

**Press release** Second quarter and half-year results 2012

**Date**

26 July 2012

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## Q2 2012: gradual slowdown continues

### Key points Q2 2012

- revenue up 10% to € 4,303.1 million; organic growth<sup>1</sup> per working day -/-0.8% (0% in June).
- North America up 7%, Rest of the World up 6% and Europe -/-4%
- gross margin at 18.2%, 0.2% below last year
- operating expenses<sup>2</sup> at € 647.5 million, up € 9.7 million versus Q1 2012 including € 4 million currency effects
- underlying EBITA<sup>2,3</sup> of € 134.9 million, with an EBITA margin at 3.1% (Q2 2011: 3.9%)
- leverage ratio at 2.4, reflecting seasonality in cash flow and dividend payment
- diluted EPS<sup>4</sup> from € 0.59 to € 0.51 per ordinary share

Ben Noteboom, CEO Randstad: *"We still see a mixed picture in an uncertain environment, illustrated by growth in North America, Asia and Latin America and a gradual slowdown in Europe. Our colleagues in the USA and Japan did particularly well this quarter, growing both revenue and profit. We continue to closely monitor the efficiency and productivity in our business. Our focus is on profitability above market share, and on stringent cost control. We have great confidence in the ability of our people to adjust and adapt as needed, as we have recently seen in the Netherlands and Germany. We welcome the changes in the collective labor agreements in these countries which enable our clients to maintain flexibility, while protecting the rights of our candidates."*

<b>Core data</b>			Y-o-Y			Y-o-Y
in € million, unless otherwise indicated	Q2 2012	Q2 2011	change	6m 2012	6m 2011	change
Revenue	4,303.1	3,915.0	10%	8,455.5	7,615.0	11%
Gross profit	782.4	720.5	9%	1,530.6	1,391.1	10%
Operating expenses, underlying <sup>2</sup>	647.5	567.0	14%	1,285.3	1,128.9	14%
<b>EBITA<sup>3</sup>, underlying &amp; before integr. costs<sup>2</sup></b>	<b>134.9</b>	<b>153.5</b>	<b>-12%</b>	<b>245.3</b>	<b>262.2</b>	<b>-6%</b>
EBITA <sup>3</sup>	111.8	153.5		215.8	262.2	
Adj. net income <sup>4</sup> for holders of ordinary shares	87.5	101.1	-13%	154.9	166.9	-7%
Net debt	1,653.7	1,069.7				
Leverage ratio (net debt/EBITDA)	2.4	1.6				
DSO, days sales outstanding (moving average)	52.7	53.8				
<b>Share data (in € per share)</b>						
Basic EPS	0.20	0.44	-55%	0.36	0.66	-45%
Diluted EPS <sup>4</sup> , underlying	0.51	0.59	-14%	0.90	0.97	-7%

<sup>1</sup> organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications. When calculating growth, SFN Group is included on a pro forma basis in 2011 and therefore not excluded as an acquisition effect

<sup>2</sup> operating expenses and EBITA adjusted for integration costs and one-offs

<sup>3</sup> EBITA: operating profit before amortization/impairment acquisition-related intangible assets and goodwill

<sup>4</sup> before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs

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**Financial performance**

Key financials in € million, unless otherwise indicated			Y-o-Y		Y-o-Y	
	Q2 2012	Q2 2011	change	6m 2012	6m 2011	change
<b>Revenue</b>	<b>4,303.1</b>	<b>3,915.0</b>	<b>10%</b>	<b>8,455.5</b>	<b>7,615.0</b>	<b>11%</b>
Gross profit	782.4	720.5	9%	1,530.6	1,391.1	10%
Operating expenses, underlying	647.5	567.0	14%	1,285.3	1,128.9	14%
<b>EBITA, underlying &amp; before integration costs</b>	<b>134.9</b>	<b>153.5</b>	<b>-12%</b>	<b>245.3</b>	<b>262.2</b>	<b>-6%</b>
<b>Margins (in % of revenue)</b>						
Gross margin	18.2%	18.4%		18.1%	18.3%	
Operating expenses margin, underlying	15.0%	14.5%		15.2%	14.8%	
EBITA margin, underlying	3.1%	3.9%		2.9%	3.4%	

**Revenue**

In Q2 2012 revenue increased by 10% to € 4,303.1 million. On a like-for-like basis, reflecting the consolidation of SFN, revenue per working day was down 0.8% (Q1 2012: 0%), based on 0.6 fewer working days. Last year growth per working day gradually slowed from 15% in Q1 to 11% in Q2. The net effect of disposals (primarily in Germany, India and Japan) was 0.5% and currency effects had a positive impact of 3.1%.

Revenue per working day contracted by 1.0% in April and 1.5% in May, while it was flat in June. The trend in May was impacted by the unfavorable timing of a number of public holidays, including Labour Day (May 1), in most European countries. Bridging days between weekends and the public holidays also have impacted our growth.

Perm fees declined by 9% (Q1 2012: -/-1.5%) and made up 1.8% of revenue and 9.7% of gross profit. Good growth was maintained in perm fees across North America, China, Germany and Spain. Revenue from other services, such as payroll services, managed services and recruitment process outsourcing, maintained strong double-digit growth.

North America grew by 7% per working day compared to 8% in Q1 2012. In Europe, revenue per working day declined by 4% (Q1 2012: -/-3%). Across most European countries seasonal patterns remained visible. In France (-/-3%), the Netherlands (-/-1%) and Germany (-/-2%) the decline in revenue remained limited, while in other European countries the year-on-year decline was a bit higher than in Q1 2012. Australian revenue was broadly in line with last year.

Revenue growth strengthened across Asia, where Japan maintained strong performance, and Latin America.

Inhouse services grew by 15%, or 3% adjusted for the reclassification of SFN's on-site business where we implemented the inhouse services concept. Staffing revenue contracted further, mainly influenced by lower demand in the industrial segment across Europe. Professionals grew by 1% (Q1 2012: 5%), led by North America.

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3/30**Gross profit**

In Q2 2012 gross profit amounted to € 782.4 million, up 9% compared to last year. The organic change in gross profit was -/-5%, partly resulting from fewer working days. Currency effects added € 28 million to gross profit compared to Q2 2011.

The gross margin was 18.2%, up 0.2% compared to the previous quarter. On a like-for-like basis, reflecting the consolidation of SFN, the gross margin in Q2 2011 would have been 18.7%. The temp margin was 0.6% below last year (Q1 2012: -/- 0.3%) and reflects ongoing price/mix effects. Perm fees had no impact in the mix, while other HR services added 0.1% to the gross margin. Despite solid gross margin enhancements in North America, we noticed that the competitive environment became more challenging across a larger number of countries.

**Operating expenses**

In Q2 2012 operating expenses amounted to € 647.5 million, compared to € 637.8 million in the previous quarter, which included € 3.8 million of book profits on divestments in the Netherlands and India. The net increase of € 6 million is attributable to higher marketing expenses (€ 6 million) and currency effects (€ 4 million), offset by cost savings and synergies. Compared to last year, assuming SFN had already been consolidated, operating expenses increased by € 12 million (or 2%). Currency effects added € 24 million to the cost base, while divestments lowered the cost base by € 6.0 million. The remaining net effect of € 6.0 million is related to cost savings, investments and synergies. Costs decreased by € 19 million in Europe, while we invested in the other regions as they continued to grow. Operating expenses were adjusted for restructuring costs of € 16.8 million, mainly in Germany and the Netherlands. We anticipate a payback period of 12 months. Personnel expenses increased slightly compared to the previous quarter, driven by currency effects and higher commissions in North America, offset by changes in headcount. Average headcount (in FTE) amounted to 29,480 for the quarter, down 2% versus Q1 2012 and 3% below Q2 2011. The reduction in FTEs, which follows the trend in gross profit, occurred mainly across Europe. In North America, headcount was just below Q1 2012 levels. Although FTEs reduced as a result of the integration, we continued to add FTEs in services such as recruitment process outsourcing. We continued to invest in Japan and in emerging markets, including China and Latin America. Productivity (measured as gross profit per FTE) was 1% ahead of last year. At the end of the quarter we operated a network of 4,607 outlets, 38 fewer than in the previous quarter, as we continued to optimize our branch network in countries such as North America, Germany, the United Kingdom and the Netherlands, while we opened around 20 inhouse locations, mainly across Europe.

**EBITA**

In Q2 2012 underlying EBITA decreased by 12% to € 134.9 million, with an EBITA margin of 3.1% (Q2 2011: 3.9%). On a like-for-like basis the EBITA in Q2 2011 would have been € 164.0 million or 3.8% of revenue. Currency effects added € 3.5 million to EBITA.

We see good progress in North America, Japan, Asia and Latin America, yet the gradual slowdown in Europe creates a different geographic mix. Additionally, as diverging trends persist, our business mix is less geared towards white collar and professionals than would be expected. We have also witnessed increasing gross margin pressure in a number of countries, such as the Netherlands and Germany. As a result, we have reinforced our focus on costs, while aiming at profitability instead of market share gains. Our field steering approach ensures adaptability of the field organization, while we will closely monitor productivity and the efficiency of the whole organization, including overhead and head office costs. We will continue to invest in those activities where growth continues and we will adjust the organization where necessary, as we recently announced in the Netherlands and Germany. At the same time we will focus on client profitability by optimizing our delivery models, enhancing our pricing policies and terminating contracts if needed.

