Randstad Holding nv
Diemermere 25, Diemen
P.O. Box 12600, NL-1100 AP Amsterdam

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

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For more information
Jan-Pieter van Winsen/Machteld Merens

Telephone
+31 (0)20 569 56 23

Strong growth in North America, gradual slowdown in Europe

revenue up 13% and diluted earnings per share up 8%

Key points Q4 2011

- Revenue up 13% to € 4,377.5 million; organic growth[1] per working day 4% (1.5 working days less)
- Good cost control maintained; underlying EBITA[2] up 1% to € 163.3 million, with an EBITA margin at 3.7%
- Strong cash flow generation: free cash flow up 7% to € 216.4 million and leverage ratio down to 1.8
- Negative net result of € 16.5 million, caused by a non-cash impairment charge on goodwill of € 125 million

Key points FY 2011

- Strong market position in North America established by the acquisition of SFN Group, integration well on track and cost synergies target raised by $10 million to at least $40 million, annual tax synergies remained $10 million
- Revenue up 14% to € 16.2 billion and underlying EBITA[2] up 18% to € 600.6 million
- Adjusted net income attributable to holders of ordinary shares[4] up € 63.8 million to € 399.7 million
- Proposed cash dividend of € 1.25 per ordinary share based on a payout ratio of 53%, in line with dividend policy

"The patterns in our markets are clearly diverging from previous recoveries", says Ben Noteboom, CEO of Randstad. *"The North American market is getting more robust, while the European markets are gradually slowing down. In a classic pattern we would now see more growth in Europe and especially across our professionals business, but this is not the case. The Asian markets also experience some uncertainty. Our people have done well and we have increased our market share in important markets like North America and France. Our new colleagues in SFN have done a great job last quarter. In this uncertain environment our clients need to react fast, and so do we. We maintain focused on our field steering model, designed to make us more adaptable and more productive. Our inhouse services and our strategic talent management services (RPO) continue to experience high interest from clients. We will continue to develop our specialty and professionals businesses and accelerate growth in permanent placements. We believe we are well positioned to grasp the opportunities in 2012."*

Core data in € million, unless otherwise indicated	**Q4 2011**	Q4 2010	*Y-o-Y change*	**FY 2011**	FY 2010	*Y-o-Y change*
Revenue	4,377.5	3,891.1	*13%*	16,224.9	14,179.3	*14%*
EBITA, underlying[2]	163.3	161.5	*1%*	600.6	509.6	*18%*
EBITA[3]	126.5	161.5	*-22%*	553.1	513.6	*8%*
Adj. net income[4] for holders of ordinary shares	118.6	109.5	*8%*	399.7	335.9	*19%*
Net debt	1,302.6	899.3				
Leverage ratio (net debt/EBITDA)	1.8	1.5				
Share data (in € per share)						
Basic EPS	-0.11	0.80	*-114%*	1.00	1.65	*-39%*
Diluted EPS[4], underlying	0.69	0.64	*8%*	2.32	1.96	*18%*
Proposed dividend on ordinary shares				1.25	1.18	*6%*

[1] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications
[2] EBITA adjusted for one-offs and integration costs
[3] operating profit before amortization/impairment acquisition-related intangible assets and goodwill
[4] before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs

Structure of this press release

Financial performance

In order to measure underlying performance we have adjusted the financials for integration costs and one-offs. This press release covers the quarterly results. An analysis of our full year results is included in our annual report in the section 'income and financial position analysis' (pages 44-51) or via: www.randstadannualreport.com.

Key financials – underlying[1] in € million, unless otherwise indicated	Q4 2011	Q4 2010	organic change[2]	FY 2011	FY 2010	organic change[2]
Revenue	**4,377.5**	**3,891.1**	***2%***	**16,224.9**	**14,179.3**	***9%***
Gross profit	801.1	736.7	*-4%*	2,957.1	2,658.7	*5%*
Operating expenses	637.8	575.2	*-2%*	2,356.5	2,149.1	*3%*
EBITA	**163.3**	**161.5**	***-13%***	**600.6**	**509.6**	***11%***
Margins (in % of revenue)						
Gross margin	18.3%	18.9%		18.2%	18.8%	
Operating expenses margin	14.6%	14.8%		14.5%	15.2%	
EBITA margin	3.7%	4.2%		3.7%	3.6%	

Revenue

In Q4 2011 revenue increased by 13% to € 4,377.5 million. Organic revenue growth was 2%, and 4% per working day since there were around 1.5 days less than in Q4 2010. The net addition of acquisitions/disposals (primarily SFN in the US) was 12%, while currency movements had a small negative impact. Organic revenue growth per working day decreased gradually from just below 7% in September to 4% in December. Perm fees grew by 15%, while on an organic basis perm fees were at the same level as last year. Overall, perm fees made up 1.5% of revenue and 8.2% of gross profit (7.6% in Q4 2010).

Although we still see seasonal patterns, the trends differ per country. North America continued its solid performance and grew by 10% per working day, in line with the previous quarter. Growth in our US staffing business improved from 3% in Q3 to 7% in Q4, while SFN's growth strengthened as well. In France, where we outperformed the market, growth continued but slowed down towards the end of the quarter. German revenue grew by 8% per working day. In the Netherlands, Randstad gained further market share whereas revenue of Tempo-Team and Yacht was under pressure, partly because of the continued slow demand in the public sector. In the UK revenue was 7% below last year. Continued weak demand in the City-oriented business and, still, in the public sector put the UK business further under pressure. The slowdown in Iberia was more pronounced as revenue contracted by 6%.

Growth in staffing and inhouse services both eased to 0% and 6%, mainly as a result of the gradual slowdown in the industrial segment. Growth in the administrative segment remains limited and is still lower than the industrial segment. Professionals grew by 3% organically, somewhat below the 7% in Q3 2011. Over the past few months we reinforced our focus on client profitability, which resulted in exiting some low margin contracts in countries such as Poland and the US.

[1] underlying: results in 2011 and 2010 have been adjusted for restructuring costs, integration costs and acquisition-related expenses
[2] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

Gross profit

In Q4 2011 gross profit amounted to € 801.1 million. Gross profit was adjusted by € 3.2 million for restructuring costs, mainly in the Netherlands. The underlying gross margin was 18.3%, which is 0.2% up compared to Q3 2011 and 0.6% below last year.

The positive contribution from SFN was 0.5%, while this was 0.2% in the previous quarter. Adjusted for the impact of SFN the YoY decline is 1.1%, which is explained by the following reasons: the decline in the temp margin was 0.8%, partly offset by the positive contribution of perm fees of 0.1%. The remaining negative impact of 0.4% is mainly related to the gross margin in Q4 2010.

The temp margin decreased by 0.8% and reflects the continuing change in our business mix. In addition, the pricing environment remains challenging but is not different from the previous quarter. On a sequential basis the temp margin declined by only 0.2%, which was similar to the previous quarter.

The gross margin in Q4 2010 was positively impacted by the Hire Act in North America and other favorable wage cost related items. The latter was also included in the Q4 2011 gross margin, but to a much smaller extent and, moreover, it was offset by unfavorable wage cost-related items in Germany.

Operating expenses

In Q4 2011 operating expenses amounted to € 637.8 million, up 11% compared to Q4 2010. SFN added around € 70 million to the cost base. Adjusted for the effect of the consolidation of SFN, underlying operating expenses were at the same level as in the previous quarter. Operating expenses have been adjusted for restructuring costs of € 22.0 million, integration costs of € 8.0 million and costs related to divestments of € 3.6 million.

Average headcount (in FTEs) amounted to 31,100 for the quarter, up 15% YoY. Adjusted for the effect of the consolidation of SFN the number of FTEs was at the same level as in the previous quarter. Productivity (measured as gross profit per FTE) was in line with last year. At the end of the quarter we operated a network of 4,711 outlets.

EBITA

In Q4 2011 underlying EBITA increased by 1% to € 163.3 million, with an EBITA margin of 3.7% (Q4 2010: 4.2%), partly impacted by fewer working days. SFN added around € 19 million to EBITA.

The full year EBITA margin reached 3.7%, compared to 3.6% in 2010. Although the classical recovery continued in North America, the unstable macroeconomic situation in Europe caused increased uncertainty amongst clients in the second half of the year. This was clearly limiting our growth and further recovery of our business mix, and as a result our profitability. Despite that, the structural growth drivers in our industry remained in place. In order to benefit from continued growth and to realize our strategic targets we will focus on:

- Field steering to ensure adaptability and drive productivity
- Gaining market share across segments in existing countries
- Leveraging our unique inhouse concept
- Reinforcing our specialty approach and focusing on the SME segment
- Accelerating growth in professionals and focusing on permanent placements

By further improving our business mix, while maintaining flexibility in our cost base and our solid financial position, we are well positioned to capture growth opportunities.

