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

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

Press release First quarter results 2013

Date
25 April 2013

For more information
Jan-Pieter van Winsen/Machteld Merens

Telephone
+31 (0)20 569 56 23

Q1 2013: good start of the year
strong efficiency improvements

Key points Q1 2013

- Revenue of € 3,832 million; organic growth[1] per working day -/-3.7%
- Strong cost control, costs down € 24 million compared to Q4 2012
- EBITA margin of 2.4% compared to 2.7% in Q1 2012, impacted by 1.8 fewer working days
- Net debt reduced by € 165 million compared to Q4 2012, leverage ratio at 1.5
- Net income up 3% to € 29.7 million
- Diluted EPS down to € 0.33 per ordinary share

Ben Noteboom, CEO of Randstad: *"In line with the last two quarters, cost control in Q1 has been very effective, supporting further efficiency improvements. Profitability rose in HR Solutions, Professionals and Inhouse. Our people in Turkey, Japan, China, India, Brazil and North America achieved another quarter with good profitable growth. We welcome our prospective new staffing colleagues from USG People in Spain, Italy, Switzerland, Austria, Poland and Luxembourg. European governments still need to do more in unfreezing labor markets and fighting unemployment, especially for younger people. European markets show some signs of improvement, and we will make targeted marketing investments to support organic growth and strengthen our position in the second half of the year."*

Core data in € million, unless otherwise indicated	**Q1 2013**	Q1 2012	*Y-o-Y change*
Revenue	3,832.0	4,152.4	*-8%*
Gross profit, underlying[2]	683.6	748.2	*-9%*
Operating expenses, underlying[2]	592.1	637.8	*-7%*
EBITA[3], underlying[2]	**91.5**	**110.4**	***-17%***
EBITA[3]	88.7	104.0	
Net income	29.7	28.8	*3%*
Free cash flow	42.2	57.8	*-27%*
Net debt	930.6	1,212.0	
Leverage ratio (net debt/EBITDA)	1.5	1.7	
Days Sales Outstanding (DSO), moving average	52.0	53.2	
Share data (in € per share)			
Basic EPS	0.16	0.16	*0%*
Diluted EPS[4], underlying	0.33	0.39	*-15%*

[1] Organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications. Revenue growth is adjusted for the impact of working days
[2] Underlying: gross profit and operating expenses adjusted for restructuring costs, one-offs and integration costs
[3] EBITA: operating profit before amortization/impairment of acquisition-related intangible assets and goodwill
[4] Before amortization amortization/impairment of acquisition-related intangible assets and goodwill

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Financial performance

In order to measure underlying performance, we have adjusted the financials for integration costs and one-offs.

Key financials

in € million, unless otherwise indicated	Q1 2013	Q1 2012	organic growth[1]
Revenue	**3,832.0**	**4,152.4**	***-4%***
Gross profit	683.6	748.2	*-7%*
Operating expenses, underlying	592.1	637.8	*-6%*
EBITA, underlying	**91.5**	**110.4**	***-16%***
Margins (in % of revenue)			
Gross margin	17.8%	18.0%	
Operating expenses margin, underlying	15.5%	15.4%	
EBITA margin, underlying	2.4%	2.7%	

Revenue

The first quarter of 2013, which is seasonally the slowest quarter, was a relatively good start of the year. Revenue per working day was down 3.7%, compared to the year-on-year decline of 5.3% in the previous quarter. This quarter we had 1.8 fewer working days, which had an effect of around 3% on our revenue. The effect of disposals was negligible, and currency effects had a negative impact of 1%. As a result, revenue was 7.7% below Q1 2012. Revenue per working day fell by 5.2% in January and by 2.6% in March. The decline in perm fees was 4.9% (Q4 2012: -/-9.1%). Growth in perm fees was maintained across Asia and Latin America. Growth returned in North America. Demand for permanent placements remained weak across Europe and Australia, resulting in lower perm fee revenue. Perm fees made up 1.8% of revenue and 10.1% of gross profit (Q1 2012: 9.9%). The diversification of our services portfolio is supported by strong profitable growth in revenue from other services, such as payroll services, managed services and recruitment process outsourcing (RPO).

North American revenue was 3% below Q1 2012 (Q4 2012: 0%), and our focus here is on profitability. In Europe, revenue per working day declined by 5% (Q4 2012: -/-8%). The rate of decline eased across most countries. In the Rest of the World, our investments continued to pay off, and revenue grew by 6%. We achieved good performance in Japan and other Asian markets. In Australia, revenue declined by 11% (Q4 2012: -/-12%), however, the rate of decline eased to -/- 3% in March. In Latin America, our business grew by 29%, led by Brazil and Argentina.

Inhouse Services grew by 3% (Q4 2012: 2%). We continued to transfer business to Inhouse, while focusing on client profitability. The decline in Staffing revenue eased to -/-5% (Q4 2012: -/-9%), mainly due to a lower rate of decline in Europe. Revenue in Professionals was 4% below last year (Q4 2012: -/-4%). Good performance in the UK was offset

[1] Organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications. Revenue growth is adjusted for the impact of working days.

by lower demand in continental Europe, North America and Australia. HR Solutions achieved strong profitable growth and shows that our policy of diversifying our service portfolio is successful.

Gross profit

In Q1 2013, gross profit amounted to € 683.6 million, down 9% compared to last year and reflects that we had 1.8 fewer working days (impact of approx. € 18 million). The organic change was -/-7% (Q4 2012: -/-5%). Currency effects had a negative impact on gross profit of € 8 million when compared to Q1 2012.