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## Key financials

in € million, unless otherwise indicated	Q2 2012	Q2 2011	Y-o-Y		Y-o-Y	
			change	6m 2012		6m 2011
<b>Underlying EBITA</b>	<b>134.9</b>	<b>153.5</b>	<b>-12%</b>	<b>245.3</b>	<b>262.2</b>	<b>-6%</b>
One-offs	16.8	-		16.8	-	
Integration costs	6.3	-		12.7	-	
<b>EBITA</b>	<b>111.8</b>	<b>153.5</b>		<b>215.8</b>	<b>262.2</b>	
Amortization of intangible assets	56.1	39.1		111.5	80.2	
<b>Operating profit</b>	<b>55.7</b>	<b>114.4</b>	<b>-51%</b>	<b>104.3</b>	<b>182.0</b>	<b>-43%</b>
Net finance costs	-2.2	-5.1		-9.6	-15.7	
Share of profit/(loss) of associates	-0.1	0.0		-0.1	-0.1	
<b>Income before taxes</b>	<b>53.4</b>	<b>109.3</b>	<b>-51%</b>	<b>94.6</b>	<b>166.2</b>	<b>-43%</b>
Taxes on income	-16.9	-33.0		-29.3	-50.2	
<b>Net income</b>	<b>36.5</b>	<b>76.3</b>	<b>-52%</b>	<b>65.3</b>	<b>116.0</b>	<b>-44%</b>

## Amortization of intangibles and impairment goodwill

Amortization of acquisition-related intangible assets amounted to € 56.1 million, in line with Q1 2012. The increase compared to last year is attributable to the acquisition of SFN; after the acquisition we allocated part of the goodwill paid to intangible assets including brand names, customer relationships and candidate databases in the balance sheet. This resulted in a quarterly amortization charge of around € 19 million, offset by lower amortization charges from previous acquisitions.

## Net finance costs

In Q2 2012 net finance costs reached € 2.2 million versus € 5.1 million in Q2 2011. Net finance costs include the interest expenses on our net debt position, as well as currency effects and adjustments in the valuation of certain assets and liabilities. Interest expenses amounted to € 5.8 million compared to € 6.2 million in Q2 2011. Although the net debt position increased, it was more than offset by lower interest rates. Foreign currency gains were € 4.9 million compared to a gain of € 1.8 million in Q2 2011. The remaining effect of € 1.3 million was mainly caused by adjustments in the valuation of certain assets and liabilities, which is broadly in line with the effect in previous quarters.

## Tax

In Q2 2012 the effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs and one-offs amounted to 33% (2011: 31%). For the full year we expect a tax rate at the higher end of our indicated range of between 29% and 32%. The increase compared to last year is mainly caused by a changed geographical mix due to higher profitability in countries with above average tax rates, and lower profitability in countries with below average tax rates. For cash tax purposes we expect the repayment of a tax liability, related to the refund in 2008 of € 131 million, in Q4 2012.

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**Net income and earnings per share**

In Q2 2012 diluted EPS decreased from € 0.59 to € 0.51.

**Net income and earnings per share**

in € million, unless otherwise indicated	Q2 2012	Q2 2011	change	6m 2012	6m 2011	change
<b>Net income</b>	<b>36.5</b>	<b>76.3</b>	<b>-52%</b>	<b>65.3</b>	<b>116.0</b>	<b>-44%</b>
Results non-controlling interests	0.0	0.0		0.0	0.1	
Dividend holders preferred shares	1.8	1.8		3.6	3.6	
<b>Net income for holders ordinary shares</b>	<b>34.7</b>	<b>74.5</b>	<b>-53%</b>	<b>61.7</b>	<b>112.3</b>	<b>-45%</b>
Amortization intangible assets <sup>1</sup>	56.1	39.1		111.5	80.2	
Integration costs	6.3	-		12.7	-	
One-offs	16.8	-		16.8	-	
Tax effect on aforementioned items	-26.4	-12.5		-47.8	-25.6	
<b>Net income for holders ordinary shares (adj.)</b>	<b>87.5</b>	<b>101.1</b>	<b>-13%</b>	<b>154.9</b>	<b>166.9</b>	<b>-7%</b>
Basic EPS	0.20	0.44	-55%	0.36	0.66	-45%
Diluted EPS <sup>2</sup>	0.51	0.59	-14%	0.90	0.97	-7%

**Balance sheet**

Operating working capital followed normal seasonal patterns in our business. Additionally, as in every year, we paid yearly holiday allowances in the Netherlands and Belgium. In a number of countries, such as France, we experienced some delay in collecting receivables towards the end of the quarter. However, we have already witnessed above average cash inflow in the first weeks of July as a result of these payment delays.

The moving average of Days Sales Outstanding improved by 1.1 days compared to Q2 2011 and 0.5 days compared to the previous quarter. The improvement was mainly driven by the higher share of North America in the revenue mix, and continuous improvements in our invoicing and collection processes.

**Selected balance sheet items**

in € million, unless otherwise indicated	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Jun. 30, 2011	Mar. 31, 2011
<b>Operating working capital<sup>3</sup></b>	<b>906.3</b>	<b>650.3</b>	<b>631.6</b>	<b>718.8</b>	<b>516.0</b>
<i>DSO, days sales outstanding</i>	<i>52.7</i>	<i>53.2</i>	<i>53.8</i>	<i>53.8</i>	<i>54.1</i>
<b>Net debt</b>	<b>1,653.7</b>	<b>1,212.0</b>	<b>1,302.6</b>	<b>1,069.7</b>	<b>746.5</b>
<i>Leverage ratio (net debt / 12-month EBITDA)</i>	<i>2.4</i>	<i>1.7</i>	<i>1.8</i>	<i>1.6</i>	<i>1.2</i>

At the end of Q2 2012 net debt amounted to € 1,653.7 million compared to € 1,212.0 million at the end of Q1 2012. As expected, net debt increased sequentially as a result of the payment of dividend and the changes in working capital. The leverage ratio, which includes the EBITDA of SFN on a pro forma basis, reached 2.4. The covenants of the syndicated credit facility allow a leverage ratio of up to 3.5, while we aim at a maximum leverage ratio of 2. Based on current trends and seasonality in our free cash flow we anticipate that the leverage ratio will not exceed 2 by the end of the year.

<sup>1</sup> amortization and impairment of acquisition-related intangible assets and goodwill

<sup>2</sup> diluted EPS before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs

<sup>3</sup> operating working capital is trade and other receivables minus current part financial fixed assets minus trade and other payables

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**Cash flow analysis**

in € million, unless otherwise indicated	Q2 2012	Q2 2011	change	6m 2012	6m 2011	change
<b>EBITA</b>	<b>111.8</b>	<b>153.5</b>	<b>-27%</b>	<b>215.8</b>	<b>262.2</b>	<b>-18%</b>
Depreciation and amortization software	20.7	19.4		40.7	39.5	
<b>EBITDA</b>	<b>132.5</b>	<b>172.9</b>	<b>-23%</b>	<b>256.5</b>	<b>301.7</b>	<b>-15%</b>
Working capital	-239.5	-206.1		-268.4	-208.3	
Provisions and other items	9.3	0.2		1.1	-4.1	
Income taxes (paid)/received	-54.9	-56.0		-72.2	-33.3	
<b>Net cash flow from operating activities</b>	<b>-152.6</b>	<b>-89.0</b>	<b>-71%</b>	<b>-83.0</b>	<b>56.0</b>	<b>-248%</b>
Net capital expenditures	-16.3	-16.6		-28.4	-31.3	
Financial receivables	1.6	0.1		1.9	0.2	
<b>Free cash flow</b>	<b>-167.3</b>	<b>-105.5</b>	<b>-59%</b>	<b>-109.5</b>	<b>24.9</b>	<b>-540%</b>
Net acquisitions/disposals	-1.3	-6.5		6.3	-13.4	
Issue of ordinary shares	-	1.5		0.9	16.9	
Net finance costs received/(paid)	0.1	-4.0		-5.9	-13.5	
Dividend ordinary shares	-215.1	-201.6		-215.1	-201.6	
Dividend preferred shares	-7.1	-7.2		-7.1	-7.2	
Dividend non-controlling interests	-	-0.3		-	-0.3	
Translation effects and other	-51.0	0.4		-20.7	23.8	
<b>Net increase net debt</b>	<b>-441.7</b>	<b>-323.2</b>		<b>-351.1</b>	<b>-170.4</b>	

Free cash flow is typically negative in the second quarter. This is mainly caused by payments of holiday allowances in the Netherlands and Belgium. These payments, including taxes and social insurance charges, occur every year throughout the second quarter. In addition, seasonality in our business causes an increase in working capital requirements as revenue in the second quarter is normally higher than in the first quarter. The slowdown in growth across Europe and the improved DSO resulted in an unwinding of trade receivables. This effect was more than offset by a delay in the collection of trade and other receivables towards the end of the quarter. However, we have seen an above average cash inflow in the first weeks of July.

Net capital expenditures, which relate to office refurbishments and investments in IT equipment and software, were slightly lower than last year.

The total dividend paid on ordinary shares and preferred shares amounted to € 222.2 million. It was higher than the payout in 2011 as the dividend on ordinary shares increased from € 1.18 per share to € 1.25 per share.

Translation and other effects of € 51.0 million are mainly caused by currency effects on the valuation of drawings under the syndicated credit facility, which are denominated in currencies other than euro.

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**Performance by geography**

<b>North America</b> in € million	<b>Q2 2012</b>	Q2 2011	<i>change<sup>1</sup></i>	<b>6m 2012</b>	6m 2011	<i>change<sup>1</sup></i>
Revenue	995.4	482.4	7%	1,952.7	958.5	8%
EBITA	43.9	20.2	30%	66.7	30.9	33%
EBITA margin	4.4%	4.2%		3.4%	3.2%	

Growth continued in North America. Revenue increased by 7% per working day on a pro forma basis (Q1 2012: 8%), while it was 6% in June. Perm fees in North America were up 6% organically (Q1 2012: 16%). The gross margin increased compared to last year thanks to strong discipline and an improved business mix.