Key financials – actual

in € million, unless otherwise indicated	Q4 2011	Q4 2010	change	FY 2011	FY 2010	change
Underlying EBITA	**163.3**	**161.5**	***1%***	**600.6**	**509.6**	***18%***
One-offs and integration costs	-36.8	-		-47.5	4.0	
EBITA	**126.5**	**161.5**	***-22%***	**553.1**	**513.6**	***8%***
Amortization of intangible assets	54.8	48.4		178.4	172.4	
Impairment goodwill	125.0	-		125.0	-	
Operating profit	**-53.3**	**113.1**	***-147%***	**249.7**	**341.2**	***-27%***
Net finance costs	6.3	-2.6		-16.5	-23.8	
Share of profit/(loss) of associates	-0.1	0.0		-0.2	0.6	
Income before taxes	**-47.1**	**110.5**	***-143%***	**233.0**	**318.0**	***-27%***
Taxes on income	30.6	28.0		-54.0	-29.5	
Net income	**-16.5**	**138.5**	***-112%***	**179.0**	**288.5**	***-38%***

Amortization of intangibles and impairment goodwill

Amortization of acquisition-related intangible assets amounted to € 54.8 million compared to € 48.4 million in Q4 2010. Following the acquisition of SFN and FujiStaff we identified intangible assets, such as brand names, customer relationships, and candidate databases in the balance sheet, which resulted in a combined amortization charge of € 22 million in Q4 2011. In Q4 2010 additional charges of € 11 million were included and these were a result of the successful rebranding of professionals businesses, mainly part of the Vedior acquisition in 2008.

Impairment goodwill

In accordance with IFRS the goodwill, which was paid in acquisitions, was allocated to segments based on the management structure. In our case these segments are geographical areas. In a few segments, like the UK and Iberia, we have experienced contraction of revenue and the profitability has not recovered in line with expectations. As a result, goodwill had to be impaired for an amount of € 125 million in Q4 2011. For the other geographical areas sufficient headroom is available to cover variations in estimates and assumptions.

Net finance costs

In Q4 2011 net finance costs reached € 6.3 million (income) versus € 2.6 million (costs) in Q4 2010. Net finance costs include the interest expenses on our net debt position, but also foreign currency effects and adjustments in the valuation of certain assets and liabilities. Interest expenses on our net debt position amounted to € 7.3 million compared to € 6.6 million in Q3 2011 (Q4 2010: € 3.6 million). The YoY increase is mainly caused by the higher net debt position following the acquisition of SFN. Foreign currency gains were € 4.0 million and a gain of € 9.6 million was mainly caused by adjustments in the valuation of liabilities related to arrangements with owners of acquired companies.

Tax

The effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs and one-offs amounted to 30% (2010: 29%), in line with our full-year guidance of between 29% and 32%. The increase compared to last year is mainly caused by a changed geographical mix with above average tax rates in countries with the highest growth. Besides the effect of the acquisition of SFN, the improved profitability and outlook for our US operations triggered a change in the valuation of deferred taxes of € 51.2 million (Q4 2010: € 60 million). As a result we had a tax income of € 30.6 million in Q4. We expect the effective tax rate before amortization of acquisition-related intangibles to be in the range of 29-32% in 2012. For cash tax purposes we expect the repayment of the tax liability, related to the refund of 2008 of € 131 million, in Q4 2012.

Net income and earnings per share

In Q4 2011 diluted EPS increased by 8% to € 0.69 (Q4 2010: € 0.64). In line with our dividend policy we propose a dividend payment of € 1.25 per ordinary share, which means a payout ratio of 53%.

Net income and earnings per share

in € million, unless otherwise indicated	Q4 2011	Q4 2010	*change*	FY 2011	FY 2010	*change*
Net income	**-16.5**	**138.5**	***-112%***	**179.0**	**288.5**	***-38%***
Dividend non-controlling interests	0.0	0.1		0.2	0.5	
Dividend preferred shareholders	1.8	1.8		7.2	7.2	
Net income for holders ordinary shares	**-18.3**	**136.6**	***-113%***	**171.6**	**280.8**	***-39%***
Amortization intangible assets[1]	54.8	48.4		178.4	172.4	
Impairment goodwill	125.0	-		125.0	-	
Integration costs and one-offs	36.8	-		47.5	-4.0	
Tax effect on amortization[1] and one-offs	-79.7	-75.5		-122.8	-113.3	
Net income for holders ordinary shares (adj.)	**118.6**	**109.5**	***8%***	**399.7**	**335.9**	***19%***
Basic EPS	-0.11	0.80	*-114%*	1.00	1.65	*-39%*
Diluted EPS[2]	0.69	0.64	*8%*	2.32	1.96	*18%*
Proposed dividend on ordinary shares				1.25	1.18	*6%*

Balance sheet

Operating working capital increased in line with the growth of our business and as a result of the acquisition of SFN, which added € 110 million working capital. Operating working capital increased to 3.9% of revenue (2010: 3.7%), which was fully attributable to the consolidation of SFN. The moving average of DSO improved by 0.8 days compared to Q4 2010 and was in line with the previous quarter. We remain focused on making continuous improvements in our invoicing and collection processes, while managing pressure on payment terms.

Selected balance sheet items

in € million, unless otherwise indicated	Dec. 31, 2011	Sept. 30, 2011	Dec. 31, 2010
Operating working capital[3]	**631.6**	**742.0**	**525.5**
DSO, days sales outstanding	*53.8*	*53.8*	*54.6*
Net debt	**1,302.6**	**1,486.7**	**899.3**
Leverage ratio (net debt / 12-month EBITDA)	*1.8*	*2.0*	*1.5*

At the end of Q4 2011 net debt amounted to € 1,302.6 million compared to € 899.3 million at the end of 2010 and € 1,486.7 million at the end of Q3 2011. Net debt decreased sequentially as a result of strong cash flow generation. The leverage ratio, which includes the EBITDA of SFN on a pro forma basis, reached 1.8. The covenants of the

[1] amortization and impairment of acquisition-related intangible assets and goodwill
[2] diluted EPS before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs
[3] operating working capital is trade and other receivables minus current part financial fixed assets minus trade and other payables

syndicated credit facility allow a leverage ratio of up to 3.5, while we internally aim at a leverage ratio of between 0 and 2.

Cash flow analysis

in € million, unless otherwise indicated	Q4 2011	Q4 2010	change	FY 2011	FY 2010	change
EBITA	**126.5**	**161.5**	***-22%***	**553.1**	**513.6**	***8%***
Depreciation and amortization software	21.4	21.4		80.5	85.3	
EBITDA	**147.9**	**182.9**	***-19%***	**633.6**	**598.9**	***6%***
Working capital	114.1	94.5		-8.7	-94.1	
Provisions and other items	20.2	-6.7		12.9	-32.7	
Income taxes (paid)/received	-28.6	-46.4		-118.3	-102.9	
Net cash flow from operating activities	**253.6**	**224.3**	***13%***	**519.5**	**369.2**	***41%***
Net capital expenditures	-31.8	-16.4		-79.2	-55.6	
Financial receivables and dividend from associates	-5.4	-5.3		-5.1	-4.3	
Free cash flow	**216.4**	**202.6**	***7%***	**435.2**	**309.3**	***41%***
Net acquisitions/disposals	6.1	-124.3		-556.6	-127.3	
Issue of ordinary shares	0.1	0.9		17.0	4.9	
Net finance costs paid	-2.8	-3.6		-22.8	-17.3	
Dividend ordinary shares	-	-		-201.6	-	
Dividend preferred shares	-	-		-7.2	-7.2	
Dividend non-controlling interests	-	-		-0.3	-	
Translation effects and other	-35.7	-28.4		-67.0	-47.0	
Net (increase)/decrease net debt	**184.1**	**47.2**		**-403.3**	**115.4**	

Free cash flow increased by 7% to € 216.4 million as we remained focused on strong cash flow generation. The movement in working capital is in line with the normal seasonal patterns in our business and partly influenced by phasing in payments of liabilities. Income taxes amounted to € 28.6 million, in line with our operational results. Net capital expenditures were € 16 million higher than in the previous quarter and are mainly a result of investments in the Dutch IT infrastructure. Cash receipts from disposals mainly relate to the divestments in North America and Germany. Translation effects and other are caused by the currency effects on the valuation of drawings under the syndicated credit facility, which are denominated in USD and JPY.

