

## Randstad generates 16% growth in Q2 2010, boosted by accelerating global staffing markets

### Key points second quarter 2010

- Revenue up 16% to € 3,468 million
- Organic growth<sup>1</sup> per working day amounted to 13%; improving from 11% in April to 15% in June
- Underlying<sup>2</sup> gross profit<sup>3</sup> reached € 649 million (+9%) with the gross margin coming down from 20.0% to 18.7%
- Underlying operating expenses of € 529 million; flat YoY or +6% QoQ (of which +2% caused by currencies)
- Underlying EBITA<sup>4</sup> amounted to € 119.7 million (+79%); the EBITA margin reached 3.5% (vs. 2.2% in Q2 2009)
- Adjusted net income<sup>5</sup> attributable to holders of ordinary shares € 77.2 million; diluted EPS<sup>6</sup> € 0.45 (vs. € 0.27)
- Based on current trends we expect to be able to pay dividend over 2010

"Growth has continued to accelerate through the quarter" says Ben Noteboom, CEO Randstad Holding. "It is great to see that by the end of this quarter we employed around seventy thousand candidates more than in the same week a year ago. Across all countries our people are doing a great job coping with big jumps in industrial placements, enabling our clients to step up capacity. We now also see corresponding recoveries in administrative and professionals segments. Some key economies like the USA, Germany and France are clearly growing and our businesses in these countries are taking the lead in stimulating our growth. Similar patterns are emerging now elsewhere in Europe and Asia Pacific. The late cyclical Dutch market traditionally lags a little, but the trends are positive here as well. With productivity at the highest level since 6 quarters, we face the future with increasing confidence. Based on current trends we expect to be able to pay dividend over 2010."

In € million (unaudited)	Q2 2010	Q2 2009	change	H1 2010	H1 2009	change
Revenue	3,468.2	2,986.8	16%	6,507.2	6,042.3	8%
Underlying EBITA <sup>4</sup>	119.7	67.0	79%	195.1	116.2	68%
EBITA	123.7	54.4	127%	199.1	48.6	310%
Net income	55.9	11.6	382%	77.7	-41.0	290%
Adjusted <sup>5</sup> net income attr. to ord. shareholders	77.2	46.0	68%	124.8	54.8	128%
Diluted EPS <sup>6</sup>	0.45	0.27	67%	0.73	0.32	128%

<sup>1)</sup> organic growth is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications

<sup>2)</sup> underlying: before one-offs

<sup>3)</sup> following a change in French tax law an amount of € 10.0 million is now recorded as income tax instead of cost of services; this has a positive effect on gross profit and EBITA of € 10.0 million or 0.3% on the respective margins; the new classification has no impact on net income or EPS. The 2009 figures have not been adjusted.

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

<sup>5)</sup> before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

<sup>6)</sup> diluted EPS before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

### Interim Directors' Report Summary of Group financial performance

#### Revenue

In Q2 2010 revenue grew for the first time since Q3 2008 with growth reaching 16%. Organic growth was 14%, while currency movements added 2%. Organic growth per working day was +13%, with the trend improving through the quarter from +11% in April to +15% in June. We see signs of cyclical and structural growth trends in our markets, whilst the regular seasonal trend, hardly noticeable last year, reappeared. Recovery is broad-based and is following traditional patterns. Our inhouse businesses, primarily targeting industrial and logistical segments, which were earliest to pick up, continued to show high and improving growth rates. In most regions staffing is showing good growth too. The more late-cyclical professionals segment has returned to slight growth as well. Of the major regions, North America continued its strong recovery, with 22% growth over the quarter, whilst in continental Europe growth is led by Germany, with 40% growth over the quarter. The Dutch and UK operations, active in more late cyclical service economies, are at the other side of the spectrum with -5% and +1% respectively. Permanent placement fees grew by 16% organically, with the trend improving from +9% in April to +21% in June. Perm fees made up 1.8% of revenue and 9.2% of gross profit (8.0% in Q2 2009).

(unaudited) In € million	Q2 2010 actual	Q2 2010 underlying	Q2 2009 underlying	underlying change	organic change	H1 2010 underlying	H1 2009 underlying
Revenue	3,468.2	3,468.2	2,986.8	16%	14%	6,507.2	6,042.3
Gross profit	659.7	649.1	598.1	9%	6%	1,224.1	1,212.0
Operating expenses	536.0	529.4	531.1	0%	-1%	1,029.0	1,095.8
EBITDA	145.2	141.0	89.1			237.7	160.1
EBITA	123.7	119.7	67.0	79%	66%	195.1	116.2
Gross margin	19.0%	18.7%	20.0%			18.8%	20.1%
Operating expenses as % of revenue	15.5%	15.3%	17.8%			15.8%	18.1%
EBITA margin	3.6%	3.5%	2.2%			3.0%	1.9%

### *Gross profit*

In Q2 2010, gross profit reached € 659.7 million. Adjusted for one-offs of € 10.6 million, largely based on the refund of Dutch social security premiums relating to prior years, the underlying gross profit amounted to € 649.1 million. The underlying gross margin amounted to 18.7% compared to 20.0% in Q2 2009. The temp margin declined by 1.3 percentage points. This is the result of volume coming in on contracts that were renewed last year, as well as mix shifts. The industrial segments moved much faster than the administrative and professionals segments, while the geographic mix has a slightly negative impact as well. The 1.3% difference in the temp margin also includes a negative effect of 0.3% caused by the decline in professionals revenue at Yacht the Netherlands combined with increased idle. The growth in perm fees added 0.1%. Mix effects in the HRS business (for instance reduced salary slip processing and outplacement fees) had a negative impact of 0.4%. A change in French tax law (see note 3 on the front page) had a positive impact of 0.3%.

