agency work from other irregular and often illegal forms of flexible labor. We very much welcome the recent call from the ILO to its member states to accelerate the ratification process in order to boost worldwide employment at a time of global economic crisis. Well-regulated agency work creates jobs.

> 'France opened the public sector to agency work in 2009. It is hoped that Belgium and Spain will soon follow this good practice'

In other, more mature staffing markets, agency work is often heavily regulated. The nature of the regulation varies from one market to another however. Temporary staffing at the national level is mostly regulated on the one hand by specific regulation regarding the establishment and provision of staffing services and on the other by general labor and employment law provisions. This is complemented by collective labor agreements concluded by representative social partners and self-regulation of the industry. The shared principle and aim of all temporary staffing regulation should be to balance protection of workers and flexibility within the labor market, the so-called 'Flexicurity model'.

The UK, the US, Australia and Japan have the world's most liberal recruitment markets. Following the election of a new government however, the enhancement of agency worker rights by banning certain types of very flexible contracts is now under discussion in Japan. We hope such discussions will not diminish flexibility solutions for companies, as this will not only lead to a decrease in competitiveness but also to an increase in undesirable substitution by grey and black work.

Latin America and Northern Europe have long-established staffing markets. Here, as in the younger markets in Southern and Eastern Europe, social partners, especially unions, play an active role in labor market regulation. Social acceptance by all stakeholders of temporary staffing is key to a further relaxation of the legal environment and in turn to the development of alternative work arrangements and additional, complementary HR services. The overriding trend is for legal restrictions on staffing activities to be lifted further. These restrictions are often outdated and counter-productive to the effective functioning of labor markets.

Over the last decade, governments and unions have consistently shown a greater awareness and acceptance of the benefits and added value of agency work for the labor market. The positive contributions – in terms of job creation and decreasing long-term unemployment – that the staffing industry brings to the labor market are increasingly recognized. In mature markets, the staffing industry often contributes to active labor market policies, by co-operating with public employment services and government programs to achieve a more inclusive and transitional labor market.

Legal restrictions on the temporary staffing market can be divided into four categories: maximum length of assignments, reason of use for the assignment, set levels of pay and other benefits or sector prohibitions. In the EU, the Agency Work Directive (AWD), setting minimum employment conditions for agency workers, was adopted in 2008. The AWD must be implemented by EU member states in their national regulations before 2012. The AWD introduces the principle of equal treatment at the user company level within the EU. Derogations from this principle are possible by collective labor agreements or, in countries such as the UK and Ireland, where there is no established national system of collective bargaining, by tripartite agreement. A government consultation process is currently underway in the UK in which the most favorable way of implementing the new grace period and subsequent application of 'user pay' after 12 weeks in one assignment is being discussed. The UK has announced that implementation of the AWD will take place in October 2011, as this will provide business with the maximum time possible to adjust to the new regulations.

In the Netherlands and Germany, collective labor agreements for the staffing industry are already in place. These derogate from the legal equal treatment principle in that they set wage levels for temporary workers and therefore help to promote flexibility in labor conditions. In the Netherlands a grace period of 26 weeks applies before equal pay sets in. In Germany there is no time limit to the derogation. The influence of the AWD on current regulation will be very limited in Southern and Central European markets, where wage levels are already legally on par with those of permanent workers in the user company.

A particularly positive aspect of the Directive is the obligatory revision of all restrictions on temporary agency work in the coming two years, and the subsequent lifting of those that are unjustified or disproportionate, such as sectoral bans on the use of temporary agency workers. France finally opened the public sector to agency work in 2009. It is hoped that Belgium and Spain will soon also adopt this good practice.

market reviews

Netherlands

In our original and highly developed home market, the Randstad Group remains the clear overall leader in the supply of HR services. The full range of service concepts is provided by several operating companies, including Randstad, Tempo-Team and Yacht. The integration and rebranding of the Vedior staffing business with Tempo-Team and Dactylo with Randstad had already been successfully completed by October 2008.

The closure of most of the Dactylo branches before the start of the year contributed to Randstad's success in containing costs in 2009. The overall number of outlets remained stable through the year, but the headcount was reduced by around 30%. At the same time, a focus was maintained on sales, especially on the market segments least affected by the economic downturn, and DSO was managed well.

While Randstad performed less well than the market in the badly affected industrial segment, as clients served by our significant inhouse business were hit severely, it increased its share of the administrative segment, especially contact centers. Capac was rebranded as Randstad Inhouse Services at the beginning of the year. Maintaining market share and good profitability in such a downturn represented real achievements in their own right in 2009. They are all the more significant in light of Randstad being the largest player in the market, being dependent on large clients and undergoing major organizational changes during the year.

Tempo-Team holds a strong number two position in the Netherlands and outperformed the market in 2009 for the fifth year in a row. From the total of 374 outlets at the beginning of the year, 346 remained by the end of 2009, with most closures due to the completion of the integration. In order to manage through the cycle, the headcount was reduced by around 250 and a number of internal programs stimulated sales performance. Professionals, healthcare and the administrative segments performed best.

Yacht is active in the professionals and interim management services segment which, being more late-cyclical, only started to contract markedly in 2009. We proactively included a charge of € 9 million in the regular operating result in Q1 to normalize idle time by accelerating the termination of Dutch interim professionals contracts. As pressure on the professionals segment as a whole continued throughout 2009, the headcount was reduced by 32% during the year. Centralization of marketing expenses also helped in managing through the cycle. FunktieMediair will continue as our Dutch healthcare professionals label, but the back office was integrated into Yacht, while the head office was relocated to the Yacht office in Utrecht. Rekenmeesters (finance) will be fully integrated into Yacht early in 2010.

In June and July, we sold two salary administration and payroll processing businesses, active in the Dutch healthcare and education sectors respectively. The combined revenue of the two activities was € 28 million in 2008. These divestments did not impact payrolling activities where Randstad is also the legal employer, such as P/flex, which are less cyclical and performed well in 2009. It remains a key priority to serve our clients with HR Solutions services such as these and outplacement, reintegration, managed services and recruitment process outsourcing.

The market declined by about 21% during the year as a whole. Revenue declined 21% organically overall in the Netherlands, and the EBITA margin was 6.8% for the year (8.7% in 2008).

Main market positions, 2009

in billions in local currency

Regions	Market size[1]	Market share in %	Market position
Netherlands	12.2	24	1
France	15.5	18	3
Germany (staffing only)	8.8	15	1
Belgium/Luxembourg	4.0	29	1
United Kingdom	17.6	4	3
Spain	2.1	23	2
United States	95.3	2	6

1 Based on updated country data, 2008 figures and estimates growth rates.

France

Randstad has been the third largest HR service provider in France since the combination with Vedior. As formal approval to merge Randstad France with Vediorbis was only received in November 2008, the integration of the businesses and the realization of synergies could not begin until Q1 2009. In addition to the closure of the Randstad head office, 72 staffing branches were closed in February in accordance with the approved integration plan. The combined teams were regrouped in larger branches, realizing further accommodation cost savings. The original branch density meant that nearby outlets could be merged, so no geographic areas had to be left and FTE reductions were easier to absorb.

It was clear by the end of 2008 that the cost base would have to be further aligned to market circumstances that were continuing to deteriorate. A social plan was presented to the unions in January, involving the closure of 85 more branches and a headcount reduction of 489 fulltime equivalents (FTEs). We could only start with the voluntary redundancy component of the plan in September, and completed the largest part by December. We decided not to pursue the final part of the plan, as the length of the process had already negatively impacted productivity, profitability and market share.

The integration was successfully completed by the summer, and the former Vediorbis branches have been rebranded to Randstad Vediorbis. No major clients were lost as a result of the merger. The IT and back office integration went very smoothly. A change in legislation helped us to significantly reduce DSO. Vediorbis' excellent capabilities in the large volume segment were combined with the powerful inhouse concept. Several former large Vediorbis accounts were successfully moved to inhouse, and a number of inhouse locations were opened for new clients.

The Appel Médical and Expectra professionals businesses are market leaders in the healthcare and service sectors respectively, and the previous Randstad Engineering reinforced Expectra's leading position. Appel Médical's sales remained stable through the year, returning to growth in Q4. Expectra continued to see growth in the first half, but was hit later in the cycle. Around a hundred executive recruitment consultants were brought together in a single recruitment unit under the Randstad Search & Selection brand. As in many countries, manufacturing – and specifically the automotive sector, where we have a strong market share – was hit hardest early in the year by the downturn, but was also the first to recover.

A very visible marketing campaign launched after the summer enhanced awareness of Randstad in the market and reinforced pride in the brand internally. The French parliament approved regulation in July that will enable us to offer our services to the public sector and gradually but steadily increase the staffing market. Randstad will be able to take advantage of its good relationship with the public authorities and its strong corporate and institutional image to benefit from this opportunity. It did not help significantly in 2009 however. The market declined by around 25% in staffing and by more than 40% in permanent placement. Overall, revenue declined by 31% organically, while the EBITA margin fell from 3.9% to 0.4%.

Germany

Randstad is the HR services leader in Germany, with about 15% share of the market. Careful preparation for managing through the cycle enabled the branch network to be optimized and headcount to be reduced quickly and effectively. The extension of the Kurzarbeit (short-term working) program to staffing agencies enabled the most qualified and motivated staff and candidates to be retained. The downturn had its severest effect on the market in Q2, but the revenue trend steadily improved through the second half of 2009, with signs of recovery in the badly-hit automotive industry.

The IT freelancer business Gulp managed to grow profitably despite the crisis. The Yacht Teccon engineering professionals label began using the Randstad shared service center in Q4. Yacht Teccon revenue was severely impacted by the effects of the downturn on the aerospace sector, but cross-selling initiatives enabled more revenue to be generated with existing clients in both the staffing and professionals businesses.

Overall, we managed to return to reasonable profitability in the second half of 2009 and strengthen our market leadership position. The EBITA margin reached 4.2%, compared to 6.6% in 2008.

UK

To align the cost base with falling revenue, the combined UK corporate employee number in staffing and inhouse

was reduced from about 750 to around 575 during 2009 and about 50 outlets were closed. Overall, the public sector and some niche businesses held up well during the recession, while the heavy engineering and automotive sectors were affected particularly badly. Revenue decline began to ease in Q2, and by Q4 inhouse, which had been hit hardest by the recession when it began, saw some growth again with some major client wins. Income from permanent placement fees, which had fallen by around 50% in the first half, also began to recover by the end of the year, as did revenue from the SME sector. Sharing best practices between the old Vedior and Randstad teams has led to a stronger sales focus combined with tighter cost control.
The staffing and inhouse business lines returned to profitability in Q4 and outperformed the market for the year. They will be working more closely with the professionals businesses in 2010 to meet the growing demand for a complete offering from larger clients with complex needs.

Contraction in the UK professionals market, which, driven in part by specific problems in the banking sector, had begun earlier than most of Europe, began to ease towards the end of 2009. Proactive cost management and the consolidation of several businesses gradually enabled a return to profitability, even before the top line started turning. The best practices of BBT Technical and Hill McGlynn have been combined into Randstad Construction, Property & Engineering. Similarly, BBT Health and Social Care and Reliance have been merged to form Randstad Care. In early 2010, Select Education and Abraxas will be rebranded to Randstad Education and Randstad Technologies respectively. The establishment of professionals business concepts and a pan-operating company account management team has led to more efficient development of best practices and sales opportunities.

For the full year, UK revenue declined by 26% organically, while the EBITA margin came down to 0.8% versus 3.9% in 2008.

Belgium & Luxembourg

Following on from the successful integration and rebranding of Vedior's staffing businesses into Tempo-Team and the consolidation of head offices at the end of 2008, the Atoll business was integrated into Randstad. The integration of the Expectra engineering professionals business into Randstad Professionals as well as the integration of Expectra's administrative secondment and outsourcing business into Tempo-Team were completed in Q1 2009. Headcount and outlet reductions continued from 2008 and further substantial savings in costs were made to align them with falling revenue. As their markets were particularly impacted by the recession, revenue from staffing and inhouse were hit hardest, especially in the automotive, building materials and steel industries. Good growth was nevertheless maintained in outplacement and household services and specialty staffing in the food, healthcare, retail and public sectors performed well.

Development main geographic markets, 2009

in millions of €

Regions	Revenue 2009	Revenue 2008 pro forma	Organic growth	Market growth	Outperformance
Netherlands	2,962.9	3,756.6	(21%)	(21%)	0%
France	2,691.6	3,889.4	(31%)	(26%)	(5%)
Germany	1,320.7	1,881.3	(30%)	(30%)	0%
Belgium/Luxembourg	1,191.4	1,563.1	(24%)	(22%)	(2%)
United Kingdom	753.3	1,150.4	(26%)	(26%)	0%
Iberia	796.4	1,144.3	(28%)	(32%)	4%
Other European countries	603.5	971.7	(35%)	n.a.	-
North America	1,450.3	1,887.9	(26%)	(24%)	(2%)
Rest of world	629.8	746.9	(11%)	n.a.	-
Total	12,399.9	16,991.6	(26%)		

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Growth drivers

The HR services industry is relatively immature, and continuously growing and consolidating. Several developments are unfolding simultaneously. Clients are moving towards a globalized and centralized business model, looking for strategic HR partners with a total offering.

Hiring the best people and retaining them is increasingly challenging, as employees also have global opportunities. Markets are adapting legislation permitting agency work, and industry sectors are opening up. The direct relationship between market share and profitability means achieving economies of scale is increasingly important. To be able to benefit from these developments, Randstad took the biggest leap in the company's history and merged with equal-sized Vedior in 2008, creating the second-largest HR service provider in the world.

A single shared service center for all operations in Belgium and Luxembourg was in place by the end of 2009, and new front office systems were rolled out at both Randstad and Tempo-Team. Both organizations were awarded 'Best Employer in 2009' status. Tempo-Team outperformed the market during the year, based mainly on new client gains. The market leader, Randstad, lost some of its share, partly due to its sales mix. Overall, organic revenue declined by 24% for the full year. The EBITA margin reached 4.4% (5.8% in 2008). Market conditions permitting, the inhouse and professionals business lines and the office sector (especially contact centers and administration) will be focused on for expansion in 2010.

Iberia

As in France, formal restrictions had prevented the integration and rebranding of the Vedior businesses into Randstad in Spain until 2009, but this was completed successfully in Q2. The decline in the Spanish staffing market continued to be one of the steepest in Europe, but began to ease in Q3. Timely reductions in headcount and outlets and other cost containment measures, together with outsourcing performing relatively well, enabled a return to profitability after the summer. Combining Randstad's unit steering model with Vedior's strong office management commercial activity helped in gaining market share.
It is hoped that the continuing dialogue with government, unions and employers will finally begin to open additional sectors to staffing services in 2010.

Randstad's original Portuguese operations were sold in August 2008 in order to obtain clearance for the Vedior merger from the European Commission, and rebranding to Randstad can therefore only begin in August 2010. Continued strong performance of the Select and Vedior businesses enabled revenue decline over the year to be limited to only 3%. Growth returned at the end of the year there, and market share gains were made.

In total the Iberian business recorded an organic revenue decline of 28% over the year (-5% in 2008), while the EBITA margin amounted to 1.8% (3.5% in 2008).

Other European countries

As in France and Spain, the integration of Vedior's Italian businesses could only begin in 2009, and was completed in Q2, enabling cost-saving synergies to be realized from the combination of head offices and IT systems. As the Italian market declined rapidly in the first half, the headcount was reduced by around 30% and many branches were closed. Revenue decline began to stabilize in line with market conditions in Q3 however. A return to profitability was achieved by the end of the year. Some market share was lost in 2009 as we shed unprofitable contracts and were very firm on pricing in a climate in which there was continuing pressure on margins.

The legal merger took place on January 1, 2009 in Poland, as the economic downturn began to take effect in the country. The market declined by around 35% in the first six months, but recovered thereafter. Headcount was reduced by 100 FTEs and a range of other cost containment measures were taken. Randstad's revenue fell by 30% in the first quarter, but the decline slowed in Q2 and growth returned by the end of the year, led by inhouse services. Margins were maintained in staffing and raised in inhouse services.

Following on the closure and combination of branches that was made possible by the earlier integration process in Switzerland in 2008, a further 25% reduction was made in both branches and FTE headcount in 2009. The recession hit the machinery and watch industries particularly hard. The market as a whole contracted by around 25%. While Randstad as a whole performed in line with the market, inhouse performed relatively better, led by several inhouse locations being established for two international clients. It is expected that a collective labor agreement for the Swiss temporary staffing sector will be implemented mid-2010.

Elsewhere in Europe, Randstad outperformed the market in Turkey, and is well positioned to make the most of opportunities provided by the growing need for flexibility and anticipated deregulation. In Greece, the introduction of the Randstad brand combined with focused sales and marketing efforts produced growth in revenue and market share. Revenue grew in Hungary, helped by a strong focus on the key international shared service center market. Operations were rebranded to Randstad during the year in the Czech Republic and Slovakia, where performance improved during 2009. Despite Sweden being badly hit by the downturn, the introduction of inhouse services and new contracts in Q3 helped create a clear recovery by year-end. We clearly outperformed the market in Denmark, with inhouse again showing solid growth. Offering both staffing and recruitment in finance, IT and engineering, professional lines introduced in 2009 enabled growth to be maintained and market share gains in Norway in a declining market.

For this group of countries as a whole, organic revenue declined by 35% in 2009 (2% growth in 2008), while the EBITA margin reached 0.1%, compared to 2.8% in 2008.

Outlets by region, year-end

Regions	Branches 2009	Branches 2008	Inhouse locations 2009	Inhouse locations 2008
Netherlands	451	549	303	336
France	925	1,120	63	62
Germany	262	369	166	228
Belgium/Luxembourg	221	267	108	113
United Kingdom	212	282	80	99
Iberia	235	332	30	30
Other European countries	266	383	74	70
North America	371	466	123	148
Rest of world	239	378	-	1
Total	3,182	4,146	947	1,087

North America

The rate of decline in our combined US staffing and inhouse services business steadily reduced during the first three quarters of 2009, reducing a trend that had begun in Q4 2006 and that had accelerated as the economic crisis developed. The strong focus on cost containment continued, with further reductions in FTEs and outlets, but was balanced by a commitment to maintaining the network. By November, US staffing had returned to growth for the first time in three years. The benefits of having a flexible workforce were clearly demonstrated. With momentum building in our staffing and inhouse organizations, we progressively gained market share during the year.

In our more late-cyclical US professionals business, the rate of decline continued to increase during the first half of 2009, but began to stabilize in Q3. IT, our largest sector in professionals, saw sequential improvements for most of the second half. In order to protect profitability, a number of outlets were combined or closed, largely in the accounting and finance sector. In addition, the internal headcount was reduced by around 25% in most sectors, including the head office support group, enabling the US professionals business to remain profitable. The accounting and finance sector was hit hardest, with an annual revenue decline of about 40%. The healthcare sector, driven by life sciences, and the IT sector both held up relatively well, with respective declines of around 11% and 19%. Many new initiatives were launched, including the 'Power of One', which was successful in stimulating cross-selling between the Group companies.

In Canada, where Randstad is the market leader, revenue had only started to decline towards the end of 2008. The Canadian businesses continued to decelerate in the first half of 2009, but the rate of decline improved in Q3 and had stabilized by the end of the year. The merger enabled back office costs to be taken out during the year. The headcount was reduced by about 200, but only four outlets were closed. The integration of the engineering business was completed. Revenue declined overall by 20%, but reasonable profitability was maintained.

For North America as a whole, revenue contracted 26% organically in 2009, with the EBITA margin reaching 1.5% (3.5% in 2008). In view of the speed and severity of the last stage of the downturn in 2009, being able to show a modest profit for the year represented a real achievement for the North American business.

Rest of the world

For all other countries as a whole other than those in Europe and North America, organic revenue growth amounted to -11% (16% in 2008). With a slowdown in some regions and continued investment in others, the EBITA margin amounted to -0.7% (2.7% in 2008). With consideration for factors such as relative revenue importance, regional presence and brevity, we will focus here on our activities in Australia and New Zealand, Latin America, China, India and Japan.

Although the global downturn began to impact the economy and the HR services market in Australia and New Zealand much later than in North America and Europe, revenue growth had already turned negative at the end of 2008. By Q2 2009, the recruitment industry was suffering a 50% to 60% reduction in permanent recruitment fees and around a 20% decline in temporary staffing revenue. There were clear signs of recovery towards the end of the year however. Seven legal entities were integrated into a single Asia Pacific operation with a regional shared service center, and 27 operating labels were rebranded as Randstad during the year. This enabled many cost structure improvements while increasing brand awareness and preserving the breadth of our footprint and depth of our capabilities. The top line strengthened and profitability improved towards the end of the year. Inhouse services were launched in Australia during the year, and the first sites are expected to go live early in 2010.

Geographic composition EBITA

in millions of €

Regions	2009	2008 pro forma	Δ%	2008
Netherlands	201.1	325.7	(38%)	308.6
France	11.8	153.4	(92%)	141.5
Germany	55.2	124.7	(56%)	103.7
Belgium/Luxembourg	52.5	90.2	(42%)	77.8
United Kingdom	5.7	44.8	(87%)	18.8
Iberia	14.2	39.5	(64%)	28.5
Other European countries	0.7	27.1	(97%)	22.1
North America	22.3	67.0	(67%)	44.0
Rest of world	(4.2)	20.0	(121%)	5.4
Corporate	(43.6)	(58.0)		(44.5)
Integration				(61.9)
Total	**315.7**	**834.4**	**(62%)**	**644.0**

Latin America represents a high growth market for Randstad in normal economic circumstances. Although 2009 presented a more challenging market, growth and profitability were maintained in most countries. The rebranding of the businesses to Randstad was completed in Mexico, where we saw good growth throughout the year, backed by strong demand in the IT sector. Argentina showed declines early in the year, with stabilization in Q3. In Brazil demand was weak in the middle of the year, but recovered strongly towards the end of the year. Chile showed rather stable growth throughout the year.

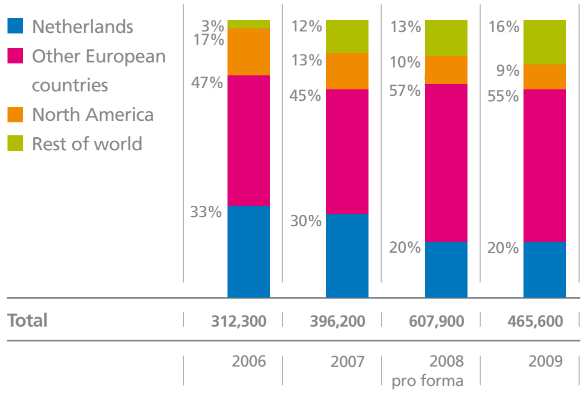
The staffing business of our relatively young Randstad China operation remained flat throughout 2009 in a difficult market. The flexible staffing and internship businesses were developed to meet growing demand. The margins in these areas are significantly higher than our traditional payrolling business in staffing. Headcount was reduced by 40 during the year, primarily with reductions in back office functions. An office was opened in Guangzhou in Q1 and the Ma Foi operation in Hong Kong was rebranded as Randstad in October. With the market declining by over 40%, the search & selection business experienced difficulties in the first half, especially in finance, IT and legal (Hughes-Castell Hong Kong). The market recovered strongly through the second half however, and full-year results showed a 30% improvement compared to 2008.

Our clear leadership of the fast-growing but highly fragmented Indian HR services market was extended in 2009, with our market share improving from around 7% to about 9%. As in almost all territories, permanent placement witnessed a sharp decline in 2009 in India. The staffing sector was stagnant, lagging behind economic growth of around 6%, but Ma Foi Randstad outperformed the market. The public sector contributed positively and the outsourced payroll processing business also provided good growth during the year. We had a strong focus on managing costs. The Randstad brand for staffing was launched in June 2009, EmmayHR was integrated into Ma Foi Randstad, and outplacement services were introduced. With its wide portfolio of services, Ma Foi Randstad is well poised to leverage the positive market outlook in India in the year ahead.

The businesses in the Middle East, previously run as separate Ma Foi, Beresford Blake Thomas and Hill McGlynn operations, were brought together as a single coordinated Randstad operation during the year. Although the year started off well, demand decreased in the second half of the year as economic conditions in the region worsened.

Although revenue in search & selection and staffing in Japan declined through the year, we outperformed the market in staffing. Headcount reductions in search & selection and back office functions were offset by increases in the counter-cyclical outplacement business. Focusing on specific markets for each business line enabled market share to be gained and a strong improvement in bottom line results.
The integration and rebranding of Vedior Career was completed in October. To further rationalize our Japanese portfolio, the Supernurse healthcare business and our 50% stake in Vedior Contec were divested, we sold our stake in Frontier Construction and we increased our equity stake in FujiStaff from 10 to 16.6%.

Average number of candidates per day, 2006-2009



income and financial position analysis

Income statement

Revenue

The revenue decline accelerated in the first months of the year, leading to a 27% organic revenue decline in Q1 2009 and a decline of 33% in Q2 2009. Market contraction was synchronized and, unusually, all major markets as well as almost all major segments contracted rapidly at the same time. The decline stabilized during the second quarter however, and traditional patterns had begun to return by the summer. The trend turned first in our US staffing and inhouse businesses, which was followed later on by staffing and inhouse businesses in the UK and in the more industrial sector-oriented countries in Continental Europe, such as Germany, France and Poland. The global professionals businesses, which traditionally move later in the cycle, started to stabilize during Q3 2009, but did not show any signs of recovery until the end of the year. The same was the case in our Dutch businesses, which are exposed to the more service-oriented, and therefore more late-cyclical, Dutch economy. As a result of these patterns, the organic revenue decline for the company as a whole eased to 28% and 17% in Q3 and Q4 respectively, including a return to growth in our US staffing and inhouse business in late November. Revenue declined by 27% to € 12.4 billion for 2009 as a whole, compared to the pro forma figure of € 17.0 billion in 2008.

The return of normal patterns, with diverging trends for different countries and segments, confirms our believe that our strategy of diversification is effective.

Gross profit and gross margin

The development in gross margin largely depends on the trends in the margin we generate on staffing services, referred to as the temp margin, as well as on the contribution of permanent placement fees. For the full year, the temp margin was reduced by 0.8%, resulting from commercial pressure across many geographical areas. Pressure on the temp margin increased during the year, from 0.3% in Q1 to 1.2% in Q4, largely based on the sequence of contract renewals. In the Netherlands and Germany, where we have candidates on contract (both for defined and undefined periods), idle time was managed well and had only a slightly negative impact on the temp margin. This effect remained relatively stable through the year.

The contribution from permanent placement fees, or perm fees, was also under pressure, as our clients hired fewer people for permanent positions. Perm fees declined by 53% during the year, whilst making up 1.6% of revenue and 7.9% of gross profit, compared to 2.5% and 11.3% respectively in 2008. As a result, the reduction in perm fees had a negative impact on the overall gross margin of 0.8%. Mix effects, foreign exchange rates and a rather stable performance of other fee-based businesses had a combined impact of 0.3%. As a result, gross profit amounted to € 2,414 million for the full year, with the gross margin coming down from 20.8% to 19.5%.

The trend in gross margin is monitored closely but is not a concern. The patterns we observe in the temp margin are usual at this stage of the cycle, and the perm fees also follow a usual cyclical pattern. Gross margin is not a strategic target as such, as productivity per segment or geography can show significant differences. We steer on conversion of gross profit into EBITA, in order to realize our EBITA margin targets.

Operating expenses

Reported operating expenses include non-cash amortization charges, mainly related to the capitalized Vedior client and

Consolidated income statement

in millions of €	2009	2008
Revenue	**12,399.9**	**14,038.4**
Cost of services	9,978.6	11,066.1
Gross profit	**2,421.3**	**2,972.3**
Selling expenses	1,497.2	1,602.9
General and administrative expenses [1]	830.3	1,404.1
Total operating expenses [1]	**2,327.5**	**3,007.0**
Operating profit/(loss)	**93.8**	**(34.7)**
Net finance costs	**(48.9)**	**(71.7)**
Share of profit of associates	(0.5)	3.8
Income before taxes	**44.4**	**(102.6)**
Taxes on income	23.2	121.0
Net income	**67.6**	**18.4**
Pro forma		
Revenue	12,399.9	16,991.6
Gross profit	2,414.2	3,540.0
Operating expenses	2,098.5	2,705.6
EBITA [2]	315.7	834.4
EBITDA [3]	406.0	933.6
Earnings per share (€)		
Basic	0.36	0.07
Diluted	0.36	0.07
Normalized diluted [4]	1.21	3.21

1 Including other income of € 23.5 million (2008: € 3.8 million).
2 EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill.
3 EBITDA: operating profit before depreciation, amortization and impairments.
4 Corrected for amortization and impairment acquisition-related intangible assets and goodwill and one-offs.

candidate databases, for a total of 158.6 million. Reported operating expenses also include one-off integration costs (€ 15.9 million) and reorganization costs (€ 78.0 million), as well as book profits for a total of € 23.5 million. For a meaningful analysis of underlying operating expenses, we look at the costs excluding these items.

As result of extensive preparation based on our 'managing through the cycle' approach (see page 19), we swiftly adjusted our cost structure in reaction to decelerating markets. Each operating company had its specific target to recoup a specific percentage of lost gross profit through cost savings, referred to as the recovery ratio. For the company the target was 65%, whilst individual targets varied based on the level of synergies stemming from the merger. Operating companies that could realize many synergies had to achieve a higher percentage.

Adjusting the cost base takes time and, due to the very fast and accelerating pace of revenue and gross profit decline in the first half, we did not fully meet our recovery ratio target. For the full year, we recovered 54% of the gross profit reduction. By Q4 the ratio reached 66%.

Underlying operating expenses came down by 22%, or € 607.1 million, from € 2,705.6 million to € 2,098.5 million. The annualized merger cost synergies reached € 100 million (for which the target was € 90 million) by Q2 2009, well ahead of schedule, allowing a cost reduction of € 73 million in addition to the synergies realized in 2008. Restructuring plans, as announced in Q4 2008 and during 2009, turned in annualized savings of € 92 million, of which € 59 million was realized in 2009. The vast majority of plans achieved our ambition for them of a 12-month pay-back period, except for the French social plan, which was delayed because of discussions with unions. With foreign exchange rates and divestments having only a limited impact in addition to the synergies and restructuring, the majority of savings came from regular cost reductions in the operations. Natural attrition was a major driver, despite the fact that staff turnover fell from the normal average of above 20% at the start of 2009 to between 10% and 15% in the second half of the year. Bonus and commission payments are another important cost component. Bonus and commission payments have been reduced across the board, especially in those operating companies that have relatively large permanent placement businesses.

We ended the year with 4.129 outlets, 21% fewer than at the end of 2008. We employed 25,300 FTEs at year-end, 24% fewer than at year-end 2008. Our aim has been not to leave relevant geographic regions, and overall the commercial strength and future growth potential remain in place.

EBITA

As the steepness of the downturn was far beyond the pace of decline anticipated in our stress case scenario (see page 18), we were unable to reach our EBITA margin target of at least 4% in a normal downturn. At 2.5% the EBITA margin was still much better than the low point in the previous downturn (1.8%), which was reached with far milder revenue declines. This shows that the preparation and execution were good. We aim to reach the 4% target again as soon as possible.

Net finance costs

For the full year, net finance costs amounted to € 48.9 million, compared to € 71.7 million in 2008. This reduction is based on a sharp reduction in net debt and on the reduction in interest rates. In order to manage through the cycle, we have a policy of using floating rates as a natural hedge. This policy paid off.

Taxes on income

In 2009, the effective tax rate on the underlying business (excluding amortization and one-offs) amounted to 20%, in line with guidance. This was below the level of 23% of last year, mainly because the tax synergies stemming from the

ANNUAL REPORT 2009 – Randstad Holding nv

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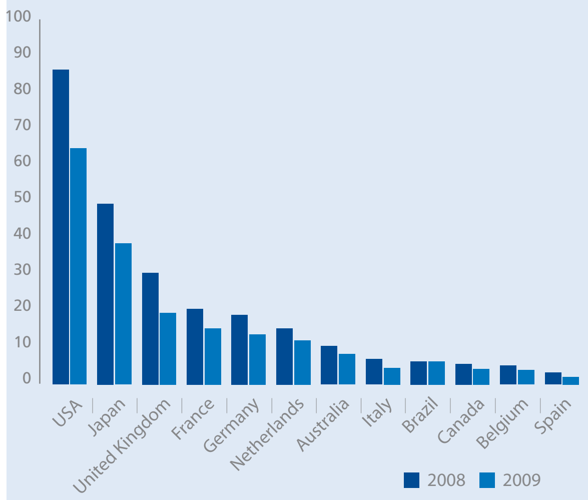
Market size global top 12 markets

in € billions



Ready for global growth

The top 12 global markets in our industry are the USA, the UK, Japan, France, Germany, the Netherlands, Australia, Italy, Brazil, Belgium, Canada, and Spain. With the exception of Japan and Brazil, where our presence is still relatively small, Randstad has major positions in all of them. The HR services industry is in its infancy in many markets, and penetration rates (the number of people in the labor force working through a staffing agency) are low, generating great potential for growth. The prospects for HR services in relatively immature markets, such as India, China and Brazil, are particularly good, while further growth in established economies can be realized once restrictions on certain sectors are lifted and when we leverage the strength of our professionals portfolio.

merger were now realized for a full year. The effective rate of 20% on the underlying business was relatively low as the tax-exempt items and the synergies have a relatively larger impact in years when profitability is low.
Including one-offs, such as integration costs, restructuring charges and tax-exempt book profits, the effective tax rate amounted to 13%. The tax rate visible in the profit and loss account, at -52%, differs from the latter figure, as taxation on the amortization of intangibles, at a constant rate of 31%, shows up as a benefit on the tax line.

Balance sheet

The balance sheet total was reduced from € 7.7 billion at the end of Q4 2008 to € 6.5 billion by the end of Q4 2009. The largest reductions are found in receivables, payables and net debt.

Non-current assets

Property, plant and equipment makes up a relatively small part of our asset base. However, the reduction from € 190.5 million to € 150.5 million, largely achieved through the closure of many offices and alignment of head offices following the merger, and reduced capex (see cash flow), was significant. The intangible assets include the value of Vedior's client and candidate databases, originally amounting to € 1.0 billion.
We apply an amortization period of approximately 7 years, leading to an annual non-cash amortization charge on all acquisition-related intangible assets of about € 159 million, which is the main driver behind the change in value of intangibles assets.

Non-current liabilities

The largest change in non-current liabilities is found in borrowings (see net debt). The amount of deferred income tax liabilities has increased.

Consolidated balance sheet at December 31

in millions of €	2009	2008
Assets		
Property, plant and equipment	150.5	190.5
Intangible assets	3,158.1	3,315.2
Deferred income tax assets	465.3	422.0
Financial assets	65.3	74.0
Associates	17.9	2.0
Non-current assets	**3,857.1**	**4,003.7**
Current receivables	2,330.9	2,888.1
Cash and cash equivalents	270.1	831.0
Current assets	**2,601.0**	**3,719.1**
Total assets	**6,458.1**	**7,722.8**
Equity and liabilities		
Shareholder's equity	2,491.0	2,416.9
Minority interests	1.5	4.0
Total equity	**2,492.5**	**2,420.9**
Non-current liabilities	1,865.2	2,937.3
Current liabilities	2,100.4	2,364.6
Liabilities	**3,965.6**	**5,301.9**
Total equity and liabilities	**6,458.1**	**7,722.8**

Following application of Dutch tax law, the € 500 million impairment on the Vedior goodwill in 2008 resulted in an equivalent depreciation for tax purposes. In order to avoid a lengthy dispute on the interpretation of this tax law, an agreement was reached with the Dutch fiscal authorities in 2009. This led to an improved cash flow in 2009. As part of this agreement, and in line with the above mentioned tax law, a future increase in value will be taxable. An amount of € 151 million has therefore been included under deferred income tax liabilities. As part of the agreement this amount will ultimately be repaid in 2012.

Operating working capital

Within the Group there is a strong focus on days sales outstanding (DSO) and working capital, which are reflected in the bonus targets set for the senior managers of our operating companies. As a further incentive, through a simplified EVA method, operating companies are charged for their use of operating working capital. Trade receivables represent the component that is most important for us to influence. These decreased from € 2.8 billion to € 2.3 billion, following the revenue pattern. The moving average of DSO improved from 59 days to 58 days. Our clients' pursuit of later payment is offset by additional focus on the internal processes and a positive effect from regulation changes in France. Operating working capital decreased from € 711.5 million at the end of 2008 to € 395.2 million. As a percentage of revenue, operating working capital improved from 4.2% (pro forma revenue 2008) to 3.2%.The aging of trade receivables was also given considerable attention, as the credit crisis puts pressure on clients and tends to create longer payment terms. Exposure to bad debt remained limited overall. The Randstad receivables portfolio is very diversified geographically, in segmentation and in client base.

Key indicators

	2009	2008
Balance sheet		
Operating working capital [1] in millions of €	395.2	711.5
Operating working capital as % of revenue (2008, pro forma)	3.2%	4.2%
Days Sales Outstanding (moving average)	58	59
Net debt [2] in millions of €	**1,014.7**	**1,641.0**
Free cash flow in millions of €	**698.1**	**672.7**

1 Operating working capital: trade and other receivables minus current part financial fixed assets and minus trade and other payables.
2 Net debt: cash and cash equivalents minus borrowings.

Shareholders' equity

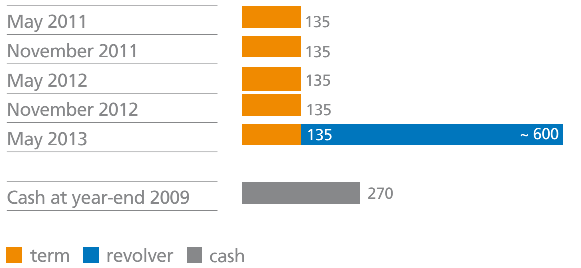
Shareholders' equity increased following profit generation during the year while no dividend over 2008 was paid on ordinary shares.

Net debt

The net debt position as at year-end is € 1,014.7 million, compared to 1,641.0 million at the end of 2008. Gross debt is higher, and amounted to € 1,284.8 million, as we maintain cash balances for tax and other purposes. The cash balance was strongly reduced after further streamlining our processes however. Net debt was reduced on the back of strong cash generation during the year. The leverage ratio (net debt over EBITDA) amounted to 2.5 at year-end, compared to 1.8 at year-end 2008, as EBITDA came down significantly. At 2.5 the leverage ratio is above our internal goal of 2.0, which would imply an investment grade rating. The loan documentation, drafted before both the deal and the financial crisis, allows us a leverage ratio of a maximum of 3.5 x EBITDA, which provides a cushion in managing through the cycle (see page 18, and risk management, page 46).

