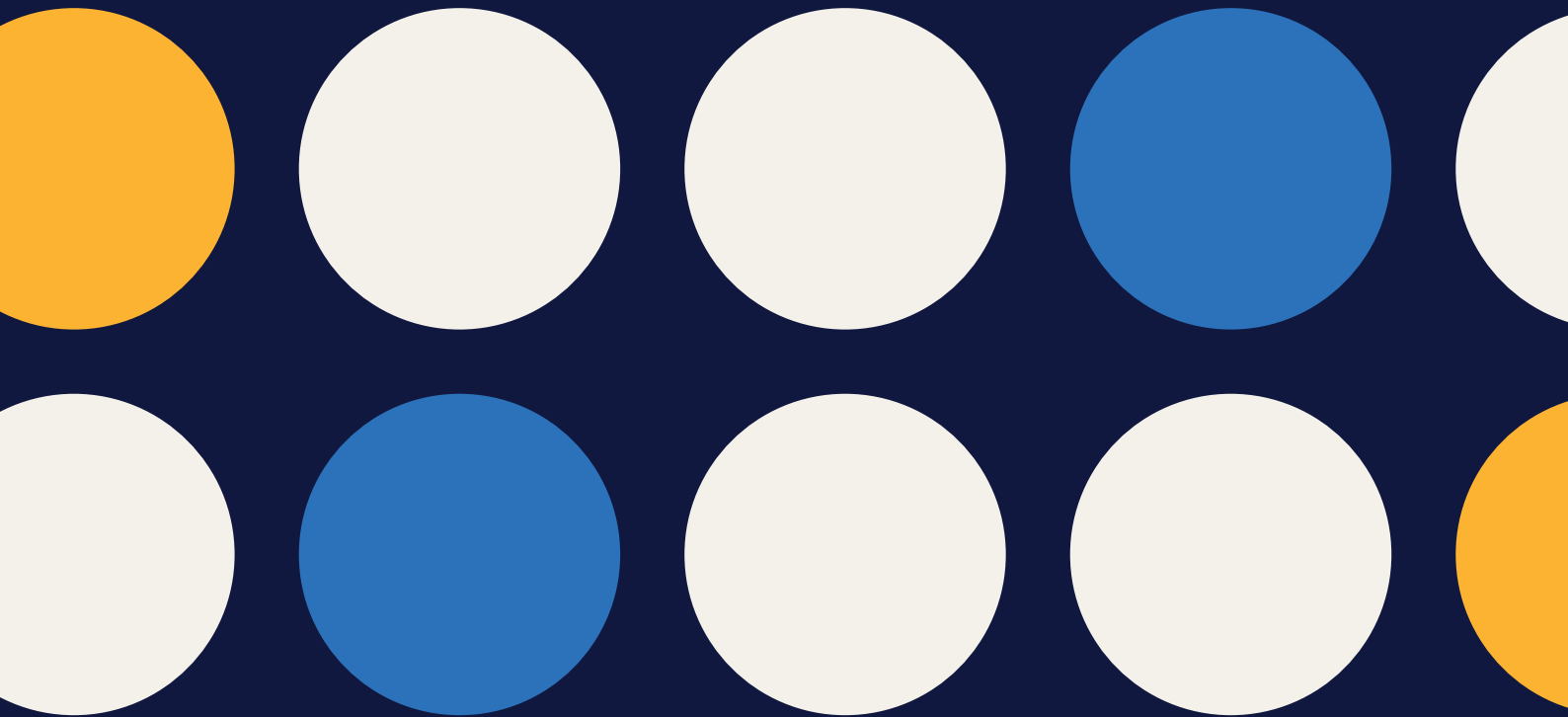


3rd

quarter
results



2017.

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Q3 2017: strong topline momentum continues.



"Our organic sales growth remained robust in Q3, despite tougher comparisons versus Q2," says Randstad CEO Jacques van den Broek. "Strong momentum in Europe continued supported by our digital initiatives, while growth in our North American business remained stable when adjusted for the hurricane impact. Meanwhile, we launched our new brand positioning which is centered around our Tech & Touch strategy. We apply digital innovations to improve our services. To make processes smart, simple, and efficient. To get better insights, based on data. At the same time, we recognize these efficiencies for what they are: a means to an end. A means to free up our people to focus on our most important asset – the personal connection. Therefore I am very proud to announce our brand promise: Human Forward."

financial performance.

core data

in millions of €, unless otherwise indicated - underlying

	Q3 2017	Q3 2016	YoY change	% Org.	L4Q 2017	L4Q 2016	YoY change	% Org.
Revenue	5,871.9	5,349.3	10%	9%	22,820.1	20,154.0	13%	8%
Gross profit	1,177.6	999.8	18%	8%	4,611.4	3,771.8	22%	6%
Operating expenses	890.1	729.3	22%	5%	3,585.5	2,848.0	26%	6%
EBITA, underlying ¹	287.5	270.5	6%	8%	1,025.9	923.8	11%	8%
Integration costs and one-offs	(26.9)	(10.9)			(93.2)	(29.2)		
EBITA	260.6	259.6	0%		932.7	894.6	4%	
Amortization of intangible assets ²	(33.6)	(16.3)			(137.4)	(95.3)		
Operating profit	227.0	243.3			795.3	799.3		
Net finance costs	(9.7)	(4.4)			(19.9)	(1.1)		
Share of profit of associates ³	0.4	0.0			0.0	6.5		
Income before taxes	217.7	238.9	(9)%		775.4	804.7	(4)%	
Taxes on income	(52.6)	(62.1)			(189.3)	(193.0)		
Net income	165.1	176.8	(7)%		586.1	611.7	(4)%	
Adj. net income for holders of ordinary shares ⁴	201.9	192.5	5%		733.7	679.3	8%	
Free cash flow	177.5	199.7			412.5	566.2	(27)%	
Net debt	1,388.9	561.3						
Leverage ratio (net debt/12-month EBITDA)	1.4	0.6						
DSO (Days Sales Outstanding), moving average	52.5	51.1						
Margins (in % of revenue)								
Gross margin	20.1%	18.7%			20.2%	18.7%		
Operating expenses margin	15.2%	13.6%			15.7%	14.1%		
EBITA margin, underlying	4.9%	5.1%			4.5%	4.6%		
Share data								
Basic earnings per ordinary share (in €)	0.88	0.95	(7)%		3.14	3.28	(4)%	
Diluted earnings per ordinary share, underlying (in €)	1.10	1.05	5%		3.99	3.70	8%	

¹ EBITA adjusted for integration costs and one-offs.