Performance by geography - underlying[1]

In this paragraph we discuss the performance by country in the fourth quarter. In our annual report, on pages 36 to 43 we discuss the performance in 2011 by country. See also www.randstadannualreport.com (section country reviews)

Netherlands in € million	**Q4 2011**	Q4 2010	*change[2]*	**FY 2011**	FY 2010	*change[2]*
Revenue	750.5	753.9	*0%*	2,940.1	2,826.7	*4%*
EBITA	45.9	51.4	*-11%*	180.7	180.7	*0%*
EBITA margin	6.1%	6.8%		6.1%	6.4%	

Revenue grew 3% when adjusted for working days, which compares to 4% growth in the previous quarter. Revenue per working day was stable throughout the quarter. The growth of the Dutch staffing market, which excludes Yacht, was around 3%. Randstad the Netherlands continued to perform well ahead of the market, mainly driven by strong performance in inhouse and payroll services. The industrial segment continued to slow gradually as clients became more cautious. Revenue of Tempo-Team and Yacht declined by a low single digit rate. As a result, both companies made further adjustments to their organizations, especially in management and head office. Overall revenue growth per working day in the private sector was 3%. Revenue in the public sector has returned to low single digit growth, mainly due to strong performance of Randstad the Netherlands. Our overall exposure to the public sector was 14% in line with the previous quarter. The number of FTEs was 1% below the level of Q3 2011. The Dutch EBITA margin reached 6.1% compared to 6.8% in Q4 2010. The decrease is mainly caused by ongoing changes in our business mix, growth in large accounts and limited contributions from our professionals businesses. EBITA was adjusted for restructuring costs of € 18.8 million, of which € 2.6 million in gross profit.

France in € million	**Q4 2011**	Q4 2010	*change[2]*	**FY 2011**	FY 2010	*change[2]*
Revenue	834.9	805.9	*4%*	3,377.7	3,067.3	*12%*
EBITA	24.3	23.2	*5%*	104.3	90.0	*19%*
EBITA margin	2.9%	2.9%		3.1%	2.9%	

We continued to gain market share in France. Revenue per working day increased by 5% compared to 10% per working day in the previous quarter. The growth trend slowed in November and December, partly because of the strong comparison base but also because of lower demand. Despite a slowing trend, growth in the automotive and construction segment kept up reasonably well. Inhouse services grew solidly by 31%. While benefiting from transfers of clients from staffing to inhouse, we accelerated growth with existing clients. Growth in our professionals business slowed to 2%, which was mainly driven by lower demand in IT and finance. Healthcare continued to grow steadily. Perm fees were below last year, mainly caused by a weak December. The negative impact on the French gross margin from the changes in the subsidy system regarding low wage labor did no longer have a significant impact. Still, the French gross margin remained lower than last year. Besides the ongoing success of inhouse, strong growth in the industrial segment exceeded that of the higher margin administrative and specialties segments. The number of FTEs was in line with the previous quarter. The EBITA margin reached 2.9%. As announced earlier we have started reviewing client profitability. This did not have an effect yet, but it could gradually impact growth and contribute to profitability.

[1] underlying: results in 2011 and 2010 have been adjusted for restructuring costs, integration costs and acquisition-related expenses.
[2] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

Germany in € million	**Q4 2011**	Q4 2010	*change[1]*	**FY 2011**	FY 2010	*change[1]*
Revenue	493.7	479.6	*3%*	1,959.7	1,728.6	*13%*
EBITA	32.8	35.8	*-9%*	130.5	106.5	*23%*
EBITA margin	6.6%	7.5%		6.7%	6.2%	

Revenue grew 3% organically, or 8% per working day. The gradual slowdown in staffing and inhouse was partly offset by strong performance in professionals. Revenue growth per working day was 7% in December. In line with the Collective Labor Agreement, salary increases were implemented in May and November. We were successful in increasing prices to compensate for higher salary costs. Growth in professionals remained strong, led by the IT segment. Operating expenses were adjusted for € 3.6 million related to the divestment of the aerospace business of Yacht Teccon. Despite that, strong cost control was maintained and the overall number of FTEs was stable. German gross profit included unfavorable wage cost related items partly stemming from previous years, while last year's gross profit included favorable wage cost related items which distorts the comparison base. As a result the combined EBITA margin reached 6.6% compared to 7.5% in Q4 2010.

Belgium & Luxembourg in € million	**Q4 2011**	Q4 2010	*change[1]*	**FY 2011**	FY 2010	*change[1]*
Revenue	347.3	357.6	*-3%*	1,412.8	1,327.8	*6%*
EBITA	18.6	22.6	*-18%*	65.4	62.9	*4%*
EBITA margin	5.4%	6.3%		4.6%	4.7%	

The gradual slowdown in demand as from the summer, continued in the fourth quarter and revenue was 3% below last year. Revenue per working day was 1% below last year. The rate of decline was stable throughout the quarter. The combined staffing and inhouse business performed below the market, partly because of better focus on client profitability. Randstad continued to focus on growth in the white collar and professionals segment and gained market share. Tempo-Team was somewhat under pressure as its mix is more geared towards the industrial segment and large clients. Revenue from non-staffing services, such as service checks and HR Solutions, showed low single digit growth. The Belgian gross margin remained under pressure as a result of changes in our business mix and, still, a challenging competitive environment. In Q4 2011 we implemented some adjustments to our organization. As a result costs were adjusted for restructuring costs of € 2.9 million. The number of FTEs was 3% below the level of Q3, 2011. Strong cost control was maintained and the EBITA margin reached 5.4% against a strong comparison base in Q4 2010.

[1] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

United Kingdom in € million	**Q4 2011**	Q4 2010	*change[1]*	**FY 2011**	FY 2010	*change[1]*
Revenue	191.8	209.3	*-9%*	788.6	802.3	*0%*
EBITA	-1.7	-4.2	*51%*	3.2	6.5	*-60%*
EBITA margin	-0.9%	-2.0%		0.4%	0.8%	

On an organic basis and adjusted for working days revenue was 7% below last year, while Q3 showed 0% growth per working day. The decline is the result of the following factors. Firstly, the decline in demand in the City-oriented business, which started in Q2 2011, continued. As a result of this, perm fees were 15% below last year compared to a decline of 8% in Q3 2011. Secondly, the decline in demand of the public sector continued, albeit at a slower pace. The overall exposure to the public sector was 21% compared to 23% in Q4 2010. Thirdly, growth in our inhouse business slowed against a strong comparison base, and was impacted by the termination of a large account. As a result, inhouse revenue was 2% below last year. In professionals, engineering and graduate recruitment maintained good performance. Operating expenses were adjusted for € 1.9 million of restructuring charges as we continued to streamline the organization by closing and combining some outlets. Last year's cost base included € 3 million restructuring charges and € 1 million rebranding costs.

Iberia in € million	**Q4 2011**	Q4 2010	*change[1]*	**FY 2011**	FY 2010	*change[1]*
Revenue	212.3	231.3	*-8%*	872.5	861.0	*1%*
EBITA	7.2	7.6	*-6%*	22.1	18.0	*22%*
EBITA margin	3.4%	3.3%		2.5%	2.1%	

Economic circumstances remained challenging in this region. While growth kept up until Q3 2011, weak demand throughout the fourth quarter resulted in a decline in revenue of 6% (working days adjusted). This compares to growth of 4% per working day in the previous quarter. In Spain the combined staffing and inhouse business was 8% below last year, predominantly driven by lower demand in manufacturing and financial services. In line with the trends in our business we implemented a restructuring program, which led to an adjustment of € 1.6 million, of which € 0.6 million in gross profit. The Spanish professionals business further strengthened following a successful start of the growth accelerator. The Portuguese business contracted by 6% compared to growth of 5% in the previous quarter. Strong cost control was maintained in both countries and as a result, the EBITA margin for the region reached 3.4%. Last year's cost base included rebranding costs of € 1 million.