Debt repayment schedule

in millions of €



On the basis of our strong cash generation, we brought forward three mandatory repayments on our term loan of € 135 million each. The term facility now amounts to € 675 million, while the revolving part still amounts to € 1,620 million, with the whole facility now totaling € 2,295 million. With no mandatory repayment until May 2011, and the revolving facility available until May 2013, financial flexibility is high.

In August 2009, we launched a standby facility which offers us the opportunity to sell the accounts receivable of our Belgian entities to Fortis Commercial Finance, up to a maximum of € 125 million. We consider the facility as an insurance policy, enabling us to strengthen the balance sheet if needed. We are entitled to activate the facility, which runs for at least 18 months from launch, at any time. We deemed it appropriate to have such a cushion in mid-2009, given the uncertain market environment. Given our continued strong cash generation in the second half of the year and current market trends, we do not expect to use the facility.

Cash flow statement

Cash flow from operations before operating working capital decreased based on a lower EBITDA. With a continued focus on DSO, the slowdown in revenue led to the usual unwinding of operating working capital, leading to a cash inflow. Full-year net capital expenditure amounted to € 38.6 million, compared to € 76.9 million in 2008. As a result, free cash flow amounted to € 698.1 million, compared to € 672.7 million in 2008.

€ 10.5 million was spent in cash on acquisitions in 2009, compared to € 1,914.9 million in 2008. Dividend payments only amounted to € 7.2 million (€ 153.2 million in 2008), as dividends were only paid on the preferred shares.

Consolidated statement of cash flows

in millions of €	2009	2008
Cash flow from operations before operating working capital and income taxes	348.1	770.3
Operating working capital	309.0	195.2
Income taxes received/(paid)	85.6	(205.4)
Net cash flow from operating activities	**742.7**	**760.1**
Capex[1]	(38.6)	(76.9)
Net acquisitions[2]	(10.5)	(1,914.9)
Other	(6.0)	(10.5)
Net cash flow from investing activities	**(55.1)**	**(2,002.3)**
Net cash flow from financing activities	**(1,224.0)**	**1,688.3**
Net (decrease)/increase in cash, cash equivalents and current borrowings	**(536.4)**	**446.1**
Cash, cash equivalents and current borrowings at January 1	**760.9**	**315.8**
Net (decrease)/increase in cash, cash equivalents and current borrowings	(536.4)	446.1
Translation gains/(losses)	5.0	(1.0)
Cash, cash equivalents and current borrowings at December 31	**229.5**	**760.9**
Free cash flow	**698.1**	**672.7**

1 Net additions in property, plant and equipment and software.

2 Net aquisitions of subsidiaries and associates.

investor relations & Randstad shares

Investor relations goal

Randstad's investor relations main goal is to build our 'financial brand'. Whereas clients and candidates recognize the Randstad brand for its reliability, service quality and the fact that we are a worldwide labor market authority, investors and analysts should recognize our open and transparent communications style and our aim to be best in class in disclosure and in providing insight into the business. These efforts ensure accurate valuation for the shares over time.

Communications policy

We maintain an active dialogue with existing and potential shareholders as well as with analysts and banks. We organize roadshows and accommodate meeting requests where feasible. We adhere to the legal obligations relating to confidentiality. In that respect we oppose the trend among investors to adopt no-broker policies during roadshows. Excluding brokers from investor conversations does not support our open and transparent communications style. Our policy regarding bilateral contacts with shareholders can be found in the corporate governance section of our corporate website.

Communications activities

Each quarter Randstad organizes analyst meetings or conference calls to discuss results, supplemented by press conferences twice a year. Analyst meetings and conference calls are also webcasted. Furthermore, in December 2009, Randstad organized an analyst & investor conference in France. Topics discussed included company strategy, progress versus financial targets, branding, Internet initiatives and developments in our UK and French businesses. Conferences like this help investors and analysts to gain a better understanding of the way we work and are an opportunity to meet the executive board and other key managers. Roadshows for institutional investors were organized in the Netherlands, the US, the UK, France, Belgium, Germany, Switzerland, Scandinavia and Canada. A large number of one-on-one investor meetings were conducted at our head office in the Netherlands. In addition, Randstad presented at several investor conferences in the Netherlands, the UK, the US and France. We set up a web-based community call to answer questions from private investors.

Randstad shares

Randstad Holding ordinary shares are listed on Euronext in Amsterdam (ticker symbol RAND). Options on Randstad shares are also traded on Euronext Amsterdam.

Share capital

During 2009 the issued share capital did not change significantly.

	Number year-end 2009 (m)	Number year-end 2008 (m)	Nominal value
Ordinary shares	169.6	169.5	€ 0.10
Type-B preferred financing shares	25.2	25.2	€ 0.10
Total number of shares	**194.8**	**194.7**	**€ 0.10**

Voting rights

The ordinary shares have equal voting rights (one share, one vote). The voting rights on the type-B preferred shares are aligned with the historical capital contribution (one share, one-seventh vote).

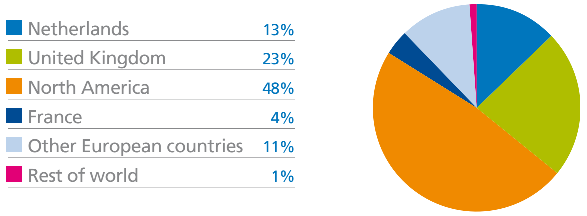
Major shareholders

The list of major shareholders can be found in the supervisory board report under legal transparency obligations on page 65.

Indicative free float spread

Randstad's free float amounts to approximately 60%. The majority of the free float of ordinary shares is held outside the Netherlands. We actively pursue an international spread. We estimate that approximately 6% of our ordinary shares is held by private investors.

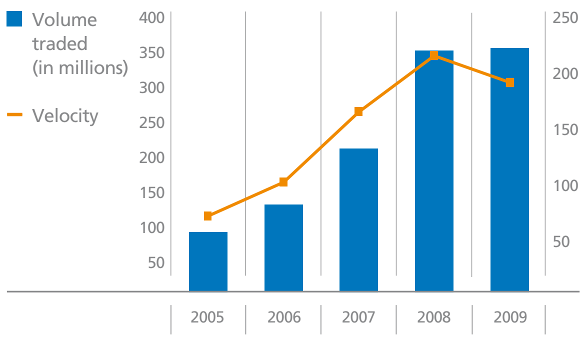
Indicative geographical spread ordinary shares (free float)



Liquidity

Liquidity has improved over the past few years. The number of shares traded has risen substantially, from 86 million in 2005, mainly on Euronext, to about 350 million in 2009 over various trading platforms. The mixed offer for Vedior in 2008 helped to improve liquidity, as the number of shares increased by 45%. Velocity, measured as the total number of shares traded divided by the average number of shares outstanding, played a role as well. Velocity increased from 75% in 2005, to over 200% in the past two years. This implies that the average holding is around six months for the total number of outstanding shares or approximately three months for the free float.

Share volume traded and velocity



Indices

The Randstad Holding ordinary share is included in many indices, including the Euronext AEX index, Euronext 100, Dow Jones Stoxx TMI, MSCI Europe and the Dow Jones Stoxx Sustainability Index. Inclusion in large indices is important because it improves visibility and liquidity.

Earnings per share reporting

Randstad reports earnings per share on a fully diluted basis. We focus on earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs as, in our view, this gives the best reflection of underlying business performance.

(excluding one-offs)	Q1	Q2	Q3	Q4	Full year
2009	€0.05	€0.27	€0.42	€0.47	€1.21
2008	€0.65	€0.90	€0.91	€0.72	€3.21
2007	€0.63	€0.83	€0.97	€1.04	€3.47
2006	€0.43	€0.64	€0.92	€0.99	€2.98
2005	€0.24	€0.47	€0.65	€0.70	€2.06

Dividend policy

In 2007 we updated our dividend policy. We aimed at a floor in the dividend of €1.25 and consistent dividend growth through the cycle, based on a flexible payout ratio of 30% to 60% of net profit adjusted for amortization of acquisition-related other intangible assets. We stress tested the financing of the Vedior acquisition and based on a scenario of 5% revenue decline in H2 2008, 10% declines in both 2009 and 2010 and another 5% in 2011, we believed we would be able to pay this dividend. However, due to rapidly deteriorating markets, revenue declined at a pace far beyond this scenario during Q4 2008 and 2009. In combination with the financial leverage and the increased costs of capital, we passed the dividend over 2008 in order to strengthen the balance sheet. We propose to pass the dividend over 2009 as well. We aim to reinstate dividend payments as soon as the leverage ratio is below 2.0.

Per share data

	2005	2006	2007	2008	2009
Dividend (€)	0.84	1.25	1.25	-	-
Payout (%)	40%	40%	37%	-	-
EPS[1]	€2.06	€2.98	€3,47	€3,21	€1.21
Free cash flow	€1.56	€3.02	€2.82	€4.64	€4.08
Equity	€4.65	€6.82	€8.78	€16.23	€14.56
EBITA	€2.59	€3.77	€4.76	€5.60	€1.84

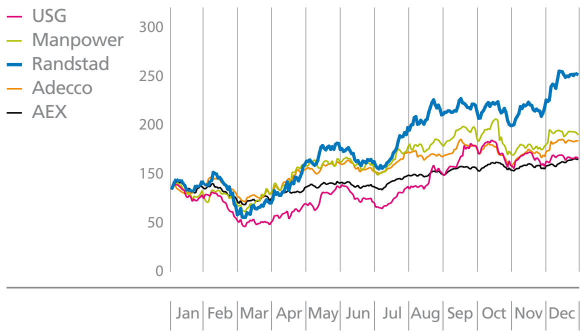
1 Before amortization, impairment, integration costs and one-offs.

Share price development

The share price ended the year at €34.90, 140% above the 2008 closing price of €14.55. As no dividend was paid out, total shareholder return (TSR) was 140% as well. The share reached a low of €9.36 in March 2009, in line with general stock market developments.

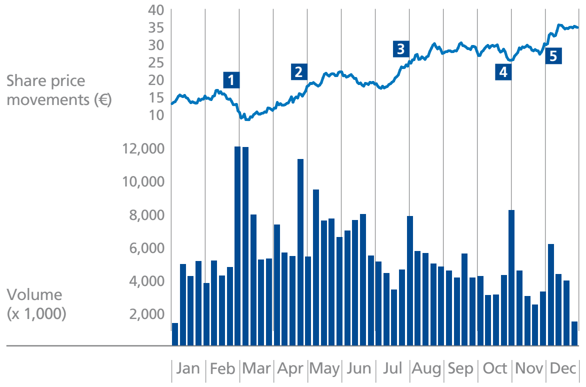
Fears regarding our debt position began to fade after the publication of the Q1 2009 results, which demonstrated strong cash generation and good cost containment. Growing confidence in the success of the integration, the moderation of market declines during the year and the return to growth of the combined US staffing and inhouse businesses late in 2009 were key share price drivers later in the year. Market capitalization of ordinary Randstad shares amounted to €5,917.6 million on December 31, 2009, compared to €2,466.9 million on December 31, 2008.

Share price development Randstad ordinary shares compared to Euronext AEX Index and peers



	2005	2006	2007	2008	2009
Closing price (€)	36.69	52.40	27.02	14.55	34.90
TSR (%)	29%	45%	(46%)	(42%)	140%
High (€)	36.80	57.55	63.18	30.00	35.57
Low (€)	26.73	36.35	24.72	11.15	9.36

Share price development Randstad Holding ordinary shares



1 February 26: Full year results
2 April 24: Q1 results
3 July 29: Q2 results
4 October 28: Q3 results
5 December 3: Analyst & investor day

Financial calendar

Annual General Meeting of shareholders
March 25, 2010

Publication Q1 2010 results (pre-market)
April 28, 2010

Analyst conference call Q1 2010 results
April 28, 2010

Publication Q2 2010 results (pre-market)
July 29, 2010

Press conference and analyst presentation Q2 2010 results
July 29, 2010

Publication Q3 2010 results (pre-market)
October 28, 2010

Analyst conference call Q3 2010 results
October 28, 2010

Publication Q4 2010 and annual results 2010 (pre-market)
February 17, 2011

Press conference and analyst presentation annual results 2010
February 17, 2011

Annual General Meeting of shareholders
March 31, 2011

ANNUAL REPORT 2009 – Randstad Holding nv

corporate social responsibility

Our role in society

The awareness of work as a unifying, beneficial force for society has been with us since our beginnings. The global economic challenges of 2009 have only served to underscore the importance of work, for our own employees and for the over 465,000 candidates each day who find jobs, gain experience and are able to achieve higher levels of social and economic well-being as a result of our services. Randstad's network of stakeholders spans candidates, clients, governments, investors and unions, but does not stop there. The power of work to influence lives and livelihoods across all levels of society permeates the structures on which societies depend for prosperity. As Randstad has expanded from our roots as a local organization to a global one encompassing the full range of professional qualifications, we experience the extension of our services as evidence of our value in all of the markets in which we operate.

Key progress was made in 2009 in enhancing CSR within Randstad. Especially as we are a people business, we believe that acting responsibly and ethically is simply a part of who we are. However, we also recognize the need to ensure that in the dynamic world of work, we align this to help provide assurance and drive our vision forward. Having a CSR manager at the Holding level has helped us to enhance this centrally, and our internal network now includes staff in a number of locations who are operationally responsible for CSR. We also enhanced our mechanisms for CSR reporting, with the implementation of a more aligned reporting procedure as a major step forward for our Group. Individually, Randstad Belgium, Randstad Germany and Yacht Netherlands issued independent sustainability reports as well, reflecting the growing trend across the business to share the impact of our social engagement, and to do so in ways that reflect Randstad's areas of specialization and geography. Additional ISO and SA certifications were awarded to operating companies that use them as a benchmark for quality assurance, which also demonstrates how we embed CSR into our daily practices. More information about our local initiatives can be found on our corporate website.

Reporting indicators and measurements

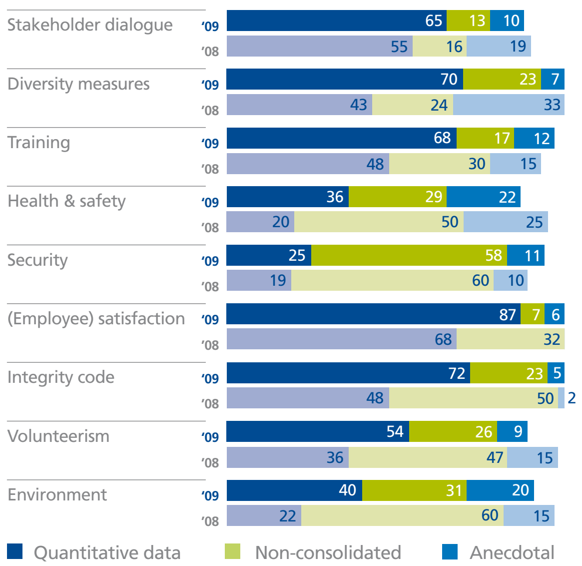
As organizational stakeholders in the Global Reporting Initiative (GRI), Randstad is committed to furthering transparency, accountability and sustainable development, through the support of GRI's mission and processes.

In alignment with our core values and commitment, we base our reporting on the CSR indicators as proposed by the GRI that are of relevance to the HR sector:

- Labor market relationships and stakeholder dialogue
- Diversity measures and reintegration programs
- Career advancement and training
- Health and safety
- Security
- Client, candidate and employee satisfaction
- Business principles
- Volunteerism
- Environmental measures

We focused on formalizing the reporting for these indicators in 2009 in order to increase consistency and transparency. CSR reporting guidelines have been implemented and rolled out in our major geographic areas and operating companies.

% of our people covered per indicator



The reporting guidelines define key performance indicators to be addressed across our operations and establish a protocol for central reporting at regular intervals. The guidelines help us meet the challenges of measuring and comparing the impact of activities across our markets, which are at times subject to different indicator definitions, benchmarks, social practices, local regulations and approaches to data collection. They introduce common definitions for indicators and align measurement methods through enhanced internal communication about and sharing of best CSR practice.

We have implemented a model to communicate the percentage of our people, measured in FTEs, represented in the reporting for each type of indicator. We aim to increase these percentages each year, as this will illustrate performance improvements. To accurately reflect the reporting spread, quantitative, anecdotal and non-consolidated data from across the Randstad Group are used. 'Non-consolidated' refers to data that has not yet been standardized in the data collection process, largely due to restructuring activities in some of our locations during 2009.

We extended the quantitative coverage for all of our indicators in 2009. These improvements in the CSR data are an encouraging next step in aligning sustainability across our worldwide operations. The wider coverage allows us to better steer focus and impact, as well as to identify gaps in our processes and areas where we can strengthen our approach in order to ensure that our activities and operations reflect our commitment to our people, our communities and the planet. Our most significant gap at this stage is in the collection of available data for our indicators, largely due to the absence of systems through which to retrieve, record and store this data. Part of our focus going forward will be to determine solutions for this that are relevant, cost effective and maximize our ability to manage the data.

Labor market relationships and stakeholder dialogue

Effective communication is critical to the success of our business and is a priority for us. We fulfill our role as a labor market authority by sharing our knowledge, insights and experience in open dialogue with all our stakeholders.

Employee participation in social dialogue is promoted through a network of country-led works councils where managers and employees across the Randstad Group regularly sit down together to address work and HR-related issues. Results of these dialogues are fed into an international platform that meets twice a year to discuss policy issues and information relevant to Randstad Group companies. UNI-Europa, the representative labor union for skills and services in Europe, is invited to attend the international platform meetings as observers.

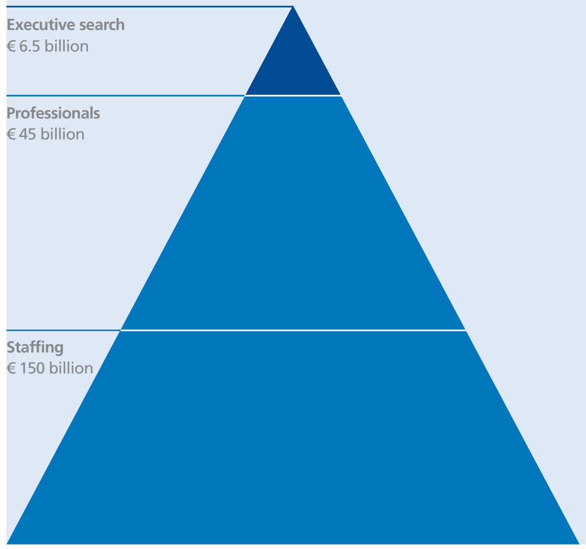
In November 2009, the agreement governing the Randstad European Platform for Social Dialogue was renewed and extended. Randstad management, employee representatives and UNI-Europa decided to align the agreement with the new European Works Council Directive 2009/38/EC. This directive is yet to be formally implemented into Dutch national legislation, but its more clearly defined information and consultation rights have now been introduced into the new agreement, serving to strengthen the platform.

Randstad also actively engages in dialogue with labor unions, both nationally and internationally. At a pan-European level, UNI-Europa and the European Confederation of Private Employment Agencies (Eurociett) meet in the Social Dialogue Committee for the Temporary Agency Work sector, to discuss issues of mutual importance, to further professionalize and gain more societal acceptance for the industry. Randstad is represented in the Eurociett delegation. Moderated by the European Commission's Directorate-General for Employment, Social Affairs & Equal Opportunities, the committee met three times during 2009. Highlights included a presentation given by the Dublin Foundation on their report on 'Temporary Agency Work and Collective Bargaining in the EU' and the research on the European Observatory on cross border activities within Temporary Agency Work, culminating in the presentation of the report at a joint social partner conference in Brussels in December 2009. A joint declaration on vocational training was also signed and a sectoral round table was organized in Sofia, Bulgaria, to promote national social dialogue and support the implementation of the Agency Work Directive.

Regular dialogue with our clients, the financial community, social institutes and the media also allow us to foster the exchange of ideas and information. Establishing communication channels to deepen the mutual understanding around our organization and the value of our industry is also part of our commitment to transparency.

ready
for your
future

Global HR services market (FY 2009)



HR industry segmentation

Dividing the global HR services industry into three segments enables us to create a clearer picture of our markets and better position our services. In the staffing segment, worth an estimated € 150 billion, the main focus is on recruiting workers with a secondary education.

Staffing, including inhouse services, accounts for around 80% of Randstad's revenue. The professionals segment, providing about 20% of our revenue, is worth about € 45 billion. Here, candidates with a university or equivalent education, often with significant previous work experience, are recruited for positions that are usually intellectually challenging. In executive search, the segment in which Randstad is not active, highly experienced individuals are recruited for executive positions. Worth around € 6.5 billion, this segment is mainly serviced by highly specialized companies.

Diversity measures and (re)integration programs

We take pride in providing a great many people each year with their first introduction to the employment market, as well as focusing on those workers who are defined by the OECD as 'outside the labor market', including the long-term unemployed, women re-entering the workforce, older workers, the disabled and those who are disadvantaged. This is important to society as a whole, particularly for those who would otherwise be marginalized. By offering the means to build skills and experience, which in turn fosters social inclusion and a sense of self worth, Randstad puts these workers on pathways to gainful and meaningful employment.

Many of our operating companies have long-standing diversity and reintegration programs and some, like Randstad Belgium, also provide consultancy services to clients on equal opportunity and competency management.

Our Randstad Institute in France and our foundations in Germany and Spain also provide access to employment for those outside the labor market, including immigrant workers, women at risk, victims of domestic violence, single parents, older workers and the chronically unemployed. By forging links with local community stakeholders, including public, private, NGO and institutional partnerships, we foster a sustainable framework for diversity in the workplace.

We launched a joint venture in the US in 2009 with Integrated Human Capital (IHC), a minority, female-owned staffing firm. Called Diversa, this new initiative offers a unique combination of staffing solutions, managed services and human resources consulting to deliver more comprehensive solutions for companies focused on creating competitive advantage through a more diverse workforce.

Demographic data shows that around the world people are living longer, resulting in a growing number of older workers. Addressing the challenges they face in entering, re-entering or staying active in tomorrow's labor markets is also a part of our approach to furthering sustainability in the labor market. Examples include the peer groups established in Belgium to address the needs of older workers, our continuing partnership with Force Femmes, a French NGO that fosters business opportunities for women over 45, and our ongoing collaboration with SEO Economic Research on how to drive participation for older workers.

In order to serve the communities in which we do business, Randstad must also reflect the diversity and demographics of these communities among our own employees. Diversity in the workforce is also a competitive advantage, helping us to communicate with, understand and meet the needs of clients, candidates and other stakeholders.

At Randstad, we seek out top talent regardless of race, gender, age, sexual orientation, creed, political conviction, disability or social background. We affirm in our globally implemented HR standards that 'diversity is recognized as an added value'. This conviction helps to ensure that we recruit and retain the highest quality staff for ourselves and our clients. Data on diversity within the Randstad Group is covered in our CSR reporting guidelines to further monitor the important role diversity plays in our workforce so we can respond to and benefit from the mix of cultures and types of people that define who we are as a company.

A key factor in diversity is providing equal opportunities for women. Our flexible work environment and Randstad's training and career advancement programs make us an attractive employer for women. The percentage of female

Women in higher management

	% Women in organization	% Women in higher management
Netherlands	73.0%	38.2%
France	76.0%	38.6%
Germany	59.0%	35.3%
Belgium & Luxembourg	82.0%	58.7%
United Kingdom	63.0%	45.5%
Iberia	69.0%	52.5%
Other Europe	77.0%	36.2%
North America	63.0%	44.7%
Rest of world	51.0%	52.4%
Total	68.1%	44.7%

employees at Randstad is always well above average. The average percentage of women in higher management positions in Randstad operating companies was 45% in 2009 (2008: 46%, 2007: 40%), another indicator of how committed we are to recognizing female talent throughout the organization.

Career advancement and training

Talent development and multi-level training activities are implemented across the Randstad Group through customized course offerings and detailed employee development plans that enable us to identify individual training and development needs and opportunities. Developing both new and existing talent and expertise strengthens both our knowledge and management base. Our investment in our employees is one of the ways we uphold 'best people' as one of our strategic building blocks. More information on these activities can be found on page 15.

Total out-of-pocket training costs

in millions of €	2009	2008
Corporate employees	15.8	16.6
Candidates	52.4	30.8

The decrease in costs for corporate staff this year reflects an overall decrease in corporate headcount, whereas the increase in costs for candidates reflects the larger candidate pool we now service following the integration of former Vedior companies and our commitment to skills for employability.

Randstad operating companies also set aside separate budgets for training candidates and temporary workers. Ongoing skills development is essential for employability and sustainability in any workforce. Our training programs are tailored to meet the needs of clients and individual employment markets and include courses specific to contact centers, sales, IT, hospitality and technical skills. Specialized programs leading to additional professional qualifications are also a part of training and development.

We also share our expertise and investment in talent and skill development in many local partnerships. An example is Champs on Stage, a program in which we collaborate with the American Chamber of Commerce in the Netherlands and others. The program provides mentoring, career counseling and internships to hundreds of students and supports young talent in the development of leadership capabilities and career skills.

Health, safety and security

As experts in the field of work, we believe that the highest standards of health and safety in the workplace are a right for all employees across the labor market. We adhere to all applicable local standards and regulations. Where there are none, we lobby for their introduction, while continuing to apply our own high standards until sector-wide measures are in place. We recognize that many work-related accidents can be prevented, so the ongoing education of employees, candidates and clients on health and safety issues is a priority for us. Health and safety is also a component of introduction programs for new employees, and annual audits are run at many of our sites to verify adherence to our standards. Formal audits at client locations are conducted in areas of our business such as construction, where taking extra health and safety precautions is best practice.

Randstad's operating companies have mechanisms in place to record information on accidents and illness, usually quarterly, according to local regulations. Targets for reducing workplace accidents and absences due to illness depend on their frequency and duration in individual operating companies. Additional reporting on accidents and illness is covered in our CSR reporting guidelines so that local operations can apply standardized definitions for reporting and comparison purposes through central channels.

In 2009, global health and safety initiatives included comprehensive business continuity plans to educate and protect staff and operations against the possible impact of the H1N1 virus. Communication about precautions covered not only our personnel, but clients and candidates as well, and disinfectant hand soap has been provided in areas suspected to be at risk.

Our company-wide security policy, called the Initiative for Randstad's Improved Security (IRIS), helps us manage and respond to security incidents in a timely manner, as well as to educate staff on how to react to potential threats to security, such as burglary, vandalism, hostile encounters and calamity situations. IRIS allows employees to log incidents online, and local calamity teams have been established to respond to incidents. IRIS was rolled out on our corporate intranet in 2009 and a global team will be implemented in 2010 to review local incidents and security protocols and to streamline global coordination and response.

Client, candidate and employee satisfaction

Our goal of having the best people delivering the best services in the industry is realized by ensuring the satisfaction and engagement of our own staff, as well as that of the clients and candidates we serve. Through frequent surveys, we measure satisfaction and tailor the delivery of our services to enhance it.

Randstad conducts a global People Survey each year to research employee engagement levels throughout the Group. In 2009, 24,051 employees were invited to respond, and a 67% participation rate (2008: 66%) was achieved. The survey was extended to employees in all of our markets this year, and conducted in 19 languages. The 2009 engagement score of 7.1 on a 10-point scale results from 41% of participants giving a score of 9 or higher on their intent to stay at Randstad, and 38% giving the same score to indicate they are proud to work here, 35% giving a score of 9 or higher recommending Randstad as a good place to work and 25% giving a score of 9 or higher on satisfaction. For the first time in 2009, we measured staff perception of CSR in the organization to gain a better understanding of how our own people feel Randstad is performing in promoting sustainability across the Group. It comes as no surprise that our employees value social awareness, as they are at the core of shaping our CSR initiatives across the Group.

CSR perception within organization

Survey results represent an opportunity for making improvements and further dialogue. The results are shared across all levels in the organization and actively addressed through local management channels.

Business principles

Integrity and ethical behavior are guiding forces behind our personal and professional conduct. As signatories of the UN Global Compact, we strive at all times to uphold its principles in the areas of human rights, labor standards, the environment and anti-corruption, and we cooperate with international and local communities to address them.

We reaffirmed our commitment to ethical practices across the business and recognized those in place in our operating companies by finalizing a renewed code of conduct in 2009: Randstad's Business Principles. These principles are communicated across the Group via our corporate website and internal communication channels. They are also included in the company introduction package received by every new employee. A program to ensure awareness of and compliance with the principles, and related company policies that specifically address anti-corruption and the reporting of misconduct within Randstad, is underway across the Group.

In order to expedite the reporting of misconduct, including any behavior that constitutes a violation of our business principles, we encourage reporting any infringement directly to local management and through established operational channels. The guidelines for this are detailed in our refreshed Misconduct Reporting Procedure, which replaces the former Randstad Integrity Code and Whistleblower Policy (Vedior). Employees are provided with a local dial-in number, information in local languages and access to an independently hosted website where they have the option to report misconduct anonymously.

Integrity Code complaints

	2009	2008	2007	2006
New complaints	19	34	28	16
Of which legitimate	11	19	23	8
Reported closed	10	18	23	-

Misconduct reporting for 2009 was conducted under the former Integrity Code.

Volunteerism

Being a part of Randstad means upholding our core values, including the 'simultaneous promotion of all interests', requiring us to take our social responsibility seriously. Through active local volunteer programs in all our major geographies, we reach out to people in need of services to facilitate social inclusion. Many of these programs are based on the provision of services that equip individuals and organizations with the tools and skills needed to enhance development and employability.

Randstad's ongoing partnership with the NGO Voluntary Service Overseas (VSO) spans our operations and gives all members of the Randstad workforce an opportunity to serve as volunteers. Like Randstad, VSO are specialists in recruitment and placement, recruiting and placing volunteers with professional qualifications from around the world to live and work in developing countries. In 2009, 13 Randstad employees went abroad to share their skills and expertise on the ground in countries such as Cambodia, India, Namibia, Zambia and Tanzania. Our HR Solutions joint project in Namibia, which focuses on helping VSO's local NGO partners develop and implement HR infrastructures, continues to be a success, and this year we extended this program to Zambia. In 2010, we will focus our efforts toward reaching a target of 25 volunteers to serve with VSO.

Since the beginning of the partnership in 2005, over 60 Randstad staff have been deployed on 3 to 12-month assignments in developing countries to support VSO's work in key areas of disability, education, health, HIV/AIDS, participation & governance and secure livelihoods. In addition to what our people give on the ground, the extended range of professional competencies they bring back home with them adds further value to the Randstad organization. We also work with VSO to improve their internal efficiencies by sharing our knowledge, expertise and best practices with them.

In more local terms, our subsidiary Ma Foi in India participates in volunteering to provide services in the areas of health, education and micro-enterprise through its Ma Foi

Foundation, and our partnership with the YMCA in the US helps us to reach underprivileged youth through mentoring efforts. In Argentina, staff volunteers provide assistance toward the eradication of child labor practices, and many of our other operations work in cooperation with local NGOs and associations to provide community aid and support for social advancement.

VSO volunteers Randstad

	2009	2008	2007	2006	Total
Volunteer hours	13,500	13,200	16,500	15,000	58,200
Volunteers	13	13	18	13	57

Environmental Measures

Randstad's core values are as applicable to the environment as they are to our business activities, and we believe that we have a part to play in meeting the challenges of global climate change. We regard it as our duty to reduce our impact on the environment, through active participation in efforts to conserve resources and adhere to local energy standards and regulations at a minimum.

In 2009, we once again participated in the Carbon Disclosure Project, which serves both as an effective tool for self-assessment and as a benchmark for performance. The improvements in our score reflect the significant efforts we have made to address environmental concerns. We continue to make progress in accurately understanding our carbon footprint globally, and it is our intention to make our responses public next year.

Our memberships, partnerships and participations

CIETT Through our membership in CIETT, The International Confederation of Private Employment Agencies, we strive for well-regulated working conditions for our corporate employees, candidates and interim professionals.

INSEAD Randstad is on the steering board of the Business and Society Roundtable of the INSEAD Business School, where business leaders share experiences on advancing the CSR agenda.

New Venture Through our cooperation with New Venture, an organization which promotes innovative and sustainable business practices for start-up ventures, Randstad provides advice and coaching to budding entrepreneurs.

CSR Europe A leading European business network for corporate social responsibility with more than 60 leading multinational corporations as members. Randstad is involved in CSR Europe projects in the areas of skills for employability, mainstreaming diversity and well-being in the workplace.

MVO Nederland MVO Nederland encourages and supports Dutch organizations in the fulfillment of their role in society. A major activity of the center is the supply of information on corporate social responsibility to businesses, public authorities and NGOs.

AT&T Williams Our partnership with AT&T Williams puts us in touch with leading developments for fuel innovation and energy efficiencies in the automotive sector, as well as road safety advancements and education programs in technology.

We began using 100% green energy at our headquarters in 2009 through a procurement agreement with Greenchoice, a leading green energy supplier in the Netherlands, through which only energy wholly-generated through wind, water and solar power is supplied and used. This approach to energy supply is being investigated at the country level as well, with Randstad Belgium implementing green energy supply from July of this year.

Resource usage and waste management at Randstad headquarters

	2009	2008
Water (m^3)	14,000	13,000
Central heating (gJ)	6,000	6,000
Natural gas (m^3)	27,000	12,500
Electricity (mln. kWh)	3.5	3.2
Paper recycled (kg)	66,700	65,000
Cardboard recycled (kg)	14,430	14,000
Glass recycled (kg)	10,800	-
Chemical waste recycled (kg)	1,120	-

Resource usage at our headquarters in Diemen remained relatively stable in 2009, with the exception of gas. This increased due to reliance on natural gas for additional heating, due to an interruption in the delivery of fuel for central heating during extended city maintenance at the supply plant, together with more cooler days overall. We have added glass and chemical waste to our waste management reporting, to promote awareness for total waste management solutions.

We are extending our commitment at the headquarters in 2010 with the pilot installation of a wind turbine on the roof of our building. The electricity generated by the turbine will be used to directly power the lighting for the building signage, and the pilot aims to explore future possibilities for reducing the amount of electricity we consume from the national grid.

Indoors, we turned our attention to lighting as well, and replaced our fluorescent lighting with high frequency tube adaptors in 2009. This reduced our electricity consumption by over 30%, earning our headquarters eligibility for Greenlight certification. Greenlight is a European collective established to recognize companies that reduce energy consumption by at least 30% for over 50% of their lighting. The system has the added advantage of doubling the life expectancy of each tube, thereby reducing related waste.

We endorse the growing trend of sustainability in the supply chain, and applaud those of our suppliers who help us to purchase more responsibly, such as Desso, who exclusively supply carpeting for our offices around the world.

As a global organization, a certain amount of business travel is integral to building and maintaining both strong internal and external relationships. However, staffing is primarily a local business. We are therefore able to limit business travel and endeavor to do so whenever possible, enhancing our international contact through alternative means, such as telephone/video-conferencing and online meetings. To ensure that we minimize our carbon footprint when we do travel, we have begun measuring our impact with the aim of reducing or compensating for it.

We continued our participation with KLM in 2009 in a program to compensate for emissions for air travel originating in the Netherlands, and many of our subsidiaries have similar agreements for flights originating locally.

Dow Jones Sustainability Index
The Dow Jones Sustainability Index tracks sustainability in leading companies around globe and in cooperation with SAM (Sustainable Asset Management), whose mission is to promote sustainability in the investment community, ranks companies according to detailed criteria. The scoring system looks at economic, environmental and social performance, and Randstad's ongoing engagement with the DJSI is one of the ways we benchmark our performance and endorse quality measurements for the evolution of CSR across business pratices.

UN Global Compact The United Nations Global Compact is a voluntary business initiative for companies committed to an alignment of their operational and strategic activities with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. As signatories of the compact since 2004, it is Randstad's firm belief that responsible business promotes the development of markets, commerce, technology and finance for the benefit of economies and societies everywhere.

We undertake efforts wherever possible to reduce our CO_2 emissions as a result of car travel. In the Netherlands, where 82% of our company cars carry an efficiency label A, B or C, we have introduced hybrid vehicles into the fleet and no longer offer SUVs as part of our new lease agreements. Further information covering the Netherlands is provided below. As our largest country of operation in terms of FTEs, this information provides an indication of usage that will be tracked in the future.

CO_2 car emissions Netherlands

	Benzine	Diesel	LPG	Total
Fuel volume (ltr)	5,372,214	4,021,834	12,954	9,407,002
Fuel (%)	57.1%	42.8%	0.1%	100.0%
CO_2 (kg)	12,839.592	10,738,298	20,855	23,598,745

Efficiency label Dutch fleet

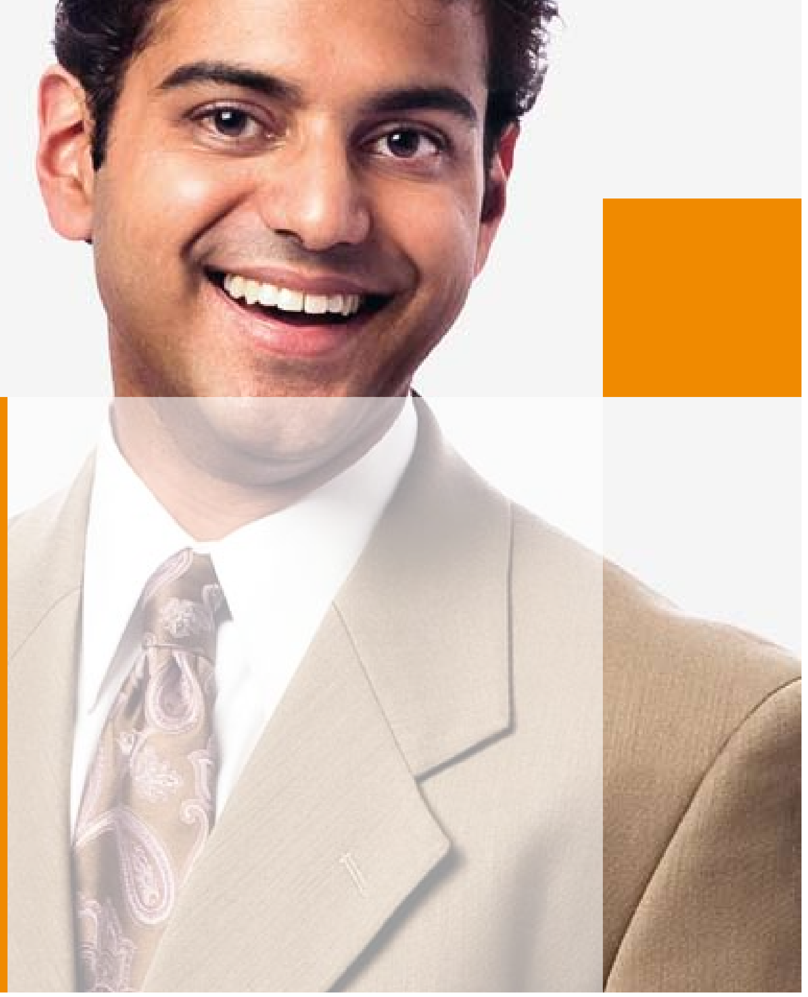
	Total cars 2009
A	358
A Hybrid	97
B	1,504
C	1,289
D	617
E	56
F	12
G	1
Total	**3,934**

Summary of awards & rankings received by Randstad

Each year, we receive numerous recognitions and honors for excellence. The awards and achievements in 2009 included those noted below. We extend our congratulations to our operating companies and all our employees who work to deliver an outstanding quality and service.