² Amortization and impairment of acquisition-related intangible assets and goodwill.

³ For L4Q 2016 this includes € 6.1M profit on disposal of associates

⁴ Before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs. See table Earnings per share' on page 27.

revenue

Organic revenue per working day grew by 9.0% in Q3 to € 5,872 million (Q2 2017: up 9.3%). Reported revenue was 9.8% above Q3 2016, of which M&A contributed 4.2%. FX and working days had a negative effect of 1.9% and 1.5% respectively.

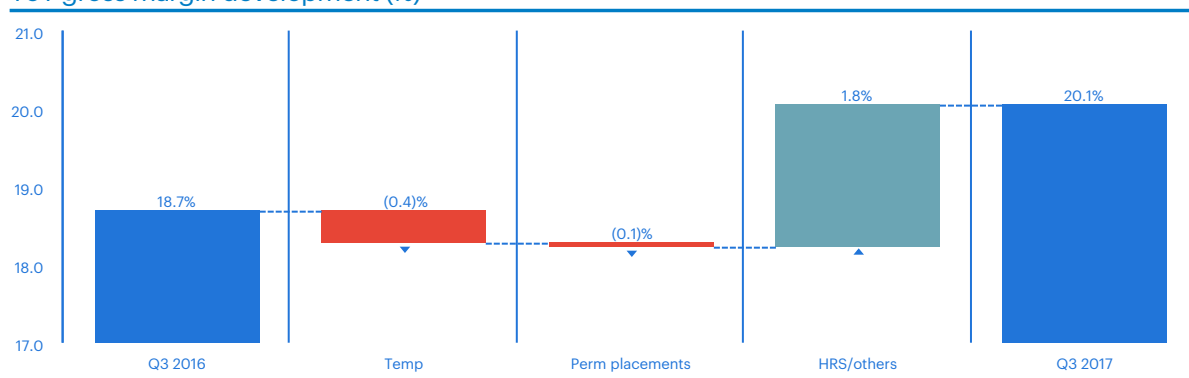
In North America, revenue per working day was flat, however up 1% adjusted for the hurricane impact (Q2 2017: 1%). Growth in the US remained flat. Canada grew by 6% (Q2 2017: up 9%) reflecting tougher comps. In Europe, revenue per working day grew by 11% (Q2 2017: 11%). Topline growth in France amounted to 14% (Q2 2017: 14%), and the Netherlands grew by 1% (Q2 2017: 2%). Germany was up 10% (Q2 2017: 9%), while sales in Belgium increased by 9% (Q2 2017: 14%) given much tougher comps. Italy grew by 27% (Q2 2017: 29%), while revenues in Iberia were up by 14% (Q2 2017: 16%). In the 'Rest of the world' region, revenue increased 10% (Q2 2017: up 12%); Australia & New Zealand rose by 9% and Japan increased by 6%.

Perm fees grew 10% (Q2 2017: up 7%), with Europe up 18% (Q2 2017: 13%) and North America up 2% (Q2 2017: 3%). In the 'Rest of the world' region, perm fee growth was 5% (Q2 2017: flat). Perm fees made up 9.5% of gross profit.

gross profit

In Q3 2017, gross profit amounted to € 1,178 million. Organic growth was 7.7% (Q2 2017: 7.9%). Currency effects had a negative impact on gross profit of € 22 million compared to Q3 2016.

YoY gross margin development (%)

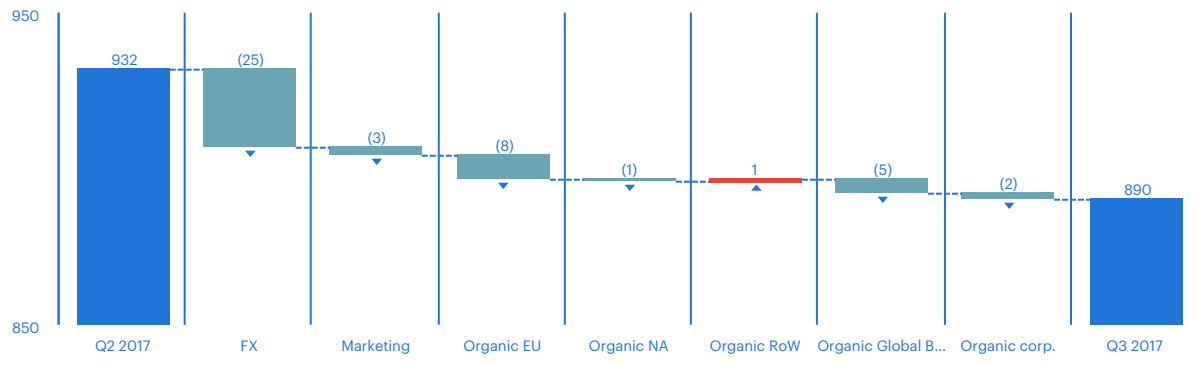


Gross margin was 20.1%, 140bp above Q3 2016 (as shown in the graph above). Temporary staffing had a negative impact of -40bp (Q2 2017: -40bp) due to mix, pricing and an adverse working day effect. Permanent placements had a -10bp effect on gross margin, while HRS/others (including acquisitions) added 180bp.

operating expenses

On an organic basis, operating expenses decreased by € 17 million sequentially to € 890 million. This is primarily due to seasonality and lower marketing investments for Monster. Compared to last year, operating expenses were up 5% (Q2 2017: 5%) organically, while there was a € 17 million positive FX impact.

sequential opex development Q2 -> Q3 in € million



Personnel expenses were down 1% sequentially. Average headcount (in FTE) amounted to 38,240 for the quarter, 1% higher than Q2 2017 and 4% higher organically YoY.

Productivity (measured as gross profit per FTE) was 3% higher YoY (Q2 2017: 4%) on an organic basis. We operated a network of 4,775 outlets (Q2 2017: 4,789).