Our combined US staffing and inhouse business grew by 5% (Q1 2012: 6%), led by the administrative segment and permanent placements. It ended the quarter with growth of 4% in June. Inhouse services, which includes all of the on-site business of SFN, grew by 4% (Q1 2012: 6%). Our US professionals businesses grew by 10% per working day (Q1 2012: 13%), following a fairly stable trend throughout the quarter. Growth was maintained across most sectors. In HR Solutions we saw solid double-digit growth in managed services and recruitment process outsourcing (RPO) based on a combination of new client wins and higher volumes in existing accounts. Canadian revenue grew by 5% per working day (Q1 2012: 5%) against a strong comparison base.

The total number of FTEs was just below the level in the previous quarter. The number of FTEs decreased as a result of the integration process, while we continued to invest in growth, including recruitment process outsourcing where we added another 100 FTEs. The EBITA margin for the region reached 4.4%, and includes € 6.0 million of cost synergies. Last year's EBITA margin would have been 3.7%, had SFN been included in the consolidation.

*Integration SFN and synergies*

The integration process is on track. The integration of the staffing business is in progress and will be finalized in Q3 2012. The integration of the professionals businesses will commence in Q3 2012 and is expected to be completed in Q2 2013. This integration also involves a change in the IT environment of both organizations. As a consequence, the full amount of synergies will be reached in the course of 2013. In Q2 2012, we incurred integration costs of € 6.3 million. Since the integration process began we have incurred integration costs of € 25.3 million.

We remain confident that we will realize annual pre-tax cost synergies of around € 30 million (\$40 million) and recurring annual tax savings of € 8 million (\$10 million). Integration costs will be in line with the annual pre-tax cost synergies.

<sup>1</sup> organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications. When calculating growth, SFN Group is included on a pro forma basis in 2011 and therefore not excluded as an acquisition effect. Growth rates in North America reflect the change in revenue recognition in both years.

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France in € million	Q2 2012	Q2 2011	change <sup>1</sup>	6m 2012	6m 2011	change <sup>1</sup>
Revenue	831.9	875.3	-5%	1,573.5	1,640.9	-4%
EBITA	23.0	31.4	-27%	37.6	47.1	-20%
EBITA margin	2.8%	3.6%		2.4%	2.9%	

Revenue per working day contracted by 3% (Q1 2012: -/-5%). The decline was slightly less than in the previous quarter, despite the timing of public holidays such as Labour Day, which was on a Tuesday this year. Revenue in June was just below last year. Inhouse services maintained its strong performance and grew by a solid 24% (Q1 2012: 15%). Since the start of the year we added 12 sites, and increased our market share at existing locations. Revenue in our professionals business contracted by 6% (Q1 2012: -/-4%). Perm fees were 13% below last year (Q1 2012: +1%). We continued reviewing client profitability. This resulted in the termination of some contracts in Q1, while we expect some more in Q3. We anticipate that the overall impact for 2012 will remain below 1% of revenue. As expected, the gross margin was 0.7% below last year. The positive effect from the price increases, to compensate for lower subsidies, was smaller in Q2 2012 (0.3%) as the price increases started to materialize in Q2 2011. As announced in our Q1 2012 press release, we have refined the calculation method for subsidies, which leads to a relative shift of subsidies towards the second half of the year when compared with the method we applied in 2011. The negative effect from this change was around 0.4%. In addition to these effects, higher wages taxes (0.4%) and a change in business mix, resulting from continued strong growth in inhouse and lower demand in professionals and perm fees, put further pressure on the French gross margin. The number of FTEs was 1% below the level in the previous quarter. As a consequence of the above, the EBITA margin reached 2.8%. We will focus on costs by making use of the flexibility in our cost base, while aiming for larger branches.

Netherlands in € million	Q2 2012	Q2 2011	change <sup>1 2</sup>	6m 2012	6m 2011	change <sup>1 2</sup>
Revenue	698.8	727.4	-3%	1,387.0	1,428.7	-2%
EBITA	36.2	47.2	-23%	75.3	86.2	-12%
EBITA margin	5.2%	6.5%		5.4%	6.0%	

Revenue per working day contracted by 1% (Q1 2012: -/- 2%), while revenue from the Dutch staffing market, which excludes Yacht, declined by about 1%. Normal seasonal patterns remained visible. Randstad the Netherlands continued to perform well ahead of the market, while Tempo-Team closed the gap with the market. At Yacht revenue declined by 6% (Q1 2012: -/- 3%), while revenue per working day stabilized throughout the quarter. Although volumes remained fairly stable, hours per week and bill rates were lower. In combination with fewer working days profitability at Yacht came under pressure.

Gross margin pressure remained in the Netherlands. We witnessed a tough competitive environment, especially within larger tenders. Other mix effects, caused by strong growth in inhouse services and payroll services also put some pressure on our gross margin. A lower contribution from perm fees, also played an important role. Reinforcing our focus on client profitability resulted in the termination of a large contract in the semi-public sector. Underlying operating expenses were somewhat lower than in the previous quarter. Lower personnel expenses offset higher marketing costs, that were associated with the sponsorship of the Dutch Olympic Team. The number of FTEs was 2%

<sup>1</sup> organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications.

<sup>2</sup> revenue in Q1 2012 was impacted by a reassessment of a limited number of contracts at Yacht. The effect has been reflected in the organic growth rate

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lower than in Q1 2012, partly due to the adjustments made in Tempo-Team and Yacht. The recently announced restructuring program in Randstad the Netherlands aims to create a more efficient and client-oriented organization. Operating expenses were adjusted for restructuring costs of € 6.1 million. This covers the first part of the program and focuses on overhead in the field organization. For the second part of the program, which relates to the head-office organization, we expect to incur up to € 6 million in Q3 2012. We expect to realize a similar amount of cost savings within 12 months of the program's implementation date. The underlying Dutch EBITA margin reached 5.2% against a strong comparison base.

<b>Germany</b> in € million	<b>Q2 2012</b>	Q2 2011	<i>change<sup>1</sup></i>	<b>6m 2012</b>	6m 2011	<i>change<sup>1</sup></i>
Revenue	455.0	487.0	-5%	916.9	938.6	0%
EBITA	19.7	33.2	-41%	40.6	58.8	-31%
EBITA margin	4.3%	6.8%		4.4%	6.3%	

On an organic basis, German revenue per working day contracted by 2% (Q1 2012: +3%). While revenue was 3% lower in April and May, it was flat in June. Last year revenue growth slowed from 20% in April to 8% in June. The number of employees working in our combined staffing and inhouse business was 6% lower than last year, following a normal seasonal increase. The positive price effect, related to the changes in the collective labor agreement in 2011, became smaller in Q2 as the first change occurred in May 2011. Our inhouse business maintained good growth, while revenue of the staffing business contracted by 12% (Q1 2012: -/-3%).

As in the previous quarter, gross margin pressure at our staffing and inhouse businesses remained in place. Certain specific developments played an important role. Firstly, 2012 has more public holidays than 2011, which has a negative impact of around 0.7%. Secondly, we are bearing higher salary costs during holidays as a result of a ruling in Germany. The negative effect was roughly 0.3%, which was similar to Q1 2012. Finally, price pressure remained strong. In line with the volume trends and the effects in our gross margin we have implemented a restructuring program to create higher efficiencies and improve effectiveness within the organization. Operating expenses have been adjusted for restructuring costs of € 9.5 million. The program will be finalized in the second half of the year and we anticipate that we will realize a similar amount of cost savings within 12 months. Growth in professionals, which no longer includes the aerospace business, was 7% (Q1 2012: 15%), led by the IT segment, while engineering came under some pressure. The German EBITA margin reached 4.3%. In Q2 2011 German gross profit included specific wage cost-related gains of € 3.5 million, which were related to previous years.

<b>Belgium &amp; Luxembourg</b> in € million	<b>Q2 2012</b>	Q2 2011	<i>change<sup>1</sup></i>	<b>6m 2012</b>	6m 2011	<i>change<sup>1</sup></i>
Revenue	321.8	349.8	-8%	642.5	684.5	-6%
EBITA	13.5	16.5	-18%	26.7	30.5	-12%
EBITA margin	4.2%	4.7%		4.2%	4.5%	

Revenue per working day was 6% below last year, in line with the decline of 6% in the previous quarter. The combined staffing and inhouse business performed below the market, partly because of its relatively high exposure to the blue-collar segment, where the decline was more pronounced. Professionals grew by 7% (Q1 2012: 6%) on the back of the successful implementation of the growth accelerator in 2011. Revenue from non-staffing services, such as service checks and HR Solutions, showed low single digit growth, led by outplacement. The competitive environment remained challenging in Belgium. Despite that, the gross margin was slightly higher than previous year as we were able to collect

<sup>1</sup> organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

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certain subsidies (related to previous years), which were largely offset by lower receipts on other subsidies. We will reinforce our focus on client profitability and enhancing our pricing policy. In Q2 2011 Belgian gross profit included specific wage cost-related items amounting to € 2.0 million, which were related to previous years. Operating expenses were at the same level as the previous quarter, although the number of FTEs ended 2% below the level of Q1 2012. As a result, the EBITA margin was 4.2% against a relatively strong Q2 2011.

<b>United Kingdom</b> in € million	<b>Q2 2012</b>	Q2 2011	<i>change<sup>1,2</sup></i>	<b>6m 2012</b>	6m 2011	<i>change<sup>1,2</sup></i>
Revenue	198.1	191.4	-8%	396.1	396.4	-8%
EBITA	1.2	1.5	-32%	2.0	4.4	-56%
EBITA margin	0.6%	0.8%		0.5%	1.1%	

Revenue per working day was 8% below last year (Q1 2012: -/- 9%), despite the impact of bridging days around the Queen's jubilee. Professionals gradually strengthened, led by engineering, finance and managed services, predominantly through temporary staffing. Demand within our education and care businesses is stable, easing the decline in revenue. However, revenue at our inhouse business was 13% lower than Q2 2011 (Q1 2012: -/-10%), as we focused on client profitability. Perm fees were 14% lower than the same period last year (Q1 2012: -/-19%). The competitive environment remained challenging in the UK, reflected in substantially lower temp margins and fees per placement. In line with the trends in our business, we reduced our staff by 4% compared to the previous quarter. Operating expenses were adjusted for € 1.2 million of restructuring charges as we continued to streamline the organization. As a result, the EBITA margin reached 0.6%.