- Randstad participated in the Dow Jones Sustainability Index for the sixth consecutive year. For 2010 we received a silver class rating, indicating top performance in the support services peer group and an improvement over our 2008 bronze ranking.
- In November, Randstad received the first Dutch Service Innovation Award, presented by the Minister of Economic Affairs. The award recognizes the role of innovation in service provision; the international accounts and business concept development departments were noted as being particularly innovative.
- The UK's Recruiter 2009 awards ceremony recognized three of our operating companies in the professional field: Major Players carried off the Best Marketing Recruitment award, Martin Ward Anderson was named Best Accountancy Recruitment Firm and Digby Morgan won the award for Best HR Recruitment Firm.
- Randstad Australia was awarded the Treasury Today Adam Smith Award, for technology within the corporate treasury, receivables or payments environment.
- Tempo-Team in Luxembourg received the international MASE 'security at work' certification. Randstad France also holds MASE certification and was recognized in 2009 as a leading enterprise for diversity and equality.
- Randstad Belgium and Randstad Italy hold SA 8000 accreditation, while both Randstad Netherlands and Yacht received ISO 14001 certifications in 2009.
- Sapphire Technologies in the US received a top ranking in Business Journal's listing of best temporary staffing agencies and was included in the Boston Globe's Top Places to Work survey.
- The Great Place to Work Institute recognizes many of our operating companies across the board. This year, Randstad Canada was among those, as one of the 'Best Workplaces in Canada' for a third consecutive year and one of Canada's 'Best Workplaces for Women'.

risk and opportunity management



A new platform

The acquisition of Vedior in 2008 changed the platform of the Group significantly. The 'in control' position at Randstad had been established in a different manner than at Vedior. In this context, the Randstad risk & control framework described below had been updated in 2008 based on the best practices of both companies. The risk & control framework was fully implemented during the course of 2009.

The risk profile also changed as a result of the acquisition. Revenue is more widely spread across geographies and segments. Although this helped us to address the macro-economic challenges in 2009, the downturn had a severe impact on our gross revenues and margin pressure increased. Due to the partial debt financing of the Vedior acquisition, the balance sheet is more leveraged, with a net debt to EBITDA ratio of 2.5 (2009) versus bank covenants of up to 3.5.

Strategy, targets and risk appetite

Risk & opportunity management is firmly embedded in our strategy and is considered essential for achieving our targets (see page 17). We deliberately address risks and opportunities together, as we believe they go hand in hand. We actively stimulate entrepreneurship throughout the organization and encourage our people to identify and seize opportunities. At the same time, we recognize that the risks inherent in entrepreneurship must be assessed and controlled. It involves knowing when to give full throttle, but also when to apply the brakes.

We have defined our risk appetite on a number of internal and external factors including:
- business performance measures: an EBITA margin target of 5-6% on average through the cycle, with a minimum of 4% during normal downturns;
- financial strength in the long term, mainly defined through the repayment capacity ratio;
- liquidity in the short term: cash flow from operations and working capital;
- compliance with relevant rules and regulations;
- economic environment;
- reputation.

Our risk and opportunity analysis and risk appetite reflect a cocktail of potential risks and opportunities. We analyze combinations of potential risks and opportunities and use techniques to qualify and quantify risks to establish a direction for our key controls and insurance risk management. The likelihood of certain combinations is impossible to assess however, and as the potential inherent false security is a risk in itself, we use the quantification of risks with great care.

The table overleaf provides a sensitivity analysis of the various factors that comprise our risk and opportunity analysis and risk appetite.

We are convinced that the continuity and sustainability of our business are as important to stakeholders as its growth and operation. Continuity and sustainability are therefore fundamental components of our strategy, risk appetite and key values.

Sensitivity

	Change	Impact	On	Assumption versus FY 2009
Revenue	+/-1%	+/- € 24 million	EBITDA	Flat gross margin and no change cost base
Revenue	+1%	+ € 12 million	EBITDA	Flat gross margin and target 50% conversion
Revenue	- 1%	- € 8 million	EBITDA	Flat gross margin and target 65% recovery
Gross margin	+/-0.1%	+/- € 12 million	EBITDA	Flat revenue and no change cost base
Gross margin	+0.1%	+ € 6 million	EBITDA	Flat gross margin and target 50% conversion
Gross margin	-0.1%	- € 4 million	EBITDA	Flat gross margin and target 65% recovery
Operating expenses	+/-1%	+/- € 21 million	EBITDA	
USD	+/-10%	+/- € 2 million	EBITDA	Stable revenue and margin in US
GBP	+/-10%	+/- € 1 million	EBITDA	Stable revenue and margin in UK
EURIBOR	+/- 100 bp	+/- € 10 million	Financial charges	Stable net debt versus year-end
Net debt	+/- € 100 million	+/- € 2 million	Financial charges	Stable interest rates versus year-end

Risk & control framework

Randstad's risk & control framework is part of the 'excellent execution' building block that links our mission and objectives with the execution of strategy by the Group. It sets the standard for the way we manage risks and opportunities and is in line with the COSO-ERM framework (Committee of Sponsoring Organizations of the Treadway Commission). The risk & control framework is designed to ensure:
- the careful monitoring of the effectiveness of our strategy; by regularly reassessing our strategic direction, we fully leverage our strategic strengths while ensuring strategy is consistently executed;
- the company's continuity and sustainability, through a number of means including consistent accounting, reliable financial reporting and compliance with laws and regulations;
- excellence in execution; we focus on the most efficient and effective way to conduct our business, enabling us to identify opportunities and avoid mistakes;
- the avoidance of material negative financial impact on the Group's profit & loss account and cash position.

The framework's core components are described below.

Tone at the top
Consistently maintaining the correct 'tone at the top' establishes the foundations for effective risk & opportunity management. The attitude and behavior of management, based on our core values as listed on page 4, should serve as a good example for all Randstad employees to follow. The importance of internal controls to the business is understood, and both our code of conduct and integrity code are communicated transparently and published on our website.

The Code of Conduct and the Integrity Code were updated based on our company values in 2009 (see page 4). Both will be implemented throughout the Group early in 2010 and will be an integral part of the induction program for each Randstad employee. Any cases of inappropriate management behavior or relevant failures are disclosed internally in order to increase awareness and prevent reoccurrence.

Strategy setting
Randstad's strategy is firmly embedded in its operations. A business planning and reporting cycle is in place to measure how well and consistently we execute our strategy and deliver on our strategic objectives. The business planning cycle is derived from the strategic planning cycle, in which key performance indicators and milestones are defined to measure actual against planned performance.

Early in the summer in a typical year, operating companies draft their strategic plans for the coming year. These plans are discussed with the executive board and are used for the Group's strategic plan. The executive board discusses this strategic plan with the strategy committee and the supervisory board.

Monitor and control
The identification and analysis of risks and opportunities represents an ongoing process that is naturally a critical component of effective internal control. On the basis of these and the Group's risk appetite analysis, the key controls within Randstad's business processes are registered and their effectiveness continuously monitored.

A monthly reporting cycle is in place for both financial and non-financial information, and some key operational

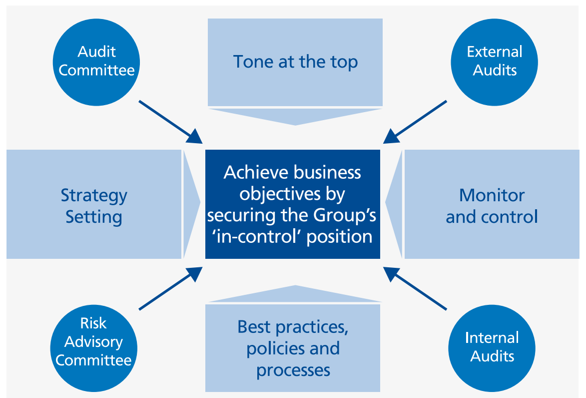
ready
for your
future

Trends in professionals segment

The most important sectors for recruitment of professionals are IT, Engineering and Finance & Accounting. While the recruitment of professionals for temporary assignments is still more common in Anglo-Saxon countries, we have seen a strong increase in continental Europe and Japan in the last few years. Although the permanent placement of professionals is more vulnerable in economic downturns, the demand for recruitment for permanent positions through agencies has increased rapidly in practically every market during the last decade. And permanent recruitment is the HR service that is offered most often in emerging markets. Two long-term trends are becoming clear: companies are increasingly keen to attract the most talented professionals, while professionals are less committed to their employer and more open to new career opportunities.

data are reported on a weekly basis. Every six months the managers of all Randstad companies are required to sign off responsibility sheets. Furthermore we have designed a risk & opportunity management structure to monitor and control the risks and opportunities at a local level. Companies report every six months on their top risk and opportunity areas, including individual action plans and timeframes to respond to them. The operating company management and the executive board, supported by Group control, need to discuss deviations from the standards set in them at quarterly review meetings, including in-depth discussions on past and expected performance.

Securing Randstad's 'in control' position



Pro-active processes in order to manage Randstad's risks and opportunities

Audit and reviewing processes to evaluate effectiveness

In conjunction with the risk appetite assessment, insurable risks are also periodically assessed in order to determine which should be transferred to the insurance market. Based on this assessment, a global public liability and professional indemnity program was introduced for all our companies in 2009.

Best practices, policies and processes

Strict corporate procedures govern financial reporting, investment procedures, powers of attorney and authority structures. Best practices, including control measures, are continuously identified and defined in blueprints, such as the contract to cash blueprint, and implemented in our companies. We strive to 'copy & paste' these best practices, policies and processes throughout the organization.

Clear authority structures and powers of attorney are implemented throughout the Group. Executive board approval is required for any non-compliance with the authority structures and powers of attorney in place.

Audit and review activities

Internal and external teams periodically review the effectiveness of the risk & control framework. The Group's business risk and audit department works closely with local audit teams, the external auditors and corporate departments. Its annual plan includes activities that monitor and report on the effectiveness of key controls in business processes and ensures that identified weaknesses are properly addressed. Results are discussed in review meetings between local management, an executive board member and the business risk and audit team.

The Group's audit committee is informed about the audit results and monitors the risk management and control

Risk mapping at Randstad

	Strategic	Operational	Organ-izational	Financial	Compliance
Torpedo risks					
Latent risks					
Reputation risks					

systems, the quality of the financial information, and compliance with recommendations of auditors.

The risk advisory committee, chaired by the Group CFO, supports management by identifying risks & opportunities and monitoring the follow-up of actions. Members of the risk advisory committee include representatives of operations and corporate departments. The committee met five times in 2009.

Risk mapping

We identify and classify risks, both at Group and operating company levels, by mapping risk impact and type of risk. Within risk impact, we distinguish between torpedo risks and latent risks. Torpedo risks can have an immediate financial impact or immediately threaten the continuity of the Group, while latent risks do not have an immediate impact, but could become torpedo risks if not properly managed.

The types of risk include strategic, operational, organizational, financial and compliance risks.

Once a risk is identified, we address it by:
- estimating its significance;
- assessing the likelihood of its occurrence;
- assessing the effectiveness of internal controls;
- developing specific actions needed to reduce it to an acceptable level.

Management must assess how much risk is prudently acceptable and strive to maintain it within this level. All relevant risks are analyzed and reviewed in a systematic way according to the risk & control framework. This process is an integral part of the business planning and review cycle.

Principal risks

Below we describe our principal risks that have been discussed with the full supervisory board and the audit committee.

Strategic risks

Our business is highly susceptible to macro-economic conditions and changes that result in revenue volatility risk. This is a strategic risk, as investing late in an upturn can lead to loss of market share while reacting late in a downturn will damage profitability.

We have a wider geographical spread and less dependency on specific regions since the Vedior acquisition. We also offer services in additional different segments that run in different economical cycles. Professional services tend to react later to economic changes than staffing for example, and we have exposure to HR Solutions, which can be countercyclical (such as outplacement). Nevertheless, the unusually challenging macro-economic climate of 2009 had a severe impact on our revenue.

In order to reduce the impact of the current economic conditions, tight cost control is essential. We manage tightly on actual performance, using weekly indicators and with a focus on quick reaction time. This is preferable to steering on macro forecasts, as these are often lagging indicators and therefore unreliable steering sources. This is part of our managing through the cycle policy (see page 18).

Operational risks

Our personnel represent a key asset for sustaining and further growing our operations. The headcount at year-end (measured in FTEs) was reduced by 25% compared to 2008. Natural attrition was one of the main drivers of the headcount reductions in 2009.

Our commercial strength and future growth potential was maintained by carefully monitoring and managing unfavorable shifts in retention rates, especially regarding our consultants. We identified and trained future leaders, we continued to provide management development training for those with strong potential and management vacancies continued to be filled internally within an 80% rule.

Stock purchase plans for all corporate employees and performance share plans for senior management are available. These plans create awareness of the Group's performance and enhance commitment.

Organizational risks

Integration of Vedior

The integration of Vedior's staffing business into Randstad was completed in 2009 and the subsequent rebranding is almost finalized. In the professionals segment, integration is on schedule and progressing well, and rebranding is ahead of schedule. The cost synergies have been realized according to plan and are about € 100 million per year.

We continued to align policies and procedures in 2009, while maintaining our focus on serving our clients. No major clients have been lost as a result of combining the two companies. Since January 2009, one application has been used for consolidating the financial figures.

IT systems

IT is crucial to our operational continuity. Examples of our dependence on IT include the proper, timely payment to our staffing employees and accurate invoicing to clients. The profile of many of our staffing employees is such that timely (often weekly) payment is a key driver of their choice to work for us. The risks associated with IT are spread, as each country and/or operating company has its own IT system in place, including local payment systems.

To mitigate risks, external and internal auditors paid specific attention to computer controls, the global disaster recovery policy was adhered to and intrusion tests on our local systems were performed.

Financial risks

We are exposed to a variety of financial risks, specifically changes in foreign currency exchange rates, interest rates, liquidity risk, investment risk and related external reporting risk. We manage these risks centrally via a Group treasury department under the direct supervision of the Group CFO.

Debt position

To ensure proper financing, our offer for Vedior was made partly in shares, with debt financing of the cash component being arranged through a five-year syndicated loan facility, which had a maximum capacity of € 2.7 billion originally. The net debt position at year-end is € 1,015 million, compared to € 1.641 million in 2008. The leverage ratio (net debt end of period divided by the EBITDA of the past 12 months) arrived at 2.5. The covenants of the syndicated facility allow a leverage ratio of up to 3.5 x the EBITDA of the last four quarters.

On the basis of our strong cash generation, three mandatory repayments on our term loan of € 135 million each were brought forward. The term facility now amounts to € 675 million, while the revolving part still amounts to € 1,620 million, with the whole facility now totaling € 2,295 million. With no mandatory repayment until May 2011, and the revolving facility available until May 2013, financial flexibility is high.

Floating interest rates are considered a natural hedge against the development in operational results. We finance against floating interest rates since in an economic downturn, when our earnings may be under pressure, interest rates will normally tend downwards. In 2009, interest levels indeed followed this pattern. If we would have hedged our floating rate at a fixed rate of 5%, our net financing costs would have been approximately € 55 million higher.

Cash flow

For tax planning and cash management purposes, sufficient cash positions (€ 270.1 million) are maintained with various banks. The risks associated with the cash balances are regularly and carefully analyzed by the Group treasury department, ensuring that positions can be adjusted quickly.

The cash position was positively influenced by a Dutch fiscal stimulus measure, allowing VAT payments on a quarterly rather than a monthly basis, contributing around € 80 million to cash flow.

In August 2009 we launched a standby facility that offers us the opportunity to sell the accounts receivable of our Belgian entities up to a maximum of € 125 million. The facility runs for at least 18 months from launch, and we consider it as an insurance policy, enabling us to strengthen the balance sheet if needed. Given our continued strong cash generation in the second half of the year and current market trends, we do not expect to use the facility.

Currency rates

Our exposure to foreign currency exchange risk is limited, as both income and expenses are generated locally. As a portion of the cash flow is generated in currencies other than the euro however, currency fluctuations can affect consolidated results. We hedge our financial exposure to the main non-euro currencies by borrowing part of our net debt position in them. See page 108 for more details.

Accounts receivable

The largest current asset on our balance sheet relates to the accounts receivable portfolio. The risk profile of this current asset has changed due to the economic developments of 2008 and 2009. To limit credit risk, a blueprint for the accounts receivable procedure is implemented to aim for a low level of bad debt expense.

Our credit risk exposure to our largest customer is less than 1%, doubtful receivables are fully provided for and the moving average of DSO (days sales outstanding) improved from 59 days in 2008 to 58 days in 2009. This was achieved by an additional focus on internal processes and a positive effect of regulation changes in France.

The profit and loss accounts of the operating companies contain an operating working capital charge in order to increase awareness of the cost of capital. DSO is also included in the budgets and targets of local management.

For further details on financial risks refer to 'Capital and financial risk management' on page 106.

Compliance risks

Compliance risks arise from continuously evolving legal environments. Examples of legal risks include contractual liability between client, Randstad and staffing employee, damage caused by staffing employees, or breach of competition rules. Wrongful actions of a few people can have serious consequences.

Competition law compliance

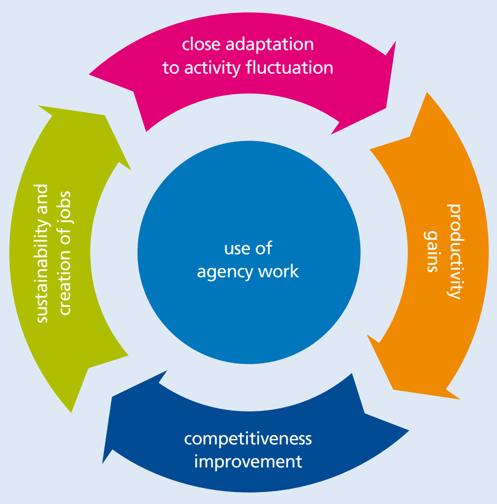
In September 2009, the UK's Office of Fair Trading (OFT) issued a decision in relation to its investigation of an alleged infringement of UK competition laws. This matter was brought to the attention of the OFT in 2005 through a subsidiary of Vedior. As a result of this approach and for their full cooperation throughout the course of the investigation, the operating companies concerned were awarded full immunity from any fine.

In February 2009 the French Competition Council imposed a fine of € 18.2 million, as they alleged that Vediorbis had been involved in exchanges of commercially sensitive information with competitors from 2003 to 2004 and a specific concerted practice in connection with a tender offer.

In relation to these cases, clear commitments have been provided to prevent, where possible, any infringement in the future. Awareness of fair competition practices is also raised during internal conferences, and it is made clear to anyone that any infringement with fair competition practices is not tolerated. A training module regarding competition law compliance has been developed, and all relevant personnel will be trained early in 2010. Training will also become a part of the induction program for new personnel.

ready for your future

Flexibility



The benefits of flexibility

If the downturn has taught us one thing, it is that most companies, including ourselves, now really understand the benefits of having flexibility embedded in the workforce. A well-balanced workforce, including a flexible component, helps businesses to breathe with the economic tides. It helps them prepare for future developments and swings in the economy. Flexibility is not a goal in itself, but a means to an end. It enables greater efficiency and higher productivity, enhancing profitability and competitiveness. It saves jobs in difficult times and creates jobs in an upswing that would otherwise not exist. All these elements make companies more resilient and agile. They help them to swiftly adjust to downturns when they occur, while ensuring they are better equipped to profit from periods of growth.

Candidate checks

It was discovered that an essential check had not been performed on candidates in one of our operating companies. This could have resulted in claims and damage to the Group's reputation. Disciplinary actions were taken with regard to the management responsible, all files of all candidates within this company were audited, and action was taken where necessary to ensure compliance with relevant laws and regulations. We will also extend this audit to other companies within the Group in 2010.

Contractual liability

We aim to deliver our services according to our standard terms and conditions. In cases where we agree for specific reasons to deliver them according to non-standard terms, the local and/or corporate legal department is involved and maximum liability and financial exposures are specified as clearly as possible. Pricing levels should be high enough to absorb risk-related costs. Our goal is to limit acceptance of consequential losses and/or product liability.

Conclusion

The executive board is responsible for Randstad's internal risk management & control systems and for reviewing their effectiveness. These systems are designed to manage the risks that may prevent us from achieving our objectives. The systems cannot provide absolute assurance that material misstatements, fraud and violations of laws and regulations can be avoided however. Projections regarding future effectiveness are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Group's policies and procedures may deteriorate.

The executive board has reviewed and analyzed the strategic, operational, organizational, financial and compliance risks to which the Group is exposed, and continuously reviews the design and operational effectiveness of the Randstad internal control and risk management systems. The outcome of these reviews has been shared with the audit committee and the supervisory board, and has been discussed with our external auditor.

The risk management and control system for financial reporting should ensure consistent accounting and reliable financial reporting in standard forms. Actual performance is regularly measured against annual business plans and budgets approved by the executive board and discussed by them during review meetings with responsible management.

In accordance with best practice provision II.1.4 of the Dutch corporate governance code, Randstad has assessed the design and operational effectiveness of its internal risk management and control systems.

Based on the activities performed during 2009 and in accordance with best practice provision II.1.5, the executive board believes that the risk management and control systems regarding the financial reporting risks have worked properly during 2009, and provide reasonable assurance that the 2009 financial statements do not contain any errors of material importance.

In accordance with the Dutch Financial Supervision Act, section 5:25c, the executive board declares that, to the best of our knowledge:

- the financial statements 2009 give, in accordance with IFRS as endorsed by the EU, a true and fair view of the assets, liabilities, financial position and profit or loss of Randstad Holding nv and its consolidated Group companies taken as a whole;
- the annual report gives a true and fair view of the situation per December 31, 2009, the state of affairs during the financial year 2009 of Randstad Holding nv and its consolidated Group companies taken as a whole, together with a description of the principle risks and uncertainties Randstad Holding nv faces.

Diemen, the Netherlands, February 16, 2010

The executive board,

Ben Noteboom
Robert-Jan van de Kraats
Jacques van den Broek
Leo Lindelauf
Greg Netland
Brian Wilkinson

how we govern our company

Randstad operates a two-tier board structure. The supervisory board comprises the non-executive directors, while the executive board comprises the executive directors.

Both boards have their own unique responsibilities, which focus on Randstad's general interests and take into account the interests of all stakeholders. Both boards are accountable to shareholders, who should at all times be provided with a clear view on corporate decisions and the decision-making process.

The supervisory board supervises the policies of the executive board and advises them on the general course of affairs of Randstad. In the two-tier corporate structure under Dutch law, the supervisory board is separate and independent from the executive board.

supervisory board

Leo M. van Wijk
(1946, Dutch)
- First appointment 2002
- Current term of office 2006 - 2010
- Chairman of the audit committee and member of the remuneration and nomination committee.

Leo van Wijk is vice-chairman of the board of directors of Air France-KLM and chairman of Skyteam. He is also a member of the supervisory board of AEGON NV.

Rob Zwartendijk
(1939, Dutch)
- First appointment 1999
- Current and final term of office 2008 - 2012
- Member of the strategy committee.

Rob Zwartendijk was formerly a member of the management board of Royal Ahold N.V. and president and CEO of Ahold USA. He is chairman of the supervisory boards of Nutreco Holding NV, Blokker Holding B.V. and SNS REAAL NV. He is also a member of the OPG Foundation Preferred Shares.

Beverley C. Hodson
(1951, British)
- First appointment 2008
- Current term of office 2008 - 2012
- Member of the remuneration and nomination committee.

Beverley Hodson was formerly retail managing director of WH Smith Group PLC, having headed businesses within Sears Plc and the Boots Company PLC. She was formerly a member of the supervisory board of Vedior N.V. She is currently a non-executive director of NFU Mutual, iForce Ltd, First Milk Limited and Robert Wiseman Dairies PLC.

Fritz W. Fröhlich
(1942, German)
- Chairman
- First appointment 2003
- Current term of office 2007 - 2011
- Chairman of the remuneration and nomination committee and member of the audit committee.

Fritz Fröhlich is the former chief financial officer and vice-chairman of the executive board of AkzoNobel nv, and is the current chairman of the supervisory boards of Altana AG and Draka Holding N.V. He is also a member of the supervisory boards of ASML Holding NV, Rexel SA, Allianz Nederland Groep N.V. and Aon Jauch & Hübener GmbH. He is a member of the investment committee of ABP Vermogensbeheer.

Henri M.E.V. Giscard d'Estaing
(1956, French)
- First appointment 2008
- Current term of office 2008 - 2012
- Member of the strategy committee.

Henri Giscard d'Estaing has been chairman of the board and chief executive officer of Club Méditerranée S.A. since December 2002. Before joining Club Méditerranée in 1997, he held various management positions at Groupe Danone and Cofremca. He was formerly a member of the supervisory board of Vedior N.V. He is currently a member of the board of directors of Groupe Casino Guichard-Perrachon S.A. and Aéroports de Paris. He privately holds 451 ordinary shares in Randstad Holding nv.

Giovanna Kampouri Monnas
(1955, Greek)
- First appointment 2006
- Current term of office 2006 - 2010
- Member of the remuneration and nomination committee.

Giovanna Kampouri Monnas is an independent consultant and the former president of the international division and member of the executive committee of Joh. Benckiser GmbH. She is a non-executive director of Belenes Puig S.L. and Aptar Group Inc. She is also a member of the International Academy of Management.

Frits J.D. Goldschmeding
(1933, Dutch)
- Vice-chairman
- First appointment 1999
- Current and final term of office 2007 - 2011
- Chairman of the strategy committee and member of the audit committee.

Frits Goldschmeding is the founder of Randstad and the former president and chief executive officer of Randstad Holding nv. He is chairman of the supervisory board of Instituut Stichting Maatschappij en Onderneming bv ('SMO') and a member of the board of SMO. He is a professor at the Centre for Entrepreneurship of the Nyenrode Business University. He privately holds 59,029,872 ordinary shares and 2,400,000 preference B shares in Randstad Holding nv.

Willem A.F.G. Vermeend
(1948, Dutch)
- First appointment 2003
- Current term of office 2007 - 2011
- Member of the audit committee.

Willem Vermeend is professor of European fiscal economics at the University of Maastricht and a board member of the TSS Cross Media Group. He was formerly minister of social affairs and employment and state secretary of finance. His memberships of other supervisory boards include those of NV Industriebank LIOF, Maison van den Boer B.V., Free Record Shop Holding B.V., Imtech N.V. and Mitsubishi Motors Europe B.V.

corporate governance

Principles

At Randstad, sound corporate governance has always been a key component of our culture and behavior. The business processes throughout the organization incorporate transparency for both external reporting and the sound management of activities around the world. This transparency has been achieved through the consistent application of our core values, described on page 4. This culture has been actively developed for many years, and the process continues today. Randstad therefore has a strong focus on integrity, transparency and clear and timely communication. Good corporate governance and adequate supervision are important prerequisites for trust in Randstad and its management. Decisions taken on corporate governance must be seen in the context of an ongoing process. National and international developments are closely monitored. Given the international exposure of Randstad and its businesses, the international context is of vital importance.

Randstad's corporate governance structure is based on the requirements of Dutch legislation, the company's Articles of Association and the rules and regulations applicable to companies listed on the stock exchange of Euronext, complemented by several internal procedures. Over the last decades, Randstad has pursued a consistent policy to enhance and improve its corporate governance in line with the Dutch corporate governance code ('the code', which can be found at www.commissiecorporategovernance.nl) and (international) best practices. Following the introduction of the code in 2005, Randstad's corporate governance structure was extensively discussed at the Annual General Meeting of shareholders that year. In December 2008, the revised code was introduced and extensively discussed by the boards. Following the code, taking effect as of January 2009, Randstad has implemented the changes and additions included in the updated code, where feasible and relevant and, if required, by making amendments to the company's Articles of Association, (internal) by-laws and/or board profiles.

The executive board and the supervisory board, which are jointly responsible for the corporate governance structure of Randstad, are of the opinion that the vast majority of the principles and best practice provisions of the (updated) Dutch corporate governance code are being applied. As the code is based on the 'comply or explain' principle, a number of deviations, being deemed necessary in the interests of the company, have been explained to shareholders and are described in this report. Any substantial changes in Randstad's corporate governance structure and its compliance with the code will be submitted to the Annual General Meeting of shareholders. Corporate governance is submitted as a separate agenda item for discussion with shareholders during the upcoming Annual General Meeting on March 25, 2010. This report also includes the information that needs to be disclosed in accordance with the corporate governance declaration as referred to in the relevant Dutch governmental decree.

Executive board

Tasked with the management of the company, the executive board is accountable for developing, driving, executing and achieving the approved Group strategy and strategic targets. The executive board is also responsible for the associated risk profile, sound business and financial controls, development of results and dealing with corporate responsibility issues, while simultaneously respecting policies that have been set. The responsibility for the management is vested collectively in the executive board.

Since 2005, new board members have been appointed for a maximum term of four years. The division of tasks between the board members requires the approval of the supervisory board. Any board position at another company requires the prior approval of the supervisory board. In any event, a member of the executive board may not be a member of the supervisory board of more than two listed companies or serve as chairman of the supervisory board of another listed company.

Supervisory board

The supervisory board, acting in the interests of the company, supervises and advises the executive board in performing its management tasks, setting the direction of the Randstad business and guiding the general development of the company, including its financial policies and corporate structure. It evaluates the strategy, development of results, operating model, internal control mechanisms and corporate social responsibility framework established under the executive board's management. It is empowered to recommend to the general meetings of shareholders persons to be appointed as members of the supervisory board and executive board. Major management decisions, including those involving Group strategy, require the approval of the supervisory board. The supervisory board further supervises the structure and management of systems of internal business controls and the financial reporting process. It determines the remuneration of the individual members of the executive board within the remuneration policy adopted by the Annual General Meeting of shareholders.

Appointments and reappointments to the supervisory board are considered on the basis of a profile, taking into account the nature of Randstad's business and activities as well as the desired background and expertise of candidates. A member of the supervisory board should limit the number of supervisory board memberships and other positions at listed and non-listed companies in such a way as to guarantee the proper performance of his or her duties and may not hold more than five supervisory board memberships in Dutch listed companies, with a chairmanship counted twice. Supervisory board remuneration is determined by the general meeting of shareholders and is not dependent on the company's results.

Randstad ensures that there are structured reporting lines to the supervisory board. Key departments and operating companies work according to reporting frameworks that facilitate monitoring by both the executive board and the supervisory board. The supervisory board meets regularly throughout the year, according to a pre-arranged schedule, both with and without the executive board and senior management. Outside this schedule, its members are available to the executive board at all times. By way of frequent informal consultation with and updates from the members of the executive board in between the meetings, the supervisory board remains well informed about the general state of affairs within Randstad and offers advice on various matters. At the end of each year, the supervisory board extensively assesses the composition, performance and functioning of the executive board and the supervisory board, as well as its individual members.

While the supervisory board as a whole retains overall responsibility for its functions, it assigns some of its tasks to three permanent committees: the audit, the strategy and the remuneration & nomination committee. Their well-grounded advice and recommendations support the full supervisory board's decision-making. The supervisory board appoints committee members from its own membership based on the relevance of their expertise and experience. All supervisory board members are in principle also members of at least one committee. The committees come together at fixed times during the year, according to a pre-determined schedule and when required. They report directly to the full supervisory board on a regular basis, usually directly following a committee meeting.

The audit committee assists the supervisory board in fulfilling its supervisory responsibilities for the integrity of the financial reporting process, the system of internal business controls and risk management, the external audit process, the external auditors' qualifications, independence and performance, as well as Randstad's process for monitoring compliance with laws and regulations. Throughout the year, the audit committee is tasked with the direct supervision of all matters relating to financial strategy and performance, including reporting, auditing, budgeting, and recommendations to the supervisory board on the appointment and performance of external auditors. The committee assesses audit strategy, the scope and approach of the external auditors, and monitors progress. The relationship with the external auditors is evaluated annually, partly in light of the proposal to reappoint them. With the executive board, the audit committee reviews quarterly and full-year financial statements, auditors' reports and the management letter. Discussion of the internal risk and control framework is a recurring topic. The committee appraises its own performance each year, and subsequently reports to the full supervisory board. Optionally, the audit committee meets solely with the external auditors to discuss the quality of financial reporting and cooperation with the financial departments.

The strategy committee acts as sparring partner for the executive board and contributes in depth to the preparation of an annual strategy paper for discussion with the full supervisory board. It works with the executive board on updates to strategic targets and monitors and evaluates growth criteria.

The remuneration and nomination committee makes proposals for the remuneration of members of the executive board and supervisory board. One of its tasks is to make recommendations with regard to the Randstad remuneration policy for the executive board and the supervisory board, for

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adoption by general meetings of shareholders. The approved policy then forms the basis for the fixed and variable remuneration of the executive board members. The committee is also tasked with advising on candidates to fill vacancies in the executive board and supervisory board, evaluating the performance of both boards and their members, reviewing the long-term succession planning of senior management and making recommendations on the composition of supervisory board committees.

The chairman of the supervisory board ensures the proper functioning of the board and its committees and acts on behalf of the supervisory board as the main contact for the executive board. The vice-chairman replaces the chairman when required and acts as contact for the other board members concerning the functioning of the chairman.

Both boards, including the committees of the supervisory board, have their own by-laws, which set rules with regard to objectives, composition, duties, responsibilities and working methods. These regulations are available at the company's offices and are posted on the corporate website.

Board compliance

Any conflict of interest between Randstad and a board member should be avoided. A (potential) conflict of interest must be reported immediately to the other board members and/or the supervisory board chairman. Any shareholding in the company must be for the purpose of long-term investment. Board members must at all times comply with the provisions contained in the Randstad insider dealing rules. These rules include, amongst other items, a policy that Randstad share and option dealings by board members should normally be restricted to the two weeks following the publication of quarterly financial results, provided the person involved has no inside information at that time.

Annual General Meeting of shareholders

Important matters that require the approval of the (Annual) General Meeting of shareholders are:
- adoption of the annual accounts
- adoption of profit appropriation and additions to reserves
- dividends
- significant changes to the company's corporate governance
- remuneration policy
- discharge from liability of the executive board for the management
- discharge from liability of the supervisory board for the supervision of the management
- appointment of the external auditor
- appointment, suspension and dismissal of the members of the executive board and the supervisory board. Their appointment is based on non-binding recommendations from the supervisory board
- remuneration of the supervisory board
- authorization to purchase, issue or sell shares in the Group's capital
- adoption of amendments to the Articles of Association.

Further details about the proposals which the executive board or the supervisory board can submit to the meeting and the procedure according to which shareholders themselves (if representing at least 1% of the issued capital) can submit matters for consideration by the meeting, are specified in the company's Articles of Association. If such matter would result in a change of the company's strategy, the executive board shall be given the opportunity to stipulate a reasonable period (not exceeding 180 days) in which to deliberate, consult and respond.

As of 2009, the timing of the Annual General Meeting of shareholders has been advanced to the end of March or early April. The meeting is simultaneously transmitted by audio webcast via the corporate website. As specified in the notice for the meeting, (unanimous) voting instructions can be given to an independent third party in advance of the meeting. Within three months after the meeting, the draft report of the meeting is made available for three months for comments. The final report is posted on the corporate website.

Voting rights

The issued share capital of Randstad Holding nv currently consists of approximately 169.6 million ordinary shares and 25.2 million Type-B preferred financing shares. The ordinary shares have equal voting rights ('1 share, 1 vote'). As per December 31, 2009, the holders of approximately 95.4% of ordinary shares have been able to make unrestricted use of their voting rights at the Annual General Meeting of shareholders. The other 4.6% of ordinary shares has been converted into depository receipts. A foundation, Stichting Administratiekantoor Randstad Optiefonds, holds those shares to which the attached voting rights are vested. The depository receipts issued by Stichting Administratiekantoor Randstad Optiefonds are fully exchangeable into ordinary shares, and are held by Stichting Randstad Optiefonds and by employees who have obtained depository receipts by exercising options. Frits Goldschmeding, the company's founder, is the sole board member of Stichting Administratiekantoor Randstad Optiefonds.

The foundation Stichting Administratiekantoor Preferente Aandelen Randstad Holding holds Type-B preferred financing shares. The voting rights attached to these shares are vested in this foundation. The board comprises Bas Kortmann, Bram Anbeek van der Meijden and Ton Risseeuw. The board members are fully independent of both the company's management and other shareholders. The foundation's Articles of Association were compiled in accordance with Annex X, Euronext Amsterdam Rule Book, Book II. Depository receipts issued by the foundation are held by ING Groep N.V., ASR N.V. and Randstad Beheer bv. Effective August 4, 2008, the number of voting rights on the Type-B preferred financing shares, has been aligned with the historical capital contribution. The total number of votes on these shares has been reduced from 25.2 million to 3.6 million. Following an amendment to the Articles of Association, the preferred shares are now classified as equity.

Randstad Holding nv may issue Type-A preferred shares to a legal entity charged with safeguarding the company's interests and preventing influences that may threaten its continuity, independence or identity. Holders of such shares do not carry pre-emptive rights, but are entitled to a cumulative annual dividend calculated on the basis of the average statutory interest rate plus surcharge up to a maximum of 3%. In the event of dissolution of the company, the holders of preference A shares will first be repaid from the balance the amount paid on their shares to be reduced by the dividend paid in the respective year. To date no such shares have been issued. Resolutions for such issue would require the cooperation of the Annual General Meeting of shareholders.

Auditor

The executive board ensures that the external auditors can properly perform their audit work and encourages both the external auditors and the company to properly pursue and perform the role and the policy of the company regarding the external auditor. The Annual General Meeting of shareholders charges the external auditors with the task of auditing Randstad's annual accounts.

Internal risk management and control systems

A detailed description of Randstad's risk & control framework, including a description of the most important management and control systems, can be found on page 47.

Deviations from the (updated) Dutch corporate governance code

Randstad applies all relevant provisions of the (updated) Dutch corporate governance code, with the following deviations.

II.1.1 A management board member is appointed for a maximum period of four years.
The members of the executive board appointed before 2005 were appointed for an indefinite period. The members of the executive board appointed since 2005 have been appointed for a period of four years.