Operating expenses in Q3 2017 were adjusted for a total of € 27 million one-offs, of which € 21 million is related to the cost optimization program at Monster. An additional € 1 million comes from integration expenses. Last year's cost base was adjusted for a total of € 11 million one-off costs.

ebita

Underlying EBITA increased organically by 8% to € 288 million. Like Q2, the quarter was impacted by fewer working days and continued investments in our digital strategy including Monster. Currency effects had a € 6 million adverse impact YoY. EBITA margin reached 4.9%, down from 5.1% in Q3 2016. Excluding digital investments and the adverse working day impact, EBITA margin was 5.4%. We achieved an organic incremental conversion ratio (ICR) of 34% over the last four quarters.

amortization of intangible assets and impairment of goodwill

Amortization of acquisition-related intangible assets amounted to € 33.6 million in the quarter (Q3 2016: € 16.3 million). This includes the amortization on the intangibles related to acquisitions that took place in the second half of 2016 and in the first half of 2017.

net finance costs

In Q3 2017, net finance costs were € 9.7 million, compared with € 4.4 million in Q3 2016. Interest expenses on our net debt position were € 5.5 million (Q3 2016: € 4.0 million). Foreign currency effects had a negative impact of € 4.1 million (Q3 2016: no impact). The remaining € 0.1 million expense relates primarily to adjustments in the valuation of certain assets and liabilities.

tax

The effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs and one-offs amounted to 26.9% in the first nine months (9M 2016: 26.6%), and is based on the estimated effective tax rate for the whole year 2017. For 2017, we continue to expect an effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs, and one-offs of between 24% and 27%.

net income, earnings per share

In Q3 2017, adjusted net income rose by 5% YoY to € 201.9 million. Diluted underlying EPS amounted to € 1.10 (Q3 2016: € 1.05). The average number of diluted ordinary shares outstanding remained almost stable compared to Q3 2016 (184.0 million versus 183.7 million).

invested capital

in millions of €, unless otherwise indicated	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Goodwill and acquisition-related intangible assets	3,518.5	3,581.7	3,692.8	3,286.3	2,808.4	2,729.9
Operating working capital (OWC) ¹	991.4	982.6	752.2	712.1	830.6	811.1
Net tax assets ²	403.7	421.4	449.4	479.6	464.0	498.1
All other assets/(liabilities) ³	555.1	515.4	121.4	456.2	399.6	364.8
Invested capital	5,468.7	5,501.1	5,015.8	4,934.2	4,502.6	4,403.9
Financed by						
Total Equity	4,079.8	3,944.9	3,886.6	4,140.8	3,941.3	3,769.7
Net debt	1,388.9	1,556.2	1,129.2	793.4	561.3	634.2
Invested capital	5,468.7	5,501.1	5,015.8	4,934.2	4,502.6	4,403.9
Ratios						
DSO (Days Sales Outstanding), moving average	52.5	52.1	50.5	51.4	51.1	50.7
OWC as % of revenue over last 12 months	4.3%	4.4%	3.5%	3.4%	4.1%	4.1%
Leverage ratio (net debt/12-month EBITDA)	1.4	1.5	1.1	0.8	0.6	0.7
Return on invested capital⁴	15.3%	15.2%	16.6%	15.9%	18.0%	17.9%

1 Operating working capital: Trade and other receivables minus the current part of financial fixed assets, deferred receipts from disposed Group companies and interest receivable minus trade and other payables excluding interest payable.

2 Net tax assets: Deferred income tax assets and income tax receivables less deferred income tax liabilities and income tax liabilities.

3 All other assets/(liabilities), mainly containing property, plant & equipment, software plus financial assets and associates, less provisions and employee benefit obligations and other liabilities. As per March 31, 2017 dividend payable is also included.

4 Return on invested capital: underlying EBITA (last 12 months) less income tax paid (last 12 months) as percentage of invested capital.

Return on invested capital (ROIC) reached 15.3%. The main reason for the decrease year-on-year is the impact of acquisitions on our invested capital. We are strongly focused on improving the returns of acquired businesses, which should also lift the Group's ROIC going forward.

The moving average of Days Sales Outstanding (DSO) increased to 52.5 days (Q3 2016: 51.1), primarily due to M&A, adverse mix effects (faster sales growth in countries with above average DSO) and an adverse quarterly closing in the weekend.

The increase YoY in 'all other assets/liabilities' is mainly explained by the increase of the CICE receivable. The total CICE subsidy receivable is € 509 million and is part of invested capital.

At the end of Q3 2017, net debt was € 1,389 million, compared to € 1,556 million at the end of Q2 2017. A further analysis of the cash flow is provided in the next section. The leverage ratio was 1.4 (Q2 2017: 1.5), compared to 0.6 in the previous year, impacted by M&A. The syndicated credit facility allows a leverage ratio of up to 3.5, while we set ourselves a maximum leverage ratio of 2.

cash flow summary

in millions of €	Q3 2017	Q3 2016	change	L4Q 2017	L4Q 2016	change
EBITA as reported	260.6	259.6	0%	932.7	894.6	4%
Depreciation and amortization of software	20.7	21.1		86.8	69.6	
EBITDA	281.3	280.7	0%	1,019.5	964.2	6%
Working capital	(14.0)	0.4		(234.4)	(107.3)	
Provisions and employee benefit obligations	13.8	0.1		16.7	(16.0)	
Other items	(29.4)	(21.1)		(102.9)	(73.9)	
Income taxes	(52.6)	(33.4)		(189.3)	(114.2)	
Net cash flow from operating activities	199.1	226.7	(12)%	509.6	652.8	(22)%
Net capital expenditures	(21.6)	(27.0)		(96.0)	(82.8)	
Financial assets	-	-		(1.1)	(3.8)	
Free cash flow	177.5	199.7	(11)%	412.5	566.2	(27)%
Net (acquisitions)/disposals ¹	(13.1)	(124.6)		(861.8)	(300.5)	
Dividends from associates	-	-		1.3	-	
Issue of ordinary shares	0.2	-		1.2	-	
Purchase of own ordinary shares	-	-		(39.0)	(48.8)	
Dividend on ordinary shares	-	-		(346.3)	(307.2)	
Dividend on preference shares	-	-		(12.6)	(12.6)	
Net finance costs	(4.7)	(2.7)		(17.5)	(16.5)	
Translation and other effects	7.4	0.5		34.6	10.8	
Net decrease/(increase) of net debt	167.3	72.9		(827.6)	(108.6)	