Gross margin was 17.8%, compared to 18.0% in Q1 2012. The temp margin was 0.4% below the level of last year (Q4 2012: -/- 0.2%). Gross margin enhancements in North America and France were more than offset by lower gross margins in the Netherlands and Germany. HR Solutions and other mix effects added 0.2% to the gross margin (Q4 2012: 0.1%). Perm fees had no impact on the mix. Our focus on profitability continues to pay off. Our gross profit in North America was at the same level as last year, despite the revenue decline and fewer working days. In Europe, the decline in gross profit was -/-11% (Q4 2012: -/- 9%).

Operating expenses

Operating expenses decreased by € 23.9 million compared to Q4 2012, of which € 9.3 million was due to currency effects and € 1.5 million to disposals of businesses. Marketing costs were € 8.0 million below the level of Q4 2012, which is in line with normal seasonal patterns. The remainder (€ 5.1 million) was a net result of restructuring programs and field steering, partly offset by wage inflation and higher bonus costs. Underlying operating expenses were adjusted for additional restructuring costs of € 1.1 million in Germany.

Average headcount (in FTE) amounted to 27,670 for the quarter, down 3% compared to Q4 2012. The reduction in FTEs in Q1, which follows the trend in gross profit, occurred mainly across Europe and North America. Productivity (measured as gross profit per FTE) was 2% ahead of last year. We operated a network of 4,449 outlets (Q4 2012: 4,496), 47 fewer than in the previous quarter.

EBITA

Underlying EBITA decreased organically by 16% to € 91.5 million, with an EBITA margin of 2.4%. Assuming the same number of working days, EBITA margin would have been the same as in Q1 2012. The recovery ratio (change in operating expenses/change in gross profit) was 71%, well above the targeted level of at least 50%.

We focus on capturing profitable growth and client profitability, while optimizing our delivery models and costs. Our field steering approach ensures adaptability of the field organization. In addition, we closely monitor the productivity and efficiency of our organization as a whole, including overhead and head-office costs. We will focus on the implementation of our strategic priorities, while completing various cost savings initiatives.

Key financials

in € million, unless otherwise indicated	Q1 2013	Q1 2012	*Y-o-Y Change*
Underlying EBITA	**91.5**	**110.4**	***-17%***
Integration costs	1.7	6.4	
One-offs	1.1	-	
EBITA	**88.7**	**104.0**	
Amortization of intangible assets[1]	40.8	55.4	
Operating profit	**47.9**	**48.6**	***-1%***
Net finance costs	-5.5	-7.4	
Share of profit/(loss) of associates	0.0	0.0	
Income before taxes	**42.4**	**41.2**	***3%***
Taxes on income	-12.7	-12.4	
Net income	**29.7**	**28.8**	***3%***

Amortization of intangible assets

Amortization of acquisition-related intangible assets amounted to € 40.8 million. The year-on-year decrease was mainly due to the fact that some of the brand names, acquired as part of the SFN acquisition, were amortized over 10 months.

Net finance costs

In Q1 2013, net finance costs reached € 5.5 million compared to € 7.4 million in Q1 2012. Net finance costs include the net interest expenses on our net debt position, as well as currency effects and adjustments in the valuation of certain assets and liabilities.

Interest expenses amounted to € 4.5 million compared to € 6.0 million in Q1 2012. Interest costs decreased in line with the decrease in net debt. Foreign currency changes had a positive impact of € 0.1 million compared to a gain of € 0.8 million in Q1 2012. The remaining negative effect of € 1.1 million (Q1 2012: € 2.2 million) was mainly due to adjustments in the valuation of certain assets and liabilities.

Tax

In Q1 2013, the effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs and one-offs amounted to 31% (FY 2012: 32%). Following the implementation of the Tax Credit and Competitive Employment Act ('CICE') in France the recoverability of the French deferred tax assets was reassessed. As CICE is expected to have a negative impact for income tax purposes, it triggered a lower valuation of French deferred tax assets.

[1] Amortization and impairment of acquisition-related intangible assets

Net income, earnings per share

In Q1 2013 diluted EPS decreased from € 0.39 to € 0.33.

Net income and earnings per share

in € million, unless otherwise indicated	Q1 2013	Q1 2012	*change*
Net income	**29.7**	**28.8**	***3%***
Results non-controlling interests	0.0	0.0	
Net income of holders preference shares	2.6	1.8	
Net income of holders ordinary shares	**27.1**	**27.0**	***0%***
Amortization intangible assets[1]	40.8	55.4	
Integration costs	1.7	6.4	
One-offs	1.1	-	
Tax effect on aforementioned items	-14.1	-21.4	
Net income of holders ordinary shares (adj.)	**56.6**	**67.4**	***-16%***
Basic EPS	0.16	0.16	*0%*
Diluted EPS[2]	0.33	0.39	*-15%*

Balance sheet

Operating working capital increased to € 562.8 million sequentially, which is a similar trend as last year. The moving average of Days Sales Outstanding (DSO) was 1.2 days lower than Q1 2012 driven by efforts to make further improvements in our invoicing and collection processes, as well as by changes in the country mix.

Selected balance sheet items

in € million, unless otherwise indicated	Mar. 31, 2013	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011
Operating working capital[3]	**562.8**	**527.6**	**809.0**	**906.3**	**650.3**	**631.6**
Days Sales Outstanding (DSO)	*52.0*	*51.8*	*52.6*	*52.7*	*53.2*	*53.8*
Net debt	**930.6**	**1,095.7**	**1,437.4**	**1,653.7**	**1,212.0**	**1,302.6**
Leverage ratio (net debt/12-month EBITDA)	*1.5*	*1.7*	*2.2*	*2.4*	*1.7*	*1.8*

At the end of Q1 2013, net debt fell to € 930.6 million. This was partly due to the issue of preference shares C based on a capital contribution of € 140 million. The leverage ratio reached 1.5. The documentation of the syndicated credit facility allows a leverage ratio of up to 3.5, while we aim at a maximum leverage ratio of 2. The liability of € 131 million to the Dutch tax authorities will be settled when we complete the tax filing over 2012, most likely towards the end of 2013.