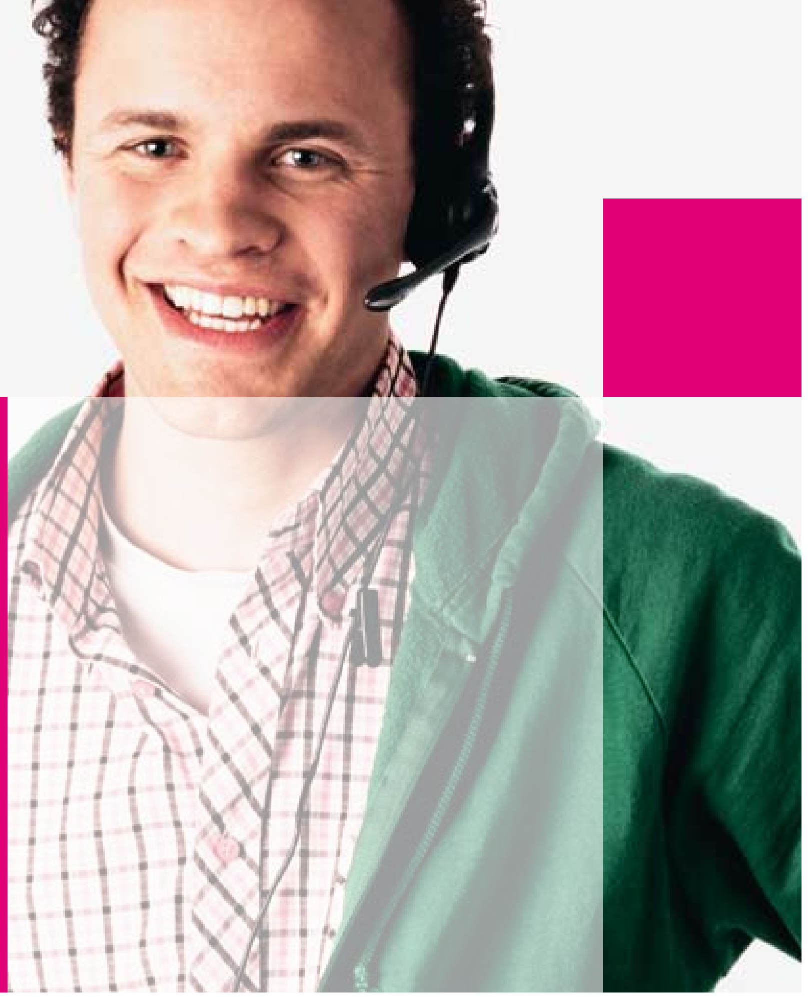
II.2.5 Shares granted to management board members without financial consideration shall be retained for a period of at least five years [...].
The long-term incentive for the executive board is paid in performance shares and options. These vest after three years. (Performance) shares need to be retained for at least two more years. We believe this five-year term sufficiently enhances shareholder alignment and is in line with the long-term nature of the incentive. However, Randstad also believes that share sales should be allowed earlier to the extent necessary to settle the related tax liabilities. As referred to in the remuneration report, a one-time additional grant of conditional shares was made in 2007. These shares will vest in three tranches after three subsequent years. Vested shares should be held for an additional period of two years from the moment of vesting, with the exception of the sale of shares to cover income taxes due in relation to the award.

II.2.8 The maximum remuneration in the event of dismissal is one year's salary.
Given Randstad's shareholder structure, with its strong concentration of shares within the shareholder group, and to do justice to the seniority of board members, severance for members of the executive board is fixed at two annual base salaries plus one-twelfth of the same annual salary per year of service to a maximum of three annual salaries. This severance arrangement applies only to early termination of the employment contract when the cause of termination does not lie with the board member concerned, or in the case of a change in control.

III.5 If the supervisory board comprises more than four members, it should designate […], a remuneration committee and a selection & appointment committee.
As it was felt that issues related to the selection, appointment and remuneration are interlinked, the supervisory board decided to combine these activities in one committee: the remuneration and nomination committee.

III.5.11 The remuneration committee shall not be chaired by the chairman of the supervisory board […].
Given the strategic importance of the selection and retention of senior management for the long-term success of the company, Randstad has opted for a combined remuneration and nomination committee. Randstad considers it vital that the chairman of the supervisory board is also closely involved in the attraction and retention of current and future senior management, as well as the longer-term succession planning for the executive board, which is reflected through his appointment as chairman of the remuneration and nomination committee.

report from the supervisory board



Composition, independence and evaluation of the supervisory board

The members of the supervisory board together represent a broad range of experience and expertise. The supervisory board currently comprises eight members, whose profiles are listed on pages 56 and 57 of this annual report. At the next Annual General Meeting of shareholders on March 25, 2010, the second term of Leo van Wijk and the first term of Giovanna Kampouri Monnas will expire. As they both have made a valuable contribution to the supervisory board, we propose to reappoint them for another four-year period.

The supervisory board attaches great importance to the independence of its members. As a rule, all members, with the exception of no more than one, should be independent in the meaning of article 1 of the by-laws of the supervisory board. This article is in line with the relevant provision in the Dutch corporate governance code. With the exception of Randstad founder and former chief executive officer Frits Goldschmeding, all supervisory board members are independent within the meaning of the code. The members of the supervisory board were not granted and do not possess any Randstad options or shares, with the exception of Frits Goldschmeding and Henri Giscard d'Estaing, who personally hold shares in the company (as stated on page 118).

During a separate meeting, the supervisory board extensively discussed its own performance, composition and that of its three committees. In preparation for this self-assessment, each member of the supervisory board anonymously completed a questionnaire. Items assessed and discussed included (i) the board's size, mix of skills and experience, (ii) frequency, decision-making, follow-up of and discussion during meetings, (iii) training, induction and performance, (iv) the relationship with the executive board and (v) the performance of the chairman. A summary by the company secretary of the main findings from the completed questionnaires was used as the basis for the self-assessment discussion. The supervisory board concluded that all of the above mentioned items were unanimously assessed positively. At year-end, the supervisory board chairman also conducted one-on-one meetings with each individual supervisory board member to discuss his or her own functioning as well as the functioning of the full board.

Supervision and advisory activities in 2009

The supervisory board met eight times during the course of 2009. Six of these meetings were held jointly with the full executive board and two amongst the supervisory board members themselves, with participation from the chief executive officer in some of the items. These latter two meetings were held to discuss the remuneration of the executive board, particularly the establishment and outcome of the executive board bonus targets, senior talent management and succession planning within the company, the assessment of the executive board and the above-mentioned self-assessment of the supervisory board. These subjects were all prepared by the remuneration and nomination committee. The external auditor was involved in one meeting. None of the supervisory board members was regularly absent during the year.

The supervisory board is updated on a regular basis regarding market developments in the countries where the company operates and in potentially interesting new markets. This generally includes the latest developments in labor relations, demographics and politics. Senior management of the operations in Portugal, the Netherlands and the United Kingdom joined a supervisory board meeting this year to give an update on operating companies in their respective countries, including Randstad's position and the integration of Vedior's operations. Each year, the supervisory board, jointly with the executive board, pays a two-day visit to the company's operations in a different country. The visit to France in 2009 gave the supervisory board additional insight into the quality of local management and a better understanding of the working processes there. Incidentally, supervisory board members also visit country management or participate in country meetings on an individual basis, as the opportunity arises. Not only senior country management, but also senior functional management frequently joins the supervisory board meeting to give an update on their respective fields of responsibility. In 2009, these included international account management, legal affairs, investor relations and marketing & communications.

Strategy is a priority for the supervisory board. Considerable time was spent on an in-depth discussion with the executive board on the overall company strategy and the realization of the strategic targets. Other related discussion topics included the integration of Vedior, Randstad's geographic coverage and market focus and the strategy for the professionals segment.

As Randstad operates in a competitive environment, it is inappropriate to detail some of the other topics discussed and monitored by the supervisory board. However, the following overview is an indication of such other topics and issues, which often recur throughout the year:

- the financial performance of the company as a whole, also compared to the main peers, and key issues per operating company. Special attention was paid to the consequences of the economic crisis and the related risks regarding gross margin (idle time, price pressure) and operating expenses. The company's balance sheet and net debt position were closely monitored with special attention to financing, receivables management, the allocation of goodwill and relating impairments and the agreed standby facility for securitization of receivables
- the Vedior integration process
- corporate planning projects, including (potential) acquisitions and divestments
- the external auditor's quarterly reports and management letter
- budgets
- the assessment of company risks (see pages 46-51)
- compliance, with special attention to competition compliance
- the preparation, evaluation and follow-up of the Annual General Meeting of shareholders
- topics related to corporate social responsibility relevant for Randstad
- analyst and investor views, as well as developments in the shareholder structure and shareholder base
- current and future developments regarding branding, the Internet and the position of managed services providers and vendor management systems.

To underline the importance of Randstad's business principles and the procedure for reporting misconduct, the supervisory board shares responsibility for these with the executive board. The procedure for reporting misconduct is supported by a confidential telephone line and website that can be used by any stakeholder to anonymously report issues or activities that they believe to be illegal, in breach of the company-wide business principles, or other relevant policies and procedures. Operating company integrity officers report periodically to the central integrity officer, who in turn reports to the executive board and the audit committee. Should any reported misconduct concern the senior management of an operating company or a member of the executive board or supervisory board, the central integrity officer informs the executive board or supervisory board respectively, and either board may involve the audit committee for investigation and follow-up.

Supervisory board committee activities in 2009

While the topics described above are discussed, monitored and supervised by the full board, the supervisory board committees work closely with senior management to generate detailed information and recommendations on the specific areas on which they focus.

Report of the audit committee

The audit committee currently comprises Leo van Wijk as chairman and Frits Goldschmeding, Fritz Fröhlich and Willem Vermeend as members. Although the latter two are the designated financial experts in the meaning of the code, each member has specific and extensive relevant expertise in the area of financial management.

The audit committee held five meetings in the course of 2009, one of which was held in part without any members of the executive board present. As a rule, the chief executive officer and the chief financial officer join all audit committee meetings on behalf of the executive board. Senior management from the corporate financial departments and the external auditor's lead partner are also in attendance.

The main topics discussed at the meetings in 2009 included:

- The financial performance of the Group and its major operating companies, which are discussed each quarter in detail with special focus on, amongst other items, the quality of earnings, the balance sheet, financing including the securitization of receivables, impairments and the outlook for each subsequent quarter.
- The auditors' reports for each quarter and the full year as well as the follow-up of their management letter, client service plan and audit planning.
- Various items relating to the company's business risk and audit, including the annual audit plan and the review of strategic and operational risks.
- The updated procedure for reporting misconduct, including the report from the central integrity officer.
- A review of fiscal, legal and IT developments, mostly provided by the responsible corporate managing director.

- The annual legal letter, listing material (potential liability exceeding € 1 million) litigation. Any cases with a potential liability exceeding € 2.5 million are promptly reported to the audit committee.

The audit committee has extensively discussed Randstad's approach regarding internal audits. In 2009, special attention was given to the alignment of former Vedior operating companies to Randstad's control environment. Due to its nature, company culture and business philosophy, Randstad's approach in regard to business audit and risk management is pragmatic, fully integrated in its businesses and operationally driven. The internal audit department is adequately embedded within the organization, also taking the involvement of local internal auditors at operating company level into account. In this regard, the audit committee discussed, and where required approved, the internal audit charter, audit plan, audit scope and its coverage in relation to the scope of the external audit, as well as the staffing, independence and organizational structure of the internal audit department. With regard to the external audit, the audit committee reviewed the proposed audit scope, approach and fees, and the independence of and non-audit services provided by the external auditors in conformity with the policy regarding the independence of the external auditor.

The chairman of the audit committee verbally reported the main issues discussed to the supervisory board in its subsequent meetings. The supervisory board furthermore receives a copy of the report of each audit committee meeting.

Auditors' fees
As approved by the audit committee, the aggregate fees charged by PricewaterhouseCoopers for professional services rendered in the years 2009 compared to 2008 were as follows:

Auditor's fees
in millions of €

	2009	2008
Audit services	4.4	4.2
Audit-related services	0.5	0.5
Non-audit services	0.2	1.3
Total	**5.1**	**6.0**

The audit services in 2009 relate to the audit of the consolidated financial statements and local statutory accounts. In addition, other audit firms provided services amounting to € 0.3 million (2008: € 1.0 million). The fees for 2008 included substantial costs related to the acquisition of Vedior.

Report of the strategy committee
The strategy committee currently comprises Frits Goldschmeding as chairman and Henri Giscard d'Estaing and Rob Zwartendijk as members. The committee met once during 2009. The full executive board participated in this meeting.

In 2009, the executive board provided the strategy committee with an extensive update on the realization of strategic targets set in past years, the overall strategy and targets for the company going forward, the strategy for the professionals segment and the market and geographic focus. Following its assessment of these items, the committee contributed to the preparation of a strategy paper that was discussed in detail by the full supervisory board.

Report of the remuneration and nomination committee
The remuneration and nomination committee currently comprises Fritz Fröhlich as chairman and Beverley Hodson, Giovanna Kampouri Monnas and Leo van Wijk as members. The committee met three times in the course of 2009. The chief executive officer participated in part of the meetings.

On behalf of the supervisory board, the committee prepared the 2009 remuneration report, including an overview of the manner in which the remuneration policy was implemented in the year under review and an overview of the remuneration policy for the executive board members in subsequent years. Such a detailed remuneration report is published each year and is available on the Randstad corporate website. It is also summarized in this annual report on pages 68-71. The committee prepared proposals to the supervisory board on the realization of the 2008 annual bonus targets, the targets for the 2009 annual bonus, the realization of the targets of the long-term incentive plan and the annual allocation of shares and options to the executive board under the existing policy. During the year, the committee extensively discussed senior talent management and succession planning within the company, the assessment of the executive board and its individual members, and the self-assessment of the supervisory board.

Report of the Annual General Meeting of shareholders
At the Annual General Meeting of shareholders, held on March 31, 2009, the chief executive officer, Ben Noteboom, and the chief financial officer, Robert-Jan van de Kraats, gave presentations on the general state of affairs at Randstad and its financial performance in 2008. After shareholders had been given the opportunity to raise questions about the 2008 annual report, the meeting adopted the 2008 financial statements. The external auditors attended the meeting and their representatives were introduced at the start of the meeting. After extensive discussion, the meeting approved the proposal not to pay a dividend on the ordinary shares. This precautionary measure was proposed to further strengthen the balance sheet. The members of the executive board were granted discharge of liability for their management of Randstad and the members of the supervisory board for their supervision thereof.
Ton Risseeuw was reappointed as a director of Stichting Administratiekantoor Preferente Aandelen Randstad Holding. The meeting gave the executive board the authorization to issue ordinary shares, limited to a maximum of 3% of the ordinary issued share capital for a period

of 18 months. PricewaterhouseCoopers were reappointed as the company's external auditors for the financial years 2009 and 2010.

The meeting was simultaneously transmitted by audio webcast via the corporate website. (Unanimous) voting instructions could be given to an independent third party in advance of the meeting. Within three months after the meeting, the draft minutes of the meeting were made available for comments during another period of three months and were subsequently adopted. All documents relating to the meeting were placed on the corporate website.

2009 financial statements
The 2009 financial statements have been audited and provided with an unqualified opinion by PricewaterhouseCoopers Accountants N.V. (please see the auditor's report on page 125) and were extensively discussed with the auditors by the audit committee in the presence of the chief executive officer and chief financial officer. In addition, they were a topic of discussion by the supervisory board with the executive board in the presence of the auditors. The supervisory board is of the opinion that the 2009 financial statements meet all requirements for correctness and transparency and recommends that the Annual General Meeting of shareholders adopts the financial statements and the appropriation of net income proposed by the executive board.

As in the previous year, the supervisory board endorses the executive board's decision to propose to the Annual General Meeting of shareholders to pay no dividend on ordinary shares for 2009 and a cash dividend on the cumulative preferred shares of € 0.284 (2008: € 0.284). The supervisory board also supports the executive board's proposal to retain the remaining net income for equity holders of € 61.1 million and add it to reserves.

The supervisory board proposes that the Annual General Meeting of shareholders grants discharge to the members of the executive board for their management and to the members of the supervisory board for their supervision in 2009.

Despite the difficult trading environment impacting the company's overall performance, the supervisory board is impressed with the speed and effectiveness of the adaptation of costs in combination with the ongoing integration process in many countries. Despite the continuing difficult economic environment, the limited visibility of a recovery and the measure to propose that no ordinary dividend is paid for 2009, the supervisory board has great confidence in the future of the company. The supervisory board would like to thank the executive board and all employees of Randstad for their contribution and continuing dedication in 2009.

Legal transparency obligations
Most of the information that needs to be disclosed under Article 10, Takeover Directive Decree and section 391, sub-section 5, book 2 of the Dutch Civil Code is available in various sections of our annual report. In this particular section, we provide additional information or indicate where the information can be found.

a Capital structure and attached rights and duties
An overview of the company's capital structure, voting rights and dividend policy is included on pages 35-36 of this annual report.

b Statutory or contractual restrictions on share transfers
About 16.9% of the total share capital (4.0% ordinary shares and 12.9% Type-B preferred shares) is converted into depository receipts (see Voting rights on page 60). The transfer of depositary receipts of Type-B preferred shares requires the approval of the executive board and supervisory board.

c Major shareholders

	2009	2008
F.J.D. Goldschmeding	30-40%	30-40%
ING	10-15%	10-15%
Alliance Bernstein	5-10%	-
ASR (formerly Fortis)	0-5%	5-10%

Shareholders are obliged to give notice of interests exceeding certain thresholds to the Netherlands Authority for the Financial Markets (AFM). Almost all the holdings listed above are a combination of (depositary receipts

ready
for your
future

Combining strengths

Randstad and Vedior joining forces has created a new and improved company in many ways. It has combined Randstad's strengths in regular and specialty staffing and inhouse services with Vedior's entrepreneurial professionals businesses. International Account Management is leveraging our expanded footprint and the many cross-selling opportunities. Randstad is now much more global and much less 'Dutch', which helps us to address the needs of our global clients better. There are many local examples too, such as the combination of Randstad's strong commercial front office with Select's professional back office in the UK. Recently introduced website concepts were greatly enhanced by the incorporation of the Vedior DOVA job board systems. The existing Vedior intranet became the new Randstad intranet. The list goes on, and is growing.

of) ordinary shares and (depositary receipts of) type-B preferred financing shares. All transactions between Randstad and holders of at least 10% of total shares are agreed on terms that are customary in the sector concerned. Please refer to the section on other related party transactions in the annual accounts on page 115. Best practice provision III.6.4 of the Dutch corporate governance code has therefore been observed.

d Special rights of control

The company has not issued special rights of control to specific shares or shareholders. Type-A preferred shares can be issued, but solely as approved by general meetings of shareholders.

e Control mechanisms relating to option plans and share purchase plans

The following share-based payment arrangements are in effect: a performance stock option plan for the executive board, two performance share plans (one for the executive board members and one for senior management) and a share purchase plan for all corporate employees.
The relevant characteristics of these plans can be found in the remuneration section on pages 69-70 and notes to share-based payments on page 112-114.
The maximum number of options and shares to be granted is fixed; the actual granted number is linked to predetermined performance targets. The actual annual grant of performance shares and options will in principle not exceed 1% of the ordinary issued share capital. Depending on the realization of the related performance targets and the company's actual share price however, the number of shares to be issued in relation to vesting of the performance shares and options might in a certain year exceed the 1% limit. For this reason, the annual maximum authorization is 3% of the ordinary issued share capital of the company. The share purchase plan for Randstad employees does not affect the share capital of the company.

f Voting limitations

Holders of ordinary share depository receipts and Type-B preferred share depository receipts have no voting rights.

g Agreements with shareholders that can limit the transfer of shares or voting rights

In 2007, the company finalized an agreement with Mr. Frits Goldschmeding, Randstad founder and leading shareholder, and his inheritors, on their shareholding. Frits Goldschmeding's objective remains explicitly to continue his position as a long-term shareholder through direct ownership or eventually through his inheritors.
The leading ambition for all parties involved is to secure the company's continuity, strategic position and development, now and in the future. Such commitment justifies assigning one seat as member of the supervisory board. The main points of the agreement are as follows:

- Lock-up: in the event of Mr. Goldschmeding's passing, his inheritors will be bound to a lock-up of at least 12 months, implying that during that year they will carry out no actions concerning their direct or indirect interests in Randstad Holding, nor will any changes take place in the strategy as it is pursued by Randstad Holding.
- Grace period: if the inheritors intend to divest all or part of the shares after the lock-up period, they shall give written notice of this intended divestment to the executive and supervisory boards six months in advance.
- Consultations: after receiving such notice, the boards will enter into consultation with the inheritors, and they can propose candidates or alternative candidates while taking account of the interests of the inheritors and the continuity of Randstad Holding nv. Such a proposal should be made within four months after receipt of the notification from the inheritors. This ruling only applies as long as the total interest of the inheritors amounts to more than $33\frac{1}{3}$% of all issued and outstanding ordinary shares Randstad Holding nv.
- Supervisory board seat: Randstad Beheer (the investment vehicle through which the majority of family shares is held) has the right to nominate one member of the supervisory board after Mr. Goldschmeding's third term in the supervisory board, or at an earlier stage in case his membership of the supervisory board is terminated before the Annual General Meeting 2011. The person to be nominated should fulfill the qualities that are required of a supervisory executive of an international company and the nomination shall be submitted to the Annual General Meeting.
- These rights and obligations will cease to be applicable as soon as the interests of the inheritors fall below 25% of all issued and outstanding ordinary shares in Randstad Holding nv.

As far as the company is aware, this is the sole arrangement with a shareholder that can limit the transfer of (depository receipts of) shares or of voting rights.

h Regulations concerning the appointment and dismissal of board members and changes to the Articles of Association

Members of the executive board and supervisory board are appointed by, and may at any time be suspended or dismissed by, the Annual General Meeting. A supervisory board member is eligible for reappointment twice.
Resolutions with respect to appointment and dismissal are passed by an absolute majority of the votes cast.
When a proposal for the amendment of the Articles of Association is made to the Annual General Meeting, this is always stated in the convening notice for that meeting.
A copy of the proposal, containing the verbatim text of the proposed amendment, is simultaneously deposited at the office of the company, for perusal by every shareholder and holder of depository receipts, until the end of the meeting. Copies are made available free of charge. Amendments to the Articles of Association involving changes to the special rights accruing to the holders of preference shares require the approval of the holders of preference shares concerned at the meeting.

i Authority of the executive board, especially to issue of shares in the company and the acquisition of company shares by the company

The executive board is authorized, subject to the approval of the supervisory board, to issue shares, grant subscription rights and restrict or exclude pre-emptive rights for holders of ordinary shares until October 31, 2010 for an annual maximum of 3% of the issued ordinary share capital of the company.

j Change of control arrangements

Change of control provisions have been included in the company's syndicated loan facility as well as the company's performance share and options plans for senior management and the share purchase plan for corporate employees.

k Agreements with board members or employees

In the event that a board member's employment contract is terminated because of a public offer, they will receive severance pay of two annual base salaries plus one-twelfth of the same annual salary per year of service to a maximum of three annual salaries.

ANNUAL REPORT 2009 – Randstad Holding nv

remuneration report 2009

This is a summary of Randstad's remuneration policy and an overview of the actual remuneration of the members of the executive board and the supervisory board in 2009. The full remuneration policy and report is posted on the corporate website. Some of the information is detailed in the 2009 financial statements (from page 74).

Remuneration policy

The main objective of the remuneration policy, which was approved by the Annual General Meeting of shareholders held on May 8, 2007, is to attract, motivate and retain qualified senior executives of the highest caliber, with an international mindset and background essential for the successful leadership and effective management of a large global company. The members of the executive board are rewarded accordingly and the largest part of their remuneration is based on the performance of Randstad. The remuneration structure for the executive board is therefore designed to balance short-term operational performance with the long-term objectives of the company and value creation for its shareholders.

Remuneration levels are determined on the basis of a number of clear, transparent criteria and reflect general as well as specific individual responsibilities in an international context. They are benchmarked against an international labor market peer group regarding fixed salary levels and against an international performance peer group to establish relative performance:

- The **international labor market peer group** represents the market in which Randstad competes for senior management talent, and is used to benchmark fixed salary levels. It is composed of twelve international staffing and business outsourcing companies headquartered in five countries, reflecting Randstad's international orientation. They are: Adecco S.A., Rentokil Initial Plc, Cap Gemini S.A., Atos Origin SA, Robert Half International Inc., LogicaCMG Plc, Manpower Inc., Kelly Services Inc., Spherion Corporation, True Blue Inc., Volt Information Sciences Inc. and Michael Page Plc.

- The **international performance peer group** is used as a benchmark to establish relative performance in terms of Total Shareholder Return (TSR), as described below, for the payout of certain variable remuneration components. It reflects the market in which the company competes for shareholder preference. This group is comprised exclusively of staffing companies and can be characterized as 'sector-specific'. It consists of: Adecco S.A., Kelly Services Inc., True Blue Inc., Manpower Inc., Robert Half International Inc., USG People N.V., Spherion Corporation, Volt Information Sciences Inc. and Michael Page Plc.

The supervisory board, on the advice of its remuneration and nomination committee, has extensively reviewed the changes and additions included in the updated Dutch corporate governance code relating to (executive board) remuneration. Based on this review, the supervisory board has concluded that it will not submit any amendments to Randstad's remuneration policy at the AGM in 2010. However, where feasible and relevant, existing arrangements will be updated. The supervisory board continues to closely monitor the relating developments in the course of 2010.

Executive board remuneration in 2009

The remuneration of the executive board consists of three components:

1 Short-term compensation, consisting of base salary and annual cash bonus opportunity
2 Long-term compensation, consisting of performance shares and performance options
3 Pension and other benefits

The variable portion of the total remuneration package is performance-related. It consists of short and longer-term components. For on-target performance, approximately half of the total compensation of a member of the executive board is performance-linked. The supervisory board, upon recommendation from its remuneration and nomination committee, sets the targets prior to each performance period. Performance targets and conditions are derived from Randstad's strategy and annual business plans and market analysis. This strategy is extensively described in the annual report, from page 12.

An overview of the 2009 and 2008 remuneration amounts is included in the notes to the financial statements on pages 115-117.

Short-term compensation

Base salary

Following the successful acquisition of Vedior, the supervisory board extensively evaluated the remuneration policy of the executive board during the course of the second half of 2008 against the objectives of the policy and developments in the market. Towers Watson, a specialized international consultancy firm, was retained to provide assistance in this evaluation. In view of the economic circumstances, no changes have been made to the remuneration policy for the time being following this evaluation. In light of this, the base salary of the members of the executive board has also not been increased as from January 1, 2009.

Annual cash bonus opportunity

The total annual cash bonus opportunity amounts to 70% of base salary for on-target performance and the maximum bonus level is 100% of base salary. If performance is below a pre-defined minimum level, no bonus will be paid out. In calculating the pro-rata bonus, a sliding scale between the minimum level and the maximum level is used. The supervisory board sets the targets at the beginning of each financial year.

The shared targets for 2009 were maintaining market share (bonus opportunity ranges from 12.5% - 40%), Group EBITDA (bonus opportunity ranges from 12.5% - 40%) as well as the individual and discretionary targets (each max. 10%). The individual targets for 2009 related to the reduction in days sales outstanding (DSO) for the Group and the countries under the executive board member's responsibility. Actual targets are not disclosed, as these qualify as information that is commercially sensitive and potentially share price sensitive.

Based on the partial achievement of the individual target (reduction in DSO for the Group or the countries under the executive board member's responsibility) and use of the discretionary space, the bonus entitlement with regard to performance in 2009 varied between 10% and 20% of the annual base salary per executive board member. The supervisory board decided to use the limited discretionary space taking into consideration the good performance of the executive board members as well as the increase of the Randstad share in 2009. However, in light of the still fragile recovery and the proposal not to pay an ordinary dividend for 2009, the supervisory board decided to delay the pay-out of the 2009 bonus entitlement until the company proposes paying a dividend again. The executive board fully agrees with this decision.

Long-term compensation

In order to align their objectives with the value creation objectives of the shareholders, performance shares and performance options are granted to the members of the executive board on an annual basis. Due to their long-term nature, these performance shares and options are inherently and significantly more open to market uncertainties than short-term compensation elements. Shares and options can become unconditional (i.e. may vest) depending solely on Randstad's TSR performance compared to the performance peer group, measured over a three-year period starting from January 1 of the year they are granted. TSR reflects the return received by a shareholder and captures both the change in the company's share price and the value of dividend income, assuming dividends are reinvested in the company. The supervisory board considers TSR to be an appropriate measure, as it objectively measures the company's financial performance and assesses its long-term value creation as compared to other companies in the sector. TSR performance for the companies of the international, sector-specific performance peer group is calculated based on their 'home/ primary listing'. During the three-year vesting period, the TSR data are compiled and reported by an external data provider. The remuneration and nomination committee advises the supervisory board on the percentage of performance shares that vest and performance options that can be exercised.

Performance shares and performance options are granted in the so-called open period following the publication of the Group's fourth quarter financial results in February. From then on, the exercise price of performance options will be determined based on the average prices of the Randstad shares over the three business days following the fifth business day after publication of the fourth quarter results. The number of shares and options will be calculated based on the fair value of the Randstad share as per January 1. The option term is seven years. Options can only be exercised after the moment of vesting, taking into account the applicable regulations for transactions in securities. If employment ends before the vesting date, the options will lapse. The company offers no financing arrangements at grant or exercise of the options.

At the moment they are granted, the fair value of the shares assuming on-target performance is equal to an amount of 40% of base salary for all executive board members, while a similar amount of 40% of base salary is granted in options, also based on the fair value. The total medium and long-term consideration hence amounts to 80% of base salary – for all executive board members alike – which is in line with the median levels of the international labor market peer group at that time. Prior to the grant, and upon advice from the remuneration and nomination committee, the supervisory board analyzes the possible outcomes of the allocation.

Vesting is related to the company's ranking within the peer group, as follows:

Vesting, related to company's ranking within peer group

Position 1	250%	(of the number of shares and options initially granted)
Position 2	200%	
Position 3	150%	
Position 4	125%	
Position 5 (on-target)	100%	
Position 6	75%	
Position 7	50%	
Position * (threshold)	25%	
Position 9	0%	

On February 26, 2009 (the grant date under the relevant plan), a conditional grant of performance shares for on-target performance was effected, based on 40% of the annual base salary per executive board member as per January 1, 2009 and the fair value of the performance shares as per the same date of € 13.07 per share.

On March 11, 2009 (the grant date under the relevant plan), a conditional grant of performance stock options for on-target performance was effected, based on 40% of the annual base salary per executive board member as per January 1, 2009 and the fair value of the performance options as per the same date of € 5.26 per option. The options may vest and can be exercised three years after they are granted; the exercise price is the average price of the Randstad shares on Euronext on March 6, 2009 up to and including March 10, 2009 (three business days following the fifth business day after publication of the 2008 results), which amounted to € 9.88 per share.
The potential on-target 2009 awards are as follows:

Potential on-target awards

	Number of shares	Number of options
B.J. Noteboom	24,373	60,562
R.J. van de Kraats	17,306	43,003
L.J.M.V. Lindelauf	15,203	37,776
J.W. van den Broek	15,203	37,776
G.A. Netland	15,203	37,776
B. Wilkinson	15,203	37,776
Total	**102,491**	**254,669**

Pension and other benefits

Pension contribution

The pension arrangements for members of the executive board are based on defined contribution and are placed with an insurance company. Randstad provides an annual contribution of 27% of base salary to the schemes of executive board members; the board members themselves contribute 8.5%. The company has no specific early retirement arrangements in place for board members.

Other benefits

Additional arrangements include expense and relocation allowances, a company car or allowance and accident insurance.

Loans

The company has issued no loans or guarantees to executive board members.

Executive board remuneration in 2010

In view of the economic environment and trading conditions and similar to the previous year, no changes will be made to the remuneration policy for members of the executive board. In light of this, their base salary will not be increased as per January 1, 2010.

Supervisory board remuneration in 2009

The Annual General Meeting of shareholders determines the remuneration of the supervisory board members, which may be reviewed annually. The remuneration of the members of the supervisory board consists of one component only, being a fixed annual payment. It is not linked to the financial results of the company. Members of the supervisory board do not receive any performance or equity-related compensation and do not accrue any pension rights with the company.

Randstad does not grant stock options or shares to members of the supervisory board. Members of the supervisory board who hold shares or derivatives of shares in the company are only allowed to hold such shares as long-term investments. They have adhered to the company's insider dealing rules. Randstad does not grant loans or guarantees to supervisory board members.
As approved by the Annual General Meeting of shareholders held in May 2007, the annual allowances for the members of the supervisory board are set at median levels of the relevant benchmark:

Allowances supervisory board members

in €		2009	2008
supervisory board			
chairman	F. Fröhlich	90,000	90,000
members		60,000	60,000
audit committee			
chairman	L. van Wijk	9,000	9,000
members		6,000	6,000
nomination & compensation committee			
chairman	F. Fröhlich	7,000	7,000
members		5,000	5,000
strategy committee			
chairman	F. Goldschmeding	7,000	7,000
members		5,000	5,000

In 2008, Beverley Hodson and Henri Giscard d'Estaing received their supervisory board allowance following their appointment to the supervisory board effective May 16. They became members of their respective committees as from January 1, 2009.

Jan Hovers received his supervisory board allowance until his resignation from the supervisory board effective March 31, 2009. He continues to be a member of the supervisory board of the subholding of the Dutch operating companies, Randstad Groep Nederland bv. In this position he receives an annual allowance of € 12,000.

Following the successful acquisition of Vedior, the supervisory board also evaluated the remuneration policy for members of the supervisory board during the course of the second half of 2008. Towers Watson provided assistance in this review. Given the economic environment and trading conditions, the supervisory board decided not to make any changes.

The total remuneration in 2009 amounted to € 593,000 (2008: € 580,000). The details per board member are specified in the notes to the financial statements, page 118.

The supervisory board members receive a fixed annual cost allowance related to supervisory board meetings: € 2,000 net for members and € 3,000 net for the chairman.

Supervisory board remuneration in 2010

In view of the economic environment and trading conditions and similar to the previous year, no changes will be made to the remuneration policy at this stage. The remuneration for members of the supervisory board therefore remains unchanged as per January 1, 2010.

Diemen, the Netherlands, February 16, 2010

The supervisory board,

Fritz Fröhlich, *chairman*
Frits Goldschmeding, *vice-chairman*
Henri Giscard d'Estaing
Beverley Hodson
Giovanna Kampouri Monnas
Willem Vermeend
Leo van Wijk
Rob Zwartendijk

financial statements

consolidated **statement** of **comprehensive income**

The notes on pages 78 to 122 are an integral part of these consolidated financial statements.

in millions of €	note	2009		2008	
Revenue	5	12,399.9		14,038.4	
Cost of services	6	9,978.6		11,066.1	
Gross profit	7		2,421.3		2,972.3
Selling expenses	8	1,497.2		1,602.9	
Amortization and impairment acquisition-related intangible assets and goodwill	11	158.6		678.7	
Other general and administrative expenses		695.2		729.2	
General and administrative expenses	9	853.8		1,407.9	
Total operating expenses	10		2,351.0		3,010.8
Other income	35		23.5		3.8
Operating profit/(loss)	11		93.8		(34.7)
Finance income	12	20.2		53.8	
Finance expenses	12	(69.1)		(125.5)	
Net finance costs	12		(48.9)		(71.7)
Share of (loss)/profit of associates	22		(0.5)		3.8
Income before taxes			44.4		(102.6)
Taxes on income	13		23.2		121.0
Net income	14		67.6		18.4
Other comprehensive income					
Translation differences		(1.4)		(57.2)	
Asset revaluation of associates in business combinations		-		(16.5)	
Other comprehensive income			(1.4)		(73.7)
Total comprehensive income			66.2		(55.3)
Net income attributable to:					
Ordinary equity holders of Randstad Holding nv			61.1		11.0
Preferred equity holders of Randstad Holding nv			7.2		7.2
Equity holders			68.3		18.2
Minority interests			(0.7)		0.2
Net income			67.6		18.4
Earnings per share attributable to the ordinary shareholders of Randstad Holding nv (expressed in € per ordinary share)					
Basic earnings per ordinary share (€)	15		0.36		0.07
Diluted earnings per ordinary share (€)	15		0.36		0.07
Total comprehensive income attributable to:					
Ordinary equity holders of Randstad Holding nv			59.5		(62.8)
Preferred equity holders of Randstad Holding nv			7.2		7.2
Equity holders			66.7		(55.6)
Minority interests			(0.5)		0.3
Total comprehensive income			66.2		(55.3)

consolidated **balance sheet** at December 31

The notes on pages 78 to 122 are an integral part of these consolidated financial statements.

in millions of €	note	2009		2008	
Assets					
Property, plant and equipment	16	150.5		190.5	
Goodwill	17	2,301.9		2,325.8	
Acquisition-related intangible assets	18	791.2		929.1	
Software	19	65.0		60.3	
Intangible assets		3,158.1		3,315.2	
Deferred income tax assets	20	465.3		422.0	
Financial assets	21	65.3		74.0	
Associates	22	17.9		2.0	
Non-current assets			3,857.1		4,003.7
Trade and other receivables	23	2,266.3		2,820.4	
Income tax receivables	20	64.6		67.7	
Cash and cash equivalents	24	270.1		831.0	
Current assets			2,601.0		3,719.1
Total assets	25		6,458.1		7,722.8
Equity and liabilities					
Issued capital	26	19.5		19.5	
Share premium	26	2,014.3		2,013.9	
Reserves	26	388.9		365.3	
Net income for the period	26	68.3		18.2	
Shareholders' equity	26	2,491.0		2,416.9	
Minority interests		1.5		4.0	
Total equity	26		2,492.5		2,420.9
Borrowings	27	1,244.2		2,401.9	
Deferred income tax liabilities	20	474.7		341.9	
Employee benefit obligations	28	14.6		16.8	
Provisions	29	58.0		52.6	
Other liabilities	30	73.7		124.1	
Non-current liabilities		1,865.2		2,937.3	
Borrowings	27	40.6		70.1	
Trade and other payables	31	1,869.9		2,107.2	
Income tax liabilities	20	22.5		41.6	
Provisions	29	112.3		104.5	
Other liabilities	30	55.1		41.2	
Current liabilities		2,100.4		2,364.6	
Liabilities			3,965.6		5,301.9
Total equity and liabilities			6,458.1		7,722.8

consolidated **statement** of **cash flows**

The notes on pages 78 to 122 are an integral part of these consolidated financial statements.

in millions of €	note	2009		2008	
Operating profit		93.8		(34.7)	
Depreciation property, plant and equipment	11	66.5		63.6	
Amortization and impairment software	11	27.1		36.4	
Amortization and impairment acquisition-related intangible assets	11	158.6		122.9	
Impairment goodwill	11	-		555.8	
Gain on disposal of subsidiaries	35	(23.5)		(3.8)	
Share-based payments	38	14.4		13.5	
Employee benefit obligations	37	(4.6)		(9.4)	
Provisions	37	11.3		20.0	
(Gain)/loss on disposals of property, plant and equipment	16	(1.3)		0.9	
Other non-cash items	37	5.8		5.1	
Cash flow from operations before operating working capital and income taxes			348.1		770.3
Trade and other receivables	37	563.5		480.9	
Trade and other payables	37	(254.5)		(285.7)	
Operating working capital			309.0		195.2
Income taxes received / (paid)	20		85.6		(205.4)
Net cash flow from operating activities			**742.7**		**760.1**
Additions in property, plant and equipment	16	(33.9)		(58.3)	
Additions in software	19	(14.6)		(33.7)	
Acquisition of subsidiaries	35	(36.7)		(1,931.4)	
(Acquisitions)/disposals of associates	22	(5.6)		0.9	
Held-to-maturity investments	21	(8.7)		(7.9)	
Loans and receivables	21	2.4		(12.0)	
Dividend received from associates	22	0.3		9.4	
Disposals of property, plant and equipment	16	9.9		15.1	
Disposals of subsidiaries	35	31.8		15.6	
Net cash flow from investing activities			**(55.1)**		**(2,002.3)**
Issue of new ordinary shares	26	0.2		0.2	
Drawings on non-current borrowings	27	-		2,391.6	
Repayments of non-current borrowings	27	(1,176.1)		(466.2)	
Net financing		(1,175.9)		1,925.6	
Finance income received	12	8.5		26.7	
Finance expenses paid	12	(49.2)		(110.8)	
Dividend paid on ordinary shares	26	-		(146.0)	
Dividend paid on preferred shares B	26	(7.2)		(7.2)	
Dividend paid to minority interests		(0.2)		-	
Net reimbursement to financiers		(48.1)		(237.3)	
Net cash flow from financing activities			**(1,224.0)**		**1,688.3**
Net (decrease) / increase in cash, cash equivalents and current borrowings			**(536.4)**		**446.1**
Cash, cash equivalents and current borrowings at January 1	37		760.9		315.8
Net (decrease)/increase in cash, cash equivalents and current borrowings			(536.4)		446.1
Translation gains / (losses)			5.0		(1.0)
Cash, cash equivalents and current borrowings at December 31	37		**229.5**		**760.9**
Free cash flow			**698.1**		**672.7**

consolidated **statement** of **changes** in equity

The notes on pages 78 to 122 are an integral part of these consolidated financial statements.