¹ including acquired non-current borrowings

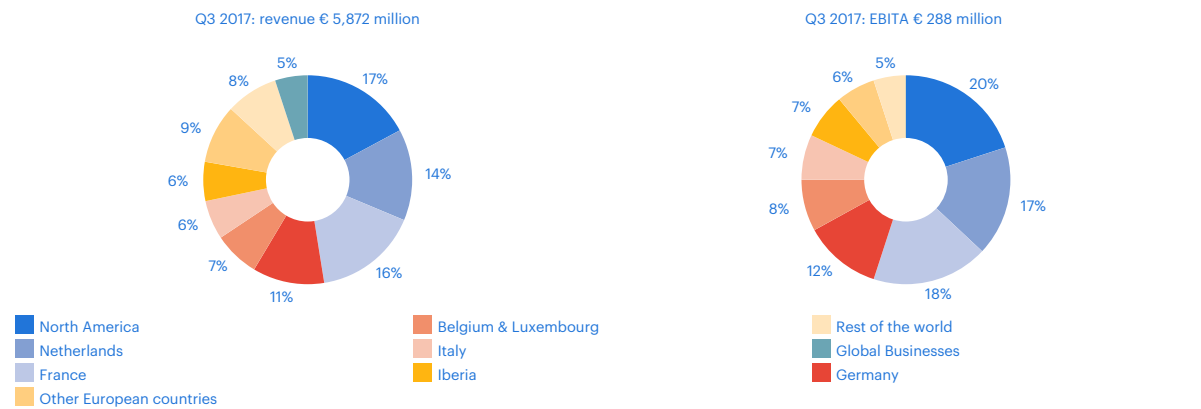
In the quarter, free cash flow was € 178 million, versus € 200 million the prior year. Over the L4Q, free cash flow was € 413 million, down 27% compared to the prior-year L4Q.

Main driver for the decrease in free cash flow YoY was the working capital investment related to our revenue growth acceleration and adverse timing of tax payments. Our quarterly and L4Q free cash flow has also been impacted by investments in our digital strategy (including Monster).

Other items include an amount of € 38.8 million resulting from the implementation of the Tax Credit and Competitive Employment Act (CICE) in France. In Q4 2017, we expect to receive the first cash-in, amounting to € 70 million (including the receivable from our acquired companies), related to the receivable originating from 2013.

performance by geography

split by geography



Revenue in millions of €, underlying	Q3 2017	Q3 2016	change	organic Δ% ¹	9M 2017	9M 2016	change	organic Δ% ¹
North America	1,014.3	1,071.4	(5)%	0%	3,192.7	3,144.3	2%	1%
Netherlands	829.9	803.1	3%	1%	2,469.4	2,349.2	5%	1%
France	939.6	785.4	20%	14%	2,680.3	2,258.5	19%	12%
Germany	618.2	550.1	12%	10%	1,745.6	1,552.5	12%	9%
Belgium & Luxembourg	421.4	376.1	12%	9%	1,160.1	1,014.2	14%	11%
Iberia	374.3	334.3	12%	14%	1,055.1	943.4	12%	12%
Italy	377.6	302.6	25%	27%	1,091.7	674.2	62%	26%
Other European countries	540.9	493.2	10%	13%	1,584.1	1,465.0	8%	10%
Rest of the world	473.6	467.3	1%	10%	1,434.0	1,272.5	13%	10%
Global Businesses	282.1	165.8	70%	17%	881.9	485.1	82%	15%
Revenue	5,871.9	5,349.3	10%	9%	17,294.9	15,158.9	14%	8%

EBITA in millions of €, underlying	Q3 2017	EBITA margin	Q3 2016	EBITA margin	organic Δ % ¹	9M 2017	EBITA margin	9M 2016	EBITA margin	organic Δ % ¹
North America	62.5	6.2%	70.1	6.5%	(6)%	173.8	5.4%	176.5	5.6%	(2)%
Netherlands	52.3	6.3%	48.6	6.0%	2%	144.8	5.9%	132.5	5.6%	3%
France	56.4	6.0%	46.3	5.9%	15%	159.5	6.0%	125.9	5.6%	20%
Germany	38.0	6.1%	32.4	5.9%	12%	84.7	4.9%	76.5	4.9%	4%
Belgium & Luxembourg	25.6	6.1%	22.3	5.9%	7%	70.9	6.1%	60.2	5.9%	10%
Iberia	20.9	5.6%	15.9	4.8%	31%	52.6	5.0%	41.6	4.4%	26%
Italy	22.1	5.9%	15.2	5.0%	45%	60.6	5.6%	33.8	5.0%	37%
Other European countries	18.1	3.3%	17.5	3.5%	3%	45.3	2.9%	44.6	3.0%	5%
Rest of the world	15.8	3.3%	13.4	2.9%	27%	38.5	2.7%	28.2	2.2%	26%
Global Businesses	(3.6)	(1.3)%	4.4	2.6%	65%	(11.4)	(1.3)%	9.6	2.0%	45%
Corporate	(20.6)		(15.6)			(61.0)		(50.3)		
EBITA before integration costs and one-offs ²	287.5	4.9%	270.5	5.1%	8%	758.3	4.4%	679.1	4.5%	10%
Integration costs and one-offs	(26.9)		(10.9)			(56.9)		(18.4)		
EBITA	260.6		259.6			701.4		660.7		

¹ Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

² Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs.

north america

In North America, revenue growth was flat (Q2 2017: up 1%). Perm fees grew 2% (Q2 2017: up 3%). In Q3 2017, revenue of our combined US businesses was flat (Q2 2017: flat). US Staffing/Inhouse grew by 1% (Q2 2017: up 2%), impacted by adverse weather conditions. US Professionals revenue was down 2% (Q2 2017: down 2%). In Canada, revenue was up 6% (Q2 2017: up 9%), reflecting tougher comps. EBITA margin for the region came in at 6.2% compared to 6.5% in Q3 2016.

netherlands

In the Netherlands, revenue was up 1% YoY (Q2 2017: up 2%). Overall perm fees were up 4% (Q2 2017: up 4%). Our Staffing/Inhouse businesses improved to 2% (Q2 2017: up 3%), with growth impacted by a strong focus on client profitability. Our Professionals business was up 5% in revenues underlying (Q2 2017: flat), while profitability further improved YoY. EBITA margin in the Netherlands was 6.3%, compared to 6.0% last year.

france

In France, revenue growth was 14% (Q2 2017: up 14%), ahead of the market. Perm fees were up 37% compared to last year (Q2 2017: up 43%). Staffing and Inhouse revenue increased 13% (Q2 2017: up 13%). Our Professionals business was up 19% (Q2 2017: up 19%), again driven by Expectra and Healthcare. EBITA margin was 6.0%, up from 5.9% last year.

germany

In Germany, revenue per working day was up 10% YoY (Q2 2017: up 9%). Our combined Staffing/Inhouse business was up 10% (Q2 2017: up 8%), while Professionals was up 11% (Q2 2017: up 13%). EBITA margin in Germany was 6.1%, compared to 5.9% last year, despite an adverse working day effect.

belgium & luxembourg

In Belgium & Luxembourg, revenue was up 9% (Q2 2017: up 14%), reflecting tougher comps. Our Staffing/Inhouse business was up 9% (Q2 2017: up 14%), while the Professionals business was up 13% (Q2 2017: up 10%). Our EBITA margin moved up to 6.1%, from 5.9% last year.