[1] Amortization and impairment of acquisition-related intangible assets
[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 excluding the current part of financial fixed assets minus trade and other payables

Cash flow analysis

in € million, unless otherwise indicated	Q1 2013	Q1 2012	*change*
EBITA	**88.7**	**104.0**	***-15%***
Depreciation and amortization of software	17.4	20.0	
EBITDA	**106.1**	**124.0**	***-14%***
Operating working capital	-33.4	-28.9	
Provisions	-7.8	-11.1	
Other items	-7.6	2.9	
Income taxes paid	-15.9	-17.3	
Net cash flow from operating activities	**41.4**	**69.6**	***-19%***
Net capital expenditures	-2.8	-12.1	
Financial receivables	3.6	0.3	
Free cash flow	**42.2**	**57.8**	***-27%***
Net acquisitions/disposals	3.7	7.6	
Issue of ordinary shares	2.3	0.9	
Issue of preference shares C	140.0	-	
Purchase of ordinary shares	-9.4	-	
Net finance costs paid	-3.1	-6.0	
Translation effects and other	-10.6	30.3	
Net decrease net debt	**165.1**	**90.6**	

Free cash flow amounted to € 42.2 million, down 27% compared to last year. Over the past 6 months, we reinforced our focus on collecting trade receivables. This had already resulted in a strong cash flow towards the end of 2012. We made good progress again in the first quarter of 2013, but the timing of public holidays, especially Easter, slowed cash flow generation towards the end of the quarter. Cash flow from provisions mainly relates to the restructuring programs which were initiated in 2012. Other items include an amount which is caused by the implementation of the Tax Credit and Competitive Employment Act ('CICE') in France. Based on this law and our tax structure we will receive the tax credits after three years.

Net capital expenditures (which relate to office refurbishments and investments in IT equipment and software) were at a low level. This is a result of branch closures across the Group.

In January 2013, we issued preference shares C based on a capital contribution of € 140 million. The issue of ordinary shares of € 2.3 million relates to the exercise of stock options in the course of Q1 2013. We also initiated the purchase of ordinary shares. The aim is to offset the dilutive effect of the issue of ordinary shares from performance share plans for senior management. As announced on February 21, 2013, we purchased 295,560 ordinary shares at an average price of € 31.79.

Translation and other effects of € 10.6 million are mainly due to both currency effects on the valuation of drawings under the syndicated credit facility, which are denominated in currencies other than the Euro, and the Japanese syndicated credit facility.

Performance by geography - underlying

In this section, we discuss the underlying performance by country.

North America in € million	**Q1 2013**	Q1 2012	*change*[1]
Revenue	900.2	957.3	*-3%*
EBITA	27.3	22.8	*21%*
EBITA margin	3.0%	2.4%	

Revenue per working day was 3% below last year (Q4 2012: 0%). The first quarter had 1 working day less than last year. Revenue was 5% down in January 2013, while it was -/-3% in March. Our focus is on profitability. The gross margin continued to increase due to strong discipline, greater efficiencies in managing worker's compensation, an improved business mix and our focus on client profitability. Overall perm fees grew by 4% (Q4 2012: -/-5%). As a result, gross profit was at the same level as last year despite the decline in revenue and fewer working days.

Revenue of our combined US Staffing and Inhouse businesses fell by 4% (Q4 2012: -/-1%). Whereas the administrative segment and permanent placements continued to show good performance, we terminated some contracts in line with a stronger focus on client profitability and safety. Overall gross profit grew by 6% (adjusted for working days) which reflects our focus on profitability.

Our US Professionals businesses contracted by 5% per working day (Q4 2012: 2%). Growth continued in Pharma and Engineering. Revenue in IT and Finance was under pressure, mainly due to lower demand in the Banking and Finance segments. Perm fees returned to growth in March after a soft start of the year.

In Canada, revenue grew by 3% per working day (Q4 2012: 3%). Growth was led by Staffing, whereas revenue in Professionals was at the same level as last year. Good growth in Engineering and Finance was offset by lower demand in IT.

We remained focused on costs, and on realizing synergies. EBITA margin for the region reached 3.0%.

Integration SFN and synergies

Having completed the operational part of the integration, we are now focusing on IT migration. We will integrate all back-office IT systems in the US into one back-office IT system. In addition, we will implement one front-office system for all Professionals businesses. This will include the migration of most legacy Randstad Professionals front-office systems. We expect to have largely completed the IT integration for Technologies and Finance by the end of the year.

In Q1 2013, we incurred integration costs of € 1.7 million. Pre-tax cost synergies were € 8.8 million in Q1, 2013. Since the start of the integration process, we have realized synergies of around € 38 million and we incurred integration costs of around € 39 million. We aim to achieve synergies of at least $50 million (approx. € 40 million). Integration costs are expected to be in line with synergies. In addition to the pre-tax cost synergies, we have already realized tax synergies of $10 million.

[1] Organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications. Revenue growth is adjusted for the impact of working days.