	Issued capital	Share premium	Reserves			Net income	Share-holders' equity	Minority interest	Total equity
in millions of €			Translation	Share-based payments	Retained earnings				
Balance at January 1, 2008	**11.7**	**432.6**	**(37.5)**	**16.9**	**240.9**	**357.0**	**1,021.6**	**0.8**	**1,022.4**
Net income 2008	-	-	-	-	-	18.2	18.2	0.2	18.4
Other comprehensive income:			-						
Translation differences	-	-	(57.3)	-	-	-	(57.3)	0.1	(57.2)
Asset revaluation of associates in business combinations	-	-	-	-	(16.5)	-	(16.5)	-	(16.5)
Total other comprehensive income	-	-	(57.3)	-	(16.5)	-	(73.8)	0.1	(73.7)
Total comprehensive income 2008	-	-	(57.3)	-	(16.5)	18.2	(55.6)	0.3	(55.3)
Transactions with owners:									
Dividend 2007 on ordinary shares paid	-	-	-	-	-	(146.0)	(146.0)	-	(146.0)
Preferred shares	2.5	163.3	-	-	-	-	165.8	-	165.8
Issue of ordinary shares	5.3	1,412.1	-	-	-	-	1,417.4	-	1,417.4
Transfer to retained earnings	-	-	-	-	211.0	(211.0)	-	-	-
Share-based payments:									
- fair value of vesting rights	-	-	-	13.5	-	-	13.5	-	13.5
- exercised stock options (on new issued shares)	0.0	0.7	-	0.0	(0.5)	-	0.2	-	0.2
- issued performance shares	0.0	5.2	-	-	(5.2)	-	0.0	-	0.0
Other:									
- minority interests upon first consolidation	-	-	-	-	-	-	-	3.1	3.1
- disposal minority interests	-	-	-	-	-	-	-	(0.2)	(0.2)
Total transaction with owners	7.8	1,581.3	-	13.5	205.3	(357.0)	1,450.9	2.9	1,453.8
Balance at December 31, 2008	**19.5**	**2,013.9**	**(94.8)**	**30.4**	**429.7**	**18.2**	**2,416.9**	**4.0**	**2,420.9**
Net income 2009	-	-	-	-	-	68.3	68.3	(0.7)	67.6
Other comprehensive income:									
Translation differences	-	-	(1.6)	-	-	-	(1.6)	0.2	(1.4)
Total other comprehensive income	-	-	(1.6)	-	-	-	(1.6)	0.2	(1.4)
Total comprehensive income 2009	-	-	(1.6)	-	-	68.3	66.7	(0.5)	66.2
Transactions with owners:									
Dividend 2008 on preferred shares	-	-	-	-	-	(7.2)	(7.2)	-	(7.2)
Transfer to retained earnings	-	-	-	-	11.0	(11.0)	-	-	-
Share-based payments:									
- fair value of vesting rights	-	-	-	14.4	-	-	14.4	-	14.4
- exercised stock options (on new issued shares)	0.0	0.3	-	(0.1)	0.0	-	0.2	-	0.2
- issued performance shares	0.0	0.1	-	(0.5)	0.4	-	0.0	-	0.0
Other:									
- disposal minority interests	-	-	-	-	-	-	-	(1.8)	(1.8)
- dividend minorities	-	-	-	-	-	-	-	(0.2)	(0.2)
Total transaction with owners	0.0	0.4	-	13.8	11.4	(18.2)	7.4	(2.0)	5.4
Balance at December 31, 2009	**19.5**	**2,014.3**	**(96.4)**	**44.2**	**441.1**	**68.3**	**2,491.0**	**1.5**	**2,492.5**

The sum of the various items included under 'Reserves' within shareholders' equity per December 31, 2009 amounts to €388.9 million (December 31, 2008: €365.3 million). Additional information with respect to equity is included in note 26.

notes to the consolidated **financial statements**

1. General information

Randstad Holding nv is a public limited liability company incorporated and domiciled in the Netherlands and listed on the Euronext Amsterdam. The registered office of the company is in Amsterdam. The address of the company is:
Diemermere 25
1112 TC Diemen
The Netherlands

The consolidated financial statements of Randstad Holding nv include the company and its Group companies (together called the 'Group').
During the year 2008 Randstad Holding nv acquired all the remaining shares of Vedior N.V. (85%), after 15% had already been purchased during December 2007 following the announcement of a public offering for the shares of Vedior N.V.
The Vedior group of companies is consolidated as of May 16, 2008.

Activities
The main activities of the Group are temporary staffing, inhouse services, HR Solutions, the provision of temporary and seconded professionals and search & selection.

Date of authorization of issue
The financial statements were signed and authorized for issue by the executive board and supervisory board on February 16, 2010. The adoption of the financial statements and the adoption of the dividend are reserved for the shareholders in the Annual General Meeting of shareholders (AGM) on March 25, 2010.

2. Summary of significant accounting policies

2.1 Basis of preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, except for a limited number of presentation changes, mainly in the balance sheet and statement of cash flows; comparative figures have been adjusted accordingly.
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (hereafter: IFRS).

New standards, amendments and interpretations to existing IFRS standards became effective in 2009. IFRS 8 'Operating segments' is considered a new standard that is relevant to the Group. It replaces IAS 14 and requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Following the merger of 'Randstad' and 'Vedior' in 2008, the internal reporting system was assessed for the combination, which led to reporting along geographical lines being the leading reporting structure. The implementation of IFRS 8 in 2009 has no consequences for the operating segments within the Group. Also relevant to the Group is the revised IAS 1. The amendment to IAS 1 mainly concerns the presentation of changes in equity, in which changes as a result of the transaction with shareholders should be presented separately. The Group has chosen to present all non-owner changes in equity in one statement: statement of comprehensive income. Comparative information has been presented so that it is also in conformity with the revised standard.

New standards, amendments and interpretations to existing IFRS standards have been published that must be applied in accounting periods beginning on or after January 1, 2010. As far as these standards, amendments and interpretations are applicable to the Group, the Group has not opted for early adoption. New standards, amendments and interpretations are expected to have no impact on the valuation and classification of assets and liabilities of the Group, nor on its income statement or cash flows.

The financial statements are prepared under the historical cost convention, unless otherwise stated in this summary of significant accounting policies.

For both current (expected to be recovered or settled within 1 year) and non-current (expected to be recovered or settled after 1 year) assets and liabilities, the corresponding presentation is used on the face of the balance sheet. Current assets and liabilities are not discounted.

The preparation of financial statements requires the Group to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The actual outcome may differ from these judgments, estimates and assumptions.
Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments made by management in applying accounting policies that could have a significant effect on the financial statements are disclosed in note 4.

With respect to the company income statement of Randstad Holding nv, the company makes use of the exception provided for in Article 402, Part 9, Book 2 of the Dutch Civil Code.

In these financial statements all amounts, unless otherwise stated, are presented in millions of euros.

2.2 Consolidation principles

The consolidated financial statements comprise the financial data of Randstad Holding nv and its subsidiaries.

Subsidiaries
Subsidiaries are companies where Randstad Holding nv has the power, directly or indirectly, to govern the financial and operational policies, generally accompanying a shareholding of more than 50% of the voting rights. Subsidiaries are consolidated from the date that control commences until the date that control ceases.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The consideration of an acquisition is measured as the fair value of the assets given and liabilities incurred or assumed at the date of acquisition, including directly attributable acquisition costs. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their estimated fair value at the date of acquisition.
The excess of the consideration of an acquisition over the Group's share in the fair value of the net assets acquired is recorded as goodwill. If the consideration of an acquisition is less than the Group's share in the fair value of the net assets acquired, the difference ('negative goodwill') is recognized directly in the income statement.

Intragroup balances and intragroup transactions are eliminated, as well as any unrealized gains from these transactions. Unrealized losses from intragroup transactions are also eliminated unless there is evidence of impairment of the assets transferred. Intercompany transactions, in principle, take place on an arm's length basis.

See note 42 for an overview of the major subsidiaries.

Minority interests
Minority interests represent the position of net result and net assets not held by the entity and are presented separately in the income statement and within total equity in the consolidated balance sheet, separately from shareholders' equity. To the extent that a position of assets not held by the Group represents a negative net asset value, the entity does not allocate losses to minority interests.
Upon acquisition of minority interests, the difference between the consideration and the book value of the share of the net assets acquired is recognized in goodwill.

Associates
Associates are companies where Randstad Holding nv has significant influence, but not control, over the financial and operational policies, generally accompanying a shareholding of between 20% and 50% of the voting rights.
Investments in associates are accounted for using the equity method and are initially recognized at cost. The Group's investment in associates includes goodwill on acquisition, net of any accumulated impairment losses.

The Group's share of the post-acquisition profits and losses of the associates is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the carrying amount of that associate, including, if applicable, loans of which settlement is neither planned nor expected to occur in the foreseeable future, is reduced to nil, unless it has incurred obligations or made payments on behalf of the associate.
Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
Results and other movements are based on the accounting policies adopted by the Group.

2.3 Foreign currencies

Functional and presentation currency
The Group operates in countries with different currencies. All companies have, as their functional currency, the local currency of the country in which they operate, which is their primary economic environment. The functional currency of the parent company, as well as of a major portion of its subsidiaries, is the euro. The presentation currency is the euro.

Transactions and balances in currencies other than the functional currency
Transactions in currencies other than the functional currency of the related company are converted at the foreign exchange rate at the date of the transaction.

Monetary balance sheet items in currencies other than the functional currency of the related company are converted at year-end exchange rates.
Exchange differences resulting from the settlement of such transactions, as well as from the conversion of monetary balance sheet items, are included in the income statement, except for exchange differences resulting from financial liabilities designated as a hedge of the net investment in a foreign operation; these are recognized directly in equity.
Exchange differences on cash and cash equivalents and borrowings are included in net finance costs. Exchange differences on other monetary balance sheet items are included in operating expenses.

Non-monetary balance sheet items that are measured in terms of historical cost in currencies other than the functional currency of the related company are converted at the foreign exchange rates at the date of transaction.
Non-monetary balance sheet items that are measured at fair value in currencies other than the functional currency of the related company are converted at the foreign exchange rates at the dates the fair values were determined.

Financial statements of Group companies
Upon translation of foreign activities, the assets and liabilities of operations in currencies other than the euro, including goodwill and fair value adjustments arising on consolidation, are translated to euros at the foreign exchange rates ruling as of the balance sheet date. The income statements of these operations in currencies other than the euro are translated to euros at average exchange rates.
Upon acquisition of a subsidiary that has a currency other than the euro, balance sheet items are translated to euros at the foreign exchange rates ruling at the acquisition date.

Net investment in subsidiaries that have a currency other than the euro
The net investment in subsidiaries that have a currency other than the euro includes the participation in the net assets of these subsidiaries, and, if applicable, loans to these subsidiaries, of which settlement is neither planned nor expected to occur in the foreseeable future.

Translation differences that occur upon consolidation, relating to the translation of the net investment in subsidiaries that have a currency other than the euro, are included in a separate component within shareholders' equity, as well as translation differences of financial liabilities designated as hedges of such investments, to the extent that the hedge is effective. These translation differences are released or charged to the income statement as part of the gain or loss on disposal, whenever a foreign operation is disposed of.

Hedging activities
The Group is engaged in the hedging of net investments in foreign operations by designating financial liabilities as (net investment) hedges of such investments.
Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in a separate component within shareholders' equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement under net finance costs.
Gains and losses accumulated under equity are included in the income statement when the foreign operation is disposed of.

2.4 Segment reporting
Operating segments (geographical areas) are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of management of the Group that makes strategic decisions. There are no sales or other transactions between the operating segments.

In addition to the operating segments reported, 'corporate' is included in the disclosures on segments and represents the unallocated part of assets, liabilities, income and expenses of holding activities.

Revenue categories
Revenue categories are service concepts based on best practices and proven procedures, ensuring efficient working methods and excellence in service delivery. Three different service concepts are represented, being 'Staffing' (including HR Solutions), 'Inhouse services' and 'Professionals'.
All service concepts have activities in all parts of the world. Only revenue information is provided for revenue categories. For a more detailed description of these service concepts, refer to the report of the executive board, on pages 13 to 16 of this annual report.

2.5 Impairment of assets

Non-financial assets
The carrying amounts of the Group's non-financial assets, with the exception of deferred tax assets and the plan assets in relation to defined benefit pension plans, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For assets that have an indefinite life, such as goodwill, testing for impairment is performed at least annually.

If there are such indications, the recoverable amount of the asset concerned is estimated. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. For purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Goodwill is allocated to groups of cash-generating units for purposes of impairment testing.

If the recoverable amount of an asset or (a group of) cash-generating unit(s) is estimated to be less than its carrying amount, the carrying amount of the asset or (a group of) cash-generating unit(s) is reduced to its recoverable amount. The resulting impairment loss is recognized in the income statement immediately.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use is determined by means of the present value of estimated cash flow projections. The discount rates used in discounting the projected cash flows are based on actual interest rates, which align with the terms of the projections, and the specific risks of the asset or business, respectively.

Impairment losses recognized relating to a (group of) cash-generating unit(s) are first allocated to reduce the carrying amount of the goodwill of the related (group of) cash-generating unit(s), and then to reduce the carrying amount of the other assets of that (group of) cash-generating unit(s) on a pro rata basis.

Financial assets
The carrying amounts of the financial assets (held-to-maturity investments, loans and receivables) of the Group are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount is impaired. If objective evidence exists that a financial asset or group of financial assets is impaired, the amount of the impairment loss is calculated as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). The resulting impairment loss is recognized in the income statement immediately.

Reversals of impairment losses
An impairment loss with respect to goodwill is not reversed.

An impairment loss with respect to financial assets (held-to-maturity investments, loans and receivables) is reversed if, in a subsequent period, the amount of the impairment loss decreases and this decrease can be related objectively to an event occurring after the impairment loss was recognized.

With respect to other assets, an impairment loss recognized in a prior period is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.6 Revenue
Revenue comprises the fair value of the consideration received or receivable for services rendered during the year to third parties. Revenue from rendered services is recognized in the income statement in proportion to the stage of completion of the contract as of the balance sheet date. Stage of completion is measured by reference to costs (mainly hours) incurred to date as a percentage of total estimated costs for each contract. When the outcome of the contract cannot be measured reliably, revenue is recognized only to the extent that expenses incurred are eligible to be recovered.
No revenue is recognized if there are significant uncertainties regarding recovery of the consideration.

Revenue from temporary placements includes the amounts received or receivable for the services of temporary staff including the salary and salary-related employment costs of those staff. These revenues are generally based on the number of hours worked by the temporary staff.
Revenue from permanent placements includes the fee received or receivable for the services provided; the fee generally being calculated as a percentage of the candidate's remuneration package. These permanent placement contracts are divided into 'retained assignments' for which the revenue is recognized on the completion of certain pre-agreed stages of the service (and for which the fee is non-refundable) and 'other', for which the revenue is recognized on completion of the total service.

2.7 Expenses
Cost of services comprises expenses directly attributable to revenue. These costs mainly include expenses related to staffing employees, such as wages, salaries and social charges.

Operating expenses are classified based on the functional model and are recognized in the year to which they relate.

Selling expenses comprise personnel and accommodation expenses in relation to operational activities at the outlets, advertising and marketing and other selling expenses.

General and administrative expenses comprise personnel and accommodation expenses in relation to the activities at the various head offices, IT expenses, other general and administrative expenses, as well as the amortization and impairment of acquisition-related intangible assets and goodwill.

2.8 Leasing
Lease contracts of which the majority of risks and rewards inherent to ownership do not lie with the Group are classified as operating leases. Expenses related to operating leases are included in the income statement on a straight-line basis over the term of the lease.

Lease contracts of which the majority of risks and rewards inherent to ownership lie with the Group are classified as finance leases. Upon initial recognition, the related assets are valued at the lower of the fair value of the asset and the discounted value of the minimum lease payments. These assets are depreciated based on the same term of depreciation for similar assets of the Group or the lease term, if shorter.
The lease terms to be paid are divided into a repayment and an interest portion, so as to achieve a constant rate on the finance balance outstanding. The liabilities arising from finance leases are included under non-current liabilities at an amount excluding the interest charges. The interest portion included in the periodic lease payments is included as interest expense in the income statement over the lease period.

2.9 Grants
Grants are recognized when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them.
Grants that compensate for expenses incurred are credited to the income statement on a systematic basis in the same period in which the expenses are incurred.
Grants that compensate for the cost of an asset are deducted from the capitalized value of the related asset and recognized in the income statement as part of the depreciation and/or amortization charges.

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2.10 Net finance costs

Net finance costs comprise interest expenses and interest income, as well as items similar to interest, exchange differences on cash, cash equivalents and borrowings. Interest expenses and income are recognized on a time-proportion basis in the income statement, using the effective interest method. Interest due to the passage of time of held-to-maturity investments, loans and receivables and deferred considerations, as well as in relation to the valuation of certain provisions and employee benefit obligations, are also included in net finance costs; changes in the value of the deferred considerations and differences upon settlement of these deferred considerations are also reported under net finance costs.

2.11 Income taxes, deferred tax assets and liabilities

Taxes on income

Taxes on income for the year comprise current taxes and the realization of deferred taxes. Income taxes are recognized in the income statement, except to the extent that these taxes relate to items recognized directly in equity, in which case these taxes are also directly recognized in equity.

Current taxes on income are the sum of taxes levied on the results before taxes, in the countries where those results were generated, based on local tax regulations and against tax rates of the applicable year. Tax-exempt income and expenses not deductible for tax purposes are taken into account in calculating taxes on income.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized, using the balance sheet liability method, to provide for temporary differences between the values of the assets and liabilities for financial reporting purposes and for tax purposes. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.
Deferred tax assets, including those resulting from tax losses carry-forward, are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences, including tax losses carry-forward, can be utilized.

Deferred tax assets and liabilities are stated at nominal value and are valued against tax rates enacted or substantially enacted at year-end that are expected to apply in the coming years when the assets and liabilities are expected to be realized or settled.

No deferred tax liability is created for the following temporary differences: goodwill not deductible for tax purposes, the initial recognition of goodwill that is deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences in relation to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

2.12 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the assets.

Subsequent expenditures are capitalized as a separate asset or in the asset's carrying amount, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized.
All other expenditures are charged directly to the income statement.

Land is not depreciated. Depreciation on other property, plant and equipment is charged to the income statement on a straight-line basis over their estimated useful lives, from the date they are available for use.
The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

Gains and losses arising on disposal are included in the income statement under general and administrative expenses.

The estimated useful lives for each category of property, plant and equipment are on average:

	Term
Buildings	33 years
Computer hardware	4 years
Leasehold improvements	5 years
Furniture and fixtures	4-5 years

Leasehold improvements are depreciated over the term of the initial lease, in the event that this term is shorter than 5 years.

2.13 Intangible assets

Goodwill

Goodwill is the excess of the consideration of an acquisition over the Group's share in the fair value of the net assets acquired at the date of acquisition.
Goodwill on acquisitions of subsidiaries is included in intangible assets; goodwill on acquisitions of associates is included in investments in associates.

Goodwill upon acquisitions represents payments made by the Group in anticipation of future economic benefits from assets that cannot be identified individually and cannot be separately recognized. These relate, for example, to synergies expected from the combination and the workforce of the acquired companies.

Goodwill is stated at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity that is sold.

Goodwill is allocated to groups of cash-generating units for the purpose of impairment testing. The allocation is made to those groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Acquisition-related intangible assets

Acquisition-related intangible assets (customer relationships, brand names and candidate databases including flexworkers) that are acquired by the Group and have definite useful lives are stated at cost less accumulated amortization and impairment losses.

When an intangible asset is acquired in a business combination, its cost is the fair value at the date of its acquisition. This cost is determined on a basis that reflects the estimated amount that the entity would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available. If the fair value cannot be measured reliably, the asset is not recognized as a separate intangible asset, but is included in goodwill.

Amortization of acquisition-related intangible assets is charged to the income statement on a straight-line basis over their estimated useful lives, from the date they are available for use.

The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

The estimated useful lives for each category of acquisition-related intangible assets are:

	Term
Customer relationships	4-8 years
Brand names	1-5 years
Candidate databases	2-5 years

Software

Acquired software (licenses) and developed software are stated at cost less accumulated amortization and impairment losses.

Expenditures in relation to the development of identifiable and unique software products used by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets and amortized over their estimated useful lives. Capitalized costs include employee costs of software development and an appropriate portion of relevant overhead.
Expenditures associated with maintaining computer software programs are recognized as an expense when incurred.

Amortization of software applications is charged to the income statement on a straight-line basis over their estimated useful lives, from the date they are available for use.

The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

The estimated useful life for software is 3 to 5 years. Acquired computer software licenses are amortized, using the straight-line method, over their useful lives of 3 to 5 years or, if the license period is shorter than 3 years, over this shorter period.

2.14 Financial assets

Investments in liability instruments are divided into various categories. Classification of these investments depends on the purposes for which the investments have been acquired. Management determines the classification at the time of the purchase and re-evaluates such designation at each subsequent balance sheet date.

Purchases and sales of all financial instruments are recognized on the settlement date, which is the date an asset is delivered to or by the Group. The cost of financial instruments includes transaction costs.

Held-to-maturity investments

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturities that an entity has the positive intent and ability to hold to maturity. This category excludes originated loans.
These financial assets are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest method.

Loans and receivables

Loans and receivables (originated loans) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
These financial assets are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest method.

2.15 Trade and other receivables

Trade and other receivables are initially stated at fair value. Subsequent measurement is at amortized cost using the effective interest method less provision for impairment.
A provision for impairment of trade and other receivables is established when it is more likely than not that the Group will not be able to collect the amounts receivable.
The provision for impairment of trade receivables is based on the trade receivable portfolio experience of the various subsidiaries, as well as on individual assessments of expected non-recoverable receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into

bankruptcy or financial reorganization and serious default or delinquency in payments, are considered indicators that the trade receivable is impaired. The amount of the provision is equal to the difference between the asset's carrying amount and the present value of estimated future cash flows.
The carrying amount of the asset is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance.
Losses are charged to the income statement within 'selling expenses'.
The impaired trade receivables are provided for excluding value-added taxes.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, as well as time deposits and other short-term highly liquid investments with original maturities of 3 months or less.

2.17 Equity

Ordinary shares are classified as equity. The distribution of the dividend on ordinary shares is recognized as a liability in the period in which the dividend is adopted by the company's shareholders.

At the issue of new shares, the proceeds less directly attributable costs are recognized in shareholders' equity within issued capital and, if applicable, within share premium.

At the purchase of own ordinary shares that are included in shareholders' equity, the consideration paid, including directly attributable costs, is recorded as a change in shareholders' equity. Purchased ordinary shares are classified as treasury shares and presented as a deduction from shareholders' equity under reserves.

At the sale (re-issue) of treasury shares, the proceeds less directly attributable costs are recognized under treasury shares for the original consideration paid; the remainder is recognized under retained earnings.

2.18 Share-based payments

The company has various share-based payment arrangements that are settled in ordinary shares. The fair value of these share-based payments, calculated on grant date, is based on valuation models. The fair value is included in personnel expenses in the vesting period during which the expected employee services are received. The same amount is credited to shareholders' equity.

At each balance sheet date, the company revises its estimates of the vesting of these share-based payment arrangements. The impact of the revision on original estimates with respect to the past vesting period, if any, is recognized in the income statement immediately, with a corresponding adjustment to shareholders' equity.

2.19 Preferred shares

Preferred shares are classified as equity during 2009 and at the end of 2008.
Early in 2008 the conditions of the preferred shares were changed such that preferred shares classify as equity instead of as a liability.
Transaction costs relating to the issuance of preferred shares or the extension of the term of preferred shares outstanding are included (in the proceeds) under the respective classifications of preferred shares.

2.20 Borrowings

Borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortized cost.
Any difference between the proceeds and redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.21 Other liabilities

Other liabilities mainly include the liabilities arising from arrangements the Group has entered into with the previous owners of acquired companies that still hold a minority interest (deferred considerations) as well as a small part for deferred payments from other business combinations.
With respect to these arrangements, the Group has entered into put and call options with the holders of these minority interests. The put option gives the minority shareholder the right to sell its minority interest to the Group. The call option gives the Group the right to purchase the minority interest.
The option exercise price is determined by a contractually agreed formula that is (mainly) based on the future results of the company involved.
The liability is stated initially at fair value. Subsequent measurement is at amortized cost, using the effective interest method. The value is determined by means of the present value of the expected cash outflows to settle the liability, based on projected results. The discount rate used in discounting the expected cash outflows is based on an interest rate that reflects the current market assessment of the time value of money, taking into account the expected settlement of these liabilities.
In line with the nature of the put option, the liability is classified as short term, except for the part that can only be exercised after one year.
Changes in the value of these liabilities (also including interest due to passage of time), as well as differences upon settlement between the actual cash outflow and the expected cash outflow, are accounted for in the income statement under net finance costs.
The companies acquired under these arrangements are fully consolidated.

2.22 Pensions and other employee benefits

The Group has various pension schemes, in accordance with local conditions and practices in the countries in which it operates. Most of the pension schemes are defined contribution plans, which are funded through payments to independent entities. The Group has no legal or constructive obligations to pay further contributions if these separate entities do not hold sufficient assets to pay all employees the pension benefits relating to employee service in the current and prior periods.
The regular contributions constitute net periodic costs for the year in which they are due and are included within personnel expenses and/or costs of services.
A few pension plans are defined benefit plans. The liability recognized in the balance sheet with respect to defined benefit pension plans is the present value of the defined benefit obligation of the estimated amount of future benefits that employees have earned in return for their service in the current and prior years, less the fair value of plan assets. Independent actuaries calculate the defined benefit obligations based on factors such as age, years of service and compensation (projected unit credit method).

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

In calculating the Group's obligation with respect to defined benefit plans, that portion of actuarial gains and losses is recognized in the income statement over the expected average remaining service years of the employees participating in the plan, to the extent that any cumulative unrecognized actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation or the fair value of plan assets. Otherwise, the actuarial gain or loss is not recognized (corridor approach).

Past service costs are recognized immediately in the income statement, unless changes to the pension plans are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

In accordance with applicable legal requirements, the Group recognizes liabilities for several termination indemnity and long service leave plans. These liabilities are based on calculations made by independent actuaries based on factors such as age, years of service and compensation (projected unit credit method).
Actuarial gains and losses related to these termination indemnity plans are recognized in the income statement in the year they occur.

2.23 Provisions

Provisions are recognized for legally enforceable or constructive obligations as a result of a past event and for which the settlement is likely to require an outflow of resources and the extent of which can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at an interest rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

Provisions for restructuring are recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. These restructuring provisions mainly comprise lease termination penalties for branches and severance payments for personnel. No provision is created for future operating losses.

Provisions for workers' compensation are based on claims for compensation and medical expenses (of both staffing and corporate employees) in relation to accidents during working hours, for which the Group is liable under applicable local laws . These provisions relate to the operations of the Group in North America and a part of Australia. These operations are responsible for payment of workers' compensation claims up to a maximum amount per claim, beyond which the costs are insured. An independent actuary calculates the amount of the provision.

Within other provisions, the Group has provided for obligations, if and as far as necessary, mainly in relation to:
- Onerous contracts if the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract; and
- Estimated amounts of claims from third parties.

2.24 Operating working capital

Operating working capital includes current assets, excluding cash and cash equivalents, current income tax receivables and the current part of held-to-maturity investments, minus current liabilities, excluding current borrowings, current income tax liabilities and the current part of provisions and other liabilities.

2.25 Net cash / debt

The net cash or net debt includes the balance of cash, cash equivalents and borrowings (both current and non-current).

2.26 Fair value estimation

Fair value estimations are included in these financial statements, mainly with respect to financial assets and financial liabilities.
As no financial assets and liabilities of the Group are traded in active markets, techniques such as estimated discounted cash flows are used to determine the fair value.
The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial assets and liabilities.

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3. Consolidated statement of cash flows

The statement of cash flows has been prepared applying the indirect method. Cash in the statement of cash flows comprises the balance sheet items cash and cash equivalents as well as current borrowings, because current borrowings form an integral part of the Group's cash management. Cash flows in foreign currencies have been translated at average exchange rates. Exchange differences concerning cash items are shown separately in the statement of cash flows. Income taxes paid/received are included in the cash flow from operating activities. Finance income received, finance expenses paid and dividends paid are included in the cash flow from financing activities.

The purchase price of acquisitions paid, as well as the selling price of disposed subsidiaries received, is included in cash flow from investing activities. This purchase price paid, as well as the selling price received, is included in the statement of cash flows net of cash acquired or disposed of, respectively. Changes in assets and liabilities resulting from the acquisition and disposal of subsidiaries are taken into account in the calculation of the consolidated cash flows.

4. Critical accounting estimates, assumptions and judgments

In the preparation of financial statements, the Group makes certain critical accounting estimates and assumptions concerning the future. The resulting reported amounts will, by definition, rarely equal the related actual outcome. Estimates and judgments are continually evaluated and are based on historical experience and various other factors, including expectations of future events, which are believed to be reasonable under the circumstances.

The following estimates, assumptions and judgements have an inherent significant risk of potentially causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

4.1 Impairment of intangible assets

The Group tests whether intangible assets have suffered any impairment, in case of triggering events and at least annually. The recoverable amounts of cash-generating units have been determined using, amongst other instruments, value-in-use calculations. These calculations require the use of estimates. Based on these performed impairment tests, impairment losses are considered to be detected. However, should the actual performance of these cash-generating units become materially worse compared to the performance based on the estimates, possible impairment losses could arise, or could deviate from the detected impairment losses. This impairment loss or deviation could have a material effect on the carrying amounts of the intangible assets. For the sensitivity of impairment testing of goodwill, refer to note 17. For the accounting policies of intangible assets, refer to note 2.13.

4.2 Provisions

Due to the nature of provisions, a considerable part of their determination is based on estimates and/or judgments, including assumptions concerning the future.
The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions. Hence, the differences between actual outcomes and the recorded provisions can impact results over the periods involved.
The timing of outflow of resources to settle these obligations is subject to the same uncertain factors. For the sensitivity of employee benefit obligations and provisions refer to notes 28 and 29 respectively.

4.3 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide deferred tax asset on, amongst other items, tax losses carry-forward and deferred tax liabilities. There are many uncertain factors that influence the amount of the tax losses carry-forward. The Group recognizes deferred tax assets on tax losses carry-forward based on their best estimates. When the actual results are different from the amounts that were initially estimated, such differences will impact the income tax in the income statement and the deferred tax assets and/or deferred tax liabilities in the period in which these deviations occur. For the sensitivity of assumptions in the determination of deferred taxes, refer to note 20.1.

notes to the consolidated **statement** of **comprehensive income**

(amounts in millions of €, unless otherwise indicated)

5. Revenue

Revenue by operating segment:

	2009	2008
Netherlands	2,962.9	3,535.5
France	2,691.6	2,651.8
Germany	1,320.7	1,818.2
Belgium/Luxembourg	1,191.4	1,372.0
Iberia	796.4	874.9
United Kingdom	753.3	768.0
Other European countries	603.5	828.9
North America	1,450.3	1,516.2
Rest of the world	629.8	672.9
	12,399.9	14,038.4

Revenue by revenue category:

	2009	2008
Staffing	8,614.7	9,820.0
Inhouse services	1,311.1	1,846.5
Professionals	2,474.1	2,371.9
	12,399.9	14,038.4

6. Cost of services

	2009	2008
Wages, salaries, social security and pension charges	9,516.5	10,626.6
Depreciation property, plant and equipment	1.1	1.5
Amortization software	0.7	0.8
Other cost of services	460.3	437.2
	9,978.6	11,066.1

For further information on wages, salaries, social security charges and pension charges included in cost of services, refer to note 38.

7. Gross profit

Gross profit by operating segment:

	2009	2008
Netherlands	731.7	973.8
France	363.7	405.8
Germany	287.8	402.0
Belgium/Luxembourg	248.3	274.3
Iberia	108.2	134.3
United Kingdom	175.6	201.1
Other European countries	103.9	153.7
North America	278.5	307.1
Rest of the world	123.6	120.2
	2,421.3	2,972.3

8. Selling expenses

Selling expenses include an amount of € 13.9 million (2008: € 26.4 million) related to impairment losses on trade receivables as well as debt collection costs.

9. General and administrative expenses

General and administrative expenses include:
- foreign exchange losses in the amount of € 1.0 million (2008: € 1.2 million);
- gain on the sale of property, plant and equipment in the amount of € 1.3 million (2008: loss of € 0.9 million);
- impairment charge on software: in 2009 nil (2008: € 13.6 million);
- a book profit on the sale of subsidiaries in the amount of € 23.5 million (2008: € 3.8 million).

10. Total operating expenses

Total operating expenses by nature:

	2009	2008
Personnel expenses	1,471.6	1,558.6
Depreciation property, plant and equipment	65.4	62.1
Amortization software	26.4	22.0
Impairment software	-	13.6
Advertising and marketing	98.6	129.4
Accommodation	199.0	184.5
Other	331.4	361.9
Operating expenses	2,192.4	2,332.1
Amortization acquisition-related intangible assets	158.6	107.2
Impairment acquisition-related intangible assets	-	15.7
Impairment goodwill	-	555.8
Total operating expenses	2,351.0	3,010.8

For further information on personnel expenses, refer to note 38.

11. Operating profit

Operating profit/(loss) by operating segment:

	2009	2008
Netherlands	164.6	194.5
France	(54.7)	(65.3)
Germany	47.6	93.4
Belgium/Luxembourg	41.9	67.4
Iberia	(1.8)	(53.7)
United Kingdom	(23.6)	(43.3)
Other European countries	(12.2)	12.8
North America	(4.9)	(43.7)
Rest of the world	(24.6)	(142.0)
Corporate	(38.5)	(54.8)
	93.8	(34.7)

11.1 Depreciation, amortization and impairment software

	2009	2008
Depreciation buildings	0.8	1.3
Depreciation computer hardware	20.6	20.8
Depreciation leasehold improvements and furniture and fixtures	45.1	41.5
Depreciation	66.5	63.6
Amortization software	27.1	22.8
Impairment software	-	13.6
Depreciation, amortization and impairment software	93.6	100.0

The total amount of depreciation, amortization and impairment software is included in the following categories:

	2009	2008
Cost of services	1.8	2.3
Selling expenses	30.3	28.3
General and administrative expenses	61.5	69.4
	93.6	100.0

Depreciation, amortization and impairment software by operating segment:

	2009	2008
Netherlands	25.5	43.1
France	13.5	10.1
Germany	9.2	9.0
Belgium/Luxembourg	12.1	9.5
Iberia	3.1	5.4
United Kingdom	8.1	5.9
Other European countries	4.5	4.7
North America	9.8	7.4
Rest of the world	7.8	4.9
Corporate	0.0	0.0
	93.6	100.0

11.2 Amortization and impairment acquisition-related intangible assets and goodwill

	2009	2008
Amortization acquisition-related intangible assets	158.6	107.2
Impairment acquisition-related intangible assets	-	15.7
Impairment goodwill	-	555.8
	158.6	678.7

Amortization and impairment acquisition-related intangible assets and goodwill by operating segment:

	2009	2008
Netherlands	20.7	88.0
France	40.3	200.1
Germany	13.3	10.2
Belgium/Luxembourg	10.0	6.5
Iberia	10.1	76.3
United Kingdom	23.7	56.7
Other European countries	8.3	6.2
North America	20.3	87.3
Rest of the world	11.9	147.4
	158.6	678.7

11.3 Operating leases

In operating profit, an amount of € 253.6 million (2008: € 229.9 million) is included for operating leases.

11.4 Grants

Grants included in operating profit amount to € 14.2 million (2008: € 15.7 million), of which € 13.6 million (2008: € 12.9 million) is reported under cost of services. Grants mainly relate to the (partial) compensation of the costs of education of staffing employees.

12. Net finance costs

	2009	2008
Finance income		
Interest and similar income	8.2	32.3
Interest income due to passage of time:		
- held-to-maturity investments, loans and receivables	2.7	1.6
Foreign exchange gains	0.3	15.5
Gain on settlement of short-term borrowings	-	4.4
Changes in value deferred considerations	9.0	-
	20.2	53.8
Finance expenses		
Interest and similar expenses on current borrowings	7.3	13.5
Interest and similar expenses on non-current borrowings	47.1	102.0
Dividend minority interests classified as other liabilities	3.3	1.2
Interest expenses due to passage of time:		
- defined benefit pension plans and other employee benefits	2.5	2.6
- workers' compensation and other provisions	2.0	1.8
- deferred considerations	6.9	4.4
	69.1	125.5
Net finance costs	48.9	71.7

Finance income and expenses have been adjusted for non-cash items (such as interest receivable/payable) to arrive at finance income received of € 8.5 million (2008: € 26.7 million) and finance expenses paid of € 49.2 million (2008: € 110.8 million) in the statement of cash flows.