<b>Iberia</b> in € million	<b>Q2 2012</b>	Q2 2011	<i>change<sup>1</sup></i>	<b>6m 2012</b>	6m 2011	<i>change<sup>1</sup></i>
Revenue	196.5	219.3	-10%	388.6	426.7	-9%
EBITA	1.7	3.7	-54%	4.6	7.3	-37%
EBITA margin	0.9%	1.7%		1.2%	1.7%	

Economic circumstances remained challenging in this region. Revenue per working day was 10% below Q2 2011 (Q1 2012: -/- 8%), while it ended the quarter -/-13% in June. Revenue in Spain was down 9% (Q1 2012: -/- 10%), mainly driven by lower demand in manufacturing and distribution. We continued to transfer business from staffing to inhouse to optimize our delivery model for clients. The Spanish professionals business further strengthened. In Portugal, revenue contracted by 12% (Q1 2012: -/- 6%). The contact center business continued to grow, while manufacturing and automotive were under pressure. Good cost control was maintained in Spain, while in Portugal operating expenses remained at a level similar to the previous quarter. As part of our focus on costs and efficiency, we have decided to combine Randstad and Tempo-Team in Portugal.

<sup>1</sup> organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

<sup>2</sup> revenue in Q2 2012 was impacted by a reassessment of a limited number of managed services contracts. The effect has been reflected in the organic growth rate

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<b>Other European countries</b> in € million	<b>Q2 2012</b>	Q2 2011	<i>change<sup>1</sup></i>	<b>6m 2012</b>	6m 2011	<i>change<sup>1</sup></i>
Revenue	221.8	240.3	-8%	432.2	452.4	-4%
EBITA	5.7	7.9	-28%	8.4	12.4	-33%
EBITA margin	2.6%	3.3%		1.9%	2.7%	

Across other European countries revenue per working day contracted by 6% (Q1 2012: -/-3%). In Italy, which makes up roughly 50% of this region, revenue declined by 8% (Q1 2012: -/- 3%). Revenue declined gradually, against strong comparables and ended the quarter 11% below June 2011. Revenue at our Swiss and Polish businesses was 2% below Q2 2011. In Poland, the decline is mainly attributable to the deliberate termination of a large contract following our focus on client profitability in Q4 2011. In Scandinavia the decline was more pronounced, partly because of a slowdown in the industrial segment, while we deliberately terminated some contracts. Growth in professionals across Denmark and Sweden remained solid following the successful start of the growth accelerator. Our Hungarian business remained under pressure as we lost one of our largest contracts by the end of 2011, while in the Czech Republic revenue was 8% below Q2 2011, a similar rate of decline as in Q1 2012. Turkey and Greece performed solidly, returning double-digit growth. Good cost control was maintained across the region and the EBITA margin reached 2.6%.

<b>Rest of the world</b> in € million	<b>Q2 2012</b>	Q2 2011	<i>change<sup>1</sup></i>	<b>6m 2012</b>	6m 2011	<i>change<sup>1</sup></i>
Revenue	383.8	342.1	7%	766.0	688.3	7%
EBITA	2.5	1.8	-12%	8.7	6.5	14%
EBITA margin	0.7%	0.5%		1.1%	0.9%	

In Japan (37% of the region) revenue grew by 5% (Q1 2012: 4%). Growth strengthened across all segments and good profitability was achieved. Revenue in Australia and New Zealand (29% of the region) was around the same level as last year. The professionals business continued to grow at a low single digit rate. Perm fees remained under pressure, mainly because of the challenging IT and banking & finance markets. China, with a strong focus on perm, maintained solid double-digit growth. Growth in our Indian business strengthened to 18%. In Latin America (18% of the region), our Argentinean business continued to expand while maintaining its focus on profitability. Our Mexican business was somewhat under pressure, while in Brazil we maintained strong double-digit growth. In Brazil we continued to invest in growth by focusing on professionals and expanding our footprint. In Chile we focus on professionals and this returned strong double-digit growth.

<sup>1</sup> organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

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**Performance by revenue category**

<b>Staffing</b> in € million	<b>Q2 2012</b>	Q2 2011	<i>change<sup>1</sup></i>	<b>6m 2012</b>	6m 2011	<i>change<sup>1</sup></i>
Revenue	2,662.7	2,563.5	-6%	5,225.7	4,963.6	-5%
EBITA	80.7	104.9	-35%	149.4	179.7	-28%
EBITA margin	3.0%	4.1%		2.9%	3.6%	

Revenue per working day contracted by 7% (Q1 2012: -/- 4%). In North America, the staffing business grew by 8% (Q1 2012: 9%) with continued strong focus on the administrative segment and perm fees. In Europe, staffing revenue was down by 8% (Q1 2012: -/- 6%). Dutch staffing revenue contracted by 4% (Q1 2012: flat), while in France revenue was 6% lower than last year (Q1 2012: -/- 5%), which partly reflects transfers to inhouse. German and Belgian staffing revenue contracted by 12% and 9% respectively (Q1 2012: -/- 1% and -/-5% resp.), while we saw similar levels of decline in the other European countries. In the Rest of the World region, Staffing revenue grew by 11% (Q1 2012: 6%). The underlying EBITA margin reached 3.0% and reflects ongoing price/mix effects. On a like-for-like basis, assuming SFN would have been consolidated in 2011, the EBITA margin in Q2 2011 would have been 3.8%.

<b>Inhouse</b> in € million	<b>Q2 2012</b>	Q2 2011	<i>change<sup>1</sup></i>	<b>6m 2012</b>	6m 2011	<i>change<sup>1</sup></i>
Revenue	752.5	631.9	15%	1,459.8	1,226.2	16%
EBITA	30.8	24.1	19%	54.9	43.7	18%
EBITA margin	4.1%	3.8%		3.8%	3.6%	

Inhouse services, mainly focused on industrial and logistical clients, grew by 15% (Q1 2012: 17%). Following the implementation of the concept, we transferred SFN's on-site business to inhouse. Adjusted for this, growth would have been 3% (Q1 2012: 5%). In addition to the ongoing transfers from staffing, growth at existing clients accelerated. France and North America led growth, by 24% and 4% respectively. With the exception of Belgium, the United Kingdom, Spain and the Nordics, all businesses continued to expand. The EBITA margin reached 4.1% compared to 3.8% in Q2 2011.

<b>Professionals</b> in € million	<b>Q2 2012</b>	Q2 2011	<i>change<sup>1</sup></i>	<b>6m 2012</b>	6m 2011	<i>change<sup>1</sup></i>
Revenue	887.9	719.6	1%	1,770.0	1,425.2	3%
EBITA	35.9	34.4	-18%	66.3	60.7	9%
EBITA margin	4.0%	4.8%		3.7%	4.3%	

Professionals grew by 1% (Q1 2012: 5%), mainly as a result of low demand across Europe. Perm fees declined by 10%. The US professionals businesses showed good growth across most sectors, albeit that revenue in IT gradually slowed in the quarter. Our Canadian business maintained double-digit growth. Overall growth in the North American region was 7% compared to 13% in the previous quarter. Our French business contracted by 6% compared to -/-4% in the previous quarter. Revenue at our Dutch professionals businesses contracted by 10%. In the UK, revenue was 5% lower than Q2 2011 (Q1 2012: -/-6%). The private sector-oriented part of the business gradually strengthened during the quarter. The education and care businesses are still in decline, although the trend in education continued to improve. The EBITA margin reached 4.0%. On a pro forma basis, assuming SFN would have been consolidated in 2011, the EBITA margin in Q2 2011 would have been 4.9%.

<sup>1</sup> organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications. When calculating growth, SFN Group is included on a pro forma basis in 2011 and therefore not excluded as an acquisition effect

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**Other information**

**M&A**

In Q2 2012 we increased our stake in Major Players, a UK-based recruitment agency focused on the marketing and advertising segment, to 100%. Our shareholding in Talent Shanghai was also increased from 85% to 100%. Talent Shanghai was acquired in 2006 and was the starting point for our activities in China. We divested smaller businesses in Thailand and Malaysia. In July 2012 we increased our stake in the Argentinean business to 100%. These transactions do not have a material impact on our financial results and financial position. We have used our call option to increase our stake in Gulp, a German IT staffing company, from 70% to 100%. We expect to complete this transaction before the end of the year.

**Regulatory changes in the Netherlands and Germany**

We welcome the changes in the collective labor agreements in the Netherlands and Germany. In Germany the larger unions in the metal and chemical sectors have agreed upon a new framework, as of November 2012, in which salaries of temporary agency workers gradually increase towards the level of employees directly hired by clients. In the Netherlands the key change in the collective labor agreement will be that as from January 2015, temporary agency workers are entitled to the same salary as employees directly hired by clients. With these changes our clients are able to maintain flexibility, while the rights of our candidates are protected. The changes will have a positive impact on the image of our industry.

**Outlook**

The patterns in our markets remained clearly different from previous cycles. North America, Asia and Latin America continued to grow, while we faced a continued gradual slowdown in Europe. As a result, revenue per working day in June was at the same level as last year. In 2011, growth slowed from 11% in Q2 to 7% in Q3.

Although we have experienced normal seasonal patterns across most countries, the first weeks of July indicated a somewhat weaker trend than in Q2 2012. In Q3 2012 we will have 1 working day less than last year. Bridging days will play a role as well, for example in the US where July 4 was on a Wednesday.