France in € million	**Q1 2013**	Q1 2012	*change*[1]
Revenue	637.0	741.6	*-12%*
EBITA	10.7	14.6	*-27%*
EBITA margin	1.7%	2.0%	

Revenue per working day fell by 12% (Q4 2012: -/-14%), while it was -/- 11% in March 2013. The first quarter had 1.5 fewer working days. The slowdown was visible across all segments. Revenue of Inhouse Services grew by 8% following a number of client wins and continued transfers from Staffing (Q4 2012: -/-2%). Staffing was 14% below last year (Q4 2012: -/-15%). Our Professionals business contracted by 15% (Q4 2012: -/-17%). Our Healthcare business suffered from lower demand in hospitals. The rate of decline in IT and Engineering was similar to previous quarters, while Finance was slightly weaker than previous quarters. Perm fees were 16% below last year, mainly affected by weak demand in Professionals. The French gross margin increased by 80 bps, which is mainly a result of the implementation of the Tax Credit and Competitive Employment Act ('CICE') in France. This law aims at lowering the costs of employment for people earning a salary up to 2.5x the minimum wage. Tax credits become available, but in return they must be allocated to training, innovation, and other initiatives to advance the development of employees. Based on this new law and our tax structure, we anticipate that we will receive the tax credits in three years. We continued to adjust our organization based on our field steering model by making use of natural attrition of our staff. As a result, the number of FTEs was 8% lower than last year. We made good progress in our discussions with the social partners aimed at reaching agreement on a new organizational structure. This will be focused on five regions, each integrating the existing industry segments, and combining 275 branches in larger cities into 65 larger offices. The plan also involves a reduction of 163 management positions. We expect to complete these discussions with the social partners within a few months. The French EBITA margin reached 1.7% and reflects the impact of fewer working days.

Netherlands in € million	**Q1 2013**	Q1 2012	*change*[1]
Revenue	660.4	688.2	*-1%*
EBITA	31.0	39.1	*-21%*
EBITA margin	4.7%	5.7%	

Revenue per working day fell by 1% (Q4 2012: -/- 3%) in line with the Dutch staffing market. The rate of decline was stable throughout the quarter. The first quarter had two fewer working days. Randstad the Netherlands grew by 3% and benefited from good performance in Inhouse and Payrolling. Revenue at Tempo-Team contracted, due to focus on client profitability combined with lower demand in Professionals and certain specialty businesses. The combined Dutch Inhouse businesses grew by 22% (Q4 2012: 17%), which reflects our focus on client profitability and ensuring use of the right delivery models. Yacht's revenue declined by 13% (Q4 2012: -/- 13%). Although volumes remained fairly stable and utilization was under control, hours per week and bill rates were lower. Yacht achieved good productivity improvements. Despite fewer working days, it maintained its profitability level. The Dutch gross margin was impacted by some unfavorable effects from higher social security charges, as well as mix effects, such as high growth in Payrolling and Inhouse. The Dutch market remains highly competitive. Underlying operating expenses were 8% lower than in Q4 2012, partly driven by lower marketing costs. We adjusted the field organization based on our field steering model and the effects from the restructuring programs in Tempo-Team and Yacht became visible. As a result, the number of FTEs was 4% lower than in Q4 2012. Pressure on gross margin was partly offset by good productivity

[1] Organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications. Revenue growth is adjusted for the impact of working days.

improvements, and the Dutch EBITA margin reached 4.7%. Last year's cost base included a book profit of € 2.0 million related to the sale of Smart Group.

Germany in € million	**Q1 2013**	Q1 2012	*change*[1]
Revenue	422.4	461.9	*-4%*
EBITA	13.3	20.9	*-36%*
EBITA margin	3.1%	4.5%	

German revenue per working day fell by 4% (Q4 2012: -/-9%), based on a gradually improving trend throughout the quarter. In March, revenue per working day fell by 1%. The first quarter had almost three fewer working days. The decline in volumes is mitigated by a positive price effect of around 6%. This is due to the implementation of equal pay and the wage increases in our Collective Labor Agreement (CLA), which occurred as of November 2012. So far, the implementation of equal pay in Germany (as of November 1, 2012) is in line with expectations; it has not yet resulted in significant changes in orders from clients, and the trend in our volumes follows a normal seasonal pattern. Inhouse Services grew by 5% (Q4 2012: -/-3%), while Staffing revenue fell by 8% (Q4 2012: -/-15%). This is partly due to our focus on implementing the right delivery models. Professionals revenue was flat (Q4 2012: +3%). IT grew by 5% after a slow start of the year. Engineering remained under pressure, and we adjusted the organization to achieve greater efficiencies. As a result, underlying operating expenses were adjusted for restructuring costs of € 1.1 million. Gross margin pressure in our Staffing and Inhouse businesses persists, which is due to the implementation of equal pay, higher sickness rates (reaching a peak in February) and fewer working days. We continued to focus on costs. The number of FTEs was 4% below the level of Q4 2012 and we achieved good productivity improvements. The underlying German EBITA margin reached 3.1%, impacted by fewer working days.

Belgium & Luxembourg in € million	**Q1 2013**	Q1 2012	*change*[1]
Revenue	283.3	320.7	*-9%*
EBITA	8.8	13.2	*-33%*
EBITA margin	3.1%	4.1%	

Revenue per working day was 9% lower than last year (Q4 2012: -/-8%). Revenue per working day was fairly stable throughout the quarter. The first quarter had 1.9 fewer working days. Revenue in Inhouse Services was 21% lower than last year (Q4 2012: -/-5%), while Staffing contracted by 6% (Q4 2012: -/-9%). Both segments were impacted by a slowdown in demand in the industrial segments. Professionals contracted by 2% (Q4 2012: -/-3%). Revenue from non-staffing services, such as service checks and HR Solutions, was at the same level as last year. The gross margin was stable compared to the previous year. We continued to focus on costs. Whereas the number of FTEs decreased by 5% sequentially, costs decreased by only 3% reflecting the impact of wage inflation. As a result, the EBITA margin was 3.1%.

[1] Organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications. Revenue growth is adjusted for the impact of working days.