### *Operating expenses*

Operating expenses amounted to € 536.0 million. Adjusted for restructuring charges of € 6.6 million, as we continue to optimize the organization, underlying operating expenses reached € 529.4 million. Underlying operating expenses were approximately equal to the level of Q2 2009 and up 6% sequentially (+4% on constant currencies). About € 10 million of the sequential increase is related to currency movements, approximately € 10 million to increased commissions and bonus accruals, and approximately another € 10 million is related to regular expansion (investments in for instance people, marketing and IT). At the end of the quarter we operated a network of 4,097 outlets, compared to 4,113 at the end of Q1 2010. Average headcount (measured by FTE) amounted to 24,970 compared to 24,900 during Q1 2010. We will continue to contain costs where appropriate, and selectively invest in growth areas.

### *EBITA*

Underlying EBITA improved by 79% from € 67.0 million to € 119.7 million, with the EBITA margin reaching 3.5% compared to 2.2% in Q2 2009.

### *Net finance costs*

In Q2 2010, net finance costs were € 8.0 million, compared to € 13.8 million in Q2 2009. This improvement is largely based on the significant net debt reduction over the past few quarters and a sharp YoY reduction in short-term interest rates as it is our policy to use floating interest rates for debt financing.

### *Tax*

The effective tax rate before amortization of acquisition-related intangibles amounted to 29%, slightly higher than the 28% of Q1 2010, as a result of geographic mix changes.

### *Net income & EPS*

In Q2 2010, adjusted net income attributable to holders of ordinary shares increased by 68% to € 77.2 million compared to € 46.0 million in Q2 2009. Diluted EPS increased by 67% to € 0.45 (Q2 2009 € 0.27). Net income amounted to € 55.9 million compared to a € 11.6 million in Q2 2009.

### *Cash flow*

In Q2 2010, the free cash flow amounted to € 105.4 million negative, compared to € 56.1 million negative in Q2 2009. The moving average of DSO improved from 58 to 57 days but revenue growth still required investment in working capital. Free cash flow followed a regular pattern as it is usually negative in Q2 due to, for instance, the payment of holiday allowances in the Netherlands and Belgium.

### *Balance sheet*

At the end of Q2 2010 net debt amounted to € 1,142.3 million compared to € 996.0 million at the end of Q1 2010. The sequential increase in net debt is primarily caused by the seasonally negative free cash flow (see paragraph above) as well as currency movements. The leverage ratio (net debt end of period divided by the EBITDA of the past 12 months) amounted to 2.4 compared to 2.3 at the end of Q1 2010. The covenants of the syndicated facility allow for a leverage ratio of up to 3.5.

## **Second quarter 2010 by geography**

### **The Netherlands**

Revenue decreased by 5% organically compared to -14% in the previous quarter. The Dutch market is more late cyclical than other markets due to the relatively larger weight of the services segment in the overall economy. The patterns are similar and the market reached the turning point during the quarter. Tempo-Team performed in line with the market. Randstad was somewhat behind market, lagging the growth in the industrial segment, partly because of pricing. Revenue at Yacht, which is active in the more late cyclical and more public sector geared professionals segment, continued to be markedly down. As, in view of the turning point in the market, operating expenses were relatively flat sequentially, EBITA was somewhat under pressure, with the EBITA margin reaching 5.7% compared to 7.2% in Q2 2009.

### **France**

Revenue increased organically by 18%, compared to +1% in the previous quarter. Growth is carried by all business units, with the manufacturing industry acting as main growth driver. The gap versus the market narrowed and was closed by June. We opened 5 inhouse locations for new clients, while we added another 6 in transferring clients out of the previous Vedioorbis network. Perm fees were up 28% for the full quarter. The professionals segment turned in slight growth, after 2 years of revenue declines. The EBITA margin amounted to 3.5% (or 2.2% excluding the € 10 million business tax reclassification) compared to 0.8% in Q2 2009.

### **Germany**

German revenue increased very rapidly. Organic growth reached 40%, compared to +10% in the previous quarter. Execution was strong and our German businesses grew clearly faster than the market. The revenue trend improved throughout the quarter in staffing and inhouse, driven by a strong pickup across all industrial segments. In professionals, the engineering/aerospace segment remained slow, whereas growth in the IT business continued to accelerate. The EBITA margin reached 5.4%, compared to 2.2% in Q2 2009.

### **North America**

Revenue increased by 22% on an organic basis, compared to +9% in the previous quarter. Growth in our combined US staffing and inhouse services businesses was well above 30%. The US professionals business strengthened during the quarter, turning in double digit growth overall. IT and Finance & Accounting were the main growth drivers in the professionals segment. The Canadian business strengthened as well, reaching double digit growth over the quarter. North American perm fees were up more than 20%. The North American EBITA margin improved to 3.1% compared to 1.2% in Q2 2009.