We will focus on profitability above market share and stringent cost control. Our field steering approach ensures adaptability of the field organization, while we will closely monitor productivity and the efficiency of the whole organization, including overhead. We will continue to invest in those activities where growth continues and we will adjust the organization where necessary, as we recently announced in the Netherlands and Germany. As a result we anticipate an organic decrease in operating expenses in Q3 2012. This does not take into account any impact of currency effects.

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<b>Working days</b> <i>(indicative)</i>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
2012	64.1	61.7	63.9	63.5
2011	63.4	62.3	64.9	63.3

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## Half-year report

**Key financials**

in € million, unless otherwise indicated	<b>6m 2011</b>	6m 2010	<i>change</i>	<i>organic change</i>
<b>Revenue</b>	<b>8,455.5</b>	<b>7,615.0</b>	<b>11%</b>	<b>0%</b>
Gross profit	1,530.6	1,391.1	10%	-3%
Operating expenses, underlying	1,285.3	1,128.9	14%	0%
<b>EBITA, underlying &amp; before integration costs</b>	<b>245.3</b>	<b>262.2</b>	<b>-6%</b>	<b>-13%</b>
<b>Margins (in % of revenue)</b>				
Gross margin	18.1%	18.3%		
Operating expenses margin	15.2%	14.8%		
EBITA margin	2.9%	3.4%		

**Revenue**

Revenue increased to € 8,455.5 million, up 11% or 0% organically. On a like-for-like basis, assuming SFN had been consolidated, revenue per working has been broadly in line with last year. Growth continued in North America and strengthened in the Rest of the World, while in Europe revenue contracted at a low single digit rate. Inhouse services continued to show solid growth rates, while staffing contracted by 4% in the first quarter and 5% in the second quarter. Professionals saw continued growth in North America, while the trend turned negative across Europe.

**Gross profit**

The gross margin reached 18.1%, which is 0.2% below last year. On a like-for-like basis, reflecting the consolidation of SFN, the gross margin in the first half of 2011 would have been 18.5%. The temp margin declined by 0.5% year-on-year and reflects ongoing price/mix effects. Price pressure eased somewhat at the start of the year, and became more pronounced in the course of the second quarter, especially in Germany, the Netherlands and the United Kingdom. Perm fees did not have an impact in the mix, while other HR services added 0.1% to the gross margin.

**Operating expenses**

Operating expenses increased 14% to € 1,285.3 million. On a like-for-like basis operating expenses remained broadly in line with the cost level of the second half of 2011. Average headcount was 1% below last year's level, while it was around 4% lower than the level in the second half of 2011. Productivity (measured as gross profit per FTE) was in line with last year. Operating expenses were adjusted for restructuring costs of € 16.8 million as we announced restructuring programs in Germany and the Netherlands, while we continued to streamline our organization in the United Kingdom. Synergies stemming from the integration of SFN amounted to € 6.0 million in the second quarter.

**EBITA**

Underlying EBITA decreased to € 245.3 million. The EBITA margin amounted to 2.9% compared to 3.4% over the first six months of 2011.

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**Key financials**

in € million, unless otherwise indicated	6m 2012	6m 2011	Y-o-Y change
<b>Underlying EBITA</b>	<b>245.3</b>	<b>262.2</b>	<b>-6%</b>
One-offs	16.8	-	
Integration costs	12.7	-	
Amortization of intangible assets	111.5	80.2	
<b>Operating profit</b>	<b>104.3</b>	<b>182.0</b>	<b>-43%</b>
Net finance costs	-9.6	-15.7	
Share of profit/(loss) of associates	-0.1	-0.1	
<b>Income before taxes</b>	<b>94.6</b>	<b>166.2</b>	<b>-43%</b>
Taxes on income	-29.3	-50.2	
<b>Net income</b>	<b>65.3</b>	<b>116.0</b>	<b>-44%</b>

**Amortization of acquisition-related intangible assets**

Amortization of acquisition-related intangible assets increased to € 111.5 million compared to € 80.2 million over the first six months of 2011. Following the acquisition of SFN we recognized intangible assets which resulted in an amortization charge of around € 38 million. This was offset by lower amortization charges from previous acquisitions.

**Net finance costs**

Net finance costs amounted to € 9.6 million compared to € 15.7 million in the first half of 2011. Interest expenses on our net debt position were € 11.9 million compared to € 11.5 million in the first half of 2011. Additionally, net finance costs included more items. Currency effects resulted in a gain of € 5.7 million (HY 1 2011: loss € 3.5 million), while the remaining effect of € 3.4 million (HY 1 2011: loss € 0.7 million) was caused by adjustments in the valuation of certain assets and liabilities.

**Taxes on income**

The effective tax rate before amortization of acquisition-related intangible assets, integration costs and one-offs amounted to 33%, compared to 31% in the first half year of 2011. The increase was caused by a different geographical mix.

**Net income - (see also page 5)**

Adjusted net income attributable to holders of ordinary shares amounted to € 154.9 million, compared to € 166.9 million in the first six months of 2011. As a result diluted EPS decreased from € 0.97 to € 0.90.

**Cash flow - (see also page 6)**

In the first six months of 2012, free cash flow amounted to € 109.5 million (negative) compared to € 24.9 million (positive) in HY 1 2011. Although cash flow remained strong we faced some delay in collecting trade receivables towards the end of the quarter. However, we saw an above average cash inflow in the first weeks of July. The moving average DSO improved by 1.1 days compared to June 2011.

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**Risk profile**

With regard to risks and opportunities, reference is made to our 2011 annual report (pages 74 – 81). The key risks and opportunities have not materially changed in H1 2012. The risks identified represent the key challenges we currently face and we expect them to be applicable in the second half of 2012. We continue to closely monitor the key risks and opportunities and will respond accordingly to any emerging risks.

The financial viability of certain countries within the eurozone continues to be subject to considerable uncertainty and is still one of our top risks at this time. The persisting lack of stability in the eurozone and the euro currency continues to have a detrimental effect on the global economy and, as a result, on the profitability and financial position (mainly working capital positions) of the Group. We have a wide geographic coverage, which spreads our exposure across mature and emerging markets, which are experiencing different economic conditions. The percentage of revenue generated from outside Europe has grown from 16.8% in 2009 to 32.1% in Q2 2012. To protect our working capital positions, we keep the cash levels in our countries to a minimum. It remains difficult to predict future economic developments, so we focus on responding to actual performance in each of our local markets, as measured by weekly indicators. More information on 'managing through the cycle' can be found on page 78 of our 2011 annual report.

**Auditors' involvement**

The consolidated interim financial statements and interim Directors' report have not been audited or reviewed by an external auditor.

**Conclusion**

In conjunction with the EU Transparency Directive as incorporated in the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht), the executive board declares that, to the best of our knowledge:

- The consolidated interim financial statements as at June 30, 2012 and for the six months ended at June 30, 2012 have been prepared in accordance with IFRS (IAS 34) as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and results of Randstad Holding nv and its consolidated Group companies taken as a whole; and
- This Interim Directors' Report gives a fair review of the information required pursuant to section 5:25d (8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Diemen, the Netherlands, July 26, 2012

The executive board,

Ben Noteboom (chairman and CEO)

Robert-Jan van de Kraats (vice-chairman and CFO)

Jacques van den Broek

Leo Lindelauf

Linda Galipeau

Brian Wilkinson

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**Financial calendar**

Publication third quarter results	October 25, 2012
Analyst & Investor day 2012	November 22, 2012
Publication fourth quarter and annual results	February 14, 2013
Annual General meeting of shareholders	March 28, 2013
Publication first quarter results	April 25, 2013

**Press conference and analyst meeting**

Today, at 10.00 CET Randstad Holding will host a combined press and analyst meeting at our head office in Diemen. The meeting will also be accessible through a conference call. The dial-in number is +31 (0) 20 796 52 13 or +44 (0)208 817 9301 for international participants. The confirmation code is: 7910653. You can watch the meeting through real-time video webcast. The link is: <http://www.ir.randstad.com/presentations.cfm>. A replay of the presentation and the Q&A will also be available on our website by the end of the day.

**Disclaimer**

Certain statements in this document concern prognoses about the future financial condition, risks, investment plans and the results of operations of Randstad Holding and its operating companies as well as certain plans and objectives. Obviously, such prognoses involve risks and a degree of uncertainty since they concern future events and depend on circumstances that will apply then. Many factors may contribute to the actual results and developments differing from the prognoses made in this document. These factors include, but are not limited to, general economic conditions, a shortage on the job market, changes in the demand for (flexible) personnel, changes in legislation (particularly in relation to employment, staffing and tax laws), the role of industry regulators, future currency and interest fluctuations, our ability to identify relevant risks and mitigate their impact, the availability of credit on financially acceptable terms, the successful completion of company acquisitions and their subsequent integration, successful disposals of companies and the rate of technological developments. These prognoses therefore apply only on the date on which this document was compiled. The Q1 results as presented in this press release are unaudited.

**Randstad profile**

Randstad specializes in solutions in the field of flexible work and human resources services. Our services range from regular temporary staffing and permanent placement to inhouse, professionals, search & selection, and HR Solutions. The Randstad Group is one of the leading HR services providers in the world with top three positions in Argentina, Belgium & Luxembourg, Canada, Chile, France, Germany, Greece, India, Mexico, the Netherlands, Poland, Portugal, Spain, Switzerland, the UK, and the United States as well as major positions in Australia and Japan. In 2011 Randstad had approximately 28,700 corporate employees and around 4,700 branches and inhouse locations in 40 countries around the world. Randstad generated a revenue of € 16.2 billion in 2011. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. Randstad Holding nv is listed on the NYSE Euronext Amsterdam, where options for stocks in Randstad are also traded. For more information see [www.randstad.com](http://www.randstad.com)

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## Interim financial statements

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**Disclaimer:**

The results as presented in the interim financial statements on pages 19 to 30 are unaudited.