United Kingdom in € million	**Q1 2013**	Q1 2012	*change*[1]
Revenue	180.2	198.0	*-1%*
EBITA	2.6	0.8	*225%*
EBITA margin	1.4%	0.4%	

Revenue per working day was 1% lower than last year (Q4 2012: -/- 7%), and the rate of decline eased gradually throughout the quarter. We had 2.4 fewer working days than in Q1 2012. Professionals grew by 14% (Q4 2012: 10%). Growth was led by IT, Education, Finance, and managed services & RPO, predominantly through temporary staffing. Education showed strong performance and grew by 11%, while Randstad Care continued to strengthen. The combined Staffing and Inhouse businesses contracted by 26% (Q4 2012: -/- 26%), mainly due to stronger focus on client profitability in Inhouse. Perm fees were 9% lower than in the same period last year (Q4 2012: -/-16%). Randstad Sourceright achieved good growth in managed services thanks to a number of client wins. Good cost control was maintained, and in line with the trends in our business, we reduced our staff by 8% compared to the previous quarter. We have made good progress in integrating our back-office organization.

Iberia in € million	**Q1 2013**	Q1 2012	*change*[1]
Revenue	176.4	192.1	*-4%*
EBITA	3.5	2.9	*21%*
EBITA margin	2.0%	1.5%	

Despite the challenging economic environment in this region, the rate of decline in revenue eased. Revenue per working day was 4% below Q1 2012 (Q4 2012: -/- 13%), while it ended the quarter 3% above March 2012. The competitive environment across Iberia remained challenging. Revenue in Spain was down 1% (Q4 2012: -/- 12%), mainly driven by increasing demand in manufacturing. Revenue grew by 4% in March, partly supported by good performance in hospitality. In Portugal, revenue contracted by 8% (Q4 2012: -/- 14%), while it was up 1% in March. We achieved good performance in our call-center business. Demand from the manufacturing and automotive segments remained low, but strengthened throughout the quarter. Good cost control was maintained in both countries, most notably in Portugal following the integration of Randstad and Tempo-Team.

Other European countries in € million	**Q1 2013**	Q1 2012	*change*[1]
Revenue	214.7	210.4	*5%*
EBITA	3.5	2.7	*32%*
EBITA margin	1.6%	1.3%	

Across other European countries, revenue per working day grew by 5% (Q4 2012: -/-1%). In Italy, revenue declined by 3% (Q4 2012: -/- 8%), while the rate of decline eased gradually throughout the quarter. The competitive environment remained challenging. Revenue at our Swiss business grew by 15% (Q4 2012: 8%), led by strong performance in Staffing. In Poland, revenue grew by 9% driven by strong performance in Staffing, Inhouse and permanent placements. In the Nordics, revenue grew by 18% (Q4 2012: 12%). Growth was led by solid performance in Sweden and Norway. Our revenue in the Czech Republic grew by 15%. Revenue in Hungary and Greece was under

[1] Organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications. Revenue growth is adjusted for the impact of working days.

pressure. Turkey maintained its solid performance, especially in permanent placements. The EBITA margin for the region reached 1.6%.

Rest of the world in € million	**Q1 2013**	Q1 2012	*change*[1]
Revenue	357.5	382.2	*6%*
EBITA	2.6	6.2	*-53%*
EBITA margin	0.7%	1.6%	

In Japan, revenue grew by 6% (Q4 2012: 6%). Growth continued across all segments, especially logistics and retail. Outplacement had another strong quarter. As we achieved strong operating leverage, our profitability further improved. Revenue in Australia and New Zealand was 11% below last year (Q4 2012: -/-11%), but the region exited the quarter just 3% below March 2012. Good performance in Staffing was offset by continued weak demand in Professionals and permanent placements in particular. China grew by 26% based on strong performance in temporary staffing and Payrolling, while growth in permanent placements continued at a mid-single-digit rate. Growth in India was maintained at 10%. In Latin America, our Argentinean business further expanded while maintaining a strong focus on profitability. Our Brazilian business continued to grow rapidly. Our business in Mexico strengthened after a soft second half of 2012. Chile, which is mainly focused on permanent placements and Professionals, achieved solid growth in gross profit. The EBITA for the region reflects continued strong performance in Japan, offset by ongoing investments in Asia and Latin America, and challenging conditions in Australia.

[1] Organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications. Revenue growth is adjusted for the impact of working days.

Performance by revenue category - underlying

In this section, we discuss the underlying performance by revenue category.

Staffing (incl. HR Solutions) in € million	**Q1 2013**	Q1 2012	*change[1]*
Revenue	2,333.5	2,563.0	*-5%*
EBITA	48.0	68.7	*-30%*
EBITA margin	2.1%	2.7%	

Revenue per working day fell by 5% (Q4 2012: -/- 9%). In North America, Staffing revenue fell by 4% (Q4 2012: +6%) as we terminated some contracts in line with our stronger focus on profitability. In the Rest of the World region, revenue grew by 7% (Q4 2012: 6%). In Europe, Staffing revenue was down by 7% (Q4 2012: -/- 11%) reflecting the easing rate of decline. French and German Staffing revenue fell by 14% and 8% resp. (Q4 2012: -/- 15% and -/-15% resp.). Dutch Staffing revenue fell by 4% (Q4 2012: -/-5%), while in Belgium Staffing revenue contracted by 6% (Q4 2012: -/-10%). In the UK, revenue was around the same level as last year, mainly due to strong performance in managed services. The underlying EBITA margin reached 2.1% compared to 2.7% in Q1 2012. This reflects fewer working days and gross margin pressure across our European Staffing businesses offset by gross margin enhancements in North America and strong profitable growth in HR Solutions.