### **UK**

On an organic basis revenue increased by 1%, compared to -6% in the previous quarter. Revenue in our combined staffing and inhouse services businesses showed double digit growth based on higher volume with existing inhouse clients and client gains. Revenue in the professionals segment still contracted YoY based on reduced temp revenue. Growth in smaller segments such as Finance, HR and Media continued, while Engineering/Construction did well in perm in a difficult market. Education and Healthcare faced some pressure. For the whole UK permanent placement fees were up 15% organically, with growth strengthening during the quarter, compared to minus 13% last quarter. The EBITA margin amounted to 2.0%, compared to -0.1% in Q2 2009.

### **Belgium/Luxembourg**

Revenue increased by 13% organically, compared to -2% in the previous quarter. Randstad was back at market growth, beating the market in the industrial segment especially through inhouse. Tempo-Team was somewhat below market, doing relatively better in the administrative segment. The EBITA margin remained virtually stable at a healthy 5.2% (5.3% in Q2 2009).

### **Iberia**

Revenue increased by 11%, compared to +7% in the previous quarter. The Spanish business grew against easy comparables. The Portuguese business continued to do well, showing double digit growth. The Vedioorbis network in Portugal has been rebranded to Tempo-Team during the quarter. The larger Select business will be rebranded to Randstad in September. We were not allowed to do this earlier, after divesting Randstad Portugal to obtain clearance for the Vedioorbis merger. Costs were managed well and the EBITA margin improved to 1.1%, compared to -0.6% in Q2 2009.

### **Other European countries**

The other European countries showed solid growth across the board. In Italy revenue was up over 20%, with momentum building and the gap versus the market narrowing. Our Polish and Scandinavian businesses continued to show strong growth, while this was also the case in Turkey, Hungary, and Greece. The Swiss business returned to growth as well. For the combined region the EBITA margin reached 1.9%, compared to -1.7% in Q2 2009.

### **Rest of the world**

The Australian business grew over 20% over the full quarter, with perm fees growing faster. The Latin American businesses (Argentina, Chile, Mexico, Brazil and Uruguay) showed strong growth on average of 30%. India and China showed solid growth

as well. Our Japanese business returned to growth with a single digit growth figure over the full quarter. For the combined region the EBITA margin reached 1.2%, compared to -0.9% in Q2 2009.

## **Q2 2010 by revenue category**

### **Staffing**

Staffing revenue increased by 13% organically, compared to -2% in the previous quarter. The improvement is largely driven by demand from industrial clients. The administrative segments are lagging, with contact centers being a clear exception with a continued strong performance.

### **Inhouse**

Inhouse services showed the relatively strongest improvement with organic growth reaching a level of 50%, compared to 30% in Q1 2010. Growth is primarily driven by a pickup in demand from our client base in the industrial and logistical segments. Growth also includes client gains and transfers from staffing to inhouse, for example in France, where we are transferring clients from the former Vedioorbis network.

### **Professionals**

In line with historical patterns, the professionals segment is lagging the other segments but growth has returned this quarter. Revenue improved by 1% organically, compared to an 11% decline in Q1 2010. The US professionals business turned in double digit growth based on a strong performance in IT and Finance & Accounting. The UK and Dutch professionals businesses both shrank, impacted by the late cyclical nature of the services based economies they operate in as well as by the relatively large dependency on the even more late cyclical government sector.

### **Other**

The French portfolio was streamlined. In June we sold Vedior Front RH, a small HR consultancy business. In 2009 Vedior Front RH generated revenue of € 1.4 million. On 23 July 2010, we announced the agreement to sell Selpro. In 2009 Selpro generated revenue of € 63 million.

### **Outlook**

The positive trends in our businesses visible in Q2 2010 continued into July. Economic indicators may not always be unambiguous, but the broad recovery in our business remains in place and across the board growth rates are holding up. We continue to see solid growth rates in all our inhouse businesses, based on recovery in manufacturing and logistics. Staffing is showing robust growth in most regions too. The more late cyclical professionals business has returned to growth on average as well, despite the lagging UK and Dutch professionals businesses. We expect continued healthy growth in the coming quarter. Based on current developments, we expect the leverage ratio (net debt/EBITDA) to be below 2 by the end of the year. This should enable us to resume payment of dividend on ordinary shares over the current book-year, based on our existing dividend policy.

### **Half-year report**

(unaudited) In € million	H1 2010 actual	H1 2010 underlying	H1 2009 underlying	underlying change	organic change
Revenue	6,507.2	6,507.2	6,042.3	8%	7%
Gross profit	1,234.7	1,224.1	1,212.0	1%	-1%
Operating expenses	1,035.6	1,029.0	1,095.8	-6%	-6%
EBITDA	241.9	237.7	160.1		
EBITA	199.1	195.1	116.2	68%	48%
Gross margin	19.0%	18.8%	20.1%		
Operating expenses as % of revenue	15.9%	15.8%	18.1%		
EBITA margin	3.1%	3.0%	1.9%		

Over the first six months of 2010, Randstad generated 8% revenue growth, reaching a level of € 6,507.2 million. Organic growth per working day strengthened from -5% in January to +15% in June. The global staffing market shows a classic recovery pattern, with industrial segments moving ahead of administrative segments and with the US taking the lead in recovery.

The underlying gross profit was up 1% to € 1,224.1 million. The gross margin came down from 20.1% to 18.8%. The temp margin was under pressure as volume started to build on contracts that were renewed last year. Mix effects, with lower margin blue collar revenue growing fast, played a role as well. At the start of the year a reduction in perm fees still had a negative effect, but this reversed as of March.