13. Taxes on income

	2009	2008
Current tax (income)/expense	(11.0)	82.2
Deferred tax (income)/expense	(12.2)	(203.2)
(Income)/expense	(23.2)	(121.0)

In 2009, the average effective tax rate on income before taxes is -52.3% (2008: 117.9%). The reconciliation between the income tax rate of the company's country of domicile and the average effective tax rate is as follows:

	2009	2008
Income tax rate of the company's country of domicile	25.5%	25.5%
Effect of income tax rates in other (non-domestic) jurisdictions	(27.4%)	3.5%
Weighted average applicable tax rate	(1.9%)	29.0%
Tax-exempt income	(127.2%)	27.1%
Changes in statutory applicable tax rates and effects prior years	(4.5%)	0.0%
Change in provisions on deferred tax assets and other	81.3%	61.8%
Average effective tax rate	(52.3%)	117.9%

Due to the composition of the result before taxes in 2009 (€ 44.4 million), the average effective tax rate for 2009 is strongly impacted by the amortization charges on acquisition-related intangible assets (€ 158.6 million), with a weighted average applicable tax rate of 31.3%, on the one hand and 'other income' (€ 203.0 million), with a weighted average applicable tax rate of 24.1%, on the other.
For 2008, the average effective tax rate is impacted by the impairment of goodwill (€ 555.8 million) and effects from the changes in deferred taxes (€ 226.1 million). The tax effect of the amortization and impairment acquisition-related intangible assets (€ 122.9 million) is also present in 2008, but has a relatively small impact.

To provide better insight into the average effective tax rate and as a better comparision between these rates in 2009 and 2008, the actual figures in the table hereafter are adjusted for the effects as mentioned above, resulting in an income before taxes of € 203.0 million (2008: € 576.1 million) and a tax charge of € 26.5 million (2008: € 142.3 million). The comparative figures for 2008 have been revised compared to those reported last year to reflect the adjustment for the amortization of acquisition-related intangible assets.
The reconciliation between the income tax rate of the company's country of domicile and the weighted average applicable tax rate (the weighted average of the statutory applicable tax rates on the income before taxes of the companies in the Group), and the average effective tax rate, respectively, is based on the adjusted figures as follows:

	2009	2008
Income tax rate of the company's country of domicile	25.5%	25.5%
Effect of income tax rates in other (non-domestic) jurisdictions	(1.4%)	3.5%
Weighted average applicable tax rate	24.1%	29.0%
Tax-exempt income	(27.8%)	(4.6%)
Changes in statutory applicable tax rates and effects prior years	(1.0%)	0.0%
Change in provisions on deferred tax assets and other	17.8%	0.3%
Average effective tax rate	13.1%	24.7%

The change in the weighted average applicable tax rate in 2009 compared to 2008 is caused by a changed mix in results of subsidiaries in countries with different tax rates and the relative weight of positive and negative results.

The tax-exempt income reflects the effect of the tax efficiencies within the Group; the relative impact of these effects increase at lower levels of results. The (tax-exempt) gains on the sale of subsidiaries in 2009 are also higher than these gains in 2008.

The change in provisions on deferred tax assets and other reflects the effects of the assessment of the recoverability of deferred tax assets, as further disclosed in note 20.

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14. Net income, EBITA and EBITDA

Net income includes foreign exchange losses of € 0.7 million (2008: gains of € 14.3 million). For other items included in net income, refer to note 9.

The reconciliation between net income, EBITA and EBITDA is as follows:

	2009	2008
Net income	67.6	18.4
Taxes on income	(23.2)	(121.0)
Share of profit of associates	0.5	(3.8)
Net finance costs	48.9	71.7
Operating profit/(loss)	**93.8**	**(34.7)**
Amortization acquisition-related intangible assets	158.6	107.2
Impairment acquisition-related intangible assets and goodwill	-	571.5
Operating profit before amortization and impairment acquisition-related intangible assets and goodwill (EBITA)	**252.4**	**644.0**
Depreciation	66.5	63.6
Amortization and impairment software	27.1	36.4
Operating profit before depreciation, amortization and impairments (EBITDA)	**346.0**	**744.0**

EBITA by operating segment:

	2009	2008
Netherlands	185.3	282.5
France	(14.4)	134.8
Germany	60.9	103.6
Belgium/Luxembourg	51.9	73.9
Iberia	8.3	22.6
United Kingdom	0.1	13.4
Other European countries	(3.9)	19.0
North America	15.4	43.6
Rest of the world	(12.7)	5.4
Corporate	(38.5)	(54.8)
	252.4	**644.0**

EBITDA by operating segment:

	2009	2008
Netherlands	210.8	325.6
France	(0.9)	144.9
Germany	70.1	112.6
Belgium/Luxembourg	64.0	83.4
Iberia	11.4	28.0
United Kingdom	8.2	19.3
Other European countries	0.6	23.7
North America	25.2	51.0
Rest of the world	(4.9)	10.3
Corporate	(38.5)	(54.8)
	346.0	**744.0**

15. Earnings per ordinary share

	2009	2008
Net income		
Net income attributable to ordinary shareholders	61.1	11.0
Amortization and impairment acquisition-related intangible assets and goodwill (after taxes)	108.9	641.5
Net income attributable to ordinary shareholders before amortization and impairment acquisition-related intangible assets and goodwill	**170.0**	**652.5**
Numbers of ordinary shares		
Weighted average number of ordinary shares outstanding (in millions)	169.6	148.6
Dilutive effect of share-based payment arrangements (in millions)	1.5	0.3
Weighted average number of diluted ordinary shares outstanding (in millions)	**171.1**	**148.9**
Earnings per ordinary share		
Basic earnings per ordinary share (€)	0.36	0.07
Diluted earnings per ordinary share (€)	0.36	0.07
Diluted earnings per ordinary share before amortization and impairment acquisition-related intangible assets and goodwill (€)	0.99	4.38

Basic earnings per ordinary share are calculated by dividing the net income attributable to the ordinary shareholders of Randstad Holding nv by the weighted average number of ordinary shares outstanding during the year, being issued ordinary share capital, adjusted for ordinary shares purchased by Randstad Holding nv and held as treasury shares.

Diluted earnings per ordinary share are calculated by adjusting the weighted average number of ordinary shares outstanding, assuming conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares arise from various share-based payment arrangements.

notes to the consolidated **balance sheet**

(amounts in millions of €, unless otherwise indicated)

16. Property, plant and equipment

	Buildings and land	Computer hardware	Leasehold improvements, furniture and fixtures	Total
Cost	43.8	117.0	273.9	434.7
Accumulated depreciation and impairment	21.1	84.9	193.0	299.0
Balance at January 1, 2008	**22.7**	**32.1**	**80.9**	**135.7**
Book value at January 1, 2008	22.7	32.1	80.9	135.7
Acquisition of subsidiaries	4.4	20.8	54.9	80.1
Disposal of subsidiaries	-	-	(1.9)	(1.9)
Additions	1.1	15.4	41.8	58.3
Disposals	(0.1)	(2.1)	(13.8)	(16.0)
Depreciation	(1.3)	(20.8)	(41.5)	(63.6)
Translation differences	(0.6)	(0.4)	(1.1)	(2.1)
Balance at December 31, 2008	**26.2**	**45.0**	**119.3**	**190.5**
Cost	55.5	194.8	386.7	637.0
Accumulated depreciation and impairment	29.3	149.8	267.4	446.5
Balance at December 31, 2008	**26.2**	**45.0**	**119.3**	**190.5**
Book value at January 1, 2009	26.2	45.0	119.3	190.5
Disposal of subsidiaries	-	(0.4)	(0.8)	(1.2)
Additions	-	10.7	23.2	33.9
Disposals	(1.6)	(3.3)	(3.7)	(8.6)
Depreciation	(0.8)	(20.6)	(45.1)	(66.5)
Translation differences	0.1	0.8	1.5	2.4
Balance at December 31, 2009	**23.9**	**32.2**	**94.4**	**150.5**
Cost	48.7	164.8	386.3	599.8
Accumulated depreciation and impairment	24.8	132.6	291.9	449.3
Balance at December 31, 2009	**23.9**	**32.2**	**94.4**	**150.5**

Property, plant and equipment by operating segment:

	2009	2008
Netherlands	53.7	67.8
France	24.3	25.4
Germany	8.4	12.1
Belgium/Luxembourg	18.0	24.4
Iberia	4.6	6.0
United Kingdom	10.2	13.5
Other European countries	8.7	11.0
North America	11.1	17.9
Rest of the world	11.5	12.4
	150.5	**190.5**

Based on appraisals made by independent and expert appraisers, the estimated fair value of buildings and land is € 30 to € 35 million higher than the carrying amount.

Additions property, plant and equipment by operating segment:

	2009	2008
Netherlands	5.1	17.4
France	7.9	6.6
Germany	2.2	6.1
Belgium/Luxembourg	3.2	6.2
Iberia	1.4	3.0
United Kingdom	4.8	3.8
Other European countries	2.1	7.7
North America	2.6	4.1
Rest of the world	4.6	3.4
	33.9	**58.3**

In the consolidated statement of cash flows, proceeds from the sale of property, plant and equipment comprise:

	2009	2008
Net book value of disposals	8.6	16.0
Gain/(loss) on disposals	1.3	(0.9)
Disposals property, plant and equipment, statement of cash flows	**9.9**	**15.1**

17. Goodwill

	2009	2008
Cost	2,881.6	300.7
Accumulated impairment	555.8	-
Balance at January 1	**2,325.8**	**300.7**
Book value at January 1	2,325.8	300.7
Acquisition of subsidiaries	0.9	2,588.1
Disposal of subsidiaries	(13.6)	-
Adjustments to goodwill acquisitions prior years	9.3	(0.7)
Impairment	-	(555.8)
Translation differences	(20.5)	(6.5)
Balance at December 31	**2,301.9**	**2,325.8**
Cost	2,803.5	2,881.6
Accumulated impairment	501.6	555.8
Balance at December 31	**2,301.9**	**2,325.8**

In 2009, the Group sold Dutch payrolling activities. The relating goodwill and accumulated impairment of € 55.8 million have been derecognized.

In 2008, goodwill was based upon a provisional purchase price allocation in accordance with IFRS 3. Subsequently, the Group made use of the 12-month time window provided under IAS 36 'Impairment of assets' for the goodwill allocation. In 2009, the Group has finalized the purchase price allocation relating to the acquisition of Vedior N.V., resulting in a minor adjustment of € 9.3 million, which is presented as an adjustment to goodwill acquisition prior years. The amount involved is neither considered material in relation to the total goodwill for Vedior N.V. nor to the total consideration for Vedior N.V.. Refer to note 35 for further details.

Carrying amount of goodwill by operating segment is:

	2009	2008
Netherlands	800.8	800.8
France	407.1	407.1
Germany	205.6	205.6
Belgium/Luxembourg	126.6	126.6
Iberia	60.5	57.0
United Kingdom	304.5	318.9
Other European countries	91.7	93.9
North America	198.4	213.0
Rest of the world	106.7	102.9
	2,301.9	**2,325.8**

Impairment testing

Determination of value in use

The recoverable amount of the various cash-generating units for which goodwill is capitalized is based on value in use. The value in use is determined by means of cash flow projections based on the actual operating results adjusted for non-cash items (mainly depreciation and amortization) and the expected future performance, which in turn is based on management's estimates and assumptions of revenue growth and developments of operating margins, assessed with external data, covering a period of, in principle, nine years (2008: nine years). Cash flow projections after this period are extrapolated by means of a growth percentage of 1% (2008: 1%) throughout the Group. The nine years' period of the projections reflects an estimated full business cycle of the industry and the long-term growth potential of high growth regions before reaching maturity.

Further key assumptions in the cash flow projections are:
- annual revenue growth of the Group: on average between 3% and 13% for the first three years and in the range of 4% to 9% for the following five years and 1% in the nineth year (Netherlands: -5% to +10%, 3% to 7% and 1% respectively);
- EBITA of the Group in the range of 3.4% to 6% of revenue (Netherlands: 7.8% to 9.1%);
- growth rates in revenue and EBITA percentages vary between operating segments in limited terms and are dependent on the mix in revenue.

The cash flow projections are prepared in the local currencies of the main operating segments, and discounted with discount rates determined per segment for the currency

involved. The pre-tax discount rates vary from 13.8% to 18.8% (after tax: 10.5% to 13%); Netherlands: 13,8% pre-tax (after tax 10.5%).

Impairments

For 2009, the calculation of the value in use of the various cash-generating units in comparison to the carrying amount resulted in no impairments in 2009.

In 2008, the Group recognized a goodwill impairment charge of € 555.8 million in total. A charge of € 55.8 million related to goodwill of an activity in the Netherlands due to a reassessment of the activity's growth ambitions and potential.

In addition, an impairment charge in relation to goodwill of € 500 million in total was recognized in 2008, based upon increasingly adverse worldwide market developments in general that impacted the Group's business activities. Based on a provisional goodwill allocation, the impairment charges per operating segment in 2008 related to France (€ 175 million), Iberia (€ 70 million), UK (€ 40 million), North America (€ 75 million) and Rest of the world (€ 140 million).

Sensitivity

The determined values in use are sensitive to variations in estimates and assumptions. Based on the improving market developments, variations in assumptions have limited impact on the risk of impairment of goodwill; only goodwill allocated to the operating segment Rest of the world may be impaired in the following cases:
- revenue growth: a 1% point lower growth rate would result in a € 10 million impairment charge (2% point: € 20 million);
- EBITA: a 0.25% point lower EBITA in percentage of revenue would imply a € 15 million impairment charge (0.5% point: € 35 million);
- discount rate: a 0.5% point higher discount rate would result in a € 10 million impairment charge (1% point: € 25 million).

The operating segments France, Iberia, UK, Other Europe and North America have sufficient headroom available to cover these variations in assumptions. The segments Netherlands, Belgium/Luxembourg and Germany have substantial headroom available.

Other information goodwill

Additions goodwill due to acquisitions by operating segment:

	2009	2008
Netherlands	-	783.2
France	-	582.0
Germany	-	52.6
Belgium/Luxembourg	-	115.3
Iberia	-	127.0
United Kingdom	-	345.0
Other European countries	-	65.0
North America	0.7	288.0
Rest of the world	0.2	230.0
	0.9	**2,588.1**

18. Acquisition-related intangible assets

	Acquisition-related intangible assets		Total
	Customer relationships	Brand names and candidate databases	
Cost	119.2	9.0	128.2
Accumulated amortization and impairment	25.0	5.9	30.9
Balance at January 1, 2008	**94.2**	**3.1**	**97.3**
Book value at January 1, 2008	94.2	3.1	97.3
Acquisition of subsidiaries	897.7	88.0	985.7
Amortization	(88.2)	(19.0)	(107.2)
Impairment	(15.7)	-	(15.7)
Translation differences	(22.0)	(9.0)	(31.0)
Balance at December 31, 2008	**866.0**	**63.1**	**929.1**
Cost	993.4	87.7	1,081.1
Accumulated amortization and impairment	127.4	24.6	152.0
Balance at December 31, 2008	**866.0**	**63.1**	**929.1**
Book value at January 1, 2009	866.0	63.1	929.1
Amortization	(129.6)	(29.0)	(158.6)
Translation differences	13.6	7.1	20.7
Balance at December 31, 2009	**750.0**	**41.2**	**791.2**
Cost	984.9	94.7	1,079.6
Accumulated amortization and impairment	234.9	53.5	288.4
Balance at December 31, 2009	**750.0**	**41.2**	**791.2**

Acquisition-related intangible assets by operating segment:

	2009	2008
Netherlands	118.9	139.6
France	220.1	260.3
Germany	44.7	58.0
Belgium/Luxembourg	52.8	62.8
Iberia	58.7	68.8
United Kingdom	101.1	116.1
Other European countries	40.6	48.8
North America	85.8	105.0
Rest of the world	68.5	69.7
	791.2	929.1

Additions acquisition-related intangible assets due to acquisitions by operating segment:

	2009	2008
Netherlands	-	145.2
France	-	285.4
Germany	-	15.6
Belgium/Luxembourg	-	66.4
Iberia	-	75.1
United Kingdom	-	153.9
Other European countries	-	44.2
North America	-	111.3
Rest of the world	-	88.6
	-	985.7

19. Software

	2009	2008
Cost	212.6	114.7
Accumulated amortization and impairment	152.3	79.4
Balance at January 1	60.3	35.3
Book value at January 1	60.3	35.3
Acquisition of subsidiaries	-	29.0
Disposal of subsidiaries	(0.2)	(0.1)
Additions	31.1	33.7
Disposals	0.0	0.0
Amortization	(27.1)	(22.8)
Impairment software	-	(13.6)
Translation differences	0.9	(1.2)
Balance at December 31	65.0	60.3
Cost	210.9	212.6
Accumulated amortization and impairment	145.9	152.3
Balance at December 31	65.0	60.3

The difference between the amount included as additions in the software movement schedule (€ 31.1 million) and the amount included in the statement of cash flows (€ 14.6 million) represents the combined effect (€ 16.5 million) of prepayments and deferred payments.

Software by operating segment:

	2009	2008
Netherlands	13.4	13.3
France	13.4	14.9
Germany	6.0	5.2
Belgium/Luxembourg	12.1	10.1
Iberia	1.9	1.4
United Kingdom	3.6	3.5
Other European countries	2.7	2.0
North America	5.9	5.5
Rest of the world	6.0	4.4
	65.0	60.3

Additions software by operating segment:

	2009	2008
Netherlands	8.2	11.5
France	3.9	4.8
Germany	4.2	3.9
Belgium/Luxembourg	4.5	7.5
Iberia	1.1	1.2
United Kingdom	1.7	0.8
Other European countries	1.6	0.7
North America	2.6	1.8
Rest of the world	3.3	1.5
	31.1	33.7

20. Deferred and current income taxes

20.1 Deferred income tax assets

Deferred tax assets are attributable to the following:

	2009	2008
Goodwill	79.6	98.4
Tax losses carry-forward	172.2	136.0
Temporary differences	213.5	187.6
Total deferred income tax assets	465.3	422.0

Deferred tax assets in relation to goodwill comprise the tax effects arising from goodwill that has been directly charged to shareholders' equity at acquisition date, based on (Dutch) accounting principles prevalent at that time and in accordance with the exemptions offered by IFRS 1 at the date of transition to IFRS (January 1, 2004).
Deferred tax assets in relation to tax losses carry-forward comprise an amount of € 171 million (2008: € 124 million) in receivables originating from subsidiaries that showed (tax) losses in the current or preceding year.

Deferred tax assets in relation to temporary differences originate from differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The composition of deferred tax assets in relation to temporary differences is as follows:

	2009	2008
Property, plant, equipment and intangible assets	51.9	13.2
Other receivables/other payables	139.3	127.9
Provisions	22.3	46.5
	213.5	187.6

The recoverability of deferred tax assets resulting from net operating losses and timing differences is reviewed and assessed annually, using forecasts that are based on the actual operating results and the expected future performance based on management's estimates and assumptions of revenue growth and development of operating margins of the Group companies concerned, assessed with external data. Significant judgment is required. Deviations from these estimates and assumptions can affect the value of deferred tax assets and may, in that case, have a material impact on the effective tax rate. The actual outcome may differ significantly from the outcome estimated by management.

These projections are based on internal projections and strategic plans and are assessed with a number of scenarios to cover reasonable changes in the assumptions of the projections. These changes mainly relate to variations in revenue growth percentages and operating margin percentages. The deferred tax assets are only recognized to the extent that it is considered probable that future taxable profits will be available against which these deferred tax assets can be utilized.
The several scenarios give potential outcomes that deviate from the carrying amount within a range of up to € 50 million, upwards or downwards.

Certain deferred tax assets, the recoverability of which is considered not probable, are valued at nil. These comprise deferred tax assets relating to goodwill of approximately € 3 million (2008: approximately € 4 million), deferred tax assets in relation to tax losses carry-forward of approximately € 121 million (2008: approximately € 66 million) and deferred tax assets relating to other temporary differences of approximately € 12 million (2008: approximately € 27 million). The majority of the unrecognized tax losses will expire between 2022 and 2028.

The part of deferred tax assets that is expected to be recovered within one year is estimated at € 12 million (2008: € 10 million).

20.2 Deferred income tax liabilities

Deferred income tax liabilities are attributable to the following:

	2009	2008
Recapture obligations	201.0	58.5
Temporary differences	273.7	283.4
Total deferred income tax liabilities	474.7	341.9

The deferred tax liability with respect to recapture obligations ensues from incorporation in the Netherlands of tax losses incurred by subsidiaries (2009 and 2008: Germany only). The increase in 2009 compared to 2008 relates for an amount of € 151 million to a decrease in the value of certain non-Dutch subsidiaries that was taken into account for Dutch tax purposes. If and as far as the value of these non-Dutch subsidiaries increases, a corresponding taxable income must be taken into account; the amount will ultimately be paid back in 2012. The obligation relating to tax losses incurred in Germany will materialize if and as far as taxable income is realized by the German subsidiaries. These obligations do not affect the effective tax rate.

In 2008, an amount of € 186 million with respect to recapture obligations was released to the income statement after restructuring of the US subsidiaries of the Group, since it is considered highly unlikely that these have to be paid in the future. As soon as this obligation is expected to materialize in the future, this will lead to a tax liability and an increase in the effective tax rate.

The deferred tax liability for temporary differences originates from differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. An amount of € 234.3 million (2008: € 273.3 million) is included in temporary differences in relation to the valuation of acquisition-related intangible assets upon acquisition.

The part of deferred tax liabilities that is expected to be settled within one year is estimated at € 48 million (2008: € 68 million).

20.3 Movements in deferred taxes

	Goodwill	Tax losses carry forward	Temporary differences	Recapture obligations
Deferred tax assets	98.4	136.0	187.6	-
Deferred tax liabilities	-	-	(283.4)	(58.5)
Balance at January 1, 2009	**98.4**	**136.0**	**(95.8)**	**(58.5)**
Movements during the year				
Disposal of subsidiaries	-	-	(2.2)	-
Income statement	1.7	(31.0)	41.5	-
Other movements	(19.2)	70.2	3.6	(142.5)
Translation differences	(1.3)	(3.0)	(7.3)	-
Total movements	**(18.8)**	**36.2**	**35.6**	**(142.5)**
Deferred tax assets	79.6	172.2	213.5	-
Deferred tax liabilities	-	-	(273.7)	(201.0)
Balance at December 31, 2009	**79.6**	**172.2**	**(60.2)**	**(201.0)**

20.4 Movements in total position taxes on income

	2009	2008
Assets / (liabilities) taxes on income		
Deferred tax assets	422.0	282.5
Current income tax receivables	67.7	20.1
Deferred tax liabilities	(341.9)	(287.3)
Current income tax liabilities	(41.6)	(57.5)
Balance at January 1	**106.2**	**(42.2)**
Movements during the year		
Credited to income statement	23.2	121.0
Net (receipts)/payments	(85.6)	205.4
Acquisition of subsidiaries' deferred taxes	-	(242.8)
Acquisition of subsidiaries' current taxes	-	33.8
Disposal of subsidiaries' deferred taxes	(2.2)	(0.3)
Disposal of subsidiaries' current taxes	(0.1)	-
Recognized in shareholders' equity	1.8	10.0
Translation differences	(10.6)	21.3
Total movements	**(73.5)**	**148.4**
Assets / (liabilities) taxes on income		
Deferred tax assets	465.3	422.0
Current income tax receivables	64.6	67.7
Deferred tax liabilities	(474.7)	(341.9)
Current income tax liabilities	(22.5)	(41.6)
Balance at December 31	**32.7**	**106.2**

21. Financial assets

	2009	2008
Held-to-maturity investments	60.8	54.7
Loans and receivables	4.5	6.7
Investment	-	12.6
	65.3	**74.0**

The held-to-maturity investments, loans and receivables are neither past due nor impaired. These financial assets have counterparties such as (semi-) governmental bodies or insurance companies. Held-to-maturity investments represent loans that are granted interest-free by the French subsidiaries annually in relation to legal arrangements for payment of certain social security charges. These annual loans have a repayment term of 20 years each. These investments have an average remaining term of 12 years (2008: 13 years) and an effective interest rate of 4.7% (2008: 4.8%). The nominal value of held-to-maturity investments amounts to € 109 million (2008: € 100 million) and represents best the maximum exposure to credit risk. The book value of held-to-maturity investments approximates the fair value as of January 1 and December 31, 2009. The recognition to fair value in the amount of € 5.8 million (2008: € 5.1 million) is included in cost of services.

The loans and receivables do not have a fixed maturity date; the average effective interest rate is 3.5% (2008: 4.0%). The book value of the loans and receivables approximates the fair value as of January 1 and December 31, 2009, and represents best the maximum exposure to credit risk.

The 2008 investment of € 12.6 million represents a 10% shareholding in a Japanese staffing company. As from mid 2009, the Group has significant influence over the financial and operational policies of this company and as a consequence the 10% shareholding is accounted for as associate and reclassified in full to associates.

The Group does not hold any collateral as security.

21.1 Held-to-maturity investments

	2009	2008
Balance at January 1	**56.4**	**6.2**
Acquisition of subsidiaries	-	45.8
Additions at face value	10.4	9.3
Recognition to fair value	(5.8)	(5.1)
Redemptions	(1.7)	(1.4)
Interest due to passage of time	2.7	1.6
Balance at December 31	**62.0**	**56.4**
Non-current portion	60.8	54.7
Current portion	1.2	1.7
Total held-to-maturity investments	**62.0**	**56.4**

21.2 Loans and receivables

	2009	2008
Balance at January 1	**6.7**	**4.3**
Acquisitions of subsidiaries	-	3.1
Additions	0.1	0.2
Redemptions	(2.5)	(0.8)
Translation differences	0.2	(0.1)
Balance at December 31	**4.5**	**6.7**

The loans and receivables are expected to be non-current in full.

In the statement of cash flows under loans and receivables for 2008 is included the net cash receipt for loans and receivables (€ 0.6 million) and the cash outlay for the investment (€ 12.6 million).

22. Associates

	2009	2008
Balance at January 1	**2.0**	**480.9**
Acquisitions of subsidiaries	-	2.9
Reclassifications from investments	12.6	-
Acquisitions	5.6	-
Disposals	0.0	(0.9)
Dividend received	(0.3)	(9.4)
Share of (loss)/profit	(0.5)	3.8
Translation differences	(1.5)	0.0
Accounted for as a consolidated subsidiary	-	(475.3)
Balance at December 31	**17.9**	**2.0**

One of the associates, with a carrying amount of € 16.3 million, is a publicly listed company in Japan. The fair value of this associate amounts to € 8.6 million, and is based on the listed share price. The reporting date of this associate is March 31.
The assets and liabilities of this associate – based on the balance sheet as per September 30, 2009 – amounts to € 140 million and € 95 million respectively. Revenue amounts to approximately € 720 million on an annual basis (based on financial statements 2008/2009). Our share in net income is approximately zero.

As at December 31, 2009, the Group has other investments in associates, amounting in total to € 1.6 million (2008: € 2.0 million). The total assets and total liabilities of these associates amount to approximately € 14 million (2008: € 16 million) and € 3 million (2008: € 4 million) respectively. Total revenue in 2009 amounted to € 8 million (2008: € 8 million). Our share in net income was € -0.5 million (2008: approximately zero).

As at January 1, 2008, the Group had an investment in Vedior N.V., representing a holding of 15% of the shares in Vedior N.V., following the company's announcement of the public offer for the shares of Vedior N.V. This public offer was effectuated during 2008 and as of May 16, 2008 the Vedior group of companies is consolidated. The share of profit in the amount of € 3.8 million is related to our share in net income of Vedior N.V. for the period January 1 – May 16, 2008.

23. Trade and other receivables

	2009	2008
Trade receivables	2,036.7	2,587.4
Less: provision for impairment	71.5	83.5
Trade receivables, net of provision for impairment	1,965.2	2,503.9
Other receivables	244.3	261.1
Prepayments	55.6	53.7
Held-to-maturity investments	1.2	1.7
	2,266.3	**2,820.4**

Refer to note 36 for the movement in the provision for impairment of trade receivables.

The book value of these receivables equals the fair value.

The Group does not hold any collateral as security.

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24. Cash and cash equivalents

	2009	2008
Time deposits	79.7	530.5
Cash on hand and at banks	190.4	300.5
	270.1	831.0

The time deposits fall due within a one-month average. The average interest rate for the time deposits is 0.3% (2008: 1.9%). An amount of € 255.6 million out of € 270.1 million (2008: € 831.0 million out of € 831.0 million) is available upon demand.

25. Total assets

Assets by operating segment include all assets with the exception of deferred tax assets, current income tax receivables and cash and cash equivalents.

	2009	2008
Total assets	6,458.1	7,722.8
Less:		
- deferred tax assets	465.3	422.0
- current income tax receivables	64.6	67.7
- cash and cash equivalents	270.1	831.0
Assets by operating segment	**5,658.1**	**6,402.1**

Assets by operating segment are:

	2009	2008
Netherlands	1,401.2	1,734.9
France	1,325.7	1,606.9
Germany	475.3	656.5
Belgium/Luxembourg	429.9	501.9
Iberia	340.4	372.0
United Kingdom	565.7	598.8
Other European countries	264.9	308.1
North America	508.3	578.2
Rest of the world	340.0	320.1
Corporate	52.3	61.2
Eliminations	(45.6)	(336.5)
	5,658.1	6,402.1

26. Shareholders' equity and dividends per share

26.1 Shareholders' equity

Authorized and issued capital

Authorized capital is € 75 million (2008: € 75 million) and consists of 325,000,000 (2008: 325,000,000) ordinary shares with a nominal value of € 0.10, a further 75,000 (2008: 75,000) type-A preferred shares with a nominal value of € 500 and 50,000,000 (2008: 50,000,000) type-B preferred shares with a nominal value of € 0.10.

Issued share capital consists of 169,559,691 ordinary shares (2008: 169,543,025) and 25,200,000 type-B preferred shares (2008: 25,200,000) at year-end. For information regarding the rights, preferences and restrictions on each type of share, please refer to Voting rights in the corporate governance section on page 60.

The issue of ordinary shares for the acquisition of Vedior N.V. in 2008 was related to the acquisition of 78.5% of the shares of Vedior N.V. as per May 16 in a mixed cash/share offering and of 6.5% of the shares of Vedior N.V. as per July 1, 2008. On July 1, 2008, based upon the Extraordinary General Meeting of shareholders of June 26, 2008, Randstad Holding nv legally merged with Vedior N.V. At that time the remaining outstanding shares (6.5%) of Vedior N.V. were acquired.

Early in 2008, the conditions of the preferred shares changed such that preferred shares classify as equity instead of as a liability; the carrying amount of € 165.8 million has been transferred from non-current liabilities to shareholders' equity. The current conditions of the preferred shares are such that the holders of the preferred shares receive a dividend at the company's discretion, that dividend is preferred and cumulative, and that the voting rights are 1 vote per 7 preferred shares.

The dividend on preferred shares is reviewed every seven years. The last review took place in November 2005 and the dividend has been set at € 0.284 per preferred share. The next review of the dividend will take place in November 2012. Only the executive board can propose to the Annual General Meeting of shareholders to decide that the preferred shares be repaid.

Share premium

Share premium consists of € 1,851.0 million share premium on ordinary shares (2008: € 1,850.6 million) and € 163.3 million share premium on preferred shares (2008: € 163.3 million) at year-end. The share premium includes a deduction for directly attributable costs of € 0.9 million (2008: € 0.9 million), with respect to ordinary shares and nil with respect to preferred shares, both calculated from January 1, 2004 onwards (the date of transition to IFRS).

Number of outstanding ordinary and preferred shares:

	2009		2008	
	Ordinary shares	Preferred shares	Ordinary shares	Preferred shares
Outstanding at January 1	169,543,025	25,200,000	116,606,865	25,200,000
Issued for acquisition Vedior N.V.	-	-	52,702,702	-
From share-based payment arrangements	16,666	-	233,458	-
Outstanding at December 31	**169,559,691**	**25,200,000**	**169,543,025**	**25,200,000**

Translation reserve

The translation reserve comprises all translation differences arising from the translation of the net investment in activities in currencies other than the euro starting January 1, 2004, as well as translation differences of financial liabilities designated as hedges of such investments, to the extent that the hedge is effective. Such translation differences are recognized initially in this separate component of shareholders' equity and recognized in the income statement on disposal of the net investment.

Other information

Refer to note 6 of the company financial statements for the restrictions on the distribution of dividends and the repayment of capital.

The company has various share-based payment arrangements. Additional information with regard to these arrangements is included in note 40. Included in the income statement is an amount of € 14.4 million (2008: € 13.5 million) for share-based payments.

At year-end 2009, 3.9 million stock options and performance shares (2008: 2.7 million) are outstanding, which upon exercise will lead to the issuance of the same number of new ordinary shares.

At December 31, 2009 and 2008, the company held no treasury shares.

Additional information about shareholders' equity is included in the consolidated statement of changes in equity.

26.2 Dividends on ordinary and preferred shares

No dividend has been paid on ordinary shares in 2009. Dividends paid in 2008 on ordinary shares amounted to € 146.0 million (€ 1.25 per share). Dividends paid in 2009 on preferred shares amounted to € 7.2 million (2008: € 7.2 million) or € 0.284 per preferred share (2008: € 0.284 per preferred share).

At the Annual General Meeting of shareholders to be held on March 25, 2010, it will be proposed by the executive board with the approval of the supervisory board that no dividend be paid on ordinary shares for the year 2009; for preferred shares it will be proposed by the executive board with the approval of the supervisory board that a dividend of € 7.2 million be paid. The dividend proposal has not been included as a liability in these financial statements.

Dividends on ordinary and preferred shares during recent years are:

	Dividend related to		
	2009	2008	2007
Ordinary shares			
- dividend paid during 2008			146.0
- dividend paid during 2009		0.0	
- dividend 2009 proposed	0.0		
Preferred shares			
- dividend paid during 2008			7.2
- dividend paid during 2009		7.2	
- dividend 2009 proposed	7.2		

27. Borrowings

	2009	2008
Non-current borrowings comprising drawings on multi-currency syndicated revolving credit facility	1,244.2	2,392.8
Other non-current borrowings	-	9.1
Non-current borrowings	**1,244.2**	**2,401.9**
Current borrowings	**40.6**	**70.1**
	1,284.8	2,472.0

Movements in non-current borrowings are:

	2009	2008
Balance at January 1	**2,401.9**	**460.0**
Drawings	-	2,391.6
Acquisition of subsidiaries	-	12.7
Repayments of syndicated loan, net	(1,167.0)	(460.0)
Repayment of other non-current borrowings	(9.1)	(6.2)
Amortization of transaction costs	10.0	3.8
Translation differences	8.4	0.0
Balance at December 31	**1,244.2**	**2,401.9**

At December 31, 2009, the company has a € 2,295 million (originally € 2,700 million) multi-currency syndicated revolving credit facility at its disposal, consisting of a remaining four-year amortizing term senior multi-currency credit facility ('Term facility') of € 675 million (originally € 1,080 million) and a four-year revolving senior multi-currency credit facility ('Revolving facility') of € 1,620 million. In 2009, € 405 million has been repaid on the Term facility, including a € 270 million repayment that had been scheduled for 2010. As a consequence of the early repayment, the next repayment obligation on the Term facility is scheduled for May 2011. The remainder of the total repayments of syndicated loan (€ 762 million) is related to the Revolving facility. There is no pre-arranged repayment schedule for the Revolving facility; this facility will mature in 2013. See note 36.2.2 for the net debt to EBITDA ratio covenant.

The total drawings at the end of 2009 are the net amount of drawings on the above-mentioned facilities amounting to € 1,258.3 million (2008: € 2,416.9 million) and of transaction costs directly attributable to these drawings in the amount of € 14.1 million (2008: € 24.1 million).
The credit facility has an interest rate that is based each time on the term of the drawings, increased with a margin above the applicable Euribor or Libor rates. This margin is variable and depends on the (senior) net debt leverage ratio. The average interest rates at year-end are 1.73% for drawings in euros, 0.98% for drawings in US dollars, 1.56% for drawings in UK pounds sterling and 4.27% for drawings in Australian dollars, for a term shorter than one month, and are also the effective interest rates because the interest rate on the credit facility fluctuates with market trends.
The non-current borrowings are mainly denominated in euros, except for US dollars (€ 168 million), UK pounds sterling (€ 36 million) and Australian dollars (€ 34 million). All amounts denominated in currencies other than the euro are designated as hedges of the net investment in the Group's subsidiaries in the US, the UK and Australia. These net-investment hedges are all considered effective.
Current borrowings are denominated in various currencies. An amount of € 2 million is denominated in UK pounds sterling (2008: € 23 million) and an amount of € 19 million is denominated in Indian rupees (2008: € 15 million).
As per December 31, 2009 an amount of € 4 million was also denominated in US dollars and an amount of € 7 million was denominated in Argentine pesos.
Since the interest rates on the current borrowings fluctuate with the market, the effective interest rates are considered equal to the actual rates.

Negative pledges have been issued for the purposes of bank overdraft facilities and 'pari passu' clauses apply.
At year-end, the Group has no outstanding interest rate or currency derivatives.

The total amount of committed credit facilities is € 2,295 million (2008: € 2,700 million).
Furthermore the Group launched a standby facility in 2009 with a bank for the securitization of accounts receivable. This facility offers the Group the opportunity to sell accounts receivable of its Belgian entities with a maximum of € 125 million.

28. Employee benefit obligations

	2009	2008
Pensions	10.0	10.8
Other employee benefits	4.6	6.0
	14.6	16.8

The obligations for Employee benefits are considered non-current.

28.1 Pensions

The obligations for pensions relate to the following items:

	2009	2008
Defined benefit plan, corporate employees Belgium	(1.5)	(1.8)
Defined benefit plan, staffing and corporate employees Switzerland	1.6	1.8
Defined benefit plan, corporate employees Germany	8.8	9.0
Defined benefit plan, corporate employees the Netherlands	1.1	1.8
	10.0	10.8

The breakdown of the obligations for the defined benefit pension plans is:

	2009	2008
Present value of funded obligations	48.0	59.7
Present value of unfunded obligations	1.1	1.8
Total present value of obligations	49.1	61.5
Fair value of plan assets	(33.5)	(48.5)
	15.6	13.0
Unrecognized actuarial losses	(5.6)	(2.2)
Liability in the balance sheet	10.0	10.8

As a result of a curtailment in the pension arrangement in Switzerland, the defined benefit obligation has decreased by € 1.2 million.