iberia

In Iberia, revenue increased 14% (Q2 2017: up 16%) with Staffing/Inhouse combined growing 14% (Q2 2017: up 16%) and Professionals up 10%. Spain was up 17% (Q2 2017: up 19%) while our focus on permanent placements (up 23% compared to 15% in Q3 2016) continues to pay off. In Portugal, revenue improved by 6% (Q2 2017: up 8%). Overall EBITA margin was 5.6% in Q3 2017, compared to 4.8% in the same period last year.

italy

Revenue per working day in Italy grew by 27% compared to the prior year (Q2 2017: up 29%). EBITA margin improved to 5.9%, from 5.0% last year. The integration of Obiettivo Lavoro is progressing well and ahead of expectations.

other european countries

Across 'Other European countries', revenue per working day grew 13% (Q2 2017: up 11%). In the UK, revenue was up by 10% (Q2 2017: up 2%), while perm fees were down by 7% (Q2 2017: up 3%). In the Nordics, sales increased by 12% on an organic basis (Q2 2017: up 11%). Revenue in our Swiss business was up 21% year-on-year (Q2 2017: up 22%). In Poland, revenue growth accelerated to 14% (Q2 2017: up 12%). Overall EBITA margin for the 'Other European countries' region was 3.3% (Q3 2016: 3.5%).

rest of the world

Overall revenue in the 'Rest of the world' region grew by 10% organically (Q2 2017: up 12%). In Japan, revenue increased by 6% (Q2 2017: up 6%). Revenue in Australia/New Zealand grew 9% (Q2 2017: up 14%) reflecting tougher comps, while revenue in China grew 18% YoY (Q2 2017: up 10%). Our business in India grew by 9% (Q2 2017: up 11%), while in Latin America revenue grew 19% (Q2 2017: up 21%), driven by Argentina and Chile. Overall EBITA margin in this region was 3.3%, compared to 2.9% last year.

global businesses

Overall revenue growth per working day was up by 17% YoY organically, mainly driven by Randstad Sourceright. Monster sales growth was down by 16% (Q2 2017: down 16%). Overall EBITA margin came in at -1.3% compared to 2.6% last year, reflecting continued investments related to our digital strategy including Monster.

performance by revenue category

in millions of €, underlying		Q3 2017	Q3 2016	organic Δ % ¹	9M 2017	9M 2016	organic Δ % ¹
Staffing	Revenue	3,105.7	3,009.9	6%	9,072.0	8,383.0	6%
	EBITA	173.6	161.7	6%	444.1	393.6	8%
	EBITA margin	5.6%	5.4%		4.9%	4.7%	
Inhouse Services	Revenue	1,327.6	1,154.3	19%	3,805.9	3,252.1	18%
	EBITA	69.7	59.2	19%	182.4	155.1	18%
	EBITA margin	5.3%	5.1%		4.8%	4.8%	
Professionals	Revenue	1,156.5	1,019.3	5%	3,535.1	3,038.7	4%
	EBITA	68.4	60.8	2%	204.2	171.1	4%
	EBITA margin	5.9%	6.0%		5.8%	5.6%	
Global Businesses	Revenue	282.1	165.8	17%	881.9	485.1	15%
	EBITA	(3.6)	4.4	65%	(11.4)	9.6	45%
	EBITA margin	(1.3)%	2.6%		(1.3)%	2.0%	

¹ Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

other information.

outlook

Revenue grew 9.0% in Q3 2017. In September, revenue grew at a similar pace. The development of volumes in early October broadly indicate a continuation of the Q3 growth rate. There will be an adverse 2.4% comparison in Q4.

Q4 gross margin is expected to be stable sequentially.

For Q4, operating expenses are expected to be stable sequentially.

There will be an adverse 0.5 working day impact in Q4 2017.

M&A activity will be limited in the coming quarters.

We will host a capital markets day on November 21, 2017 in London.

other items

As previously announced, we intend to offset the dilutive effect from our performance share plans for senior management through share buybacks. The next allocation of shares will take place in February 2018. Based on current performance, we will commence a buyback program to purchase up to 0.7 million shares in Randstad Holding nv ("Randstad"), up to a maximum principal amount of € 50 million, in the period between October 25, 2017 and February 12, 2018 (inclusive). As the current plan runs until the end of the year, the number of shares to be allocated under the performance share plans could still increase (theoretically to 0.4 million shares to 1.1 million shares), as outlined in our remuneration policy in the annual report. Should we be required to allocate more than 0.7 million shares, we intend to neutralize the impact of the potential share dilution in 2018, after February 13th (when we publish our FY 2017 results).

The share repurchase program will be carried out under the mandate given by the Annual General Meeting of Shareholders on March 30, 2017. Within the limits set at that meeting, the maximum price to be paid for shares will be 110% of the average closing price of the last five preceding trading days on the NYSE Euronext Amsterdam. Any purchases of shares will be carried out on NYSE Euronext Amsterdam and in accordance with certain pre-set parameters in accordance with Article 5(1) of Regulation EU No 596/2014.

Randstad has mandated HSBC Bank plc to undertake the program (between October 25, 2017 and February 12, 2018 (inclusive)). HSBC Bank plc will purchase the shares as principal during that period, making its trading decisions with regard to the number of shares and the timing of the purchases independently of Randstad, and any shares so purchased will be on-sold by HSBC Bank plc to Randstad. HSBC Bank plc's instruction to purchase the shares is irrevocable during any close period.

Randstad will provide weekly updates on the progress of the program on its corporate website in the investor relations section. Once the maximum number of shares has been repurchased, we will immediately disclose the finalization of the program

working days

	Q1	Q2	Q3	Q4
2017	64.0	61.7	63.8	62.3
2016	62.5	63.1	64.8	62.8
2015	62.4	61.6	65.0	63.9

financial calendar

Publication of third quarter results 2017	October 24, 2017
Capital Markets Day 2017	November 21, 2017
Publication of fourth quarter and annual results 2017	February 13, 2018
Annual General Meeting of Shareholders	March 27, 2018

analyst and press conference call

Today (October 24, 2017), at 09.00 am CET, Randstad Holding nv will be hosting an analyst conference call. The dial-in numbers are:

International: + 44 (0)20 3059 8125

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Please quote 'Randstad' to gain access to the conference. You can listen to the call through a real-time audio webcast. You can access the webcast and presentation at <https://www.ir.randstad.com/results-and-reports/quarterly-results#qr-2017>. A replay of the presentation and the Q&A will be available on our website by the end of the day.