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 UNDERLYING<sup>1</sup> PERFORMANCE

## Consolidated income statement

in € million, unless otherwise indicated	Q2 2012	Q2 2011	change	6m 2012	6m 2011	change
<b>Revenue</b>	<b>4,303.1</b>	<b>3,915.0</b>	<b>10%</b>	<b>8,455.5</b>	<b>7,615.0</b>	<b>11%</b>
Cost of services	3,520.7	3,194.5		6,924.9	6,223.9	
<b>Gross profit</b>	<b>782.4</b>	<b>720.5</b>	<b>9%</b>	<b>1,530.6</b>	<b>1,391.1</b>	<b>10%</b>
Selling expenses	447.0	392.8		885.5	777.8	
General and administrative expenses	200.5	174.2		399.8	351.1	
<b>Operating expenses</b>	<b>647.5</b>	<b>567.0</b>	<b>14%</b>	<b>1,285.3</b>	<b>1,128.9</b>	<b>14%</b>
<b>EBITA</b>	<b>134.9</b>	<b>153.5</b>	<b>-12%</b>	<b>245.3</b>	<b>262.2</b>	<b>-6%</b>
<b>Margins (in % of revenue)</b>						
Gross margin	18.2%	18.4%		18.1%	18.3%	
Operating expenses margin	15.0%	14.5%		15.2%	14.8%	
EBITA margin	3.1%	3.9%		2.9%	3.4%	

<sup>1</sup> Operating expenses and EBITA adjusted for integration costs and one-offs

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## UNDERLYING PERFORMANCE

Information by geographical area				organic	EBITA	EBITA
in € million, unless otherwise indicated	Q2 2012	Q2 2011	change	change <sup>1</sup>	margin '12	margin '11
<b>Revenue</b>						
North America	995.4	482.4	106%	7%		
France	831.9	875.3	-5%	-5%		
Netherlands	698.8	727.4	-4%	-3%		
Germany	455.0	487.0	-7%	-5%		
Belgium & Luxembourg	321.8	349.8	-8%	-8%		
United Kingdom	198.1	191.4	4%	-8%		
Iberia	196.5	219.3	-10%	-10%		
Other European countries	221.8	240.3	-8%	-8%		
Rest of the world	383.8	342.1	12%	7%		
<b>Total revenue</b>	<b>4,303.1</b>	<b>3,915.0</b>	<b>10%</b>	<b>-2%</b>		
<b>EBITA<sup>2</sup></b>						
North America	43.9	20.2	117%	30%	4.4%	4.2%
France	23.0	31.4	-27%	-27%	2.8%	3.6%
Netherlands	36.2	47.2	-23%	-23%	5.2%	6.5%
Germany	19.7	33.2	-41%	-41%	4.3%	6.8%
Belgium & Luxembourg	13.5	16.5	-18%	-18%	4.2%	4.7%
United Kingdom	1.2	1.5	-20%	-32%	0.6%	0.8%
Iberia	1.7	3.7	-54%	-54%	0.9%	1.7%
Other European countries	5.7	7.9	-28%	-28%	2.6%	3.3%
Rest of the world	2.5	1.8	39%	-12%	0.7%	0.5%
Corporate	-12.5	-9.9				
EBITA before integration costs and one-offs	<b>134.9</b>	<b>153.5</b>	<b>-12%</b>	<b>-20%</b>	<b>3.1%</b>	<b>3.9%</b>
<i>Integration costs</i>	<i>-6.3</i>	<i>-</i>				
<i>One-offs</i>	<i>-16.8</i>	<i>-</i>				
<b>Total EBITA</b>	<b>111.8</b>	<b>153.5</b>				

<sup>1</sup> organic change is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications. When calculating growth, SFN Group is included on pro forma basis in 2011 and therefore not excluded as acquisition effect

<sup>2</sup> EBITA by geographical area: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs

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## UNDERLYING PERFORMANCE

<b>Information by geographical area</b>				organic	EBITA	EBITA
in € million, unless otherwise indicated	6m 2012	6m 2011	change	change <sup>1</sup>	margin '12	margin '11
<b>Revenue</b>						
North America	1,952.7	958.5	104%	8%		
France	1,573.5	1,640.9	-4%	-4%		
Netherlands	1,387.0	1,428.7	-3%	-2%		
Germany	916.9	938.6	-2%	0%		
Belgium & Luxembourg	642.5	684.5	-6%	-6%		
United Kingdom	396.1	396.4	0%	-8%		
Iberia	388.6	426.7	-9%	-9%		
Other European countries	432.2	452.4	-4%	-4%		
Rest of the world	766.0	688.3	11%	7%		
<b>Total revenue</b>	<b>8,455.5</b>	<b>7,615.0</b>	<b>11%</b>	<b>0%</b>		
<b>EBITA<sup>2</sup></b>						
North America	66.7	30.9	116%	33%	3.4%	3.2%
France	37.6	47.1	-20%	-20%	2.4%	2.9%
Netherlands	75.3	86.2	-13%	-12%	5.4%	6.0%
Germany	40.6	58.8	-31%	-31%	4.4%	6.3%
Belgium & Luxembourg	26.7	30.5	-12%	-12%	4.2%	4.5%
United Kingdom	2.0	4.4	-55%	-56%	0.5%	1.1%
Iberia	4.6	7.3	-37%	-37%	1.2%	1.7%
Other European countries	8.4	12.4	-32%	-33%	1.9%	2.7%
Rest of the world	8.7	6.5	34%	14%	1.1%	0.9%
Corporate	-25.3	-21.9				
EBITA before integration costs and one-offs	245.3	262.2	-6%	-13%	2.9%	3.4%
Integration costs	-12.7	-				
One-offs	-16.8	-				
<b>Total EBITA</b>	<b>215.8</b>	<b>262.2</b>				

<sup>1</sup> organic change is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications. When calculating growth, SFN Group is included on pro forma basis in 2011 and therefore not excluded as acquisition effect

<sup>2</sup> EBITA by geographical area: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs

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## UNDERLYING PERFORMANCE

Information by revenue category				organic	EBITA	EBITA
in € million, unless otherwise indicated	Q2 2012	Q2 2011	change	change <sup>1</sup>	margin '12	margin '11
<b>Revenue</b>						
Staffing	2,662.7	2,563.5	4%	-6%		
Inhouse services	752.5	631.9	19%	15%		
Professionals	887.9	719.6	23%	1%		
<b>Total revenue</b>	<b>4,303.1</b>	<b>3,915.0</b>	<b>10%</b>	<b>-2%</b>		
<b>EBITA<sup>2</sup></b>						
Staffing	80.7	104.9	-23%	-35%	3.0%	4.1%
Inhouse services	30.8	24.1	28%	19%	4.1%	3.8%
Professionals	35.9	34.4	4%	-18%	4.0%	4.8%
Corporate	-12.5	-9.9				
EBITA before integration costs and one-offs	134.9	153.5	-12%	-20%	3.1%	3.9%
Integration costs	-6.3	-				
One-offs	-16.8	-				
<b>Total EBITA</b>	<b>111.8</b>	<b>153.5</b>				

Information by revenue category				organic	EBITA	EBITA
in € million, unless otherwise indicated	6m 2012	6m 2011	change	change <sup>1</sup>	margin '12	margin '11
<b>Revenue</b>						
Staffing	5,225.7	4,963.6	5%	-5%		
Inhouse services	1,459.8	1,226.2	19%	16%		
Professionals	1,770.0	1,425.2	24%	3%		
<b>Total revenue</b>	<b>8,455.5</b>	<b>7,615.0</b>	<b>11%</b>	<b>0%</b>		
<b>EBITA<sup>2</sup></b>						
Staffing	149.4	179.7	-17%	-28%	2.9%	3.6%
Inhouse services	54.9	43.7	26%	18%	3.8%	3.6%
Professionals	66.3	60.7	9%	9%	3.7%	4.3%
Corporate	-25.3	-21.9				
EBITA before integration costs and one-offs	245.3	262.2	-6%	-13%	2.9%	3.4%
Integration costs	-12.7	-				
One-offs	-16.8	-				
<b>Total EBITA</b>	<b>215.8</b>	<b>262.2</b>				

<sup>1</sup> organic change is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications. When calculating growth, SFN Group is included on pro forma basis in 2011 and therefore not excluded as acquisition effect

<sup>2</sup> EBITA by revenue category: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs

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**Consolidated income statement**

in € million, unless otherwise indicated

	Q2 2012	Q2 2011	6m 2012	6m 2011
<b>Revenue</b>	<b>4,303.1</b>	<b>3,915.0</b>	<b>8,455.5</b>	<b>7,615.0</b>
Cost of services	3,520.7	3,194.5	6,924.9	6,223.9
<b>Gross profit</b>	<b>782.4</b>	<b>720.5</b>	<b>1,530.6</b>	<b>1,391.1</b>
Selling expenses	463.9	392.8	905.5	777.8
General and administrative expenses	206.7	174.2	409.3	351.1
<b>Operating expenses</b>	<b>670.6</b>	<b>567.0</b>	<b>1,314.8</b>	<b>1,128.9</b>
Amortization and impairment acquisition-related intangible assets and goodwill	56.1	39.1	111.5	80.2
<b>Total operating expenses</b>	<b>726.7</b>	<b>606.1</b>	<b>1,426.3</b>	<b>1,209.1</b>
<b>Operating profit</b>	<b>55.7</b>	<b>114.4</b>	<b>104.3</b>	<b>182.0</b>
Net finance costs	-2.2	-5.1	-9.6	-15.7
Share of loss of associates	-0.1	0.0	-0.1	-0.1
<b>Income before taxes</b>	<b>53.4</b>	<b>109.3</b>	<b>94.6</b>	<b>166.2</b>
Taxes on income	-16.9	-33.0	-29.3	-50.2
<b>Net income</b>	<b>36.5</b>	<b>76.3</b>	<b>65.3</b>	<b>116.0</b>
<b>Net income attributable to:</b>				
Holders of ordinary shares Randstad Holding nv	34.7	74.5	61.7	112.3
Holders of preferred shares Randstad Holding nv	1.8	1.8	3.6	3.6
<b>Equity holders</b>	<b>36.5</b>	<b>76.3</b>	<b>65.3</b>	<b>115.9</b>
Non-controlling interests	0.0	0.0	0.0	0.1
<b>Net income</b>	<b>36.5</b>	<b>76.3</b>	<b>65.3</b>	<b>116.0</b>
<b>Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):</b>				
- Basic earnings per share	0.20	0.44	0.36	0.66
- Diluted earnings per share	0.20	0.43	0.36	0.65
- Diluted earnings per share before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs	0.51	0.59	0.90	0.97