[1] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

Other European countries in € million	Q4 2011	Q4 2010	*change*[1]	FY 2011	FY 2010	*change*[1]
Revenue	234.0	221.7	*5%*	930.2	761.4	*18%*
EBITA	6.5	7.4	*-11%*	27.7	19.2	*36%*
EBITA margin	2.8%	3.3%		3.0%	2.5%	

The other European countries maintained growth against a strong comparison base, with growth in perm fees of 8%. In Italy we continued to gain market share and revenue was up 12% organically. While Italy maintained high growth for more than a year already, demand slowed in the course of the quarter. The Swiss business grew by 8%. Our Polish business performed solidly, although growth was impacted by the deliberate termination of a large contract following our focus on client profitability. Growth in Poland slowed from 18% in Q3 to 5% in Q4. In Scandinavia and Hungary our focus on professionals continued to pay off and resulted in strong profitability improvements. In Turkey and the Czech Republic strong growth was maintained. Despite the economic situation in Greece, our team continued to perform solidly. For the region the EBITA margin was 2.8%.

North America in € million	Q4 2011	Q4 2010	*change*[1]	FY 2011	FY 2010	*change*[1]
Revenue	937.1	495.6	*10%*	2,513.8	1,848.2	*13%*
EBITA	42.1	23.0	*-4%*	102.2	62.0	*24%*
EBITA margin	4.5%	4.6%		4.1%	3.4%	

Strong performance was maintained in the US and Canada. Revenue increased by 89% or 10% organically per working day, which is in line with the previous quarter. Perm fees in North America were up 44% organically. SFN contributed revenue of € 393 million and growth strengthened. Strong operational leverage was maintained across all businesses and the EBITA margin for the region reached 4.5%. In Q4 2010 the EBITA margin was, amongst other items, positively impacted by the Hire Act (around € 5 million). For the full year, EBITA grew by 65% to € 102.2 million.

Randstad North America, excluding SFN

Our combined US staffing and inhouse business grew by 6% organically, compared to 3% growth in the previous quarter. The improvement was driven by continued focus on the administrative segment and permanent placements. Revenue in inhouse services continued to grow solidly by 16%. Organic revenue growth in our US professionals businesses was 13%, and held up well compared to the previous quarter. Growth was led by IT, which maintained solid double-digit growth, while in engineering and healthcare growth continued to accelerate. Finance and accounting remained somewhat under pressure but strengthened during the quarter. The rebranding of our US professionals businesses was successfully completed. Canada continued its solid performance in both staffing and professionals. Overall organic growth in Canada reached 14% compared to 19% in the previous quarter. The overall number of FTEs was at the same level as in the previous quarter.

[1] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

SFN – pro forma Q4[1] in **$ million**	**Q4 2011**	Q4 2010	*change*
Revenue	562.9	549.2	*2%*
EBITA	28.2	20.3	*39%*
EBITA margin	5.0%	3.7%	

SFN Group - pro forma

The performance of SFN in the fourth quarter strengthened. Revenue grew by 2% compared to a decline of 1% in Q3 2011. In the beginning of 2011 SFN increased its focus on client profitability resulting in the termination of a number of large volume contracts in staffing and payroll services. Combined with accelerating growth in higher margin activities, such as permanent placements, the gross margin improved significantly. Strong operating leverage was maintained and the EBITA margin increased to 5.0% compared to 3.7% in Q4 2010. Like Randstad, Q4 2010 included a positive impact from the Hire Act. Staffing revenue (52% of SFN) grew by 1%. Some sizeable client wins in the administrative segment let staffing return to growth. The EBITA margin increased to 3.3% compared to 2.5% in Q4 2010. Professionals revenue (39% of SFN) grew by 4% compared to 2% in the previous quarter. IT and finance further strengthened and grew by 9% and 11% respectively. Growth in perm fees remained strong, especially in IT. The professionals businesses achieved an EBITA margin of 5.6% compared to 4.2% in Q4 2010. HR Solutions revenue (9% of SFN) comprises Recruitment Process Outsourcing (RPO), Managed Services Programs and payroll services. The RPO business maintained double-digit growth.

Integration SFN

The integration process is well on track. All organizational structures have been announced and all businesses are now reporting into this new structure. Leadership of the new organization includes a mix of former Randstad and SFN management. We have not lost any additional staff, other than the people we planned for. We have started the physical integration of the staffing business. The first branches will merge as from February 1, 2012 and this should be completed by the end of Q3 2012. Simultaneously, the back-office activities for the staffing business of SFN will transfer to the back-office of Randstad in Atlanta. The integration of the professionals businesses will commence as from May 2012. This also involves a change in the IT environment for both organizations. In Q4 2011 we incurred € 8.0 million as integration costs, now totaling € 12.6 million. The costs in Q4 mainly relate to redundancy costs for senior management.

Synergies SFN

Now we have completed the integration plans and gained further knowledge on the organization, we have increased the expected level of annual pre-tax cost synergies to at least $40 million (or around € 29 million). The recurring annual tax savings remain unchanged at $10 million. In Q4 2011 synergies amount to € 3 million or € 14 million on an annualized basis. They mainly relate to savings in personnel expenses for top management, costs for stock compensation plans and the costs that were related to the US listing of SFN. As a result of the progress in the integration we have also increased the expected integration costs to around the same level as the expected annualized amount of synergies.

[1] SFN Group was consolidated as from September 2, 2011. The results as presented in this table are only for information purposes as Q4 2010 was not consolidated in the Group results. The Q4 2011 results as presented above are on a like-for-like basis. SFN used to report a 13-week period, which would have ended December 26, 2011. For consolidation purposes we included revenue of $543.3 million and EBITA of $26.7 million.

Rest of the world in € million	**Q4 2011**	Q4 2010	*change*[1]	**FY 2011**	FY 2010	*change*[1]
Revenue	375.9	336.2	*4%*	1,429.5	956.0	*8%*
EBITA	-0.4	4.6	*-613%*	9.5	8.8	*-136%*
EBITA margin	-0.1%	1.4%		0.7%	0.9%	

Revenue of our combined Japanese business was 4% below last year. The industrial segment showed strong growth, mainly as a result of activities associated with the recovery from the earthquake earlier this year. The administrative segment remained somewhat behind. Revenue of our combined business in Australia and New Zealand remained flat compared to 2010. Revenue from temporary billings improved while permanent placements were under pressure. China, with a strong focus on perm, maintained solid growth and headcount surpassed the level of 300 FTEs. Our Indian business grew by 20%, similar to previous quarters. In Latin America, the performance of the Argentinean business further strengthened based on strong growth in perm. Mexican revenue further strengthened, while in Brazil and Chile revenues were under pressure.

[1] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

Performance by revenue category - underlying[1]

Staffing in € million	**Q4 2011**	Q4 2010[2]	*change*[3]	**FY 2011**	FY 2010	*change*[3]
Revenue	2,827.2	2,556.5	*0%*	10,550.2	9,401.6	*7%*
EBITA	111.0	114.2	*-12%*	407.8	353.0	*11%*
EBITA margin	3.9%	4.5%		3.9%	3.8%	

Staffing revenue grew by 11%, while it was flat on an organic basis (Q3: 5%). Staffing revenue in North America maintained strong growth, whereas in Europe growth in the major countries further eased. In Germany and France growth slowed to 1% (Q3: 9%) and 2% (Q3: 6%) respectively. Dutch staffing revenue was at the same level as in Q4 2010. Belgian staffing revenue contracted by 1%. Overall demand is still largely driven by industrial clients, while growth in the administrative segments remained moderate. The EBITA margin reached 3.9%, partly impacted by the addition of SFN's staffing business and unfavorable wage cost-related items in Germany.

Inhouse in € million	**Q4 2011**	Q4 2010	*change*[3]	**FY 2011**	FY 2010	*change*[3]
Revenue	676.9	627.6	*6%*	2,585.3	2,002.5	*21%*
EBITA	28.6	28.7	*-3%*	104.1	85.1	*16%*
EBITA margin	4.2%	4.6%		4.0%	4.2%	

Inhouse services, mainly focused on industrial and logistical clients, grew by 6% organically compared to 18% in the previous quarter. Growth was led by France and North America with 31% and 16% respectively. Besides the ongoing transfers from Staffing, growth at existing clients accelerated. Belgian and UK inhouse revenue were under pressure. The EBITA margin reached 4.2%.

Professionals in € million	**Q4 2011**	Q4 2010[1]	*change*[3]	**FY 2011**	FY 2010	*change*[3]
Revenue	873.4	707.0	*3%*	3,089.4	2,775.2	*5%*
EBITA	35.7	28.5	*-11%*	133.7	116.5	*3%*
EBITA margin	4.1%	4.0%		4.3%	4.2%	

Professionals grew 24% or 3% organically compared to 7% in the previous quarter. Perm fees grew by 19%, mainly attributable to SFN. The US professionals businesses showed strong growth in IT, engineering and healthcare. Canada performed solidly, driven by IT and engineering. Overall organic growth in the North American region was 11% compared to 14% in the previous quarter. SFN's professionals business strengthened and growth was led by IT and finance. Our French business continued to grow in healthcare, while IT and engineering were under pressure. The Dutch professionals businesses still declined, but growth in the private sector strengthened to 10%. The decline in the UK business accelerated mainly as a result of the slowdown in the City-oriented business and continued low demand in the public sector. The overall profitability of professionals continued to improve gradually and reached 4.1%. Profitability improvements are somewhat hampered by low contributions from the Netherlands and the UK.