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disclaimer

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

about randstad

The Randstad Group is a global leader in the HR services industry and specialized in solutions in the field of flexible work and human resources services. We support people and organizations in realizing their true potential. Our services range from regular temporary Staffing and permanent placements to Inhouse Services, Professionals, and HR Solutions (including Recruitment Process Outsourcing, Managed Services Programs, and outplacement). Randstad has top-three positions in Argentina, Belgium & Luxembourg, Canada, Chile, France, Germany, Greece, India, Italy, Mexico, the Netherlands, Poland, Portugal, Spain, Sweden, Switzerland, the UK, and the United States, and major positions in Australia and Japan. At year-end 2016, Randstad had 36,524 corporate employees and 4,752 branches and Inhouse locations in 39 countries around the world. In 2016, Randstad generated revenue of € 20.7 billion. 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 <https://www.randstad.com/>.

interim

financial



statements.



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actuals.

consolidated income statement

in millions of €, unless otherwise indicated	Q3 2017	Q3 2016	9M 2017	9M 2016
Revenue	5,871.9	5,349.3	17,294.9	15,158.9
Cost of services	4,694.3	4,349.5	13,789.2	12,330.4
Gross profit	1,177.6	999.8	3,505.7	2,828.5
Selling expenses	649.2	508.6	1,962.2	1,500.5
General and administrative expenses	267.8	231.6	842.1	667.3
Operating expenses	917.0	740.2	2,804.3	2,167.8
Amortization and impairment of acquisition-related intangible assets and goodwill	33.6	16.3	104.0	68.0
Total operating expenses	950.6	756.5	2,908.3	2,235.8
Operating profit	227.0	243.3	597.4	592.7
Net finance (costs) / income	(9.7)	(4.4)	(20.2)	(4.1)
Share of profit of associates	0.4	0.0	0.8	0.0
Income before taxes	217.7	238.9	578.0	588.6
Taxes on income	(52.6)	(62.1)	(144.5)	(153.0)
Net income	165.1	176.8	433.5	435.6
Net income attributable to:				
Holders of ordinary shares Randstad Holding nv	162.1	173.6	424.2	426.1
Holders of preference shares Randstad Holding nv	3.1	3.1	9.4	9.4
Equity holders	165.2	176.7	433.6	435.5
Non-controlling interests	(0.1)	0.1	(0.1)	0.1
Net income	165.1	176.8	433.5	435.6
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):				
Basic earnings per share	0.88	0.95	2.32	2.33
Diluted earnings per share	0.88	0.95	2.31	2.32
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs	1.10	1.05	2.89	2.65

information by geographical area and revenue category

revenue by geographical area

in millions of €	Q3 2017	Q3 2016	9M 2017	9M 2016
North America	1,014.3	1,071.4	3,192.7	3,144.3
Netherlands	830.6	804.2	2,471.6	2,351.1
France	939.7	785.5	2,680.8	2,258.8
Germany	618.3	550.1	1,745.7	1,552.5
Belgium & Luxembourg	421.8	376.5	1,161.3	1,015.1
Iberia	374.3	334.3	1,055.1	943.4
Italy	377.6	302.6	1,091.7	674.2
Other European countries	542.6	495.0	1,589.3	1,469.5
Rest of the world	473.7	467.3	1,434.4	1,272.5
Global Businesses	285.1	166.9	890.1	488.8
Elimination of revenue ¹	(6.1)	(4.5)	(17.8)	(11.3)
Revenue	5,871.9	5,349.3	17,294.9	15,158.9

¹ Relates to intercompany revenue between segments

ebita by geographical area

in millions of €	Q3 2017	Q3 2016	9M 2017	9M 2016
North America	59.7	70.1	169.1	176.3
Netherlands	52.1	48.6	140.8	133.1
France	54.3	46.0	154.3	124.9
Germany	38.0	31.5	84.7	75.6
Belgium & Luxembourg	25.6	22.3	70.9	60.2
Iberia	20.9	15.8	52.6	41.5
Italy	22.1	12.8	56.9	31.4
Other European countries	18.0	16.4	42.1	40.4
Rest of the world	15.8	13.0	35.1	26.9
Global Businesses	(25.3)	2.8	(44.1)	4.8
Corporate	(20.6)	(19.7)	(61.0)	(54.4)
EBITA ¹	260.6	259.6	701.4	660.7

¹ Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill

revenue by revenue category

in millions of €	Q3 2017	Q3 2016	9M 2017	9M 2016
Staffing	3,108.8	3,013.3	9,081.6	8,390.6
Inhouse	1,327.6	1,154.3	3,805.9	3,252.1
Professionals	1,156.5	1,019.3	3,535.1	3,038.7
Global businesses	285.1	166.9	890.1	488.8
Elimination of revenue ¹	(6.1)	(4.5)	(17.8)	(11.3)
Revenue	5,871.9	5,349.3	17,294.9	15,158.9

¹ Relates to intercompany revenue between segments

ebita by revenue category

in millions of €	Q3 2017	Q3 2016	9M 2017	9M 2016
Staffing	170.3	157.6	430.7	386.4
Inhouse	69.6	59.2	180.6	154.8
Professionals	66.6	59.7	195.2	169.1
Global businesses	(25.3)	2.8	(44.1)	4.8
Corporate	(20.6)	(19.7)	(61.0)	(54.4)
EBITA ¹	260.6	259.6	701.4	660.7

¹ Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill

consolidated balance sheet

in millions of €	September 30, 2017	December 31, 2016	September 30, 2016
Assets			
Property, plant and equipment	151.7	165.3	129.7
Intangible assets	3,592.3	3,353.5	2,866.1
Deferred income tax assets	468.4	520.2	502.1
Financial assets and associates	589.8	454.7	400.1
Non-current assets	4,802.2	4,493.7	3,898.0
Trade and other receivables	4,704.2	4,174.2	3,958.1
Income tax receivables	80.8	72.2	71.0
Cash and cash equivalents	276.1	385.8	591.3
Current assets	5,061.1	4,632.2	4,620.4
Total Assets	9,863.3	9,125.9	8,518.4
Equity and Liabilities			
Issued capital	25.9	25.8	25.8
Share premium	2,284.3	2,270.7	2,270.5
Reserves	1,769.0	1,843.6	1,644.3
Shareholders' equity	4,079.2	4,140.1	3,940.6
Non-controlling interests	0.6	0.7	0.7
Total equity	4,079.8	4,140.8	3,941.3
Borrowings	653.8	699.2	814.3
Deferred income tax liabilities	54.9	42.2	60.4
Provisions and employee benefit obligations	225.6	194.4	169.4
Other liabilities	10.8	12.6	14.0
Non-current liabilities	945.1	948.4	1,058.1
Borrowings	1,011.2	480.0	338.3
Trade and other payables	3,645.8	3,397.5	3,058.3
Income tax liabilities	90.6	70.6	48.7
Provisions and employee benefit obligations	82.5	81.9	66.4
Other liabilities	8.3	6.7	7.3
Current liabilities	4,838.4	4,036.7	3,519.0
Liabilities	5,783.5	4,985.1	4,577.1
Total equity and liabilities	9,863.3	9,125.9	8,518.4