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## Information by geographical area

in € million, unless otherwise indicated	Q2 2012	Q2 2011	6m 2012	6m 2011
<b>Revenue</b>				
North America	995.4	482.4	1,952.7	958.5
France	831.9	875.3	1,573.5	1,640.9
Netherlands	698.8	727.4	1,387.0	1,428.7
Germany	455.0	487.0	916.9	938.6
Belgium & Luxembourg	321.8	349.8	642.5	684.5
United Kingdom	198.1	191.4	396.1	396.4
Iberia	196.5	219.3	388.6	426.7
Other European countries	221.8	240.3	432.2	452.4
Rest of the world	383.8	342.1	766.0	688.3
<b>Total revenue</b>	<b>4,303.1</b>	<b>3,915.0</b>	<b>8,455.5</b>	<b>7,615.0</b>
<b>EBITA <sup>1</sup></b>				
North America	43.9	20.2	66.7	30.9
France	23.0	31.4	37.6	47.1
Netherlands	30.1	47.2	69.2	86.2
Germany	10.2	33.2	31.1	58.8
Belgium & Luxembourg	13.5	16.5	26.7	30.5
United Kingdom	0.0	1.5	0.8	4.4
Iberia	1.7	3.7	4.6	7.3
Other European countries	5.7	7.9	8.4	12.4
Rest of the world	2.5	1.8	8.7	6.5
Corporate	-12.5	-9.9	-25.3	-21.9
<b>EBITA before integration costs</b>	<b>118.1</b>	<b>153.5</b>	<b>228.5</b>	<b>262.2</b>
Integration costs	-6.3	-	-12.7	-
<b>Total EBITA</b>	<b>111.8</b>	<b>153.5</b>	<b>215.8</b>	<b>262.2</b>

<sup>1</sup> EBITA by geographical area: operating profit before amortization and impairment acquisition-related intangible assets and goodwill and integration costs

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**Information by revenue category**

in € million, unless otherwise indicated	Q2 2012	Q2 2011	6m 2012	6m 2011
<b>Revenue</b>				
Staffing	2,662.7	2,563.5	5,225.7	4,963.6
Inhouse services	752.5	631.9	1,459.8	1,226.2
Professionals	887.9	719.6	1,770.0	1,425.2
<b>Total revenue</b>	<b>4,303.1</b>	<b>3,915.0</b>	<b>8,455.5</b>	<b>7,615.0</b>
<b>EBITA<sup>1</sup></b>				
Staffing	64.6	104.9	133.3	179.7
Inhouse services	30.8	24.1	54.9	43.7
Professionals	35.2	34.4	65.6	60.7
Corporate	-12.5	-9.9	-25.3	-21.9
EBITA before integration costs	118.1	153.5	228.5	262.2
Integration costs	-6.3	-	-12.7	-
<b>Total EBITA</b>	<b>111.8</b>	<b>153.5</b>	<b>215.8</b>	<b>262.2</b>

<sup>1</sup> EBITA by revenue category: operating profit before amortization and impairment acquisition-related intangible assets and goodwill and integration costs

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<b>Consolidated balance sheet</b>	<b>June 30,</b>	December 31,	June 30,
in € million, unless otherwise indicated	<b>2012</b>	2011	2011
<b>ASSETS</b>			
Property, plant and equipment	173.7	179.4	148.7
Intangible assets	3,201.3	3,287.4	3,025.2
Deferred income tax assets	510.1	724.4	480.0
Financial assets and associates	80.0	81.0	76.0
<b>Non-current assets</b>	<b>3,965.1</b>	<b>4,272.2</b>	<b>3,729.9</b>
Trade and other receivables	3,171.2	3,110.9	2,847.6
Income tax receivables	58.8	52.8	50.4
Cash and cash equivalents	242.5	338.6	250.2
<b>Current assets</b>	<b>3,472.5</b>	<b>3,502.3</b>	<b>3,148.2</b>
<b>TOTAL ASSETS</b>	<b>7,437.6</b>	<b>7,774.5</b>	<b>6,878.1</b>
<b>EQUITY AND LIABILITIES</b>			
Issued capital	19.7	19.6	19.6
Share premium	2,096.4	2,067.2	2,067.2
Reserves	673.9	811.6	642.6
<b>Shareholders' equity</b>	<b>2,790.0</b>	<b>2,898.4</b>	<b>2,729.4</b>
Non-controlling interests	0.1	0.6	0.5
<b>Total Equity</b>	<b>2,790.1</b>	<b>2,899.0</b>	<b>2,729.9</b>
Borrowings	-	1,602.7	1,225.0
Deferred income tax liabilities	193.8	442.7	404.8
Provisions and employee benefit obligations	84.4	84.1	79.1
Other liabilities	21.0	19.4	53.4
<b>Non-current liabilities</b>	<b>299.2</b>	<b>2,148.9</b>	<b>1,762.3</b>
Borrowings	102.3	38.5	94.9
Short-term part long term borrowings	1,793.9	-	-
Trade and other payables	2,263.0	2,477.5	2,127.1
Income tax liabilities	38.6	53.3	66.1
Provisions and employee benefit obligations	96.2	100.5	62.3
Other liabilities	54.3	56.8	35.5
<b>Current liabilities</b>	<b>4,348.3</b>	<b>2,726.6</b>	<b>2,385.9</b>
<b>Liabilities</b>	<b>4,647.5</b>	<b>4,875.5</b>	<b>4,148.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,437.6</b>	<b>7,774.5</b>	<b>6,878.1</b>

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## Consolidated statement of cash flows

in € million, unless otherwise indicated	Q2 2012	Q2 2011	6m 2012	6m 2011
<b>Operating profit</b>	<b>55.7</b>	<b>114.4</b>	<b>104.3</b>	<b>182.0</b>
Depreciation property, plant and equipment	13.7	12.9	27.3	26.4
Amortization software	7.0	6.5	13.4	13.1
Amortization and impairment acquisition-related intangible assets	56.1	39.1	111.5	80.2
Loss/(gain) on disposal of activities	0.1	-	-3.7	0.0
Share-based payments	7.1	5.3	13.6	8.8
Provisions and employee benefit obligations	2.2	-5.1	-8.9	-12.3
(Gain)/loss on disposals of property, plant and equipment	-0.1	0.0	0.1	-0.6
<b>Cash flow from operations before operating working capital and income taxes</b>	<b>141.8</b>	<b>173.1</b>	<b>257.6</b>	<b>297.6</b>
Trade and other receivables	-179.7	-150.5	-44.4	-102.0
Trade and other payables	-59.8	-55.6	-224.0	-106.3
<b>Operating working capital</b>	<b>-239.5</b>	<b>-206.1</b>	<b>-268.4</b>	<b>-208.3</b>
Income taxes paid	-54.9	-56.0	-72.2	-33.3
<b>Net cash flow from operating activities</b>	<b>-152.6</b>	<b>-89.0</b>	<b>-83.0</b>	<b>56.0</b>
Additions in property, plant and equipment	-13.4	-13.5	-22.2	-25.0
Additions in software	-3.2	-4.4	-7.1	-9.4
Acquisition of subsidiaries and associates/buyouts	-1.3	-6.5	-2.4	-15.3
Financial receivables	1.6	0.1	1.9	0.2
Disposals of property, plant and equipment	0.3	1.3	0.9	3.1
Disposal of activities	0.0	-	8.7	1.9
<b>Net cash flow from investing activities</b>	<b>-16.0</b>	<b>-23.0</b>	<b>-20.2</b>	<b>-44.5</b>
Issue of ordinary shares	-	1.5	0.9	16.9
Net drawings on non-current borrowings	211.1	294.3	167.4	142.1
<b>Net financing</b>	<b>211.1</b>	<b>295.8</b>	<b>168.3</b>	<b>159.0</b>
Net finance costs received/(paid)	0.1	-4.0	-5.9	-13.5
Dividend paid on ordinary shares	-215.1	-201.6	-215.1	-201.6
Dividend paid on preferred shares B	-7.1	-7.2	-7.1	-7.2
Dividend paid to non-controlling interests	-	-0.3	-	-0.3
<b>Net reimbursements to financiers</b>	<b>-222.1</b>	<b>-213.1</b>	<b>-228.1</b>	<b>-222.6</b>
<b>Net cash flow from financing activities</b>	<b>-11.0</b>	<b>82.7</b>	<b>-59.8</b>	<b>-63.6</b>
<b>Net decrease in cash, cash equivalents and current borrowings</b>	<b>-179.6</b>	<b>-29.3</b>	<b>-163.0</b>	<b>-52.1</b>
<b>Cash, cash equivalents and current borrowings, at begin of period</b>	<b>315.7</b>	<b>184.5</b>	<b>300.1</b>	<b>209.2</b>
Net movement	-179.6	-29.3	-163.0	-52.1
Translation gains /(losses)	4.1	0.1	3.1	-1.8
<b>Cash, cash equivalents and current borrowings, at end of period</b>	<b>140.2</b>	<b>155.3</b>	<b>140.2</b>	<b>155.3</b>
<b>Free cash flow</b>	<b>-167.3</b>	<b>-105.5</b>	<b>-109.5</b>	<b>24.9</b>