Operating expenses, excluding one-offs of € 6.6 million in Q2 2010, were down 6% to € 1,029.0 million. In Q1 2010 operating costs were still down 12% YOY, but as growth returned in the business as of March, operating expenses were about flat YoY in

the second quarter.

With gross profit slightly up and operating costs down, EBITA improved by 68% to € 195.1 million. The EBITA margin amounted to 3.0%, compared to 1.9% over the first six months of 2009.

Net financing costs amounted to € 13.6 million compared to € 31.9 million in H1 2009. This improvement is largely based on a significant net debt reduction YoY and a sharp YoY reduction in short-term interest rates as it is our policy to use floating interest rates for debt financing.

In the first half year of 2010, the underlying effective tax rate before amortization of acquisition-related intangibles amounted to 29%. Based on geographic mix changes the rate moved from 28% in Q1 2010 to 29% Q2 2010.

Adjusted net income attributable to holders of ordinary shares amounted to € 124.8 million in H1 2010, compared to € 54.8 million in H1 2009. Diluted EPS increased by 128% to € 0.73 (H1 2009 € 0.32). Net income was € 77.7 million compared to a loss of € 41.0 million in H1 2009.

In H1 2010, the free cash flow amounted to € 66.4 million negative, compared to a positive free cash flow of € 171.6 million in H1 2009. Operating results improved but revenue growth required investment in working capital. Last year free cash flow benefited from the unwinding of working capital in line with the revenue decline in H1 2009.

At the end of H1 2010 net debt amounted to € 1,142.3 million compared to € 1,521.8 million at the end of H1 2009 and € 1,014.7 at year-end 2009. The leverage ratio (net debt end of period divided by the EBITDA of the past 12 months) amounted to 2.4, equal to the level at the end of H1 2009. The covenants of the syndicated facility allow for a leverage ratio of up to 3.5.

#### Risk profile

With regard to risks and opportunities, reference is made to our 2009 Annual Report (page 46 - 53). The key risks and opportunities have not materially changed in H1 2010. They represent the key challenges we currently face and we expect them to be applicable over the full course of H2 2010. We continue to monitor the key risks and opportunities closely and manage our response when new risks may emerge and current risks change.

The market environment has markedly improved since the publication of our annual report. The resulting increase in operating profits reduces the risk of the net debt position (including the related leverage ratio). Nevertheless, receivables management remains high on the agenda in the second half of 2010 as client behavior and their tendency to extend payment terms has not changed. In the context of market recovery we continue to focus on managing financial risk but it becomes more balanced with respect to managing the risk of opportunity loss.

#### **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 2010 consolidated interim financial statements as at 30 June 2010 and for the six months ended at 30 June 2010 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 profit or loss of Randstad Holding nv and its consolidated Group companies taken as a whole; and
- The 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 28, 2010

The executive board,

Ben Noteboom (chairman and CEO)  
Robert-Jan van de Kraats (vice-chairman and CFO)  
Jacques van den Broek  
Leo Lindelauf  
Greg Netland  
Brian Wilkinson

#### **Financial calendar**

Publication third quarter results 2010	October 28, 2010
Analyst & investor days	November 24 and 25, 2010
Publication fourth quarter and annual results 2010	February 17, 2011
Publication first quarter results 2011	April 28, 2011

### Press conference and analyst meeting

Today, at 10.00 CET Randstad Holding will host a press conference at the head office in Diemen. At 13.00 CET, Randstad Holding will host an analyst presentation & conference call. The dial in number is +31 (0)20 707 55 08 or +44 (20) 7806 1958 for international participants. The pass code is: 7107649. You can watch the analyst conference through real-time video webcast. A replay of the presentation and the Q & A will also be available on our website as of today 18.00 CET. The link is: <http://www.ir.randstad.com/presentations.cfm>

Certain statements in this document concern prognoses about the future financial condition and the results of operations of Randstad Holding 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 general economic conditions, a shortage on the job market, changes in the demand for (flexible) personnel, changes in employment legislation, future currency and interest fluctuations, future takeovers, acquisitions and disposals and the rate of technological developments. These prognoses therefore apply only on the date on which the document was compiled.

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. Since acquiring Vedior in 2008, the Randstad Group is the second largest HR services provider in the world with top three positions in Argentina, Belgium & Luxembourg, Canada, Chile, France, Germany, Greece, India, Mexico, the Netherlands, Poland, Portugal, Spain, Switzerland and the UK, as well as major positions in Australia and the United States. End 2009 Randstad had approximately 25,500 employees working from over 4,100 branches and inhouse locations in 44 countries around the world. Randstad generated a revenue of € 12.4 billion in 2009. 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)

### Interim financial statements

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Consolidated income statement  
(unaudited)