Inhouse in € million	**Q1 2013**	Q1 2012	*change[1]*
Revenue	692.5	707.3	*3%*
EBITA	25.4	24.1	*9%*
EBITA margin	3.7%	3.4%	

Inhouse Services, mainly focused on industrial and logistical clients, grew by 3% (Q4 2012: 2%). Revenue in North America was flat compared to last year (Q4 2012: 2%). In Europe, growth was led by the Netherlands (22%), Iberia (14%) and France (8%), as we transferred business from Staffing to Inhouse. Our German Inhouse business grew by 5% (Q4 2012: -/- 3%). In the UK we are focusing on client profitability, and revenue was 42% below last year. The EBITA margin reached 3.7%, compared to 3.4% in Q1 2012.

Professionals in € million	**Q1 2013**	Q1 2012	*change[1]*
Revenue	806.0	882.1	*-4%*
EBITA	29.9	30.4	*-1%*
EBITA margin	3.7%	3.4%	

Professionals contracted by 4% (Q4 2012: -/-4%). Perm fees declined by 6% (Q4 2012: -/-15%). Revenue in North America contracted by 4% (Q4 2012: +2%), mainly as a result of lower demand in the banking and finance segment. Despite the revenue decline in North America and assuming the same number of working days, gross profit was just below last year. Our French business contracted by 15% (Q4 2012: -/-17%), mainly impacted by lower demand in our healthcare business. Revenue at our Dutch Professionals businesses contracted by 19% (Q4 2012: -/-21%). In the UK, revenue grew by 14% (Q4 2012: 8%), led by good performance in Education and Finance. Australian revenue contracted by 15% (Q4 2012: -/-15%), mainly due to low demand in permanent placements. The EBITA margin reached 3.7%, compared to 3.4% in Q1 2012.

[1] Organic change is measured excluding the impact of currencies, acquisitions, disposals and reclassifications. Revenue growth is adjusted for the impact of working days.

Other information

Outlook

Revenue per working day was down 3% in March. The first weeks of April showed a continuation of the gradual improvement witnessed in the first quarter. Last year, growth per working day was flat in the first half year.
The trend in revenue is in part offset by price/mix changes in gross profit, which requires to put more focus on client profitability and ensuring that we have the right delivery models in place to create higher value. Our strategic focus is also on better execution through our field steering model. This ensures adaptability of the organization and it enables growth in Professionals, permanent placements and our share in the SME segment in our markets. Cost control remains important, although we expect a limited cost increase in Q2 2013 related to higher marketing investments. Based on the strong efficiency improvements achieved over the last quarters we are well positioned for 2013.

M&A

On April 4, 2013, we announced our intention to acquire the staffing activities of USG People in Spain, Italy, Switzerland, Austria, Poland, and Luxembourg. The revenue of the combined activities is € 434 million (FY 2012). This transaction is subject to customary closing conditions, including obtaining approval from the European Commission. We are confident that we will close this transaction mid 2013.

Performance share plans and performance options

In February 2013, we issued 295,560 ordinary shares following the allocation of the performance share plans for senior management. These shares were repurchased in February to offset the dilutive effect. At the end of Q1, 2013, we had 284,463 as treasury shares. In addition, various performance options were exercised in the first quarter, which resulted in the issue of around 229,100 ordinary shares.

Dividend

On April 22, 2013, we announced the conversion rate for the stock dividend of 23.03. As 61.1% of our shareholders had elected stock dividend, we issued 4,572,049 ordinary shares. The other shareholders (38.9%) received a cash dividend. The total cash dividend on ordinary shares amounted to € 83.8 million. The payment of cash dividend and delivery of shares occurred on April 24, 2013.

Refinancing process

As part of our refinancing process we are in the process of securing additional bilateral credit facilities of € 175 million. These facilities will remain available until the end of 2014. This completes the final step of our refinancing process, which we started in 2012. On April 26, 2013 we will activate the forward-start syndicated credit facility.

Working days *(indicative)*	Q1	Q2	Q3	Q4
2013	62.3	62.1	65.0	63.4
2012	64.1	61.7	64.0	63.5
2011	63.4	62.3	64.8	63.3

Financial calendar

Publication second quarter and half-year results	July 25, 2013
Publication third quarter results	October 31, 2013
Analyst & Investor Day	November 27, 2013
Publication fourth quarter and annual results	February 20, 2014

Analyst conference call

Today, at 10.00 CET Randstad Holding nv will host an analyst 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: 10449465. The link is: http://www.ir.randstad.com/presentations.cfm. A replay of the presentation and the Q&A will also be available on our website by the end of the day.

Disclaimer

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

Randstad profile

Randstad specializes in solutions in the field of flexible work and human resources services. Our services range from regular temporary staffing and permanent placements to inhouse, professionals, search & selection, and HR Solutions. The Randstad Group is one of the leading HR services providers in the world with top three positions in Argentina, Belgium & Luxembourg, Canada, Chile, France, Germany, Greece, India, Mexico, the Netherlands, Poland, Portugal, Spain, Switzerland, the UK, and the United States as well as major positions in Australia and Japan. In 2012, Randstad had approximately 29,300 corporate employees and around 4,500 branches and inhouse locations in 39 countries around the world. Randstad generated a revenue of € 17.1 billion in 2012. 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

Disclaimer:
The results as presented in the interim financial statements on pages 16 to 27 are unaudited.