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**Consolidated statement of comprehensive income – three-month period**

In € million, unless otherwise indicated	April 1 - June 30, 2012			April 1 - June 30, 2011		
	Shareholders' equity	Non-controlling interests	Total	Shareholders' equity	Non-controlling interest	Total
Net income for the period	36.5	0.0	36.5	76.3	0.0	76.3
Translation differences	50.9	0.0	50.9	-11.4	0.1	-11.3
Other	0.0	-	0.0	-0.2	-	-0.2
<b>Total comprehensive income</b>	<b>87.4</b>	<b>0.0</b>	<b>87.4</b>	<b>64.7</b>	<b>0.1</b>	<b>64.8</b>

**Consolidated statement of comprehensive income – six-month period**

In € million, unless otherwise indicated	January 1 - June 30, 2012			January 1 - June 30, 2011		
	Shareholders' equity	Non-controlling interests	Total	Shareholders' equity	Non-controlling interest	Total
Net income for the period	65.3	0.0	65.3	115.9	0.1	116.0
Translation differences	31.9	0.0	31.9	-50.8	0.0	-50.8
Other	0.0	-	0.0	-0.3	-	-0.3
<b>Total comprehensive income</b>	<b>97.2</b>	<b>0.0</b>	<b>97.2</b>	<b>64.8</b>	<b>0.1</b>	<b>64.9</b>

**Consolidated statement of changes in equity – three-month period**

In € million, unless otherwise indicated	April 1 - June 30, 2012			April 1 - June 30, 2011		
	Shareholders' equity	Non-controlling interests	Total equity	Shareholders' equity	Non-controlling interest	Total equity
<b>Value at April 1</b>	<b>2,696.2</b>	<b>0.6</b>	<b>2,696.8</b>	<b>2,661.0</b>	<b>1.6</b>	<b>2,662.6</b>
<b>Comprehensive income</b>						
Net income for the period	36.5	0.0	36.5	76.3	0.0	76.3
Translation differences	50.9	0.0	50.9	-11.4	0.1	-11.3
Other	0.0	-	0.0	-0.2	-	-0.2
<b>Total comprehensive income</b>	<b>87.4</b>	<b>0.0</b>	<b>87.4</b>	<b>64.7</b>	<b>0.1</b>	<b>64.8</b>
Dividend non-controlling interests	-	-	0.0	-	-0.3	-0.3
Share-based payments	7.1	-	7.1	5.3	-	5.3
Tax on share-based payments	-0.2	-	-0.2	-	-	-
Acquisition non-controlling interests	-0.5	-0.5	-1.0	-3.1	-0.9	-4.0
Issue of ordinary shares	-	-	-	1.5	-	1.5
<b>Value at June 30</b>	<b>2,790.0</b>	<b>0.1</b>	<b>2,790.1</b>	<b>2,729.4</b>	<b>0.5</b>	<b>2,729.9</b>

**Consolidated statement of changes in equity – six-month period**

In € million, unless otherwise indicated	January 1 - June 30, 2012			January 1 - June 30, 2011		
	Shareholders' equity	Non-controlling interests	Total equity	Shareholders' equity	Non-controlling interest	Total equity
<b>Value at January 1</b>	<b>2,898.4</b>	<b>0.6</b>	<b>2,899.0</b>	<b>2,850.8</b>	<b>1.6</b>	<b>2,852.4</b>
<b>Comprehensive income</b>						
Net income for the period	65.3	0.0	65.3	115.9	0.1	116.0
Translation differences	31.9	0.0	31.9	-50.8	0.0	-50.8
Other	0.0	-	0.0	-0.3	-	-0.3
<b>Total comprehensive income</b>	<b>97.2</b>	<b>0.0</b>	<b>97.2</b>	<b>64.8</b>	<b>0.1</b>	<b>64.9</b>
Dividend on ordinary shares	-215.1	-	-215.1	-201.6	-	-201.6
Dividend on preferred shares	-7.1	-	-7.1	-7.2	-	-7.2
Dividend non-controlling interests	-	0.0	0.0	-	-0.3	-0.3
Share-based payments	13.6	-	13.6	8.8	-	8.8
Tax on share-based payments	2.6	-	2.6	-	-	-
Acquisition non-controlling interests	-0.5	-0.5	-1.0	-3.1	-0.9	-4.0
Issue of ordinary shares	0.9	-	0.9	16.9	-	16.9
<b>Value at June 30</b>	<b>2,790.0</b>	<b>0.1</b>	<b>2,790.1</b>	<b>2,729.4</b>	<b>0.5</b>	<b>2,729.9</b>

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**Notes to the consolidated interim financial statements****Reporting entity**

Randstad Holding nv is a public limited liability company incorporated and domiciled in the Netherlands and listed on Euronext Amsterdam.

The consolidated interim financial statements of Randstad Holding nv as at and for the three- and six-month period ended June 30, 2012 include the company and its subsidiaries (together called the 'Group').

**Significant accounting policies**

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (hereafter: IFRS).

The accounting policies applied by the Group in these consolidated interim financial statements are unchanged compared to those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2011.

**Basis of presentation**

These consolidated interim financial statements are condensed and prepared in accordance with (IFRS) IAS 34 'Interim Financial Reporting'; they do not include all of the information required for full (annual) financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2011.

The consolidated financial statements of the Group as at and for the year ended December 31, 2011 are available upon request at the Company's office or at [www.ir.randstad.com](http://www.ir.randstad.com).

**Estimates**

The preparation of consolidated interim 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, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgments, estimates and assumptions were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2011.

**Seasonality**

The Group's activities are impacted by seasonal patterns. The volume of transactions throughout the year fluctuates per quarter, dependent upon demand as well as variations in items such as the number of working days, public holidays and holiday periods. Historically, the Group usually generates its strongest revenue and profits in the second half of the year. Historically, in the second quarter cash flow is usually negative due to the timing of payments of holiday allowances and dividend; cash flow tends to be the strongest in the second half of the year.

**Effective tax rate**

The effective tax rate for the six months' period ended in June 30, 2012 is 31.0% (2011: 30.2%) and is based upon the estimate effective tax rate for the whole year 2012 (Q2 2011: 30%).

**Acquisition of Group companies and buyout of non-controlling interests**

The total cash out for acquisitions YTD Q2 2012 is € 2.4 million (Q2 only: 1.3M), which is related to the increase of our shareholding in our Chinese company Talent Shanghai from 85% to 100% (Q2) and to arrangements with regard to acquired group companies in preceding years (Q1 and Q2). As these companies were already consolidated in full in 2011, no additional contribution to revenue and operating profit resulted from these acquisitions in 2012.

In September 2011, the Group acquired 100% of the shares of SFN Group Inc; SFN Group Inc (USA) is consolidated as from September 2, 2011.

**Disposal of Group companies**

In Q1 2012 the Group disposed of businesses in the Netherlands and Rest of the world, leading to a cash inflow of € 8.7 million, including cash inflow from disposals in preceding years and in Q2 the Group divested some small businesses in Malaysia and Thailand with no cash impact.

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**Shareholders' equity**

<b>Issued number of ordinary shares</b>	<b>2012</b>	2011
January 1	170,948,980	170,048,755
Share based payments arrangements	1,123,932	900,039
<b>June 30</b>	<b>172,072,912</b>	<b>170,948,794</b>

**Average number of ordinary shares**

<b>(in millions)</b>	<b>Q2 2012</b>	Q2 2011	<b>6m 2012</b>	6m 2011
Avg. number of ordinary shares outstanding	172.1	170.9	171.8	170.7
Avg. number of diluted ordinary shares outstanding	172.7	172.3	172.6	172.2

**Net debt position**

The net debt position as of June 30, 2012 (€ 1,653.7 million) is € 351.1 million higher compared to December 31, 2011 (€ 1,302.6 million), which is mainly influenced by negative cash flow from operations and the payment of dividends during the first half year of 2012. The current syndicated facility is classified under current liabilities as short-term part long term borrowings as per June 30, 2012, since these borrowings will mature in May 2013. In July 2011 we arranged a new syndicated revolving credit facility of € 1,300 million with a forward start structure. This facility matures in 2016. Financial covenants are comparable to the existing facility. Drawings on the current syndicated facility are presented as drawings on non-current borrowings in the cash flow statement.

**Breakdown operating expenses**

<b>In € million</b>	<b>Q2 2012</b>	Q2 2011	<b>6m 2012</b>	6m 2011
Personnel expenses	488.6	404.7	959.5	805.5
Other operating expenses	182.0	162.3	355.3	323.4
<b>Operating expenses</b>	<b>670.6</b>	<b>567.0</b>	<b>1,314.8</b>	<b>1,128.9</b>

**Depreciation and amortization software**

<b>In € million</b>	<b>Q2 2012</b>	Q2 2011	<b>6m 2012</b>	6m 2011
Depreciation property, plant and equipment	13.7	12.9	27.3	26.4
Amortization software	7.0	6.5	13.4	13.1
<b>Total depreciation and amortization software</b>	<b>20.7</b>	<b>19.4</b>	<b>40.7</b>	<b>39.5</b>

**Related-party transactions**

There are no material changes in the nature, scope and (relative) scale in this reporting period compared to the disclosures in note 41 and 42 of the consolidated financial statements as at and for the year ended December 31, 2011.

**Commitments**

There are no material changes in the nature and scope compared to the disclosures in note 33 of the consolidated financial statements as at and for the year ended December 31, 2011.

**Employee benefits**

As of January 1, 2013 the revised IAS 19 'Employee Benefits' will be applicable. We will apply this standard from that date. The negative impact on shareholders' equity as per January 1, 2012 amounts to € 4 million. If this revised standard would have been applicable during 2012, the positive impact on income before taxes for the six-month period ended June 30, 2012 would have been € 1 million.