consolidated statement of cash flows

in millions of €	Q3 2017	Q3 2016	9M 2017	9M 2016
Operating profit	227.0	243.3	597.4	592.7
Amortization and impairment of acquisition-related intangible assets and goodwill	33.6	16.3	104.0	68.0
EBITA	260.6	259.6	701.4	660.7
Depreciation of property, plant and equipment	13.2	14.7	41.1	36.3
Amortization of software	7.5	6.4	25.3	17.4
EBITDA	281.3	280.7	767.8	714.4
Provisions and employee benefit obligations	13.8	0.1	12.3	(4.6)
Share-based compensations	9.1	7.7	25.1	23.6
Loss on disposals of property, plant and equipment	0.3	0.1	0.4	0.1
Loss on disposals of activities	-	-	-	0.2
Other non-cash items	(38.8)	(28.9)	(111.0)	(83.4)
Cash flow from operations before operating working capital and income taxes	265.7	259.7	694.6	650.3
Trade and other receivables	(171.4)	(89.5)	(480.9)	(259.9)
Trade and other payables	157.4	89.9	210.0	53.9
Operating working capital	(14.0)	0.4	(270.9)	(206.0)
Income taxes	(52.6)	(33.4)	(159.3)	(129.8)
Net cash flow from operating activities	199.1	226.7	264.4	314.5
Additions in property, plant and equipment	(17.3)	(19.1)	(40.3)	(40.6)
Additions in software	(8.9)	(7.9)	(34.4)	(22.7)
Disposals of property, plant and equipment	4.6	0.0	10.6	1.2
Acquisition of subsidiaries, associates and equity investments	(13.1)	(124.6)	(352.1)	(306.3)
Dividends from associates	-	-	1.3	-
Disposals of activities	-	-	-	0.5
Net cash flow from investing activities	(34.7)	(151.6)	(414.9)	(367.9)
Issue of new ordinary shares	0.2	-	1.1	0.0
Purchase of own ordinary shares	-	-	(17.3)	(14.1)
(Net repayments of) / net drawings on non-current borrowings	(326.3)	261.9	(137.0)	689.1
Net financing	(326.1)	261.9	(153.2)	675.0
Net finance costs	(4.7)	(2.7)	(13.2)	(7.5)
Dividend on ordinary shares	-	-	(346.3)	(307.2)
Dividend on preference shares	-	-	(12.6)	(12.6)
Net reimbursement to financiers	(4.7)	(2.7)	(372.1)	(327.3)
Net cash flow from financing activities	(330.8)	259.2	(525.3)	347.7
Net (decrease) / increase in cash, cash equivalents, and current borrowings	(166.4)	334.3	(675.8)	294.3
Cash, cash equivalents, and current borrowings at beginning of period	(561.2)	(82.8)	(52.8)	(48.6)
Net movement	(166.4)	334.3	(675.8)	294.3
Translation and currency (losses)/gains	(7.5)	1.5	(6.5)	7.3
Cash, cash equivalents, and current borrowings at end of period	(735.1)	253.0	(735.1)	253.0
Free cash flow	177.5	199.7	200.3	252.4

consolidated statement of comprehensive income

in millions of €	July 1 - September 30, 2017			July 1 - September 30, 2016		
	Shareholder s' equity	Non- controlling interests	Total equity	Shareholder s' equity	Non- controlling interests	Total equity
Net income for the period	165.2	(0.1)	165.1	176.7	0.1	176.8
Fair value adjustment equity investments	-	-	-	0.3	-	0.3
Translation differences	(39.5)	0.0	(39.5)	(13.6)	(0.1)	(13.7)
Total comprehensive income	125.7	(0.1)	125.6	163.4	0.0	163.4

in millions of €	January 1 - September 30, 2017			January 1 - September 30, 2016		
	Shareholders ' equity	Non- controlling interests	Total equity	Shareholders ' equity	Non- controlling interests	Total equity
Net income for the period	433.6	(0.1)	433.5	435.5	0.1	435.6
Fair value adjustment equity investments	-	-	-	0.3	-	0.3
Translation differences	(152.3)	0.0	(152.3)	(51.3)	0.0	(51.3)
Total comprehensive income	281.3	(0.1)	281.2	384.5	0.1	384.6

consolidated statement of changes in equity

in millions of €	July 1 - September 30, 2017			July 1 - September 30, 2016		
	Shareholder's equity	Non-controlling interests	Total equity	Shareholder's equity	Non-controlling interests	Total equity
Value at July 1	3,944.2	0.7	3,944.9	3,769.5	0.2	3,769.7
Comprehensive income	125.7	(0.1)	125.6	163.4	0.0	163.4
Share-based compensations	9.1	-	9.1	7.7	-	7.7
Issue of ordinary shares	0.2	-	0.2	-	-	-
Acquisitions of non-controlling interests	-	-	-	-	0.5	0.5
Value at September 30	4,079.2	0.6	4,079.8	3,940.6	0.7	3,941.3

in millions of €	January 1 - September 30, 2017			January 1 - September 30, 2016		
	Shareholders' equity	Non-controlling interests	Total equity	Shareholders' equity	Non-controlling interests	Total equity
Value at January 1	4,140.1	0.7	4,140.8	3,861.7	0.0	3,861.7
Comprehensive income	281.3	(0.1)	281.2	384.5	0.1	384.6
Dividend on ordinary shares	(346.3)	-	(346.3)	(307.2)	-	(307.2)
Dividend on preference shares	(12.6)	-	(12.6)	(12.6)	-	(12.6)
Share-based compensations	25.1	-	25.1	23.6	-	23.6
Tax on share-based compensations	7.8	-	7.8	4.7	-	4.7
Issue of ordinary shares	1.1	-	1.1	-	-	-
Acquisition non-controlling interests	-	-	-	-	0.6	0.6
Purchase of own ordinary shares	(17.3)	-	(17.3)	(14.1)	-	(14.1)
Value at September 30	4,079.2	0.6	4,079.8	3,940.6	0.7	3,941.3

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 nine-month period ended September 30, 2017 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 (hereinafter: IFRS).