Underlying performance

	Three months ended June 30			Six months ended June 30		
	2010	2009	Change 2010/2009	2010	2009	Change 2010/2009
In millions of €						
Revenue	3,468.2	2,986.8	16%	6,507.2	6,042.3	8%
Cost of services	2,819.1	2,388.7	18%	5,283.1	4,830.3	9%
Gross profit	649.1	598.1	9%	1,224.1	1,212.0	1%
Selling expenses	360.2	362.0	0%	704.1	751.4	-6%
General and administrative expenses	169.2	169.1	0%	324.9	344.4	-6%
Operating expenses	529.4	531.1	0%	1,029.0	1,095.8	-6%
EBITA*	119.7	67.0	79%	195.1	116.2	68%
<b>Margins</b>						
Gross margin	18.7%	20.0%		18.8%	20.1%	
EBITDA margin	4.1%	3.0%		3.7%	2.6%	
EBITA margin	3.5%	2.2%		3.0%	1.9%	

\* EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

Information by geographical area  
(unaudited)

Underlying performance

	Three months ended June 30				EBITA margins 2010	EBITA margins 2009
	2010	2009	change 2010/2009	organic* change		
In millions of €						
Revenue						
Netherlands	682.7	725.5	-6%	-5%		
France	777.0	660.2	18%	18%		
Germany	418.3	298.9	40%	40%		
Belgium/Luxembourg	318.7	281.9	13%	13%		
United Kingdom	195.2	189.8	3%	1%		
Iberia	209.6	188.2	11%	11%		
Other European countries	183.3	141.3	30%	27%		
North America	470.3	352.4	33%	22%		
Rest of the world	213.1	148.6	43%	24%		
Total revenue	3,468.2	2,986.8	16%	14%		
EBITA**						
Netherlands	38.7	52.0	-26%	-24%	5.7%	7.2%
France	27.4	5.0	448%	249%	3.5%	0.8%
Germany	22.6	6.5	248%	248%	5.4%	2.2%
Belgium/Luxembourg	16.5	15.0	10%	10%	5.2%	5.3%
United Kingdom	4.0	-0.1	n.m.	n.m.	2.0%	-0.1%
Iberia	2.4	-1.1	318%	318%	1.1%	-0.6%
Other European countries	3.5	-2.4	246%	244%	1.9%	-1.7%
North America	14.7	4.3	242%	220%	3.1%	1.2%
Rest of the world	2.5	-1.4	279%	225%	1.2%	-0.9%
Corporate	-12.6	-10.8				
Total EBITA	119.7	67.0	79%	66%	3.5%	2.2%
<b>Six months ended June 30</b>						
	2010	2009	change 2010/2009	organic* change	EBITA margins 2010	EBITA margins 2009
In millions of €						
Revenue						
Netherlands	1,337.0	1,496.9	-11%	-10%		
France	1,421.3	1,295.9	10%	10%		
Germany	769.0	616.8	25%	25%		
Belgium/Luxembourg	598.7	568.1	5%	5%		
United Kingdom	385.8	389.3	-1%	-2%		
Iberia	402.4	367.9	9%	9%		
Other European countries	338.8	292.8	16%	12%		
North America	859.9	717.4	20%	16%		
Rest of the world	394.3	297.2	33%	17%		
Total revenue	6,507.2	6,042.3	8%	7%		
EBITA**						
Netherlands	79.2	96.5	-18%	-20%	5.9%	6.4%
France	35.5	4.6	672%	277%	2.5%	0.4%
Germany	37.8	10.9	247%	247%	4.9%	1.8%

Belgium/Luxembourg	24.7	24.5	1%	-1%	4.1%	4.3%
United Kingdom	8.2	4.5	82%	35%	2.1%	1.2%
Iberia	4.9	-0.6	917%	917%	1.2%	-0.2%
Other European countries	4.5	-2.3	296%	290%	1.3%	-0.8%
North America	20.4	3.3	518%	439%	2.4%	0.5%
Rest of the world	3.1	-2.7	215%	171%	0.8%	-0.9%
Corporate	-23.2	-22.5				
Total EBITA	195.1	116.2	68%	48%	3.0%	1.9%

\* Organic change is measured excluding the impact of currency effects, acquisitions and disposals.

\*\* EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

#### Consolidated income statement (unaudited)

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
In millions of €				
Revenue	3,468.2	2,986.8	6,507.2	6,042.3
Cost of services	2,808.5	2,388.7	5,272.5	4,830.3
Gross profit	659.7	598.1	1,234.7	1,212.0
Selling expenses	363.2	366.7	707.1	806.8
General and administrative expenses	172.8	177.0	328.5	363.5
Operating expenses	536.0	543.7	1,035.6	1,170.3
Amortization and impairment acquisition-related intangible assets and goodwill	38.6	39.7	78.7	79.4
Total operating expenses	574.6	583.4	1,114.3	1,249.7
Other income	-	-	-	6.9
Operating profit / (loss)	85.1	14.7	120.4	-30.8
Net finance cost	-8.0	-13.8	-13.6	-31.9
Share of profit of associates	0.4	-0.3	0.6	-0.4
Income before taxes	77.5	0.6	107.4	-63.1
Taxes on income	-21.6	11.0	-29.7	22.1
Net income	55.9	11.6	77.7	-41.0
Attributable to:				
Ordinary equity holders of Randstad Holding nv	54.0	10.0	74.0	-44.2
Preferred equity holders of Randstad Holding nv	1.8	1.8	3.6	3.6
Equity holders	55.8	11.8	77.6	-40.6
Minority interests	0.1	-0.2	0.1	-0.4
Net income	55.9	11.6	77.7	-41.0
Earnings per share				
Earnings per share attributable to the ordinary shareholders of Randstad Holding nv (expressed in € per ordinary share):				
- basic earnings per ordinary share	0.32	0.06	0.44	-0.26
- diluted earnings per ordinary share	0.31	0.06	0.43	-0.26
- diluted earnings per ordinary share before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs	0.45	0.27	0.73	0.32
Margins				
Gross margin	19.0%	20.0%	19.0%	20.1%
EBITDA margin	4.2%	2.6%	3.7%	1.5%
EBITA margin	3.6%	1.8%	3.1%	0.8%
Operating margin	2.5%	0.5%	1.9%	-0.5%
Net margin	1.6%	0.4%	1.2%	-0.7%