The amounts recognized in the income statement are:

	2009	2008
Current service costs, employer	3.6	4.4
Amortization of gains and losses	0.7	0.3
Curtailment gain	(0.7)	-
Effect of asset ceiling test	0.8	-
Expected return on plan assets	(1.5)	(2.3)
Charged to operating result	2.9	2.4
Interest expenses due to passage of time	2.4	2.5
Charged to income statement	5.3	4.9

The movements in the present value of the defined benefit pension plan obligations are:

	2009	2008
Balance at January 1	61.5	43.1
Acquisition of subsidiaries	-	20.1
Disposal of subsidiaries	(0.3)	-
Current service costs, total	5.8	6.7
Interest expenses due to passage of time	2.4	2.5
Benefits paid	(12.5)	(11.1)
Plan settlement	(3.9)	-
Curtailment	(1.2)	-
Unrecognized actuarial results, net	(2.6)	(2.0)
Translation differences	(0.1)	2.2
Balance at December 31	49.1	61.5

The movements in the fair value of the plan assets with respect to defined benefit pension plans are:

	2009	2008
Balance at January 1	48.5	30.6
Acquisition of subsidiaries	-	11.9
Expected return on plan assets	1.5	2.3
Contributions, employees	2.2	2.3
Contributions, employers	4.6	4.5
Benefits paid	(11.3)	(2.9)
Unrecognized actuarial results, net	(8.0)	(2.4)
Plan settlement	(3.9)	-
Translation differences	(0.1)	2.2
Balance at December 31	33.5	48.5

The major categories of plan assets as a percentage of the fair value of total plan assets are:

	2009	2008
Cash	6.6%	11.0%
Bonds	50.0%	35.4%
Equity instruments	36.2%	38.4%
Real estate	6.0%	6.0%
Other	1.2%	9.2%
	100.0%	100.0%

The overall expected rate of return on plan assets is determined by considering the expected market returns available on the assets underlying the current investment policy, supported by rates of returns experienced in the respective markets.

The actual return on plan assets was € 4.7 million (2008: € -7.0 million).
The principal actuarial assumptions used for defined benefit plans are:

	2009	2008
Discount rate	3.6 - 6.2%	3.3 - 6.0%
Expected return on plan assets	2.5 - 6.3%	4.4 - 6.3%
Expected salary increases	1.1 - 8.2%	1.5 - 8.2%
Expected pension increases	0.1 - 1.5%	0.5 - 1.5%

The average life expectancy in years of an individual retiring at the age of 65 on the balance sheet date is:

	2009	2008
Male	17.3 - 22.0	17.3 - 18.6
Female	20.4 - 25.8	21.2 - 22.7

The assumptions regarding future mortality are based on published statistics and mortality tables in each territory.
The Group expects the 2010 contributions to be paid for defined benefit plans to be approximately € 5.3 million, excluding the impact of acquisitions and disposals.

Changes in the assumptions for the provision for pensions are believed to have no material effects on the consolidated figures.

28.2 Provisions for other employee benefits

The obligations for other employee benefits relate to several termination indemnity and long service leave plans.

Movements in the obligations for other employee benefits are:

	2009	2008
Balance at January 1	6.0	5.2
Acquisition of subsidiaries	-	3.4
Current service costs	(0.1)	0.5
Interest expenses due to passage of time	0.1	0.1
Benefits paid	(1.6)	(3.0)
Translation differences	0.2	(0.2)
Balance at December 31	4.6	6.0

The average effective interest rate used in the calculation of the obligations for other employment benefits amounts to 5.1% (2008: 5.4%).

The obligations regarding other employee benefits are unfunded.

Changes in the assumptions for the provision for other employee benefits are believed to have no material effects on the consolidated figures.

28.3 Historical information

An overview for the current and prior periods for the total of defined benefit pension plans and other employee benefit plans is:

	2009	2008	2007	2006
Present value of defined benefit obligations	53.7	67.5	48.3	40.3
Fair value of plan assets	33.5	48.5	30.6	22.9
Deficit	20.2	19.0	17.7	17.4

The experience adjustments of defined benefit pension plans in recent years are:

	2009	2008	2007	2006
Experience adjustments arising on plan liabilities, losses/(gains)	(0.2)	(1.3)	0.7	(0.4)
Experience adjustments arising on plan assets, losses/(gains)	(3.3)	9.2	1.3	(0.6)

29. Provisions

	Restructuring	Workers' compensation	Other	Total
Non-current provisions	0.9	17.6	15.4	33.9
Current provisions	4.0	12.3	22.0	38.3
Balance at January 1, 2008	4.9	29.9	37.4	72.2
Acquisition of subsidiaries	14.0	7.7	48.1	69.8
Disposal of subsidiaries	-	-	(0.2)	(0.2)
Reclassification to deferred consideration	-	-	(4.9)	(4.9)
Reclassification to goodwill	-	-	(0.7)	(0.7)
Charged to income statement	44.7	21.2	18.9	84.8
Interest due to passage of time	-	1.4	0.4	1.8
Released to income statement	-	-	(20.8)	(20.8)
Withdrawals	(16.2)	(21.7)	(8.3)	(46.2)
Translation differences	(0.6)	1.8	0.1	1.3
Balance at December 31, 2008	46.8	40.3	70.0	157.1
Non-current provisions	4.3	28.6	19.7	52.6
Current provisions	42.5	11.7	50.3	104.5
Balance at December 31, 2008	46.8	40.3	70.0	157.1
Charged to income statement	70.1	19.5	9.2	98.8
Interest due to passage of time	-	1.8	0.2	2.0
Released to income statement	(5.6)	0.0	(2.8)	(8.4)
Withdrawals	(51.2)	(22.2)	(5.7)	(79.1)
Translation differences	0.7	(0.9)	0.1	(0.1)
Balance at December 31, 2009	60.8	38.5	71.0	170.3
Non-current provisions	7.0	14.5	36.5	58.0
Current provisions	53.8	24.0	34.5	112.3
Balance at December 31, 2009	60.8	38.5	71.0	170.3

The restructuring provision comprises the costs of restructuring measures taken at several subsidiaries.

The effective interest rate that is used in the calculation of the provision for workers' compensation is in a range of 2.5% to 4.0% (2008: 5.0%). The effect of the change in the effective interest rate from 5% to a range of 2.5% to 4% amounts to € 1.5 million and is included in the charge to the income statement of € 19.5 million.

Other provisions consist primarily of provisions for claims of third parties.

The non-current part of these provisions is for the major part expected to be settled within three years after the balance sheet date.

With respect to provisions, the provision for workers' compensation is sensitive to changes in the interest rate. Should the interest rate deviate by 1%-point, with all other variables held constant, the amount of the provision would deviate in a range of € 1 – 2 million.

30. Other liabilities

Other liabilities include mainly liabilities with respect to put options from minority shareholders (deferred considerations) as well as a small part for deferred payments from other business combinations (together: € 116.9 million; 2008: € 165.3 million). Furthermore it includes a deferred payment in relation to software in the amount of € 11.9 million (2008: zero).

	2009	2008
Balance at January 1	165.3	-
Acquisition of subsidiaries	-	182.3
Additions	11.9	-
Reclassification from provisions	-	4.9
Acquisitions minority interests	(35.8)	(16.8)
Disposals majority interests	(14.1)	(1.9)
Translation differences	3.6	(7.6)
Changes in value	(9.0)	-
Interest due to passage of time	6.9	4.4
Balance at December 31	128.8	165.3
Non-current portion	73.7	124.1
Current portion	55.1	41.2
	128.8	165.3

The effective interest rate amounts to 5.0% (2008: 5.0%)

31. Trade and other payables

	2009	2008
Trade payables	110.2	161.1
Other taxes and social security premiums	824.1	833.8
Pension contributions	9.5	36.2
Wages, salaries and other personnel costs	673.9	781.0
Other accruals	228.9	273.7
Deferred income	23.3	21.4
	1,869.9	2,107.2

As from 2009, the current part of other liabilities is separately presented on the face of the balance sheet. The comparative figures for trade and other payables have been changed accordingly.

32. Operating working capital

Operating working capital as calculated below excludes the current part of held-to-maturity investments and current other liabilities.

	2009	2008
Working capital	500.6	1,354.5
Adjusted for:		
- cash and cash equivalents	(270.1)	(831.0)
- current income tax receivables	(64.6)	(67.7)
- current part held-to-maturity investments	(1.2)	(1.7)
- current income tax liabilities	22.5	41.6
- current borrowings	40.6	70.1
- current other liabilities	55.1	41.2
- current provisions	112.3	104.5
Operating working capital	395.2	711.5

Operating working capital by operating segment:

	2009	2008
Netherlands	(78.6)	239.9
France	(4.2)	132.9
Germany	5.1	136.9
Belgium/Luxembourg	12.5	37.1
Iberia	120.6	140.2
United Kingdom	76.3	92.6
Other European countries	27.1	33.6
North America	113.6	128.4
Rest of the world	46.1	54.8
Corporate	76.7	(284.9)
	395.2	711.5

33. Commitments

	2009	2008
Commitments less than 1 year	182	216
Commitments more than 1 year, less than 5 years	268	350
Commitments more than 5 years	72	109
	522	675

Commitments comprise, almost exclusively, lease contracts for branches and lease contracts for IT equipment and automobiles.

No guarantees have been issued other than those in relation to commitments from rent and leases, and those in relation to liabilities that are included in the balance sheet.

34. Auditors' fees

The following auditors' fees were expensed in the income statement in the reporting period:

	2009	2008
Audit of the financial statements[1]	4.4	4.2
Audit of the financial statements by other audit firms	0.3	1.0
Subtotal for audit of the financial statements[2]	4.7	5.2
Other audit procedures[1]	0.5	0.5
Tax services[1]	0.2	0.4
Other non-audit services[1]	0.0	0.9
Total	5.4	7.0

1 The fees listed above relate to the procedures applied to the company and its consolidated Group entities by PricewaterhouseCoopers as the external auditor referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Wta), as well as by the PricewaterhouseCoopers network.

2 Including the audit fees with respect to the local statutory financial statements.

35. Business combinations

Information about acquisitions

During 2009 and 2008 the following companies were acquired:

Company	Acquired % of shares	Acquisition date	Earnout/ put-call arrange-ments
2008			
Vedior N.V. (The Netherlands)	100	May 16, 2008	No
Management Angels GmbH (Germany)	100	July 1, 2008	Yes
2009			
Vedior Career Inc (Japan)	(remaining) 40	June 3, 2009	No
Flandr' Invest SAS (France)	100	November 2, 2009	No

The main activities of these companies are temporary and contract staffing, including search and selection activities. The put-call arrangements generally comprise agreements with the previous owners of acquired companies that still hold a minority interest (see also note 2.21).

In 2009 the Group acquired the remaining shares in a Japanese company, a French holding company (as part of the exercise of a put/call option) and businesses in the United States, with total (current) assets of € 0.1 million and total (current) liabilities of € 0.1 million. These acquisitions resulted in a cash outflow of € 0.9 million, as well as in goodwill of € 0.9 million. As the activities are already consolidated in full in 2009, no additional contribution to revenue and operating profit resulted from these acquisitions.

The reconciliation of the amount of acquisition of subsidiaries in the statement of cash flows is as follows:

	2009	2008
Total consideration	0.9	3,247.5
Shares purchased in preceding years	-	(478.9)
Issued shares	-	(1,417.4)
Deferred consideration	-	(9.0)
Consideration paid	0.9	1,342.2
Net debt of subsidiaries acquired, included in working capital	-	566.7
Consideration paid, adjusted for net debt acquired for acquisitions during the year	0.9	1,908.9
Consideration paid in respect of acquisitions in preceding years	35.8	22.5
Acquisition of subsidiaries, statement of cash flows	36.7	1,931.4

In 2008 Randstad Holding nv acquired Vedior N.V. The purchase price allocation was finalized during 2009. This finalization resulted in a minor adjustment to goodwill of € 9.3 million as a result of revised working capital.

The assets and liabilities arising from the acquisition in 2008, as well as the breakdown of the total amount of goodwill based on the final purchase price allocation and the provisional purchase price allocation, are:

	2008	
	Final purchase price allocation	Provisional purchase price allocation
Property, plant & equipment and software	109.1	109.1
Acquisition-related intangible assets	985.7	985.7
Deferred tax assets	83.6	83.6
Financial assets	48.9	48.9
Associates	2.9	2.9
Total non-current assets	1,230.2	1,230.2
Working capital	(53.2)	(43.9)
Borrowings	(12.7)	(12.7)
Deferred income tax liabilities	(326.4)	(326.4)
Other liabilities	(166.2)	(166.2)
Provisions	(38.6)	(38.6)
Total non-current liabilities	(543.9)	(543.9)
Net assets	633.1	642.4
Minority interests	(3.1)	(3.1)
Net assets acquired	630.0	639.3
Plus: net value already included in associates	20.1	20.1
Sub-total	650.1	659.4
Goodwill	2,597.4	2,588.1
Total consideration	3,247.5	3,247.5

Goodwill is based on the expected costs of the acquisition, amounting to € 3,247.5 million (2008: € 3,247.5 million), of which € 1,417.4 was paid in shares. The remaining expected costs of acquisitions are (to be) paid in cash. The acquisition costs included in the total amount of goodwill of € 2,597.4 million (2008: provisionally € 2,588.1 million) amounts to € 23.2 million (2008: € 23.2 million).

In 2008, the acquired businesses contributed € 4,864.2 million to the Group's revenue and € 94.5 million to the Group's operating profit. If these acquisitions had occurred on January 1, 2008, their contribution to Group revenue and normalized operating profit (excluding impairment) would have been approximately € 8,011 million and € 183 million respectively.

Goodwill is mainly attributable to the synergies expected to arise after the Group's acquisition of these companies and to the workforce of the acquired businesses.

Information about disposals
In 2009 the Group disposed of activities in the Netherlands, the UK, Japan, Eastern Europe and Belgium, with a cash consideration of € 40.0 million. The disposed activities represented a net value of assets and liabilities of € 18.3 million (2008: € 11.8 million for disposals in Portugal and in Spain, both in the staffing segment). The reconciliation of the amount of disposals of subsidiaries and activities in the statement of cash flows is as follows:

	2009	2008
Property, plant and equipment and software	1.4	2.0
Goodwill	13.6	-
Deferred tax	2.2	0.3
Working capital	15.5	16.5
Provisions	(0.3)	(0.2)
Other liabilities	(14.1)	(1.9)
	18.3	16.7
Minority shareholders	(1.8)	(0.2)
Net assets and liabilities	16.5	16.5
Book profit	23.5	3.8
Total consideration	40.0	20.3
Deferred receipt	-	0.0
Consideration received in respect of the disposal of subsidiaries	40.0	20.3
Net cash of disposed subsidiaries	(8.2)	(4.7)
Disposal of subsidiaries, statement of cash flows	31.8	15.6

36. Capital and financial risk management

36.1 Capital Management
Randstad Holding's policy is to maintain a strong capital base. We aim to be perceived as investment grade at all times. We believe this is important in order to maintain candidate, client, creditor and investor confidence and to sustain the future development of our business.
We aim to safeguard the Group's ability to continue as a going concern in order to provide returns for our shareholders and maintain an optimal capital structure to optimize the cost of capital.

We monitor the geographic spread of shareholders as well as the concentration of shareholdings, including stakes in the share capital of above 5%. We aim to maintain a good balance between stability and liquidity of the shares.
The contract Randstad signed with its leading shareholder (for details please refer to page 66 of this annual report) is in line with the aim of achieving continuity. To ensure a good geographic spread we include many different countries in our roadshow programs, while we aim to include all investor types in these schedules as well as to ensure liquidity.
In 2007 we reviewed our capital structure. Randstad maintains its long-term and conservative view on its balance sheet. We target a leverage ratio (net debt/EBITDA) of between 0 and 2, independent of the size of the company. This range is in line with our aim to be perceived as investment grade.

Randstad updated its dividend policy as from 2007. We aim at a floor of € 1.25 in the dividend and consistent dividend growth through the cycle, based on a flexible payout ratio of 30% to 60% of net profit adjusted for amortization of acquisition-related intangible assets. The policy is in line with the cash flow trends, which usually show a more gradual development than earnings trends. In severe market circumstances the leverage ratio target prevails over the dividend policy and Randstad therefore did not pay a dividend over 2008.

36.2 Financial risk management
The Group's activities expose it to a variety of financial risks, including credit risk, liquidity risk, foreign currency exchange risk and interest rate risk. One of the key objectives of the Group's risk & control framework is to minimize potential adverse effects on the financial performance of the Group.

Risk management procedures are carried out under policies that have been approved by the executive board. Risk management procedures, as well as the actual financial risks, are also the subject of discussion in the audit committee of the supervisory board. Our risk & control framework is in place to ensure that risks are detected, measured and reported properly.

36.2.1 Credit risk
Credit risk within the Group arises from the possibility that customers and other counterparties may not be able to settle their obligations towards the Group as agreed.

Credit control departments of the operating companies manage the credit risk arising from operations. Credit control policies are included in our blueprints. To manage this risk, credit checks are performed up front for new customers. For high-risk customers, credit limits are put in place based on internal and/or external ratings. The risks included in trade receivables are strictly monitored on a day-to-day basis. The Group has no significant concentrations of credit risk, as the Group has very many customers in a large number of industries and countries.

The Group has established a provision for impairment of trade receivables.

Movements in the provision for impairment of trade receivables are:

	2009	2008
Balance at January 1	83.5	25.4
Acquisition of subsidiaries	-	54.3
Disposal of subsidiaries	(0.3)	-
Charged to income statement	7.9	18.3
Receivables written off as uncollectable	(21.1)	(13.7)
Translation differences	1.5	(0.8)
Balance at December 31	71.5	83.5

In the provision for impairment of trade receivables an amount of € 46.6 million (2008: € 49.6 million) is included for individually-impaired receivables.

The charge to the income statement has been included in selling expenses.

Amounts charged to the provision for impairment of trade receivables are generally written off when there is no expectation of recovering additional cash.

The aging of trade receivables, based on invoice date, is:

	2009 amount	%	2008 amount	%
0-4 weeks	1,141.1	56.0	1,344.2	52.0
5-16 weeks	780.5	38.3	1,082.0	41.8
17-26 weeks	32.0	1.6	65.2	2.5
Not impaired	1,953.6		2,491.4	
Impaired	83.1	4.1	96.0	3.7
	2,036.7	100.0	2,587.4	100.0

The trade receivables that are neither past due nor impaired amount to € 1,328 million (2008: € 1,830 million); an amount of € 626 million (2008: € 661 million) is past due, but not impaired.

The impaired trade receivables are provided for excluding value-added taxes.

The information with regard to aging categories is - in line with internal management reporting and credit control procedures - based upon invoice date, since management considers that the risk of non-payment starts as from this date.

The Group's (excess) cash positions are invested with its preferred financial partners, which are considered to be high quality financial institutions with sound credit ratings, or in highly rated liquidity funds. The Group has policies in place that limit the amount of credit exposure to any one financial institution.

36.2.2 Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to liquidity risk is to ensure, as far as possible, that it will always have sufficient funds available to meet its liabilities when due, under both normal and stressed conditions. This risk is managed by having sufficient availability of cash and committed and uncommitted credit lines, both at Group and local level, while optimizing the short-term interest results and other related expenses. Cash flow forecasts and manual and automated cash concentration techniques are used in this respect.

The expected contractual maturities of financial liabilities, including interest payments are:

December 31, 2009	carrying amount	0 - 90 days	91 - 365 days	2 - 5 years	more than 5 years
Non-current borrowings[1]	1,244.2	1,263.2			
Current borrowings[2]	40.6	40.6			
Trade and other payables[3]	1,846.6	1,544.2	302.4		
Other liabilities[4]	128.8	3.7	13.0	19.0	101.4
	3,260.2	**2,851.7**	**315.4**	**19.0**	**101.4**

December 31, 2008	carrying amount	0 - 90 days	91 - 365 days	2 - 5 years	more than 5 years
Non-current borrowings[1]	2,401.9	2,406.4	-	-	-
Current borrowings[2]	70.1	70.1	-	-	-
Trade and other payables[3]	2,085.8	1,558.5	527.3	-	-
Other liabilities	165.3	8.0	35.2	45.6	105.6
	4,723.1	4,043.0	562.5	45.6	105.6

1 Drawings on the syndicated loan contractually mature in January of the subsequent year (see note 27); most likely to be extended by new drawings.
2 No interest included, since current borrowings are considered repayable upon demand.
3 Excluding deferred income.
4 Other liabilities based upon the estimated maturities, due to the nature of put options.

The Group has a € 2,295 million multi-currency syndicated revolving credit facility at its disposal. The facility agreement contains a covenant with respect to the net debt to EBITDA ratio (leverage ratio) as well as a paragraph on material adverse changes. The net debt to EBITDA ratio has a limit of 3.5 as per the contractual arrangements and is calculated based on the results of the Group on a 12-month basis. The actual net debt to EBITDA ratio at December 31, 2009 is safely within the limits of the facility agreement.

Cash, borrowings and net debt

	2009	2008
Non-current borrowings	(1,244.2)	(2,401.9)
Current borrowings	(40.6)	(70.1)
Total borrowings	**(1,284.8)**	**(2,472.0)**
Cash and cash equivalents	270.1	831.0
Net debt	**(1,014.7)**	**(1,641.0)**

36.2.3 Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk because it operates businesses in Asia, Australia, Europe, North and Latin America. The Group uses the euro as its reporting currency. Currencies other than the euro that are of primary importance for the Group are the US dollar, the UK pound sterling, the Australian dollar and the Canadian dollar.

The following main exchange rates to the euro apply for 2009 and 2008 (averages on annual basis):

	2009		2008	
	Average	At year-end	Average	At year-end
Australian dollar	0.57	0.62	0.58	0.49
Canadian dollar	0.63	0.66	0.64	0.59
UK pound sterling	1.12	1.13	1.26	1.05
US dollar	0.72	0.69	0.68	0.71

The foreign currency exchange risk of the Group with respect to transactions is limited, because for the most part operating companies generate both revenues and expenses locally and therefore in the same currency.

All other foreign exchange transactions that mostly consist of intercompany financial flows (equity increases, dividends, intercompany loans and interests) are executed on a more or less spot basis. The Group has a policy to match, within certain preset boundaries, the currencies in the net debt positions with the mix in the cash flow generation of the currencies. This also reduces the effect of volatility on the leverage ratio (which is a covenant in the financing arrangement).

In practice this is only done for currencies that are at least 5% of the total EBITDA of the Group. The currency mix of the debt can easily be adjusted, as the € 2,295 million syndicated revolving credit facility is a multi-currency facility. Therefore the use of derivatives is in principle unnecessary.

Currency fluctuations can however affect the consolidated results, due to the translation of local results into the Group reporting currency.
Translation effects from consolidation may also impact shareholders' equity. The Group has a number of net investments in foreign subsidiaries whose assets and liabilities are exposed to currency translation risk that is accounted for in equity. Currency exposures arising from the net assets of the Group's foreign operations are monitored and, when considered necessary, primarily controlled through borrowings denominated in the relevant foreign currencies. These borrowings can be classified as a net investment hedge; translation differences on borrowings classified as such are included directly in equity.

If the euro had weakened 10% on average during 2009, against the currencies mentioned above, with all other variables held constant, operating profit for the year would have been higher in the range of € 0 - € 3 million per currency. The effect on shareholders' equity would have been the same (before tax effects).

36.2.4 Interest rate risk

As we believe the staffing industry has a natural hedge to interest rate changes (EBITDA levels usually move up and down more or less in line with interest rate levels), and since the Group is cash generating, the general policy towards interest rate risk is to keep interest rates on net debt floating as much as possible. We also believe this adds value for the shareholders in the long term, as over time the short interest rates are on average significantly lower than the longer interest rates.

Group Treasury also manages the interest risk by assessing the risk of interest rates being able to cause a breach in any financing covenant.

If the interest rate had been 1%-point higher on average during 2009, with all other variables held constant, net interest expenses for the year would have been € 14 million higher, due to the net effect of the increase of interest income on cash positions and interest expenses on floating rate borrowings.

notes to the consolidated **statement of cash flows**

(amounts in millions of €, unless otherwise indicated)

37. Notes to the consolidated statement of cash flows

The majority of the items in the consolidated statement of cash flows are cross-referenced to the relevant notes to the consolidated income statement and balance sheet on an individual basis. For the remainder of the material items, the reconciliation between amounts as included in the consolidated statement of cash flows and related amounts in the income statement and balance sheet is shown below.

37.1 Cash

Cash includes cash, cash equivalents and current borrowings, for purposes of the statement of cash flows:

	2009	2008
Cash and cash equivalents	270.1	831.0
Current borrowings	(40.6)	(70.1)
	229.5	**760.9**

37.2 Trade and other receivables

Trade and other receivables as calculated below, exclude the short-term part of the held-to-maturity investments.

	2009	2008
Balance at January 1	**2,818.7**	**1,570.1**
Acquisition of subsidiaries	0.1	1,807.2
Disposal of subsidiaries	(10.4)	(18.4)
Prepayment software	(4.6)	-
Translation gains / (losses) and other	24.8	(59.3)
Statement of cash flows	(563.5)	(480.9)
Balance at December 31	**2,265.1**	**2,818.7**

37.3 Trade and other payables

	2009	2008
Balance at January 1	**2,107.2**	**1,160.9**
Acquisition of subsidiaries	0.1	1,268.2
Effects from adjustments to acquisitions in prior years	9.3	-
Disposal of subsidiaries	(3.2)	(9.6)
Interest	(1.5)	-
Translation losses / (gains) and other	12.5	(26.6)
Statement of cash flows	(254.5)	(285.7)
Balance at December 31	**1,869.9**	**2,107.2**

37.4 Employee benefit obligations

	2009	2008
Balance at January 1	**16.8**	**15.6**
Acquisition of subsidiaries	-	8.2
Disposal of subsidiaries	(0.3)	-
Interest due to passage of time	2.5	2.6
Translation losses / (gains) and other	0.2	(0.2)
Statement of cash flows	(4.6)	(9.4)
Balance at December 31	**14.6**	**16.8**

37.5 Provisions

	2009	2008
Balance at January 1	**157.1**	**72.2**
Acquisition of subsidiaries	-	67.6
Effects from adjustments to acquisitions in prior years and reclassifications	-	(5.6)
Disposal of subsidiaries	-	(0.2)
Interest due to passage of time	2.0	1.8
Translation (gains) / losses and other	(0.1)	1.3
Statement of cash flows	11.3	20.0
Balance at December 31	**170.3**	**157.1**

37.6 Other non-cash items

	2009	2008
Held-to-maturity investments	5.8	5.1
Statement of cash flows	**5.8**	**5.1**

37.7 Free cash flow

Free cash flow comprises net cash from operating and investing activities, excluding the acquisition and disposal of subsidiaries and associates:

	2009	2008
Net cash from operating activities	742.7	760.1
Net cash from investing activities	(55.1)	(2,002.3)
	687.6	**(1,242.2)**
Acquisition of subsidiaries and associates	42.3	1,931.4
Disposal of subsidiaries and associates	(31.8)	(16.5)
Free cash flow	**698.1**	**672.7**

notes to **personnel expenses** and **employee numbers**

(amounts in millions of €, unless otherwise indicated)

38. Wages and salaries, social security charges and pension charges

Wages, salaries, social security charges and pension charges are included in cost of services for staffing employees and in personnel expenses for corporate employees. The details for cost of services and personnel expenses, as well as the totals for wages, salaries, social security charges and pension charges are as follows:

38.1 Cost of services

Cost of services include the expenses of staffing employees:

	2009	2008
Wages and salaries	7,907.6	8,604.7
Social security charges	1,549.3	1,919.5
Pension charges - defined contribution plans	58.0	101.3
Pension charges - defined benefit plans	1.6	1.1
Wages, salaries, social security and pension charges	**9,516.5**	**10,626.6**
Other cost of services	462.1	439.5
	9,978.6	**11,066.1**

38.2 Personnel expenses

Personnel expenses of corporate employees are included in total operating expenses and amount to:

	2009	2008
Wages and salaries	1,090.7	1,162.3
Social security charges	185.2	176.3
Pension charges - defined contribution plans	27.2	29.4
Pension charges - defined benefit plans	1.3	1.3
Share-based payments	14.4	13.5
Wages, salaries, social security and pension charges	**1,318.8**	**1,382.8**
Other personnel expenses	152.8	175.8
	1,471.6	**1,558.6**

38.3 Wages and salaries, social security charges and pension charges

Total wages and salaries, social security charges and pension charges included in operating profit are:

	2009	2008
Wages and salaries	8,998.3	9,767.0
Social security charges	1,734.5	2,095.8
Pension charges - defined contribution plans	85.2	130.7
Pension charges - defined benefit plans	2.9	2.4
Share-based payments	14.4	13.5
	10,835.3	**12,009.4**

39. Employee numbers (average)

	2009	2008
Staffing employees	465,600	555,600
Corporate employees	27,640	28,230
	493,240	**583,830**

Employee numbers by operating segment:

	Staffing		Corporate	
	2009	2008	2009	2008
Netherlands	92,100	115,300	6,120	7,160
France	77,800	97,300	4,310	3,420
Germany	37,300	53,100	2,420	3,180
Belgium/ Luxembourg	40,600	42,900	2,040	2,150
Iberia	48,900	49,100	1,580	1,780
United Kingdom	20,700	20,100	2,380	2,200
Other European countries	27,700	33,500	1,640	1,950
North America	44,500	52,600	3,120	3,310
Rest of the world	76,000	91,700	3,880	2,930
Corporate	-	-	150	150
	465,600	**555,600**	**27,640**	**28,230**

notes to **share-based payments**

(amounts in millions of €, unless otherwise indicated)

40. Share-based payments

Within the Group a number of share-based payment arrangements are in effect: stock option plans and performance share plans for executive board members and senior management, and a share purchase plan for all corporate employees. Share-based payment arrangements of the Vedior Group, acquired in 2008, were settled before the acquisition.
The actual annual grant of performance shares and options will in principle not exceed 1% of the ordinary issued capital. However, depending on the realization of related performance targets and the company's actual share price, the number of shares to be issued in relation to vesting of the performance shares and options might in a certain year exceed the 1% limit.
For more details, please refer to the summary of the remuneration report in this annual report on pages 68-71.

40.1 Stock option plans

Executive board stock option plan

The executive board stock option plan was implemented in 2001; during 2007 the last grants based on these plans were realized. The options have an exercise price that is not lower than the share price at granting date. The options granted until 2003 had a term of five full years, while the options granted as from 2004 have a term of seven years. The options are exercisable as from three years after granting, without performance conditions or other restrictions. Should a board member resign from the Group within three years after granting, a reduction mechanism on potential profits on options is in place.

Senior management stock option plan

From 2003 until 2007, options were granted annually to a limited group of senior management. The exercise price, term and other conditions are identical to the executive board stock option plan.

Executive board performance stock option plan

From 2007, conditional performance stock options are granted annually to the executive board members; as from 2008, the options have an exercise price equal to the average trading price of the Randstad shares during three business days before granting date. The options have a term of seven years, and are exercisable as from three years after granting. The number of options that will vest depends on the company's 'total shareholder return' (TSR) performance compared with a peer group of ten companies measured over a three-year period starting on January 1 of the year of granting the options. Options granted to a board member who resigns from the Group within the three-year vesting period, will be forfeited.

The plans are equity-settled. The fair value of share-based payments is determined per the date of each grant. For stock options this is based on a binomial valuation model, and for performance stock options it is based on a combination of a Monte Carlo simulation model and a Black & Scholes valuation model. The following parameters are used:
The fair value of the stock options and the performance stock

	2009	2008	2007
Share price at grant date	€ 10.50	€ 26.39	€ 57.40
Average exercise price	€ 9.88	€ 26.39	€ 57.40
Option life	7 years	7 years	7 years
Expected volatility[1]	45%	33%	30%
Dividend yield	4%	2%	2%
Risk-free interest rate	2.9%	4.5%	4.2%
Vesting of stock options	-	-	25% after first, 25% after second and 50% after third year
Vesting of performance stock options[2]	December 31, 2011	December 31, 2010	December 31, 2009
Stock options are exercisable as from	3 years after grant date	3 years after grant date	3 years after grant date
Exercise multiple	2	2	2
Attrition rates	2.5% in first and 3.5% in the following years	2.5% in first and 3.5% in the following years	2.5% in first and 3.5% in the following years

1 Expected volatility is measured at the standard deviation of expected share price returns of daily share prices.
2 Vesting of performance stock options is based on the company's relative TSR performance

			Number of options (x 1,000)									Expenses (x € 1,000)	
Year of grant	Life in years	Number of participants	January 1, 2009	Granted	Lapsed	Exercised	December 31, 2009	Exercisable	Share price (in €)	Average Exercise price (in €)	Fair value at grant date (x € 1,000)	2009	2008
2004	7	114	182		21	9	152	152	20.90	22.64	3,018	-	-
2005	7	145	459		-	-	459	459	28.70	28.87	3,878	-	216
2006	7	201	347		13	-	334	334	53.70	53.70	5,961	89	1,139
2007	7	200	425		32	-	393	-	57.40	57.40	7,882	1,150	2,690
2008	7	6	172		-	-	172	-	26.39	26.39	1,638	552	533
2009	7	6	-	255	-	-	255	-	10.50	9.88	2,292	745	-
Total			**1,585**	**255**	**66**	**9**	**1,765**	**945**				**2,536**	**4,578**

options is charged to the income statement over the vesting period.
At each balance sheet date the assumed attrition is reassessed; any adjustment is charged to the income statement.
On exercise of options, the company issues new shares.

The details are specified in the table above.

40.2. Performance share plans

Executive board performance share plan

As from 2007, conditional performance shares are granted annually to the members of the executive board. The plan has a term of three years. The number of shares that will vest depends on the company's TSR performance compared to a peer group of ten companies measured over a three-year period starting on January 1 of the year of grant.
In 2007 a one-time additional grant was made; these shares vest in three tranches (33.3% after one year, 33.3% after two years and the remaining 33.3% after three years).
The number of shares to vest per tranche depends on the company's TSR performance. The shares yet to be vested of a board member who resigns from the Group within the three-year vesting period will be forfeited.

Senior management performance share plan

As from 2007 conditional performance shares are granted annually to a limited group of senior management.
The terms and conditions are identical to the executive board conditional performance share plan, with the addition that the number of shares that will vest not only depends on the company's TSR performance, but also on the personal performance of each participating manager during the vesting periods.
Performance shares were granted to a small group of senior management in mid-2008; the plan has a term of two years. The number of shares that will vest depends mainly on personal performance conditions related to the integration of Randstad and former-Vedior group companies and synergies to be achieved; performance is measured over a two-year period, starting July 1, 2008.
The plans are equity-settled. The fair value of the performance shares is based on a Monte Carlo simulation model; the parameters in the table below are used.

Volatility of the shares of the peer companies, as well as the pair-wise correlation between all 10 shares, is estimated on the basis of historical daily prices over three years.
Estimated dividends of the peer companies are based on current and past dividends.

At each balance sheet date the non-market conditions (attrition and personal performance) are reassessed; any adjustment is charged to the income statement. On final allocation, the company issues new shares.

	Performance share plans 2009	Performance share plans 2008	Performance share plans 2007
Share price at grant reference date	January 1, 2009: € 14.55	January 1, 2008: € 27.02 July 1, 2008: € 22.20	January 1, 2007: € 52,40
Expected volatility based on historical prices over the three-year period to the valuation date	45%	30% - 35%	30%
Expected dividends	4%	2%	2%
Risk-free interest rate (yield on Dutch Government bonds)	2.9%	4.5%	4.2%
Expected forfeiture	2.5% - 3.5%	2.5% - 3.5%	2.5% - 3.5%

The details are:

Year of grant	Life in years	Number of participants	Number of shares (x 1,000) on target: January 1, 2009	Granted	Lapsed	Vested in 2009	December 31, 2009	Fair value at grant date (x € 1,000)	Expenses (x € 1,000): 2009	2008
2007	3	270	217		-	16	201	13,538	2,455	3,638
2008	3	305	601		86		515	14,285	3,570	4,414
2008	2	125	288		46		242	4,143	1,630	911
2009	3	470	-	1,212	66		1,146	14,500	4,287	-
Total			**1,106**	**1,212**	**198**	**16**	**2,104**		**11,942**	**8,963**

The first of three tranches of the additional grant of performance shares 2007 vested early in 2008 based on the TSR performance over the period January 1, 2005 – December 31, 2007. The performance resulted in 24,421 shares being vested (share price: € 26.30), compared to an on-target award of 15,929 shares. The second tranche vested early in 2009 based on TSR performance over the period January 1, 2006 – December 31, 2008, resulting in 8,137 shares being vested (share price € 11.96) compared to an on-target award of 15,929 shares.

40.3 Share purchase plan corporate employees

Under the share purchase plan, participating corporate employees may purchase shares from Stichting Randstad Optiefonds twice a year. The maximum amount to be spent within the plan is set annually at 5% of the participant's fixed annual salary. If employees retain the purchased shares for a period of six months (under the condition that they are still an employee of the Group), they receive a bonus equal to a fixed percentage of the number of shares purchased. The bonus is expensed by the company per granting date (2009: € 2.4 million; 2008: € 1.0 million).
Due to the short vesting period of six months, the fair value of the bonus shares granted to participating employees is fixed at the share price at balance sheet date or date of award, respectively.

notes to **related-party transactions**

(amounts in millions of €, unless otherwise indicated)

41. Related-party transactions

41.1 Remuneration of the members of the executive board

The totals of the remuneration of the members of the executive board included in the income statement are as follows:

	Fixed compensation: Base salary		Fixed compensation: Pension charge		Variable compensation: Short-term cash bonus		Variable compensation: Share-based payments		Other benefits		Total	
x € 1,000	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
B.J. Noteboom	796	796	212	230	-	478	974	972	25	15	2,007	2,491
R.J. van de Kraats	565	565	149	163	-	339	690	686	20	7	1,424	1,760
J.W. van den Broek	497	497	131	142	-	298	606	603	19	32	1,253	1,572
L.J.M.V. Lindelauf	497	497	131	142	-	298	606	603	20	59	1,254	1,599
G.A. Netland	525	268	121	76	-	154	321	150	33	6	1,000	654
B. Wilkinson	420	241	124	75	-	91	321	150	45	29	910	586
Total	**3,300**	**2,864**	**868**	**828**	**-**	**1,658**	**3,518**	**3,164**	**162**	**148**	**7,848**	**8,662**

The executive board members G. A. Netland and B. Wilkinson were appointed as per May 16, 2008; the amounts 2008 mentioned above related to the period in 2008 as from that date. The total remuneration is partly paid in euros and partly in US dollars for Mr. Netland (2009: € 479,000 and $ 724,000; 2008: € 409,000 and $ 358,000) and partly in euros and partly in UK pounds sterling for Mr. Wilkinson (2009: € 269,000 and £ 569,000; 2008: € 318,000 and £ 212,000).
Payment of a short-term cash bonus depends on the realization of pre-defined annual targets; based on the performance of the executive board in 2009, the supervisory board decided on a conditional bonus (varying from 10% to 20% of the base salary per board member) that may be paid in the future subject to certain conditions; for more details please refer to pages 69 of the summary of the remuneration report in this annual report.
In the income statement 2009 and 2008, no expenses have been included for former members of the executive board.
The expenses for performance shares and stock options refer to the fair value of share-based payments charged to the income statement for the year 2009 and 2008, respectively.