The accounting policies applied by the Group in these consolidated interim financial statements are unchanged from those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2016.

basis of presentation

These consolidated interim financial statements have been condensed and prepared in accordance with (IFRS) IAS 34 'Interim Financial Reporting'; they do not include all the information required for full (i.e., 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, 2016.

The consolidated financial statements of the Group as at and for the year ended December 31, 2016 are available upon request at the Company's office or on www.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 are the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2016.

seasonality

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

effective tax rate

The effective tax rate for the nine-month period ended September 30, 2017 is 25% (9M 2016: 26.0%), and is based on the estimated tax rate for the whole year 2017 (actual effective tax rate for FY 2016: 25.1%).

new segmentation

As a result of acquisitions and changes in the governance and managerial reporting structure of the Group, the external (primary) segmentation (of results) has changed as of Q1 2017; comparative figures for prior periods have been adjusted accordingly for presentation purposes.

Main changes are the creation of one segment called Global Businesses consisting of Monster, Randstad Sourceright, RiseSmart and Twago. Reporting of Italy as a separate segment due to increasing size and inclusion of the UK in the segment 'Other European countries' due to limited size.

Ausy is included in the existing geographies mainly being France, Belgium & Luxembourg, Germany and North America.

External (secondary) segmentation on revenue categories now also shows Global Businesses next to Staffing, Inhouse Services and Professionals; comparative figures for prior periods have been adjusted accordingly for presentation purposes.

As a result of this new external segmentation, revenues between segments appear in our tables.

acquisition of group companies and equity investments

The cash outflow for acquisitions of Group companies amounts to € 13.1 million (Q3 2016: € 124.6 million mainly for the acquisition of Group companies), of which € 10.9 million relates to payments for prior acquisitions and of which € 2.2 million relates to cash outlay for equity investments.

disposal of group companies

In Q3, 2017 and YTD Q3, 2017, the Group had no disposal of Group companies (2016: no cash in for Q3 and € 0.5 million cash in for YTD Q3).

shareholders' equity

issued number of ordinary shares

	2017	2016
January 1	183,023,267	183,019,235
Share-based compensations	240,778	-
September 30	183,264,045	183,019,235

As at September 30, 2017, the Group held 10,000 treasury shares (September 30, 2016: 156,023), compared to 595,141 as at December 31, 2016 (December 31, 2015: 896,335). The average number of (diluted) ordinary shares outstanding has been adjusted for these treasury shares.

As at September 30, 2017, December 31, 2016 and September 30, 2016 the number of issued preference shares was 25,200,000 (type B) and 50,130,352 (type C).

earnings per share

in millions of €, unless otherwise indicated	Q3 2017	Q3 2016	9M 2017	9M 2016
Net income	165.1	176.8	433.5	435.6
Results of non-controlling interests	(0.1)	0.1	(0.1)	0.1
Net income attributable to holders of preference shares	3.1	3.1	9.4	9.4
Net income attributable to holders of ordinary shares	162.1	173.6	424.2	426.1
Amortization of intangible assets ¹	33.6	16.3	104.0	68.0
Integration costs and one-offs	26.9	10.9	56.9	18.4
Tax effect on amortization, integration costs, and one-offs	(20.7)	(8.3)	(54.1)	(26.3)
Adjusted net income for holders of ordinary shares	201.9	192.5	531.0	486.2
Average number of ordinary shares outstanding	183.3	182.9	183.1	182.7
Average number of diluted ordinary shares outstanding	184.0	183.7	183.9	183.6
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):				
Basic earnings per share	0.88	0.95	2.32	2.33
Diluted earnings per share	0.88	0.95	2.31	2.32
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs ²	1.10	1.05	2.89	2.65

¹ Amortization and impairment of acquisition-related intangible assets and goodwill.

² Diluted EPS underlying

net debt position

The net debt position as at September 30, 2017 (€ 1,388.9 million) was € 595.5 million higher compared to the net debt position as at December 31, 2016 (€ 793.4 million).

This is mainly due to payment of dividends in Q2 2017 and net acquisitions mainly in Q1 2017, while a positive free cash flow YTD 2017 (€ 200.3 million) partly compensated for these outflows.

In Q3, 2017 the Group renewed its multicurrency syndicated revolving credit facility.

At September 30, 2017, the Group has a € 1,850 million multicurrency syndicated revolving credit facility at its disposal, which matures July 2022. The term may potentially be extended to a maximum of 7 years (i.e. July 2024) through the exercise of two extension options, which are at the banks' discretion. The facility agreement, which is an extension and amendment of the previous facility (€ 1,920 million), contains a covenant with respect to the net debt to EBITDA ratio (leverage ratio), as well as a paragraph on material adverse changes. The net debt to EBITDA ratio has a limit of 3.5 and is calculated based on the results of the Group on a 12-month basis. In certain cases, Randstad is allowed to report a leverage ratio of 4.25 x EBITA for a limited period of time.

breakdown of operating expenses

in millions of €	Q3 2017	Q3 2016	9M 2017	9M 2016
Personnel expenses	666.4	554.5	2,049.3	1,636.9
Other operating expenses	250.6	185.7	755.0	530.9
Operating expenses	917.0	740.2	2,804.3	2,167.8

french competitive employment act ('CICE')

Included in the consolidated balance sheet under 'financial assets and associates' is an amount of € 438.4 million (December 31, 2016: € 315.4 million) relating to the non-current part of a receivable arising from tax credits under the French Competitive Employment Act ('CICE'). An amount of € 70.2 million (December 31, 2016: € 67.4 million) is included in 'Trade and other receivables' representing the current part of the CICE receivable.

total comprehensive income

Apart from net income for the period, total comprehensive income solely comprises translation differences and related tax effects that may be reclassified to the income statement in a future reporting period.

related-party transactions

There are no material changes in the nature, scope, and (relative) scale in this reporting period compared to last year. More information is included in notes 22, 23 and 24 to the consolidated financial statements as at and for the year ended December 31, 2016.

commitments

There are no material changes in the nature and scope of commitments compared to last year, except for the increasing effect on the amounts for commitments due to acquired companies. More information is included in note 27 to the consolidated financial statements as at and for the year ended December 31, 2016.

events after balance sheet date

Subsequent to the date of the balance sheet, no events material to the Group as a whole occurred that require disclosure in this note.