Information by geographical area  
(unaudited)

In millions of €	Three months ended June 30	
	2010	2009
<b>Revenue</b>		
Netherlands	682.7	725.5
France	777.0	660.2
Germany	418.3	298.9
Belgium/Luxembourg	318.7	281.9
United Kingdom	195.2	189.8
Iberia	209.6	188.2
Other European countries	183.3	141.3
North America	470.3	352.4
Rest of the world	213.1	148.6
Total revenue	<u>3,468.2</u>	<u>2,906.8</u>
<b>EBITA*</b>		
Netherlands	46.7	50.6
France	25.8	5.0
Germany	22.6	6.5
Belgium/Luxembourg	15.2	15.0
United Kingdom	2.9	-2.9
Iberia	2.4	0.1
Other European countries	3.5	-2.4
North America	14.7	3.4
Rest of the world	2.5	-5.1
Corporate	-12.6	-10.8
	<u>123.7</u>	<u>59.4</u>
Integration costs	-	-5.0
Total EBITA	<u>123.7</u>	<u>54.4</u>

In millions of €	Six months ended June 30	
	2010	2009
<b>Revenue</b>		
Netherlands	1,337.0	1,496.9
France	1,421.3	1,295.9
Germany	769.0	616.8
Belgium/Luxembourg	598.7	568.1
United Kingdom	385.8	389.3
Iberia	402.4	367.9
Other European countries	338.8	292.8
North America	859.9	717.4
Rest of the world	394.3	297.2
Total revenue	<u>6,507.2</u>	<u>6,042.3</u>
<b>EBITA*</b>		
Netherlands	87.2	79.4
France	33.9	-20.8
Germany	37.8	9.9
Belgium/Luxembourg	23.4	25.8
United Kingdom	7.1	1.7
Iberia	4.9	-2.9
Other European countries	4.5	-7.3
North America	20.4	-0.3
Rest of the world	3.1	-6.8
Corporate	-23.2	-16.9
	<u>199.1</u>	<u>61.8</u>
Integration costs	-	-13.2
Total EBITA	<u>199.1</u>	<u>48.6</u>

\* EBITA for geographical areas: operating profit before amortization and impairment acquisition-related intangible assets and goodwill and integration costs.

Information by revenue category  
(unaudited)

In millions of €	Three months ended June 30			
	2010	2009	change 2010/2009	organic change *
<b>Revenue</b>				
Staffing	2,363.2	2,050.3	15%	13%
Inhouse services	455.7	300.8	51%	50%
Professionals	649.3	635.7	2%	1%
<b>Total revenue</b>	<b>3,468.2</b>	<b>2,986.8</b>	<b>16%</b>	<b>14%</b>

In millions of €	Six months ended June 30			
	2010	2009	change 2010/2009	organic change *
<b>Revenue</b>				
Staffing	4,414.4	4,120.8	7%	6%
Inhouse services	835.9	594.3	41%	40%
Professionals	1,256.9	1,327.2	-5%	-5%
<b>Total revenue</b>	<b>6,507.2</b>	<b>6,042.3</b>	<b>8%</b>	<b>7%</b>

\* Organic change is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications.

Consolidated balance sheet  
(unaudited)

In millions of €	June 30, 2010	June 30, 2009	December 31, 2009
<b>Assets</b>			
Property, plant and equipment	138.8	167.8	150.5
Intangible assets	3,173.5	3,312.6	3,158.1
Deferred income tax assets	502.8	480.8	465.3
Financial assets and associates	91.2	75.8	83.2
<b>Non-current assets</b>	<b>3,906.3</b>	<b>4,037.0</b>	<b>3,857.1</b>
Trade and other receivables	2,606.1	2,338.8	2,266.3
Income tax receivables	54.4	82.2	64.6
Cash and cash equivalents	250.0	542.9	270.1
<b>Current assets</b>	<b>2,910.5</b>	<b>2,963.9</b>	<b>2,601.0</b>
<b>Total assets</b>	<b>6,816.8</b>	<b>7,000.9</b>	<b>6,458.1</b>
<b>Equity and liabilities</b>			
Issued capital	19.5	19.5	19.5
Share premium	2,020.6	2,014.0	2,014.3
Reserves	641.5	413.5	457.2
<b>Shareholders' equity</b>	<b>2,681.6</b>	<b>2,447.0</b>	<b>2,491.0</b>
Minority interest	1.8	1.7	1.5
<b>Total Equity</b>	<b>2,683.4</b>	<b>2,448.7</b>	<b>2,492.5</b>
Borrowings	1,200.8	1,932.1	1,244.2
Deferred income tax liabilities	457.7	348.8	474.7
Provisions and employee benefit obligations	81.6	78.3	72.6
Deferred considerations business combinations and other	71.6	96.5	73.7
<b>Non-current liabilities</b>	<b>1,811.7</b>	<b>2,455.7</b>	<b>1,865.2</b>
Borrowings	191.5	132.6	40.6
Trade and other payables	1,922.9	1,719.6	1,869.9
Income tax liabilities	60.6	46.4	22.5
Provisions, deferred considerations business combinations and other	146.7	197.9	167.4
<b>Current liabilities</b>	<b>2,321.7</b>	<b>2,096.5</b>	<b>2,100.4</b>
<b>Total equity and liabilities</b>	<b>6,816.8</b>	<b>7,000.9</b>	<b>6,458.1</b>