The numbers of stock options and performance shares outstanding in the financial year are as follows:

Stock options	Year of granting	Option price (in €)	January 1, 2009	Granted in 2009	Exercised in 2009	Share price at exercise	December 31, 2009	Exercise period ends in
Stock options (based on performance previous years):								
B.J. Noteboom	2005	28.70	32,320				32,320	May 2012
	2006	53.70	22,471				22,471	May 2013
	2007	57.40	23,124				23,124	May 2014
R.J. van de Kraats	2005	28.70	24,170				24,170	May 2012
	2006	53.70	15,500				15,500	May 2013
	2007	57.40	15,950				15,950	May 2014
J.W. van den Broek	2005	28.70	22,155				22,155	May 2012
	2006	53.70	13,616				13,616	May 2013
	2007	57.40	14,012				14,012	May 2014
L.J.M.V. Lindelauf	2005	28.70	22,155				22,155	May 2012
	2006	53.70	13,616				13,616	May 2013
	2007	57.40	14,012				14,012	May 2014
Performance stock options (adjusted plan from 2007 and onward):								
B.J. Noteboom	2007	57.40	16,215				16,215	May 2014
	2008	26.39	42,082				42,082	February 2015
	2009	9.88		60,562			60,562	February 2016
R.J. van de Kraats	2007	57.40	11,514				11,514	May 2014
	2008	26.39	29,880				29,880	February 2015
	2009	9.88		43,003			43,003	February 2016
J.W. van den Broek	2007	57.40	10,115				10,115	May 2014
	2008	26.39	26,248				26,248	February 2015
	2009	9.88		37,776			37,776	February 2016
L.J.M.V. Lindelauf	2007	57.40	10,115				10,115	May 2014
	2008	26.39	26,248				26,248	February 2015
	2009	9.88		37,776			37,776	February 2016
G.A. Netland	2008	26.39	24,000				24,000	February 2015
	2009	9.88		37,776			37,776	February 2016
B. Wilkinson	2008	26.39	24,000				24,000	February 2015
	2009	9.88		37,776			37,776	February 2016
Total			**453,518**	**254,669**			**708,187**	

Performance shares	Year of award		January 1, 2009	On target award in 2009	Vested in February 2009	December 31, 2009	Final allocation in
B.J. Noteboom	2007		5,979			5,979	February 2010
	2007	Additional	7,973		3,986	3,987	February 2008-2010
	2008		15,547			15,547	February 2011
	2009			24,373		24,373	February 2012
R.J. van de Kraats	2007		4,246			4,246	February 2010
	2007	Additional	5,661		2,830	2,831	February 2008-2010
	2008		11,039			11,039	February 2011
	2009			17,306		17,306	February 2012
J.W. van den Broek	2007		3,730			3,730	February 2010
	2007	Additional	4,973		2,486	2,487	February 2008-2010
	2008		9,697			9,697	February 2011
	2009			15,203		15,203	February 2012
L.J.M.V. Lindelauf	2007		3,730			3,730	February 2010
	2007	Additional	4,973		2,486	2,487	February 2008-2010
	2008		9,697			9,697	February 2011
	2009			15,203		15,203	February 2012
G.A. Netland	2008		9,000			9,000	February 2011
	2009			15,203		15,203	February 2012
B. Wilkinson	2008		9,000			9,000	February 2011
	2009			15,203		15,203	February 2012
Total			**105,245**	**102,491**	**11,788**	**195,948**	

For the conditions and criteria governing the granting and exercise of stock options and performance shares, please refer to note 40.
The second of three tranches of the additional grant of performance shares 2007 vested early in 2009 based on the TSR performance over the period January 1, 2006 – December 31, 2008. The performance resulted in 50% or 5,894 of the shares being vested (share price: € 11.96), compared to the on-target award of 11,788.

As per December 31, 2009 and 2008, no stock options granted to former members of the executive board are outstanding.

The number of ordinary shares in Randstad Holding nv held by the members of the executive board per December 31, 2009 was as follows:

	Total [1]	Free shares	Locked up Number	Locked up Until
B.J. Noteboom	44,878	40,248	3,431	February 2010
			1,199	February 2011
R.J. van de Kraats	34,606	31,318	2,437	February 2010
			851	February 2011
J.W. van den Broek	35,488	32,599	2,141	February 2010
			748	February 2011
L.J.M.V. Lindelauf	29,013	26,124	2,141	February 2010
			748	February 2011
G.A. Netland	2,721	2,721	-	
B. Wilkinson	51,626	51,626	-	

1 In addition, Mr. Lindelauf holds 123 share depository receipts and Mr. Van den Broek holds 26 share depository receipts.

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41.2. Remuneration of the members of the supervisory board

The amounts of the remuneration of the members of the supervisory board included in the income statement are as follows:

	2009	2008
F.W. Fröhlich	103,000	103,000
F.J.D. Goldschmeding	73,000	73,000
H.M.E.V. Giscard d'Estaing [1]	65,000	37,500
B.C. Hodson [1]	65,000	37,500
J.C.M. Hovers	17,000	69,000
G. Kampouri Monnas	65,000	65,000
W.A.F.G. Vermeend	66,000	65,000
L.M. van Wijk	74,000	65,000
R. Zwartendijk	65,000	65,000
Total	593,000	580,000

1 The supervisory board members Mr. H.M.E.V. Giscard d'Estaing and Ms. B.C. Hodson were appointed effective May 16, 2008. Their remuneration relates to the period as from that date.

Jan Hovers received his supervisory board allowance until his resignation from the supervisory board effective March 31, 2009. He continues to be a member of the supervisory board of the subholding of the Dutch operating companies, Randstad Groep Nederland bv. In this position he receives an annual allowance of € 12,000.
Mr. H.M.E.V. Giscard d'Estaing also privately holds 451 ordinary shares in Randstad Holding nv per December 31, 2009 and 2008.

41.3 Other related-party transactions

One member of the supervisory board has an interest in a legal entity, which, based on the 'Wet melding zeggenschap 2006' ('Major Holdings in Listed Companies Act 2006'), is registered as a shareholder in Randstad Holding nv in the 30-40% category. The same member is a member of the board of management of Stichting Randstad Optiefonds.

There were no transactions with this related party, other than the rental of a ship, Clipper Stad Amsterdam, for promotional activities at approximately € 1.4 million rent annually (2008: € 1.7 million).

In 1988, the founder of Randstad established Stichting Randstad Optiefonds to provide options to corporate employees of the Group. Up to 2003, options were granted to these employees. The options were granted on (depository receipts for) ordinary shares, available in the foundation; exercise does not affect the number of shares issued by the company, nor has the company any obligation in relation to these options. Per December 31, 2009, no options are outstanding; in total, employees of the Randstad Group hold 0.5 million depository receipts for shares. The board of management of the foundation consists of three members, of which two are fully independent from the Group; the chairman of the foundation is the founder of Randstad.

overview of **major subsidiaries**

42. Overview of major subsidiaries

Europe	
Randstad Nederland bv	Amsterdam
Randstad Uitzendbureau bv	Amsterdam
Tempo-Team Group bv	Amsterdam
Tempo-Team Uitzendbureau bv	Amsterdam
Tempo-Team Werknet bv	Amsterdam
Otter-Westelaken Groep bv	Veghel
Yacht bv	Amsterdam
Randstad Belgium nv	Brussels
Randstad Professionals nv	Brussels
Tempo-Team nv	Brussels
Randstad Interim sa	Luxembourg
Randstad AS	Copenhagen
Randstad Deutschland GmbH & Co KG	Eschborn
Randstad SAS	Saint-Denis
Randstad Inhouse SASU	Saint-Denis
Yacht France sa	Saint-Denis
Randstad Schweiz AG	Zurich
Randstad Empleo, Empresa De Trabajo Temporal S.A. Sociedad Unipersonal	Madrid
Select Recursos Humanos, Empresa de Trabalho Temporario S.A	Lisbon
Randstad Employment Bureau Ltd.	Luton
Martin Ward Anderson Ltd.	Luton
Randstad Care Ltd.	Luton
Randstad CPE Ltd.	Luton
Randstad Education Ltd.	Luton
Randstad Italia SPA	Milan
Randstad Polska Sp. z o.o.	Warsaw
Randstad AB	Stockholm
Randstad Hungary Kft	Budapest
Randstad Hellas AE	Athens
Randstad Work Solutions Istihdam ve Insan Kaynaldary ltd Sirketi	Istanbul

North America	
Randstad North America LP	Atlanta
Randstad Inhouse Services LP	Atlanta
Randstad Professionals US LP	Boston
Randstad Intérim Inc.	Montreal

Latin America	
Sesa International SA (Argentina)	Rosario
Top Personnel S.A. DE CV	Mexico City

Asia Pacific	
Randstad Pty Ltd.	Sydney
Randstad Recruitment Pty Ltd.	Melbourne
Randstad Healthcare Pty Ltd.	Sydney
Randstad Consulting Shanghai Company Ltd	Shanghai
Talent Shanghai Co., Ltd (70%)	Shanghai
Ma Foi Management Consultants Ltd	Chennai
Team HR Services Ltd	Delhi
Emmay HR Services Pvt. Ltd	Mumbai
Randstad KK (Japan)	Tokyo
Hughes Castell (HK) Ltd.	Hong Kong

Other subsidiaries	
Randstad Groep Nederland bv	Amsterdam
E-bridge bv	Amsterdam
I-bridge bv	Amsterdam
Diemermere Beheer bv	Amsterdam
Randstad Financial Services nv	Brussels
Randstad Finance GmbH	Zurich

A list of all subsidiaries has been filed at the Chamber of Commerce in Amsterdam (Kamer van Koophandel, Amsterdam). Randstad Holding nv has, directly or indirectly, a 100% interest in all subsidiaries (by way of legal ownership of the shares or by way of economic (put-call option arrangements) ownership of the shares for a limited number of companies), unless otherwise stated.

company **income statement** and **balance sheet** at December 31

before profit appropriation for ordinary shares, in millions of €

Income statement

in millions of €	note	2009		2008	
Income from subsidiaries after taxes	2		145.4		73.0
Other income after taxes			(77.1)		(54.8)
Net income			**68.3**		**18.2**

Balance sheet at December 31

in millions of €	note	2009		2008	
Assets					
Subsidiaries	2	4,431.8		4,888.3	
Associates	3	-		-	
Financial fixed assets		**4,431.8**		**4,888.3**	
Non-current assets			**4,431.8**		**4,888.3**
Trade and other receivables	4	649.6		417.9	
Income tax receivables		3.0		4.6	
		652.6		422.5	
Cash and cash equivalents	5	25.5		3.7	
Current assets			**678.1**		**426.2**
Total assets			**5,109.9**		**5,314.5**
Equity and liabilities					
Issued capital	6	19.5		19.5	
Share premium	6	2,014.3		2,013.9	
Other reserves	6	388.9		365.3	
Net income for the period	6	68.3		18.2	
Shareholders' equity			**2,491.0**		**2,416.9**
Provisions - deferred tax liabilities	9	**151.1**		-	
Long-term debt	7	**1,494.2**		2,392.8	
Trade and other payables	8	973.6		500.6	
Borrowings	7	-		4.2	
Current liabilities		**973.6**		**504.8**	
Total liabilities			**2,618.9**		**2,897.6**
Total equity and liabilities			**5,109.9**		**5,314.5**

notes to the **company financial statements**

(amounts in millions of €, unless otherwise indicated)

1. Accounting policies for the company financial statements

The company financial statements of Randstad Holding nv are prepared in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code. The company made use of the possibility based on article 362, paragraph 8, Part 9, Book 2 of the Dutch Civil Code to prepare company financial statements based on the accounting policies used for the consolidated financial statements.

The subsidiaries are stated at net value of assets and liabilities, based upon accounting policies used in the consolidated financial statements.

A summary of the significant accounting policies and a summary of the critical accounting estimates, assumptions and judgments are included respectively in notes 2 and 4 of the notes to the consolidated financial statements.

With respect to the company income statement of Randstad Holding nv, the company makes use of the exception provided for in Article 402, Part 9, Book 2 of the Dutch Civil Code.

2. Subsidiaries

The net value of assets and liabilities of subsidiaries includes allocated goodwill of Vedior N.V. for an amount of € 2,063.9 million (2008: € 2,073.5 million) and is presented in the balance sheet as follows:

	2009	2008
Net asset value of subsidiaries	4,431.8	4,888.3

In 2009 and 2008, no provisions are included in the net value of subsidiaries. Provisions on subsidiaries would have represented the sum of equities of subsidiaries that show a negative equity, determined in accordance with the accounting policies of the Group, taking impairment of loans into account.

Movements in the net value of assets and liabilities of subsidiaries are:

	2009	2008
Balance at January 1	**4,888.3**	**1,030.8**
Additions	-	4,151.9
Capital contributions	35.7	1,796.3
Net income	145.4	73.0
Dividend	-	(809.7)
Disposals	(0.9)	(1,314.6)
Capital repayments	(650.0)	-
Share-based payments, subsidiaries	9.0	8.2
Translation differences	4.3	(47.6)
Balance at December 31	**4,431.8**	**4,888.3**

The capital contributions and repayments and disposals in 2008 and 2009 are mainly due to restructurings in the Group after the acquisition of Vedior N.V.

See note 42 of the notes to the consolidated financial statements for an overview of major subsidiaries.

3. Associates

	2009	2008
Balance at January 1	**-**	**480.9**
Acquisitions	-	-
Dividend received	-	(9.4)
Share of profit	-	3.8
Accounted for as subsidiary	-	(475.3)
Balance at December 31	**-**	**-**

See note 22 of the notes to the consolidated financial statements for changes in 2008.

4. Trade and other receivables

	2009	2008
Receivables from subsidiaries	648.3	417.6
Other receivables	1.3	0.3
	649.6	**417.9**

5. Cash and cash equivalents

Cash includes solely bank balances of € 25.5 million (2008: € 3.7 million).

6. Shareholders' equity

Additional information with respect to shareholders' equity is included in the consolidated statement of changes in total equity and in note 26 of the notes to the consolidated balance sheet.

Other reserves includes an amount of € 96.4 million negative with respect to a legal reserve for currency translations (2008: € 94.8 million negative) and a legal reserve of € 25.1 million (2008: € 19.8 million) for the capitalized costs of development of software by subsidiaries. As of December 31, 2009, it also includes a legal reserve of € 0.2 million (2008: € 0.0 million) for the share in profit of associates.

7. Borrowings

	2009	2008
Non-current borrowings comprising drawings on multi-currency syndicated revolving credit facility	1,244.2	2,392.8
Loan to subsidiary	250.0	-
Current borrowings	-	4.2
Total borrowings	**1,494.2**	**2,397.0**

Movements in non-current borrowings are:

	2009	2008
Balance at January 1	**2,392.8**	**460.0**
Drawings	250.0	2,389.6
Repayments	(1,167.0)	(460.0)
Amortization of transaction costs	10.0	3.8
Translation differences	8.4	(0.6)
Balance at December 31	**1,494.2**	**2,392.8**

Additional information with respect to non-current borrowings is included in note 27 of the consolidated balance sheet.

The loan to subsidiary has a floating interest rate based upon Euribor plus margin. Repayment is scheduled for January 1, 2012. Earlier repayment is possible under certain conditions.

8. Trade and other payables

	2009	2008
Trade payables	0.3	1.1
Payables to subsidiaries	948.6	481.4
Other taxes and social security premiums	0.8	3.5
Pension contributions	0.1	0.1
Wages, salaries and other personnel costs	2.5	5.6
Accruals and deferred income	21.3	8.9
Balance at December 31	**973.6**	**500.6**

9. Deferred tax liabilities
The deferred tax liability is related to a decrease in the value of certain non-Dutch subsidiaries that was taken into account for Dutch tax purposes. If and as far the value of these non-Dutch subsidiaries increases, a corresponding taxable income must be taken into account; the amount will ultimately be repaid in 2012.

10. Employee numbers (average)
In 2009, the company employed an average of 145 employees (2008: 115).

11. Remuneration
Refer to note 41 of the notes to the consolidated financial statements.

12. Related parties
All companies within the Group are considered to be related parties.

See also notes 40, 41 and 42 of the notes to the consolidated financial statements.

13. Guarantees and commitments not included in the balance sheet

	2009	2008
Guarantees on behalf of subsidiaries	2.7	3.4

The company bears joint and several liability for drawings by subsidiaries under the multi-currency syndicated revolving credit facility and under bank overdraft and guarantee facilities, in the amount of € 559 million (2008: € 555 million).

The company's commitments for the period shorter than one year amount to € 0.9 million (2008: € 0.9 million) and for the period between one to five years € 0.7 million (2008: € 0.8 million) with respect to lease contracts for automobiles.

The company is part of fiscal unities for corporate income taxes, as well as for value-added taxes. As a consequence, the company bears joint and several liability for the debts with respect to corporate income taxes and value-added taxes of the fiscal unities. The company settles corporate income taxes, based on the results before taxes of the subsidiaries belonging to the fiscal unity.

The company has issued joint and several liability statements in agreement with Section 403, Part 9, Book 2 of the Dutch Civil Code for a limited number of its Dutch subsidiary companies, mainly serving as sub-holding companies.

Diemen, February 16, 2010

The executive board
B.J. Noteboom (chairman)
R.J. van de Kraats (vice-chairman)
J.W. van den Broek
L.J.M.V. Lindelauf
G.A. Netland
B. Wilkinson

The supervisory board
F.W. Fröhlich (chairman)
F.J.D. Goldschmeding (vice-chairman)
H.M.E.V. Giscard d'Estaing
B.C. Hodson
G. Kampouri Monnas
W.A.F.G. Vermeend
L.M. van Wijk
R. Zwartendijk

other information

Events after balance sheet date

Subsequent to the date of the balance sheet, no events – material to the Group as a whole – occurred that require disclosure in this note.

Provisions of the articles of association concerning profit appropriation

The following is a summary of the most important stipulations of article 28 of the Articles of Association concerning profit appropriation.

Subsection 1.
Any such amounts from the profits as will be fixed by the executive board with the approval of the supervisory board will be allocated to reserves. As far as possible, from the remaining profits (hereinafter also called the total profits):

a. A dividend will first be distributed to the holders of preference A shares on the amount paid on said shares, of which the percentage will be equal to the average of the statutory interest – in the event of a change in the meantime to the respective percentages – during the financial year for which the distribution is made. This percentage will be increased by a surcharge fixed by the executive board subject to the approval of the supervisory board amounting to a maximum of three percent (3%). If, in any year, the profit distribution on preference A shares cannot be made or can only be made partially, the overdue dividend on the shares will be distributed in the subsequent years before any other dividend distribution is made.

b.1 A dividend will subsequently be distributed per series to holders of preference B shares (equal to the basic percentage to be mentioned under b.2) of the sum of the nominal amount and the amount in share premium which was paid upon the first issue of the shares of said series, which percentage will be increased upon said issue by a surcharge, fixed by the executive board subject to approval of the supervisory board, of a maximum of one hundred and seventy-five base points. If the share premium reserve has not shown the same balance for the whole financial year, the dividend shall be calculated on the time-weighted average balance for that financial year.

b.2 The basic percentage referred to under b.1 will be the arithmetic average of the effective yield on the government bonds issued by the Kingdom of the Netherlands with a (remaining) term of six to seven years. For the first time on the date that the preference B shares (of a series) have been outstanding for seven years, and subsequently each period of seven years after this, the basic percentage of the preference B shares (of the series concerned) will be adjusted to the yield then effective of the state loans referred to in the above-mentioned provisions.

b.3 The executive board is authorized, subject to the approval of the supervisory board, to resolve that dividend on the preference B shares of any series shall not be distributed but reserved instead in order to be distributed at a later date following a resolution to this effect by the executive board, subject to the approval of the supervisory board.

b.4 If and insofar as the profit is not sufficient to fully make the distribution referred to hereinbefore on preference B shares, the executive board may resolve, subject to the approval of the supervisory board, to make these distributions from the freely distributable reserves, with the exception of the share premium reserves referred to in Article 4, paragraph 4 under b.

b.5 If and insofar as in any financial year no distribution can be made or it is resolved not to make a distribution on preference B shares, from the profit realized in the subsequent years after allocation to reserves and reduction of the amounts accruing to holders of preference A shares in accordance with the provisions in paragraph 1 subparagraph a of Article 28, following a resolution to that effect by the executive board subject to the approval of the supervisory board, such distribution will be made to the holders of preference B shares or reserved that the deficit will have been fully made good before the provisions laid down hereinbefore can be applied.

b.6 If preference B shares have been issued in the course of any financial year, the dividend on the shares concerned for said financial year will be reduced proportionately until the first day of issue.

Subsection 2.
The balance then remaining will be available to the General Meeting, subject to the proviso that (i) no distribution will be made as long as not all the profit distributions have been made in accordance with paragraph 1 under b.1, b.4 and b.5 above of this Article 28 and the reserves are distributed on preference B shares as referred to in paragraph 1 under b.3 in conjunction with paragraph 6 of this Article 28 and (ii) no further distribution will be made on preference shares, nor will any amounts be reserved for this purpose.

Subsection 4.
Subject to the approval of the supervisory board, the executive board may pass a resolution for distribution of an interim dividend, to be deducted from the dividend expected for the financial year concerned, if the requirement of the preceding paragraph has been fulfilled, as will be evident from an interim specification of equity and all the distributions on preference B shares have been made. Said specification of equity will relate to the position of the equity at the earliest on the first day of the third month prior to the month in which the resolution for distribution will be announced. It will be drawn up with due observance of the valuation methods deemed acceptable in society. The specification of equity will include the amounts to be

allocated to the reserves by virtue of the law. It will be signed by the members of the executive board. In the event that the signature(s) of one or more of them should be lacking, the reason thereof will be stated. The company will deposit the specification of equity at the office of the Trade Register within eight days after the date on which the resolution for distribution will be announced. A resolution for distribution of an interim dividend may be limited to a distribution of an interim dividend exclusively to shareholders of a particular class, without prejudice to the rights of shareholders of other classes.

Subsection 5.
Subject to the approval of the supervisory board, the General Meeting may pass a resolution that the distribution of dividend will not be made, or will not entirely be made, in cash, but entirely or partly in the form of shares in the company.

Subsection 6.
Resolutions for the complete or partial cancellation of reserves as stated in paragraph 1 of this Article may only be passed by the General Meeting on a proposal of the executive board approved by the supervisory board, with the exception of distributions from reserved dividend on preference B shares, which shall be resolved upon by the executive board subject to the approval of the supervisory board. Resolutions of the General Meeting for the complete or partial cancellation of a share premium reserve as stated in Article 4, paragraph 4b. will require the prior approval of the meeting of holders of shares of the class and series concerned, without prejudice to the provisions in Article 4, paragraph 5, under b.1. Only holders of ordinary shares will be entitled to distributions deducted from allocations to reserves other than those mentioned in the preceding sentence. However, without prejudice to the amounts that would accrue to holders of preference B shares in accordance with the provisions in Article 28, paragraph 1b.4. and Article 34, paragraph 4.

Proposed profit appropriation

Pursuant to Article 28 of the Articles of Association, it is proposed that out of the net income 2009 for equity holders amounting to € 68.3 million, a dividend of € 7.2 million be paid on the type-B preferred shares and that no dividend be paid on the ordinary shares. It is proposed that € 61.1 million be added to retained earnings.

Auditor's report

To the General Meeting of shareholders of Randstad Holding nv.

Report on the financial statements

We have audited the accompanying financial statements 2009 of Randstad Holding nv, Amsterdam as set out on pages 74 -122. These financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2009, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes.
The company financial statements comprise the company balance sheet as at 31 December 2009, company income statement and explanatory notes.

The executive board's responsibility
The executive board of the company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements, set out on pages 74 - 119, give a true and fair view of the financial position of Randstad Holding nv as at 31 December 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements, set out on pages 120 to 122 give a true and fair view of the financial position of Randstad Holding nv as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the report from the executive board, set out on pages 11 to 53, is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, February 16, 2010
PricewaterhouseCoopers Accountants N.V.

P.R. Baart RA

ten years of Randstad

The figures are based on IFRS since 2004. Comparative figures for other years have not been adjusted.

						non-IFRS			
Amounts in millions of €, unless otherwise indicated	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenue	12,399.9	14,038.4	9,197.0	8,186.1	6,638.5	5,764.2	5,257.4	5,443.8	5,818.4	6,168.1
As % of previous year	88.3%	152.6%	112.3%	123.3%	115.2%	109.6%	96.6%	93.6%	94.3%	110.8%
Gross profit	2,421.3	2,972.3	2,029.7	1,730.6	1,405.2	1,218.2	1,088.9	1,193.4	1,339.4	1,482.8
EBITDA	346.0	744.0	605.6	484.2	339.2	267.8	174.2	166.2	175.7	304.5
EBITA	252.4	644.0	554.4	436.1	299.1	226.4	120.8	100.1	103.8	250.6
Operating profit/(loss)	93.8	(34.7)	539.6	423.6	290.9	225.6	118.2	98.3	102.6	250.6
Net income before amortization and impairment acquisition-related intangible assets and goodwill[1]	170.0	652.5	395.0	368.9	249.1	203.3	79.6	58.6	48.3	151.8
As % of previous year	26.1%	165.2%	107.1%	148.1%	122.5%	255.4%	135.8%	121.3%	31.8%	73.3%
Net income[2]	67.6	18.4	384.9	360.3	241.9	202.7	77.1	56.8	60.1	207.2
As % of previous year	367.4%	4.8%	106.8%	148.9%	119.3%	262.9%	135.7%	94.5%	29.0%	100.1%
Net cash flow from operations	742.7	760.1	401.4	409.6	238.2	264.7	223.6	196.4	197.5	116.0
Free cash flow	698.1	672.7	328.4	350.0	180.3	230.3	231.4	224.4	107.4	13.5
Depreciation property, plant and equipment and amortization/impairment software	93.6	100.0	51.2	48.1	40.1	41.4	53.4	66.1	62.8	53.9
Investments in property, plant and equipment and software	65.0	92.0	74.4	61.8	62.0	43.8	34.7	30.0	113.4	113.3
Amortization and impairment acquisition-related intangible assets and goodwill	158.6	678.7	14.8	12.5	8.2	0.8	2.6	1.8	1.2	-
Shareholders' equity	2,491.0	2,416.9	1,021.6	790.3	536.2	507.1	353.8	334.5	350.0	359.2
(Net debt) / net cash	(1,014.7)	(1,641.0)	(144.2)	250.3	206.0	149.0	(18.3)	(207.5)	(405.3)	(538.2)
Operating working capital	395.2	711.5	409.5	354.5	398.7	303.0	248.0	311.8	381.0	464.0
Average number of staffing employees	465,600	555,600	369,200	312,300	254,400	224,600	202,500	207,800	217,800	244,500
Average number of corporate employees	27,640	28,230	17,570	15,380	13,430	12,260	12,280	13,040	14,500	15,570
Number of branches, year-end	3,182	4,146	1,889	1,827	1,708	1,633	1,600	1,685	1,769	2,042
Number of inhouse locations, year-end	947	1,087	997	843	703	687	642	582	489	-
Market capitalization, year-end	5,917.6	2,466.9	3,150.7	6,083.4	4,243.9	3,347.2	2,223.4	988.5	1,727.3	1,809.4
Number of ordinary shares outstanding (average in millions)	169.6	148.6	116.4	115.8	115.4	115.3	115.3	115.4	115.6	115.6
Closing price (in €)	34.90	14.55	27.02	52.40	36.69	28.95	19.23	8.55	14.94	15.65
Ratios in % of revenue										
Gross profit	19.5%	21.2%	22.1%	21.1%	21.2%	21.1%	20.7%	21.9%	23.0%	24.0%
EBITDA	2.8%	5.3%	6.6%	5.9%	5.1%	4.6%	3.3%	3.1%	3.0%	4.9%
EBITA	2.0%	4.6%	6.0%	5.3%	4.5%	3.9%	2.3%	1.8%	1.8%	4.1%
Operating profit	0.8%	(0.2%)	5.9%	5.2%	4.4%	3.9%	2.2%	1.8%	1.8%	4.1%
Net income before amortization and impairment acquisition-related intangibles and goodwill	1.4%	4.6%	4.3%	4.5%	3.8%	3.5%	1.5%	1.1%	0.8%	2.5%
Net income	0.5%	0.1%	4.2%	4.4%	3.6%	3.5%	1.5%	1.0%	1.0%	3.4%
Basic earnings per ordinary share (€)	0.36	0.07	3.31	3.11	2.10	1.68	0.59	0.42	0.45	1.72
Diluted earnings per ordinary share (€)[1]	0.36	0.07	3.30	3.10	2.09	1.68	0.59	0.42	0.34	1.24
Diluted earnings per ordinary share before amortization and impairment acquisition-related intangible assets and goodwill (€)[1]	0.99	4.38	3.38	3.17	2.15	1.68	0.62	0.43	0.34	1.24
Dividend per ordinary share (€)	-	-	1.25	1.25	0.84	0.66	0.25	0.17	0.14	0.50
Payout per ordinary share in %[1]	-	-	38%	40%	40%	39%	42%	40%	41%	40%

1 For the years 2000 and 2001 excluding extraordinary income after taxes (2000: € 55.4 million, 2001: € 13.0 million).

2 For the years 2005, 2006 and 2007, net income includes dividend on preferred shares as financial expenses under net finance costs.

quarterly summary **income statement 2009**

Unaudited (amounts in millions of €, unless otherwise indicated)

	First quarter	Second quarter	Third quarter	Fourth quarter	**Year 2009**
Revenue	**3,055.5**	**2,986.8**	**3,177.9**	**3,179.7**	**12,399.9**
Cost of services	2,441.6	2,388.7	2,574.5	2,573.8	9,978.6
Gross profit	**613.9**	**598.1**	**603.4**	**605.9**	**2,421.3**
Selling expenses	440.1	366.7	338.4	352.0	1,497.2
General and aministrative expenses	186.5	177.0	170.5	161.2	695.2
Amortization and impairment acquisition-related intangible assets and goodwill	39.7	39.7	39.8	39.4	158.6
Total operating expenses	666.3	583.4	548.7	552.6	2,351.0
Other income	(6.9)	-	(13.2)	(3.4)	(23.5)
Operating (loss)/profit	**(45.5)**	**14.7**	**67.9**	**56.7**	**93.8**
Net finance costs	(18.1)	(13.8)	(7.2)	(9.8)	(48.9)
Share of (loss)/profit of associates	(0.1)	(0.3)	(0.1)	0.0	(0.5)
Income before taxes	(63.7)	0.6	60.6	46.9	44.4
Taxes on income	11.1	11.0	0.3	0.8	23.2
Net income	**(52.6)**	**11.6**	**60.9**	**47.7**	**67.6**
Calculation earnings per ordinary share					
Net income for ordinary shareholders	(54.2)	10.0	59.3	46.0	61.1
Amortization and impairment acquisition-related intangible assets and goodwill	39.7	39.7	39.8	39.4	158.6
Integration costs	8.2	5.0	2.7	-	15.9
One-offs	46.8	7.6	(17.0)	10.0	47.4
Tax-effect on amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs	(31.7)	(16.3)	(12.3)	(15.5)	(75.8)
Net income for ordinary shareholders before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs	8.8	46.0	72.5	79.9	207.2
Basic earnings (€)	(0.32)	0.06	0.35	0.27	0.36
Diluted earnings €)	(0.32)	0.06	0.35	0.27	0.36
Diluted earnings before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs (€)	0.05	0.27	0.42	0.47	1.21
Average number of ordinary shares outstanding (in millions)	169.5	169.6	169.6	169.6	169.6
Average number of diluted ordinary shares outstanding (in millions)	170.2	170.7	171.2	171.4	171.1

history

Vedior	Year	Randstad
ASB is the first temporary staffing company to be founded in the Netherlands	1949	
	1960	Uitzendbureau Amstelveen founded in the Netherlands.
	1964	The company takes a new name: Randstad Uitzendbureau
The name Vedior is established as a staffing services brand in the Netherlands	1969	
First steps towards an international network through offices in Belgium and Germany	1970	Randstad now has 32 branches in four countries
The Vroom & Dreesmann Group, later rebranded as Vendex International, takes over Vedior	1980	
	1983	Staffing agency Tempo-Team acquired
	1985	Randstad celebrates its silver jubilee; 257 branches in four countries
	1987	Company name changes to Randstad Holding nv
	1990	Randstad shares are listed on the Amsterdam Stock Exchange
The Vroom & Dreesmann Group acquires ASB	1994	
Vendex acquires Bis S.A (founded in 1954), doubling Vedior's staffing services business	1996	Randstad deploys 16,000 staffing employees at the Olympic Games in Atlanta
After being spun-off from Vendex, Vedior shares listed on the Amsterdam Stock Exchange	1997	
	1998	Randstad founder and president and CEO Frits Goldschmeding retires
Vedior acquires UK-based Select Appointments (founded in 1980) with operations in 25 international markets	1999	
	1998 1999	International network doubled through acquisitions in US, Germany and Spain
Vedior promoted to the AEX index	2005	
A seven-year period of 50 acquisitions completed; Vedior's international network expanded from 28 to 50 countries	2007	Randstad, now present in 20 countries, is promoted to the AEX index
	2008	The two pioneering companies become one. Randstad becomes the second-largest HR services provider in the world
	2009	**Integration succesfully completed**

key people

(situation as of February, 2010)

holding

Fred van Haasteren, EVP Group public affairs and chairman of the board of Randstad Groep Nederland

Frans Cornelis, MD Group marketing & communications
Lucile de Godoy, MD Group human resources
James King, MD Group legal
Fred van der Tang, MD Group international account management
Cor Versteeg, MD Group consultancy

Han Kolff, MD Group control, strategy and M&A
Hans van der Kroon, MD Group tax
John van de Luijtgaarden, MD Group accounting
Hans Wanders, Group CIO, MD Group business concept development & innovation

Robbin Brugman, MD Group professional concepts

major operating companies

France

Randstad Group France
François Béharel, managing director

The Netherlands

Randstad
Chris Heutink, managing director

Tempo-Team
Kees Stroomer, managing director

Yacht
Peter Hulsbos, managing director

FunktieMediair
Ronald Simons, managing director

Mailprofs
Theo Das, managing director

Otter-Westelaken
Gerard de Kock, managing director

Germany

Randstad staffing and professionals
Eckard Gatzke, managing director

Gulp
Michael Moser, managing director

Team BS Management
Uwe Beyer, managing director (as per May 1, 2010)

Yacht/Teccon
Stephanie Vonden, managing director

United Kingdom

Randstad Staffing
Diane Martyn, managing director

Abraxas/Randstad Technologies
Rod Jackson, managing director

Randstad Care/Middle-East
Peter Reynolds, managing director

Randstad CPE
Mark Bull, managing director

Joslin Rowe / Martin Ward Anderson
Tara Ricks, managing director associates

Interim Management Group
Alan Horn, managing director

Randstad Managed Services
Kelly Quirk, managing director

Major Players
Jack Gratton, managing director

Mandeville
Debs Smith, managing director

Digby Morgan
John Maxted, managing director

Pareto Law
Jonathan Fitchew, managing director
Andrew Sawer, managing director

Randstad Education
Patrick Malony, managing director

Belgium/Luxembourg

Randstad and Tempo-Team Belgium & Luxembourg
Herman Nijns, managing director

Tempo-Team Belgium
Corné Verbraak, managing director

Tempo-Team Luxembourg
Marios Paras, managing director

Iberia

Spain
Jan Hein Bax, managing director

Portugal
Mário Costa, managing director

Other European countries

Randstad Denmark and Sweden
Jeroen Tiel, managing director

Randstad Italy
Marco Ceresa, managing director

Nordics & Eastern Europe
Paul van de Kerkhof, managing director

Randstad Poland
Kajetan Slonina, managing director

Randstad Switzerland
Simone Nijsen, managing director

North America

Randstad Staffing
Linda Galipeau, president

Randstad Professionals
Dan Foley, president

RMS
John Piazza, president

Accountants International
Steve McMahan, executive vice president

B2B Workforce
Brad Elster, president

Delta
Jeff Stomberg, president

Health Care
Greg Coir, executive vice president

Clinical One
Cynthia Kinnas, president

Locum Medical
Daniel Groth, co-president
Daniel Burg, co-president

Sapphire Technologies
Bob Dickey, president

Think Resources, Inc.
Richard Zambacca, executive vice president

Randstad Canada
Terry Power, managing director

Sapphire Technologies Canada
Sergio Mateus, managing director

Randstad Engineering
Mike Winterfield, president

Randstad Staffing
Marc Etienne, executive vice president
Sebastien Girard, executive vice president

Randstad RPO
Dave Tighe, vice president

Rest of the world

Randstad Mexico
Alejandro Alvarez Blanco, managing director

Sesa International Argentina
Omar Avila, managing director

Randstad Asia Pacific
Debbie Loveridge, managing director

Randstad India
K.P. Rajan, managing director

Randstad Japan and China
Marcel Wiggers, managing director

the 'new' Randstad, ready for your future

In the first half of the twentieth century, two models were commonly used that had a significant influence on employment markets. At one end of the spectrum, large, paternalistic corporations would take care of employees during their whole lives, not only providing them with work, but also their housing, education, sports, recreation, and even looking after their families. At the other extreme, governments set out to plan and control their economies, allocating work to the available workforce and making all the decisions on the production and consumption of goods and services.

Both models proved to be unsustainable. We now know that some people want to be a part of a single corporate culture for a long period of their career, while others prefer to apply their professional skills to a sequence of challenging projects. And that the choice they make does not depend on their educational background or the skills they have acquired. One of the reasons for the rapid growth of the HR services industry in the past few decades is that it offers both these options. Randstad's portfolio of services today reflects this diversity and provides the widest possible range of employment options for individuals and corporations. By adapting to continuously changing market circumstances over the years, by actively developing HR markets, and by creating a new Randstad with the unique combination of staffing and professionals capabilities, we are ready for the future of our stakeholders.

Finding the right job and shaping the right workforce are vital needs of our candidates and clients. So our own employees truly add value. They play a meaningful role in the lives of their stakeholders every day, which is an integral and very rewarding aspect of our business. Social, economic and political developments have influenced our industry for years, and will continue to do so. We have demonstrated our ability to adapt to the needs of our stakeholders, capitalize on our business concepts, leverage drivers of growth and develop new services when required. This has created a company that faces the future with confidence. In our company, tens of thousands of intelligent and motivated people - mostly in their twenties or thirties - help candidates and clients to meet these vital needs. They are not just shaping their own future, the future of Randstad and the future of our growing industry; they are ready for your future.