UNDERLYING[1] PERFORMANCE

Consolidated income statement

in € million, unless otherwise indicated	Q1 2013	Q1 2012	*change*
Revenue	**3,832.0**	**4,152.4**	***-8%***
Cost of services	3,148.4	3,404.2	
Gross profit	**683.6**	**748.2**	***-9%***
Selling expenses	401.4	438.5	
General and administrative expenses	190.7	199.3	
Operating expenses	**592.1**	**637.8**	***-7%***
EBITA	**91.5**	**110.4**	***-17%***
Margins (in % of revenue)			
Gross margin	17.8%	18.0%	
Operating expenses margin	15.5%	15.4%	
EBITA margin	2.4%	2.7%	

[1] Operating expenses and EBITA adjusted for integration costs and one-offs

UNDERLYING PERFORMANCE

Information by geographical area

in € million, unless otherwise indicated	Q1 2013	Q1 2012	change	organic growth[1]	EBITA margin '13	EBITA margin '12
Revenue						
North America	900.2	957.3	-6%	-3%		
France	637.0	741.6	-14%	-12%		
Netherlands	660.4	688.2	-4%	-1%		
Germany	422.4	461.9	-9%	-4%		
Belgium & Luxembourg	283.3	320.7	-12%	-9%		
United Kingdom	180.2	198.0	-9%	-1%		
Iberia	176.4	192.1	-8%	-4%		
Other European countries	214.7	210.4	2%	5%		
Rest of the world	357.4	382.2	-6%	6%		
Total revenue	**3,832.0**	**4,152.4**	**-8%**	**-4%**		
EBITA [2]						
North America	27.3	22.8	20%	21%	3.0%	2.4%
France	10.7	14.6	-27%	-27%	1.7%	2.0%
Netherlands	31.0	39.1	-21%	-21%	4.7%	5.7%
Germany	13.3	20.9	-36%	-36%	3.1%	4.5%
Belgium & Luxembourg	8.8	13.2	-33%	-33%	3.1%	4.1%
United Kingdom	2.6	0.8	225%	225%	1.4%	0.4%
Iberia	3.5	2.9	21%	21%	2.0%	1.5%
Other European countries	3.5	2.7	30%	32%	1.6%	1.3%
Rest of the world	2.6	6.2	-58%	-53%	0.7%	1.6%
Corporate	-11.8	-12.8				
EBITA before integration costs and one-offs	**91.5**	**110.4**	**-17%**	**-16%**	**2.4%**	**2.7%**
Integration costs	*-1.7*	*-6.4*				
One-offs	*-1.1*	*-*				
Total EBITA	***88.7***	***104.0***				

[1] organic change is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications. For revenue the organic change is adjusted for the number of working days

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

UNDERLYING PERFORMANCE

Information by revenue category

in € million, unless otherwise indicated	Q1 2013	Q1 2012	change	organic growth[1]	EBITA margin '13	EBITA margin '12
Revenue						
Staffing	2,333.5	2,563.0	-9%	-5%		
Inhouse services	692.5	707.3	-2%	3%		
Professionals	806.0	882.1	-9%	-4%		
Total revenue	**3,832.0**	**4,152.4**	**-8%**	**-4%**		
EBITA[2]						
Staffing	48.0	68.7	-30%	-30%	2.1%	2.7%
Inhouse services	25.4	24.1	5%	9%	3.7%	3.4%
Professionals	29.9	30.4	-2%	-1%	3.7%	3.4%
Corporate	-11.8	-12.8				
EBITA before integration costs and one-offs	**91.5**	**110.4**	**-17%**	**-16%**	**2.4%**	**2.7%**
Integration costs	*-1.7*	*-6.4*				
One-offs	*-1.1*	*-*				
Total EBITA	***88.7***	***104.0***				

[1] organic change is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications. For revenue the organic change is adjusted for the number of working days
[2] EBITA by revenue category: 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	Q1 2013	Q1 2012
Revenue	**3,832.0**	**4,152.4**
Cost of services	3,148.4	3,404.2
Gross profit	**683.6**	**748.2**
Selling expenses	402.6	441.6
General and administrative expenses	192.3	202.6
Operating expenses	**594.9**	**644.2**
Amortization and impairment acquisition-related intangible assets and goodwill	40.8	55.4
Total operating expenses	**635.7**	**699.6**
Operating profit	**47.9**	**48.6**
Net finance costs	-5.5	-7.4
Share of profit of associates	0.0	0.0
Income before taxes	**42.4**	**41.2**
Taxes on income	-12.7	-12.4
Net income	**29.7**	**28.8**
Net income attributable to:		
Holders of ordinary shares Randstad Holding nv	27.1	27.0
Holders of preferred shares Randstad Holding nv	2.6	1.8
Equity holders	**29.7**	**28.8**
Non-controlling interests	0.0	0.0
Net income	**29.7**	**28.8**
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):		
- Basic earnings per share	0.16	0.16
- Diluted earnings per share	0.16	0.16
- Diluted earnings per share before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs	0.33	0.39

Information by geographical area

in € million, unless otherwise indicated	**Q1 2013**	Q1 2012
Revenue		
North America	900.2	957.3
France	637.0	741.6
Netherlands	660.4	688.2
Germany	422.4	461.9
Belgium & Luxembourg	283.3	320.7
United Kingdom	180.2	198.0
Iberia	176.4	192.1
Other European countries	214.7	210.4
Rest of the world	357.4	382.2
Total revenue	**3,832.0**	**4,152.4**
EBITA [1]		
North America	27.3	22.8
France	10.7	14.6
Netherlands	31.0	39.1
Germany	12.2	20.9
Belgium & Luxembourg	8.8	13.2
United Kingdom	2.6	0.8
Iberia	3.5	2.9
Other European countries	3.5	2.7
Rest of the world	2.6	6.2
Corporate	-11.8	-12.8
	90.4	**110.4**
Integration costs	-1.7	-6.4
Total EBITA	**88.7**	**104.0**