Consolidated statement of cash flows  
(unaudited)

In millions of €	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Operating profit	85.1	14.7	120.4	-30.8
Depreciation property, plant and equipment	13.9	17.4	28.0	33.8
Amortization and impairment software	7.6	5.7	14.8	11.1
Amortization and impairment acquisition-related intangible assets	38.6	39.7	78.7	79.4
Gain on disposal of subsidiaries	0.0	0.0	0.0	-6.9
Share-based payments	3.9	3.9	5.9	7.2
Provisions and employee benefit obligations	-8.6	-7.1	-19.5	38.5
Loss on disposals of property, plant and equipment	0.1	0.0	0.2	0.0
Cash flow from operations before operating working capital and income taxes	140.6	74.3	228.5	132.3
Trade and other receivables	-253.4	50.5	-266.1	486.0
Trade and other payables	59.9	-155.3	15.8	-386.4
Operating working capital	-193.5	-104.8	-250.3	99.6
Income taxes paid	-42.8	-16.8	-23.2	-42.4
<b>Net cash flow from operating activities</b>	<b>-95.7</b>	<b>-47.3</b>	<b>-45.0</b>	<b>189.5</b>
Additions in property, plant and equipment	-8.3	-7.0	-13.6	-13.1
Additions in software	-3.2	-3.5	-10.2	-10.1
Acquisition of subsidiaries and associates	-9.0	-5.9	-14.0	-16.8
Financial receivables	0.4	-0.1	0.4	1.6
Dividend received from associates	0.6	-	0.6	-
Disposals of property, plant and equipment	0.8	1.8	1.4	3.7
Disposal of activities	0.4	2.1	0.3	9.1
<b>Net cash flow from investing activities</b>	<b>-18.3</b>	<b>-12.6</b>	<b>-35.1</b>	<b>-25.6</b>
Issue of ordinary shares	0.6	0.0	3.4	0.0
(Repayments of)/drawings on non-current borrowings	-86.8	40.1	-80.1	-485.0
<b>Net financing</b>	<b>-86.2</b>	<b>40.1</b>	<b>-76.7</b>	<b>-485.0</b>
Net finance costs paid	-5.8	-11.1	-8.5	-26.5
Dividend paid on preferred shares B	-7.2	-7.2	-7.2	-7.2
Dividend paid to minority interests	-	-0.2	-	-0.2
<b>Net reimbursement to financiers</b>	<b>-13.0</b>	<b>-18.5</b>	<b>-15.7</b>	<b>-33.9</b>
<b>Net cash flow from financing activities</b>	<b>-99.2</b>	<b>21.6</b>	<b>-92.4</b>	<b>-518.9</b>
<b>Net decrease in cash, cash equivalents and current borrowings</b>	<b>-213.2</b>	<b>-38.3</b>	<b>-172.5</b>	<b>-355.0</b>
Cash, cash equivalents and current borrowings at begin of period	270.8	447.1	229.5	760.9
Net decrease in cash, cash equivalents and current borrowings	-213.2	-38.3	-172.5	-355.0
Translation gains	0.9	1.5	1.5	4.4
Cash, cash equivalents and current borrowings at end of period	58.5	410.3	58.5	410.3
<b>Free cash flow</b>	<b>-105.4</b>	<b>-56.1</b>	<b>-66.4</b>	<b>171.6</b>

Consolidated statement of comprehensive income  
(unaudited)

In millions of €	Three months ended June 30, 2010	Three months ended June 30, 2009
Net income for the period	55.9	11.6
<i>Other comprehensive income</i>		
- translation differences	79.1	35.1
Total comprehensive income	135.0	46.7
Attributable to:		
- equity holders of the company	134.8	46.8
- minority interests	0.2	-0.1

In millions of €	Six months ended June 30, 2010	Six months ended June 30, 2009
Net income for the period	77.7	-41.0
<i>Other comprehensive income</i>		
- translation differences	111.1	70.8
Total comprehensive income	188.8	29.8
Attributable to:		
- equity holders of the company	188.5	30.1
- minority interests	0.3	-0.3

Consolidated statement of changes in equity  
(unaudited)

In millions of €	Three months ended June 30, 2010			Three months ended June 30, 2009		
	Shareholders' equity	Minority interests	Total equity	Shareholders' equity	Minority interests	Total equity
Value at April 1	2,542.3	1.6	2,543.9	2,403.5	2.0	2,405.5
Total comprehensive income	134.8	0.2	135.0	46.8	-0.1	46.7
Dividend preferred shares	-	-	-	-7.2	-	-7.2
Share-based payments	3.9	-	3.9	3.9	-	3.9
Issue of ordinary shares	0.6	-	0.6	-	-	-
Acquisition/disposal of minorities	-	-	-	-	-	-
Dividend Minorities	-	-	-	-	-0.2	-0.2
Value at June 30	2,681.6	1.8	2,683.4	2,447.0	1.7	2,448.7