[1] underlying: results in 2011 and 2010 have been adjusted for restructuring costs, integration costs and M&A-related expenses.
[2] as from Q1 2011 we have reclassified revenues from staffing to professionals. Among other items, we now report all healthcare in professionals. This has been reflected in 2010 figures for comparison purposes. The impact in Q4 2010 on revenue is around € 41 million and around € 181 million for the 12-month period ended December 31, 2010.
[3] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications.

Other information

Dividend policy

Our dividend policy aims at paying a stable dividend of € 1.25 per ordinary share with a payout ratio of between 30% and 60% of net profit adjusted for amortization and impairment of acquisition-related intangible assets and goodwill and one-offs and provided that our financial position (measured through the leverage ratio) allows for it. This means that in case a dividend of € 1.25 per share exceeds 60% of adjusted net profit, the payout ratio is 60%. In case a dividend of € 1.25 per share is less than 30% of adjusted net profit, the payout ratio is 30%. Since we maintained a solid financial position in 2011, we propose to pay a dividend per ordinary share of € 1.25 based on a payout ratio of 53%.

Professionals growth accelerator

In Q1 2011 we launched the Professionals growth accelerator. In addition to regular expansion we aim to recruit over 500 consultants in various countries over the next two years based on a gradual approach and our field steering model. Since it started we have added 190 FTEs and the total net investment amounted to € 3.1 million. While continuing with this program, we will also add a separate program that will focus on permanent placements.

M&A

In our press releases of November 8, 2011 and January 12, 2012 we announced several smaller divestments in Germany, India, and Angola. On February 3, 2012 we completed the divestment of the education business in Japan. All these transactions do not have a material impact on Randstad's earnings or its financial position.

Change in the executive board

In our press release of January 31, 2012 we announced that Greg Netland has decided not to serve a second term as a member of the executive board. The supervisory board has proposed to appoint Linda Galipeau to the executive board. Linda Galipeau is currently President of our staffing business in the US. The appointment is subject to approval of the shareholders at the Annual General Meeting of shareholders (AGM) on March 29, 2012. Furthermore, the supervisory board will propose to appoint Brian Wilkinson for a second four-year term.

Changes in the supervisory board

After serving the statutory maximum of three four-year periods, Rob Zwartendijk will step down from the supervisory board at the next AGM in March. In accordance with its profile and by-laws, the supervisory board proposes Wout Dekker, currently CEO of Nutreco nv, as a member of the supervisory board for a four-year term. Beverly Hodson and Henri Giscard d'Estaing have served their first four-year term and the supervisory board will propose to appoint them for a second four-year term.

Annual report

As of today, our annual report is available: www.randstadannualreport.com. It is also accessible via smart phone and tablet.

Outlook

The patterns in our markets are clearly different from previous cycles. North America continues to improve while we face a gradual slowdown across Europe. Overall, organic growth per working day was just below 4% in December and 0% in January. Growth rates in December and January are, however, impacted by the timing of holidays, especially in Europe. In North America growth accelerated. Our US staffing business moved from 5% in October to 8% in December, and 13% in January. US professionals grew by 15% in January up from 10% in Q4. SFN grew by 6%. Across Europe, the gradual slowdown continued in January. In Germany growth was 6%, while revenue in France and the Netherlands contracted by 3.5% and 2% respectively. In line with our field steering model, we will continue to invest in those activities where growth continues and we will adjust the organization where necessary. Despite the challenging market conditions, we face the near future with confidence and we will remain focused on gaining market share, improving our profitability and strong cash flow generation.

Working days	Q1	Q2	Q3	Q4
2012	64.2	61.6	64.0	63.5
2011	63.4	62.1	64.9	62.9

Financial calendar

Annual General Meeting of shareholders	March 29, 2012
Ex-dividend *(subject to approval AGM)*	April 2, 2012
Payment dividend *(subject to approval AGM)*	April 19, 2012
Publication first quarter results	April 26, 2012
Publication second quarter and half year results	July 26, 2012

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 meeting & 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: 6493915. You can watch the analyst meeting 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

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. End 2011 Randstad had approximately 31,100 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

Interim financial statements

Underlying[1] performance

Consolidated income statement

in € million, unless otherwise indicated (unaudited)	Q4 2011	Q4 2010	*change*	FY 2011	FY 2010	*change*
Revenue	**4,377.5**	**3,891.1**	***13%***	**16,224.9**	**14,179.3**	***14%***
Cost of services	3,576.4	3,154.4		13,267.8	11,520.6	
Gross Profit	**801.1**	**736.7**	***9%***	**2,957.1**	**2,658.7**	***11%***
Selling expenses	438.5	394.9		1,624.3	1,468.1	
General and administrative expenses	199.3	180.3		732.2	681.0	
Operating expenses	**637.8**	**575.2**	***11%***	**2,356.5**	**2,149.1**	***10%***
EBITA[2]	**163.3**	**161.5**	***1%***	**600.6**	**509.6**	***18%***
Margins (in % of revenue)						
Gross margin	18.3%	18.9%		18.2%	18.8%	
EBITDA margin	4.2%	4.7%		4.2%	4.2%	
EBITA margin	3.7%	4.2%		3.7%	3.6%	

[1] EBITA Q4 2011 is adjusted for one-offs (€ 36.8 million): € 3.2 million in gross profit and € 33.6 million in operating expenses (including € 8.0 million integration costs). EBITA FY 2011 is adjusted for one-offs (€ 47.5 million): € 3.2 million in gross profit and € 44.3 million in operating expenses (including € 12.6 million integration costs). EBITA FY 2010 was adjusted for one-offs (net effect € 4 million): € 10.6 million in gross profit and € 6.6 million operating expenses

[2] EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs

Underlying[1] performance

Information by geographical area				organic	EBITA	EBITA
in € million, unless otherwise indicated (unaudited)	**Q4 2011**	Q4 2010	change	change[2]	margin '11	margin '10
Revenue						
Netherlands	750.5	753.9	0%	0%		
France	834.9	805.9	4%	4%		
Germany	493.7	479.6	3%	3%		
Belgium & Luxembourg	347.3	357.6	-3%	-3%		
United Kingdom	191.8	209.3	-8%	-9%		
Iberia	212.3	231.3	-8%	-8%		
Other European countries	234.0	221.7	6%	5%		
North America	937.1	495.6	89%	10%		
Rest of the world	375.9	336.2	12%	4%		
Total revenue	**4,377.5**	**3,891.1**	**13%**	**2%**		
EBITA [3]						
Netherlands	45.9	51.4	-11%	-11%	6.1%	6.8%
France	24.3	23.2	5%	5%	2.9%	2.9%
Germany	32.8	35.8	-8%	-9%	6.6%	7.5%
Belgium & Luxembourg	18.6	22.6	-18%	-18%	5.4%	6.3%
United Kingdom	-1.7	-4.2	60%	51%	-0.9%	-2.0%
Iberia	7.2	7.6	-5%	-6%	3.4%	3.3%
Other European countries	6.5	7.4	-12%	-11%	2.8%	3.3%
North America	42.1	23.0	83%	-4%	4.5%	4.6%
Rest of the world	-0.4	4.6	-109%	-613%	-0.1%	1.4%
Corporate	-12.0	-9.9				
Total EBITA	**163.3**	**161.5**	**1%**	**-13%**	**3.7%**	**4.2%**

[1] EBITA Q4 2011 is adjusted for one-offs (€ 36.8 million): € 3.2 million in gross profit and € 33.6 million in operating expenses (including € 8.0 million integration costs).
[2] organic change is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications
[3] EBITA for geographical areas: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs

Underlying[1] performance

Information by geographical area in € million, unless otherwise indicated (unaudited)	FY 2011	FY 2010	change	organic change[2]	EBITA margin '11	EBITA margin '10
Revenue						
Netherlands	2,940.1	2,826.7	4%	4%		
France	3,377.7	3,067.3	10%	12%		
Germany	1,959.7	1,728.6	13%	13%		
Belgium & Luxembourg	1,412.8	1,327.8	6%	6%		
United Kingdom	788.6	802.3	-2%	0%		
Iberia	872.5	861.0	1%	1%		
Other European countries	930.2	761.4	22%	18%		
North America	2,513.8	1,848.2	36%	13%		
Rest of the world	1,429.5	956.0	50%	8%		
Total revenue	**16,224.9**	**14,179.3**	**14%**	**9%**		
EBITA [3]						
Netherlands	180.7	180.7	0%	0%	6.1%	6.4%
France	104.3	90.0	16%	19%	3.1%	2.9%
Germany	130.5	106.5	23%	23%	6.7%	6.2%
Belgium & Luxembourg	65.4	62.9	4%	4%	4.6%	4.7%
United Kingdom	3.2	6.5	-51%	-60%	0.4%	0.8%
Iberia	22.1	18.0	23%	22%	2.5%	2.1%
Other European countries	27.7	19.2	44%	36%	3.0%	2.5%
North America	102.2	62.0	65%	24%	4.1%	3.4%
Rest of the world	9.5	8.8	8%	-136%	0.7%	0.9%
Corporate	-45.0	-45.0				
Total EBITA	**600.6**	**509.6**	**18%**	**11%**	**3.7%**	**3.6%**

[1] EBITA FY 2011 is adjusted for one-offs (€ 47.5 million): € 3.2 million in gross profit and € 44.3 million in operating expenses (including € 12.6 million integration costs). EBITA FY 2010 was adjusted for one-offs (net effect € 4 million): € 10.6 million in gross profit and € 6.6 million operating expenses

[2] organic change is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications

[3] EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs

Underlying[1] performance

Information by revenue category in € million, unless otherwise indicated (unaudited)	Q4 2011	Q4 2010[2]	change	organic change[3]	EBITA margin '11	EBITA margin '10
Revenue						
Staffing	2,827.2	2,556.5	11%	0%		
Inhouse services	676.9	627.6	8%	6%		
Professionals	873.4	707.0	24%	3%		
Total revenue	**4,377.5**	**3,891.1**	**13%**	**2%**		
EBITA[4]						
Staffing	111.0	114.2	-3%	-12%	3.9%	4.5%
Inhouse services	28.6	28.7	0%	-3%	4.2%	4.6%
Professionals	35.7	28.5	25%	-11%	4.1%	4.0%
Corporate	-12.0	-9.9				
Total EBITA	**163.3**	**161.5**	**1%**	**-13%**	**3.7%**	**4.2%**

Information by revenue category in € million, unless otherwise indicated (unaudited)	FY 2011	FY 2010[2]	change	organic change[3]	EBITA margin '11	EBITA margin '10
Revenue						
Staffing	10,550.2	9,401.6	12%	7%		
Inhouse services	2,585.3	2,002.5	29%	21%		
Professionals	3,089.4	2,775.2	11%	5%		
Total revenue	**16,224.9**	**14,179.3**	**14%**	**9%**		
EBITA[4]						
Staffing	407.8	353.0	16%	11%	3.9%	3.8%
Inhouse services	104.1	85.1	22%	16%	4.0%	4.2%
Professionals	133.7	116.5	15%	3%	4.3%	4.2%
Corporate	-45.0	-45.0				
Total EBITA	**600.6**	**509.6**	**18%**	**11%**	**3.7%**	**3.6%**

[1] EBITA Q4 2011 is adjusted for one-offs (€ 36.8 million): € 3.2 million in gross profit and € 33.6 million in operating expenses (including € 8.0 million integration costs). EBITA FY 2011 is adjusted for one-offs (€ 47.5 million): € 3.2 million in gross profit and € 44.3 million in operating expenses (including € 12.6 million integration costs). EBITA FY 2010 was adjusted for one-offs (net effect € 4 million): € 10.6 million in gross profit and € 6.6 million operating expenses
[2] to further harmonize reporting we have reviewed our portfolio and candidate profiles. Among others, we now report all healthcare in professionals. This has been reflected in 2010 figures for comparison purposes. The impact in Q4 2010 on revenue is around € 41 million and around € 181 million for the 12-month period ended December 31, 2010.
[3] organic change is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications
[4] EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs

Consolidated income statement

in € million, unless otherwise indicated (Q4 unaudited)	Q4 2011	Q4 2010	change	FY 2011	FY 2010	change
Revenue	**4,377.5**	**3,891.1**	***13%***	**16,224.9**	**14,179.3**	***14%***
Cost of services	3,579.6	3,154.4		13,271.0	11.510.0	
Gross profit	**797.9**	**736.7**	***8%***	**2,953.9**	**2,669.3**	***11%***
Selling expenses	457.8	394.9		1,643.6	1,471.1	
General and administrative expenses	213.6	180.3		757.2	684.6	
Operating expenses	**671.4**	**575.2**	***17%***	**2,400.8**	**2,155.7**	***11%***
Amortization and impairment acquisition-related intangible assets and goodwill	179.8	48.4		303.4	172.4	
Total operating expenses	**851.2**	**623.6**	***36%***	**2,704.2**	**2,328.1**	***16%***
Operating profit	**-53.3**	**113.1**	***-147%***	**249.7**	**341.2**	***-27%***
Net finance income / (costs)	6.3	-2.6		-16.5	-23.8	
Share of (loss) / profit of associates	-0.1	0.0		-0.2	0.6	
Income before taxes	**-47.1**	**110.5**	***-143%***	**233.0**	**318.0**	***-27%***
Taxes on income	30.6	28.0		-54.0	-29.5	
Net income	**-16.5**	**138.5**	***-112%***	**179.0**	**288.5**	***-38%***
Net income attributable to:						
Holders of ordinary shares Randstad Holding nv	-18.3	136.6		171.6	280.8	
Holders of preferred shares Randstad Holding nv	1.8	1.8		7.2	7.2	
Equity holders	**-16.5**	**138.4**		**178.8**	**288.0**	
Non-controlling interests	-	0.1		0.2	0.5	
Net income	**-16.5**	**138.5**		**179.0**	**288.5**	
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):						
- Basic earnings per share	-0.11	0.80		1.00	1.65	
- Diluted earnings per share	-0.11	0.79		1.00	1.63	
- Diluted earnings per share before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs	0.69	0.64		2.32	1.96	
Margins (in % of revenue)						
Gross margin	18.2%	18.9%		18.2%	18.8%	
EBITDA margin	3.4%	4.7%		3.9%	4.2%	
EBITA margin	2.9%	4.2%		3.4%	3.6%	
Operating margin	-1.2%	2.9%		1.5%	2.4%	
Net income margin	-0.4%	3.6%		1.1%	2.0%	

Information by geographical area

in € million, unless otherwise indicated (Q4 unaudited)	Q4 2011	Q4 2010	FY 2011	FY 2010
Revenue				
Netherlands	750.5	753.9	2,940.1	2,826.7
France	834.9	805.9	3,377.7	3,067.3
Germany	493.7	479.6	1,959.7	1,728.6
Belgium & Luxembourg	347.3	357.6	1,412.8	1,327.8
United Kingdom	191.8	209.3	788.6	802.3
Iberia	212.3	231.3	872.5	861.0
Other European countries	234.0	221.7	930.2	761.4
North America	937.1	495.6	2,513.8	1,848.2
Rest of the world	375.9	336.2	1,429.5	956.0
Total revenue	**4,377.5**	**3,891.1**	**16,224.9**	**14,179.3**
EBITA [1]				
Netherlands	27.1	51.4	161.9	188.7
France	24.3	23.2	104.3	88.4
Germany	29.2	35.8	126.9	106.5
Belgium & Luxembourg	15.7	22.6	62.5	61.6
United Kingdom	-3.6	-4.2	1.3	5.4
Iberia	5.6	7.6	20.5	18.0
Other European countries	6.5	7.4	27.7	19.2
North America	42.1	23.0	96.1	62.0
Rest of the world	-0.4	4.6	9.5	8.8
Corporate	-12.0	-9.9	-45.0	-45.0
	134.5	**161.5**	**565.7**	**513.6**
Integration costs	-8.0	-	**-12.6**	-
Total EBITA	**126.5**	**161.5**	**553.1**	**513.6**

[1] EBITA geographic areas: operating profit before amortization and impairment acquisition-related intangible assets, goodwill and integration costs.