Consolidated statement of changes in equity  
(unaudited)

In millions of €	Six months ended June 30, 2010			Six months ended June 30, 2009		
	Shareholders' equity	Minority interests	Total equity	Shareholders' equity	Minority interests	Total equity
Value at January 1	2,491.0	1.5	2,492.5	2,416.9	4.0	2,420.9
Total comprehensive income	188.5	0.3	188.8	30.1	-0.3	29.8
Dividend preferred shares	-7.2	-	-7.2	-7.2	-	-7.2
Share-based payments	5.9	-	5.9	7.2	-	7.2
Issue of ordinary shares	3.4	-	3.4	0.0	-	0.0
Acquisition/disposal of minorities	-	-	-	-	-1.8	-1.8
Dividend Minorities	-	-	-	-	-0.2	-0.2
Value at June 30	2,681.6	1.8	2,683.4	2,447.0	1.7	2,448.7

**Core data**  
(unaudited)

In millions of €

Balance sheet	June 30, 2010	June 30, 2009
Operating working capital *	682.0	617.5
Borrowings	1,392.3	2,064.7
Net debt	1,142.3	1,521.8

\* Operating working capital is defined as trade and other receivables minus current part financial fixed assets and minus trade and other payables plus dividend payable preferred shares.

Break down operating expenses (unaudited)	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Personnel expenses	376.7	368.1	730.3	774.5
Other operating expenses	159.3	175.6	305.3	395.8
Operating expenses	536.0	543.7	1,035.6	1,170.3

**Depreciation and amortization/impairment software**

Depreciation property, plant and equipment	13.9	17.4	28.0	33.8
Amortization and impairment software	7.6	5.7	14.8	11.1
Total depreciation and amortization/impairment software	21.5	23.1	42.8	44.9

**EPS calculation**

Net income for ordinary shareholders	54.0	10.0	74.0	-44.2
Amortization and impairment acquisition-related intangible assets and goodwill	38.6	39.7	78.7	79.4
Integration costs	-	5.0	-	13.2
One-offs	-4.0	7.6	-4.0	54.4
Tax-effect on amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs	-11.4	-16.3	-23.9	-48.0
Net income before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs	77.2	46.0	124.8	54.8
Basic EPS (in €)	0.32	0.06	0.44	-0.26
Diluted EPS (in €)	0.31	0.06	0.43	-0.26
Diluted EPS before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs (in €)	0.45	0.27	0.73	0.32
Average number of ordinary shares outstanding (mln)	169.7	169.6	169.7	169.5
Average number of diluted ordinary shares outstanding (mln)	171.7	170.7	171.7	170.6

**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 months' period ended June 30, 2010 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, 2009.

*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, 2009.

The consolidated financial statements of the Group as at and for the year ended December 31, 2009 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, 2009.

### 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 the 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 June 30, 2010 is 27.7%, which is 0.6%-point higher than in Q1, 2010, due to relative changes in the mix of results. For Q2 only this results in an effective tax rate of 27.9%. The effective tax rate is based upon the estimated effective tax rate for the whole year 2010. Compared to the whole year 2009 (13.1% before amortization), the increase in effective tax rate (2010: 28.8% before amortization) is the result of relative changes in the mix of results, the relatively lower effect of tax-exempt items as well as the changes in French business tax legislation.

### Acquisitions of Group companies

The total cash out for acquisitions YTD Q2 2010 is € 14.0 million (Q2 only: € 9.0 million), of which € 2.6 million related to associates (Q2: nil) and € 11.4 million related to arrangements with regard to acquired companies in preceding years (Q2: € 9.0 million). As the latter companies are already consolidated in full, no additional contribution to revenue and operating profit resulted from these acquisitions.

### Disposal of Group companies

In Q2 the Group disposed of a small business in France, resulting in a cash inflow of € 0.4 million; together with the cash effect of disposals of small businesses in the Netherlands and the Middle East in Q1, the cash inflow YTD Q2 is € 0.3 million.

### Shareholders' equity

The issued number of ordinary shares increased as follows:

Number of issued shares as at December 31, 2009	169,559,691
Share-based payments arrangements	<u>187,661</u>
Number of issued shares as at June 30, 2010	169,747,352

### Net debt position

The net debt position as of June 30, 2010 (€ 1,142.3 million) is € 127.6 million higher compared to December 31, 2009 (€ 1,014.7 million), mainly due to a negative free cash flow.

### 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, 2009.

### Commitments

There are no material changes in the nature and scope compared to the disclosures in note 35 of the consolidated financial statements as at and for the year ended December 31, 2009.

### Events after balance sheet date

On July 23, 2010 an agreement has been reached to sell the French subsidiary Selpro Selection Professionnelle SA. In 2009, this company generated revenue of € 63 million.

Reconciliation between actual and underlying performance figures (in millions of €)

	Three months ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Actual EBITA	123.7	54.4	199.1	48.6
Integration costs	-	5.0	-	13.2
One-offs	-4.0	7.6	-4.0	54.4
Underlying EBITA	<u>119.7</u>	<u>67.0</u>	<u>195.1</u>	<u>116.2</u>

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