Information by revenue category

in € million, unless otherwise indicated (Q4 unaudited)	Q4 2011	Q4 2010[1]	FY 2011	FY 2010[1]
Revenue				
Staffing	2,827.2	2,556.5	10,550.2	9,401.6
Inhouse services	676.9	627.6	2,585.3	2,002.5
Professionals	873.4	707.0	3,089.4	2,775.2
Total revenue	**4,377.5**	**3,891.1**	**16,224.9**	**14,179.3**
EBITA[2]				
Staffing	92.1	114.2	388.9	361.8
Inhouse services	28.3	28.7	103.8	85.1
Professionals	26.1	28.5	118.0	111.7
Corporate	-12.0	-9.9	-45.0	-45.0
	134.5	**161.5**	**565.7**	**513.6**
Integration costs	-8.0	**-**	**-12.6**	**-**
Total EBITA	**126.5**	**161.5**	**553.1**	**513.6**

[1] to further harmonize reporting we have reviewed our portfolio and candidate profiles. Among others, we now report all healthcare in professionals. This has been reflected in 2010 figures for comparison purposes. The impact in Q4 2010 on revenue is around € 41 million and around € 181 million for the 12-month period ended December 31, 2010.

[2] EBITA revenue categories: operating profit before amortization and impairment acquisition-related intangible assets, goodwill and integration costs.

Consolidated balance sheet in € million, unless otherwise indicated	December 31, 2011	December 31, 2010
ASSETS		
Property, plant and equipment	179.4	155.6
Intangible assets	3,287.4	3,162.1
Deferred income tax assets	724.4	520.4
Financial assets and associates	81.0	75.5
Non-current assets	**4,272.2**	**3,913.6**
Trade and other receivables	3,110.9	2,788.3
Income tax receivables	52.8	51.7
Cash and cash equivalents	338.6	285.3
Current assets	**3,502.3**	**3,125.3**
TOTAL ASSETS	**7,774.5**	**7,038.9**
EQUITY AND LIABILITIES		
Issued capital	19.6	19.5
Share premium	2,067.2	2,031.3
Reserves	811.6	800.0
Shareholders' equity	**2,898.4**	**2,850.8**
Non-controlling interests	0.6	1.6
Total Equity	**2,899.0**	**2,852.4**
Borrowings	1,602.7	1,108.5
Deferred income tax liabilities	442.7	444.4
Provisions and employee benefit obligations	84.1	79.0
Other liabilities	19.4	56.8
Non-current liabilities	**2,148.9**	**1,688.7**
Borrowings	38.5	76.1
Trade and other payables	2,477.5	2,261.0
Income tax liabilities	53.3	37.4
Provisions and employee benefit obligations	100.5	76.5
Other liabilities	56.8	46.8
Current liabilities	**2,726.6**	**2,497.8**
Liabilities	**4,875.5**	**4,186.5**
TOTAL EQUITY AND LIABILITIES	**7,774.5**	**7,038.9**

Consolidated statement of cash flows

in € million, unless otherwise indicated (Q4 unaudited)	Q4 2011	Q4 2010	FY 2011	FY 2010
Operating profit	**-53.3**	**113.1**	**249.7**	**341.2**
Depreciation property, plant and equipment	14.6	14.1	54.3	55.6
Amortization software	6.8	7.3	26.2	29.7
Amortization and impairment acquisition-related intangible assets	54.8	48.4	178.4	172.4
Impairment goodwill	125.0	-	125.0	-
Loss on disposal of activities	2.0	-	2.0	0.0
Share-based payments	3.8	2.3	15.1	9.3
Provisions and employee benefit obligations	9.9	-12.8	-8.4	-46.1
Loss on disposals of property, plant and equipment	0.5	0.3	0.2	0.6
Other non-cash items	4.0	3.5	4.0	3.5
Cash flow from operations before operating working capital and income taxes	**168.1**	**176.2**	**646.5**	**566.2**
Trade and other receivables	81.7	19.8	-67.9	-409.0
Trade and other payables	32.4	74.7	59.2	314.9
Operating working capital	**114.1**	**94.5**	**-8.7**	**-94.1**
Income taxes paid	-28.6	-46.4	-118.3	-102.9
Net cash flow from operating activities	**253.6**	**224.3**	**519.5**	**369.2**
Additions in property, plant and equipment	-26.2	-16.3	-64.2	-39.3
Additions in software	-8.3	-3.1	-21.3	-21.4
Acquisition of subsidiaries and associates/ buyouts	-1.2	-124.3	-565.8	-143.4
Held-to-maturity investments	-5.9	-5.5	-5.8	-5.5
Financial receivables	0.5	0.2	0.7	0.6
Dividend received from associates	-	-	-	0.6
Disposals of property, plant and equipment	2.7	3.0	6.3	5.1
Disposal of activities	7.3	0.0	9.2	16.1
Net cash flow from investing activities	**-31.1**	**-146.0**	**-640.9**	**-187.2**
Issue of ordinary shares	0.1	0.9	17.0	4.9
(Net repayments of) / net drawings on non-current borrowings	-67.2	-8.4	421.6	-187.4
Net financing	**-67.1**	**-7.5**	**438.6**	**-182.5**
Net finance costs paid	-2.8	-3.6	-22.8	-17.3
Dividend paid on ordinary shares	-	-	-201.6	-
Dividend paid on preferred shares B	-	-	-7.2	-7.2
Dividend paid to non-controlling interests	-	-	-0.3	-
Net reimbursements to financiers	**-2.8**	**-3.6**	**-231.9**	**-24.5**
Net cash flow from financing activities	**-69.9**	**-11.1**	**206.7**	**-207.0**
Net increase / (decrease) in cash, cash equivalents and current borrowings	**152.6**	**67.2**	**85.3**	**-25.0**
Cash, cash equivalents and current borrowings, at begin of period	**143.1**	**139.2**	**209.2**	**229.5**
Net movement	152.6	67.2	85.3	-25.0
Translation gains	4.4	2.8	5.6	4.7
Cash, cash equivalents and current borrowings, at end of period	**300.1**	**209.2**	**300.1**	**209.2**
Free cash flow	**216.4**	**202.6**	**435.2**	**309.3**

Consolidated statement of comprehensive income

In € million, unless otherwise indicated (Q4 unaudited)	Q4 2011	Q4 2010	FY 2011	FY 2010
Net income	**-16.5**	**138.5**	**179.0**	**288.5**
Other comprehensive income				
- translation differences	50.8	18.1	46.9	68.8
- other	0.2	0.2	0.1	0.2
Total comprehensive income	**34.5**	**156.8**	**226.0**	**357.5**
Attributable to:				
- equity holders of Randstad Holding nv	34.5	156.5	225.8	356.7
- non-controlling interests	0.0	0.3	0.2	0.8

Consolidated statement of changes in equity – three months' period ended

In € million, unless otherwise indicated (Q4 unaudited)	December 31, 2011 Shareholders' equity	Non-controlling interests	**Total equity**	December 31, 2010 Shareholders' equity	Non-controlling interest	**Total equity**
Value at September 30	**2,858.4**	**0.6**	**2,859.0**	**2,695.0**	**2.0**	**2,697.0**
Total comprehensive income	34.5	0.0	34.5	156.5	0.3	156.8
Share-based payments	3.8	-	3.8	2.3	-	2.3
Tax on share-based payments	1.6	-	1.6	-	-	-
Issue of ordinary shares	0.1	-	0.1	0.9	-	0.9
Acquisition of non-controlling interests	-	-	-	-3.9	-0.7	-4.6
Value at December 31	**2,898.4**	**0.6**	**2,899.0**	**2,850.8**	**1.6**	**2,852.4**

Consolidated statement of changes in equity – twelve months' period ended

In € million, unless otherwise indicated (Q4 unaudited)	December 31, 2011 Shareholders' equity	Non-controlling interests	**Total equity**	December 31, 2010 Shareholders' equity	Non-controlling interest	**Total equity**
Value at January 1	**2,850.8**	**1.6**	**2,852.4**	**2,491.0**	**1.5**	**2,492.5**
Total comprehensive income	225.8	0.2	226.0	356.7	0.8	357.5
Dividend ordinary shares	-201.6	-	-201.6	-	-	-
Dividend preferred shares	-7.2	-	-7.2	-7.2	-	-7.2
Share-based payments	15.1	-	15.1	9.3	-	9.3
Tax on share-based payments	1.6	-	1.6	-	-	-
Issue of ordinary shares	17.0	-	17.0	4.9	-	4.9
Acquisition of non-controlling interests	-3.1	-0.9	-4.0	-3.9	-0.7	-4.6
Dividend non-controlling interests	-	-0.3	-0.3	-	-	-
Value at December 31	**2,898.4**	**0.6**	**2,899.0**	**2,850.8**	**1.6**	**2,852.4**

Breakdown operating expenses

In € million (Q4 unaudited)	Q4 2011	Q4 2010	FY 2011	FY 2010
Personnel expenses	468.3	402.5	1,703.1	1,515.8
Other operating expenses	203.1	172.7	697.7	639.9
Operating expenses	**671.4**	**575.2**	**2,400.8**	**2,155.7**

Depreciation and amortization software

In € million (Q4 unaudited)	Q4 2011	Q4 2010	FY 2011	FY 2010
Depreciation property, plant and equipment	14.6	14.1	54.3	55.6
Amortization software	6.8	7.3	26.2	29.7
Total depreciation and amortization software	**21.4**	**21.4**	**80.5**	**85.3**

Earnings per ordinary share

In € million, unless otherwise indicated (Q4 unaudited)	Q4 2011	Q4 2010	FY 2011	FY 2010
Net income for holders of ordinary shares	**-18.3**	**136.6**	**171.6**	**280.8**
Amortization and impairment acquisition-related intangible assets and goodwill	179.8	48.4	303.4	172.4
Integration costs	8.0	-	12.6	-
One-offs	28.8	-	34.9	-4.0
Tax effect (including tax one-off)	-79.7	-75.5	-122.8	-113.3
Net income for holders of ordinary shares before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs	**118.6**	**109.5**	**399.7**	**335.9**
Basic EPS (€)	-0.11	0.80	1.00	1.65
Diluted EPS (€)	-0.11	0.79	1.00	1.63
Diluted EPS before amortization and impairment intangible assets and goodwill, integration costs and one-offs (€)	0.69	0.64	2.32	1.96
Outstanding ordinary shares, in million shares				
Avg. number of ordinary shares outstanding	170.9	170.0	170.8	169.9
Avg. number of diluted ordinary shares outstanding	172.2	172.0	172.3	171.8

Core data balance sheet

in € million	Dec. 31, 2011	Dec. 31, 2010
Operating working capital[1]	**631.6**	**525.5**
Cash and cash equivalents	338.6	285.3
Current borrowings	-38.5	-76.1
Net cash position (cash flow statement)	300.1	209.2
Non-current borrowings	-1,602.7	-1,108.5
Net debt	**-1,302.6**	**-899.3**

[1] operating working capital: trade and other receivables minus current part financial fixed assets minus trade and other payables

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 twelve-month period ended December 31, 2011 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, 2010.

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, 2010.

The consolidated financial statements of the Group as at and for the year ended December 31, 2010 are available upon request at the Company's office or at 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, 2010.

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 year ended December 31, 2011 is 23.2% (2010: 9.3%). The effective tax rate before amortization and impairment of acquisition related intangibles, integration costs and one-offs amounted to 30% (2010: 29%), in line with our full-year guidance between 29% and 32%. The increase compared to last year is mainly caused by a changed geographical mix with above average tax rates in countries with the highest growth. Besides the effect of the acquisition of SFN Group, the improved profitability and outlook for our US operations triggered a change in valuation of deferred taxes of € 51.2 million. As a result we had a tax income of € 30.6 million in Q4, 2011.

Acquisition of Group companies and buy-out of non-controlling interests

The total cash out for acquisitions in FY 2011 is € 565.8 million (Q4 only: € 1.2 million), which relates for € 548.3 million to the acquisition of the shares of SFN Group Inc (SFN) in the United States as per September 2, 2011 and the settlement in cash of share based payments arrangements SFN. SFN contributed € 511 million to the Group's revenue and € 27 million (excluding acquisition related one-offs and integration costs) to the Group's EBITA in 2011. If this acquisition had occurred on January 1, 2011 the contribution to revenue and EBITA would have been approximately € 1.5 billion and € 50 million respectively.

The remainder cash out for acquisitions in FY 2011 of € 17.5 million (Q4 only: € 2.2 million) relates mainly to the increase of our shareholding in our Brazilian company RHI from 51% to 100% in Q2 and to arrangements with regard to acquired group companies in preceding years. As these companies were already consolidated in full in 2010, no additional contribution to revenue and operating profit resulted from these acquisitions in 2011.

The assets and liabilities as well as the breakdown of the total amount of goodwill related to the acquisition of SFN Group Inc in 2011, based on a provisional purchase price allocation, are specified below:

In € million	Fair value
Property, plant & equipment and software	19.0
Acquisition-related intangible assets	140.0
Deferred tax assets	141.5
Financial assets	0.9
Total non-current assets	301.4
Working capital	38.7
Deferred income tax liabilities	-54.3
Provisions	-27.5
Total non-current liabilities	-81.8
Net assets acquired	258.3
Goodwill	236.2
Consideration paid	494.5
Net debt of subsidiaries acquired, included in working capital	8.7
Consideration paid, adjusted for net debt acquired for acquisition during the year	503.2
Settlement in cash of share based payments arrangements	45.1
Total cash-out	548.3

Disposal of Group companies

In 2011 the Group disposed of businesses in Germany, the United States, France and the rest of the world, leading to a cash inflow of € 9.2 million (Q4 only: € 7.3 million).

Impairment testing

Impairments

The calculation of the value in use of the various cash-generating units in comparison to the carrying amount, resulted in impairments in 2011 whereas no impairments were identified in 2010. In Q4 of 2011 an impairment charge in the amount of € 125 million is recognized and is per segment: € 91 million for the UK and € 34 million for Iberia. Due to weakened general market conditions in both segments, contraction in revenues occurred during 2011 and profitability did not recover in line with expectations.

The main assumptions in the cash flow projections are:

- annual revenue growth of the Group: on average between 4.3% and 5.2% for the first three years and 5.2% for the following five years and 1% in the ninth year (Netherlands: 2.3% to 4.2%, 4.2% to 4.3% and 1% respectively);
- EBITA of the Group in the range of 4.1% to 5.1% of revenue (Netherlands: 6.4% to 6.8%);
- growth rate in revenue and EBITA percentages vary between segments in relatively limited terms and are dependent on the mix in revenue;
- The weighted average pre-tax discount rate is 16.7% (2010: 14.9%).

Sensitivity

The determined values in use are sensitive to variations in estimates and assumptions. Variations in estimates and assumptions have the following result on the value in use calculations:

- revenue growth: a 1% point lower growth rate would result in a € 23 million impairment charge (2% point: € 50 million);
- EBITA: a 0.25% point lower EBITA in percentage of revenue would imply a € 38 million impairment charge (0.5% point: € 80 million);
- discount rate: a 0.5% point higher discount rate would result in a € 29 million impairment charge (1% point: € 59 million).

Sensitivity mainly relates to the segments UK, Iberia and one operating segment within Rest of the world. Last year the segment Iberia was sensitive to variations in assumptions.

Shareholders' equity

The issued number of ordinary shares increased as follows:

Number of issued shares as at December 31, 2010	170,048,755
Share-based payments arrangements	900,225
Number of issued shares as at December 31, 2011	170,948,980

Net debt position

The net debt position as of December 31, 2011 (€ 1,302.6 million) is € 403.3 million higher compared to December 31, 2010 (€ 899.3 million), which is mainly influenced by the positive cash flow from operations, the dividend payment in Q2 (€ 208.8 million), the acquisition of SFN in Q3 (€ 548.3 million) as well as the seasonality in cash flows.

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, 2010.

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, 2010, except for the acquisition of SFN, that reported in its consolidated financial statements approximately € 45 million (lease-) commitments as per end of 2010.

Reconciliation underlying-actual results

in € million, unless otherwise indicated (unaudited)	Q4 2011	Q4 2010	FY 2011	FY 2010
Gross profit underlying	**801.1**	**736.7**	**2,957.1**	**2,658.7**
Other one-offs	-3.2	-	**-3.2**	10.6
Gross profit actual	**797.9**	**736.7**	**2,953.9**	**2,669.3**
EBITA underlying	163.3	161.5	**600.6**	509.6
Integration costs	-8.0	-	**-12.6**	-
Acquisition related one-offs	-	-	**-6.1**	-
Other one-offs	-28.8	-	**-28.8**	4.0
EBITA actual	**126.5**	**161.5**	**553.1**	**513.6**

Event after balance sheet date

Early January 2012 Randstad completed the divestment of the payrolling business of Ma Foi Randstad in India and sold its subsidiary Select Vedior Lda in Angola. On February 3, 2012 the Group completed the divestment of the education business in Japan. All these transactions do not have a material impact on earnings or financial position.