[1] EBITA by geographical area: operating profit before amortization and impairment acquisition-related intangible assets and goodwill and integration costs

Information by revenue category

in € million, unless otherwise indicated	Q1 2013	Q1 2012
Revenue		
Staffing	2,333.5	2,563.0
Inhouse services	692.5	707.3
Professionals	806.0	882.1
Total revenue	**3,832.0**	**4,152.4**
EBITA[1]		
Staffing	48.0	68.7
Inhouse services	25.4	24.1
Professionals	28.8	30.4
Corporate	-11.8	-12.8
EBITA before integration cost	**90.4**	**110.4**
Integration costs	-1.7	-6.4
Total EBITA	**88.7**	**104.0**

[1] EBITA by revenue category: operating profit before amortization and impairment acquisition-related intangible assets and goodwill and integration costs

Consolidated balance sheet

in € million, unless otherwise indicated	March 31, 2013	December 31, 2012	March 31, 2012
ASSETS			
Property, plant and equipment	144.2	155.3	170.3
Intangible assets	2,907.7	2,942.5	3,202.0
Deferred income tax assets	527.0	504.7	489.3
Financial assets and associates	92.6	80.7	80.5
Non-current assets	**3,671.5**	**3,683.2**	**3,942.1**
Trade and other receivables	2,855.3	2,872.5	2,943.6
Income tax receivables	52.4	49.9	50.7
Cash and cash equivalents	148.7	191.5	355.0
Current assets	**3,056.4**	**3,113.9**	**3,349.3**
TOTAL ASSETS	**6,727.9**	**6,797.1**	**7,291.4**
EQUITY AND LIABILITIES			
Issued capital	24.8	19.7	19.7
Share premium	2,247.8	2,096.4	2,096.4
Reserves	410.1	608.8	580.1
Shareholders' equity	**2,682.7**	**2,724.9**	**2,696.2**
Non-controlling interests	0.1	0.1	0.6
Total Equity	**2,682.8**	**2,725.0**	**2,696.8**
Borrowings	66.0	-	1,527.7
Deferred income tax liabilities	43,4	44.3	200.8
Provisions and employee benefit obligations	75.1	64.6	80.9
Other liabilities	14.7	14.9	20.3
Non-current liabilities	**199.2**	**123.8**	**1,829.7**
Borrowings	112.9	82.5	39.3
Short-term part non-current borrowings	900.4	1,204.7	-
Trade and other payables	2,290.6	2,343.0	2,291.4
Income tax liabilities	176.5	170.5	66.5
Dividend payable	222.2	-	222.2
Provisions and employee benefit obligations	135.5	139.7	90.7
Other liabilities	7.8	7.9	54.8
Current liabilities	**3,845.9**	**3,948.3**	**2,764.9**
Liabilities	**4,045.1**	**4,072.1**	**4,594.6**
TOTAL EQUITY AND LIABILITIES	**6,727.9**	**6,797.1**	**7,291.4**

Consolidated statement of cash flows

in € million, unless otherwise indicated	Q1 2013	Q1 2012
Operating profit	**47.9**	**48.6**
Depreciation and impairment property, plant and equipment	12.1	13.6
Amortization and impairment software	5.3	6.4
Amortization and impairment acquisition-related intangible assets	40.8	55.4
Gain on disposal of activities	-	-3.8
Share-based payments	7.3	6.5
Provisions and employee benefit obligations	-7.8	-11.1
(Gain) / loss on disposals of property, plant and equipment	-0.3	0.2
Other non-cash items	-14.6	-
Cash flow from operations before operating working capital and income taxes	**90.7**	**115.8**
Trade and other receivables	24.3	135.3
Trade and other payables	-57.7	-164.2
Operating working capital	**-33.4**	**-28.9**
Income taxes paid	-15.9	-17.3
Net cash flow from operating activities	**41.4**	**69.6**
Additions in property, plant and equipment	-5.1	-8.8
Additions in software	-1.7	-3.9
Acquisition of subsidiaries and associates/buyouts	-	-1.1
Financial receivables	3.6	0.3
Disposals of property, plant and equipment	4.0	0.6
Disposal of activities	3.7	8.7
Net cash flow from investing activities	**4.5**	**-4.2**
Issue of ordinary shares	2.3	0.9
Issue of preferred shares	140.0	-
Purchase of own shares	-9.4	-
Net repayments of non-current borrowings	-247.1	-43.7
Net financing	**-114.2**	**-42.8**
Net finance costs paid	-3.1	-6.0
Net reimbursements to financiers	**-3.1**	**-6.0**
Net cash flow from financing activities	**-117.3**	**-48.8**
Net (decrease) / increase in cash, cash equivalents and current borrowings	**-71.4**	**16.6**
Cash, cash equivalents and current borrowings, at begin of period	**109.0**	**300.1**
Net movement	-71.4	16.6
Translation losses	-1.8	-1.0
Cash, cash equivalents and current borrowings, at end of period	**35.8**	**315.7**
Free cash flow	**42.2**	**57.8**

Consolidated statement of comprehensive income – three-month period

In € million, unless otherwise indicated	January 1 – March 31, 2013 Shareholders' equity	January 1 – March 31, 2013 Non-controlling interests	January 1 – March 31, 2013 Total	January 1 – March 31, 2012 Shareholders' equity	January 1 – March 31, 2012 Non-controlling interest	January 1 – March 31, 2012 Total
Net income for the period	29.7	0.0	29.7	28.8	0.0	28.8
Translation differences	19.1	0.0	19.1	-19.0	-0.0	-19.0
Total comprehensive income	**48.8**	**0.0**	**48.8**	**9.8**	**0.0**	**9.8**

Consolidated statement of changes in equity – three-month period

In € million, unless otherwise indicated	January 1 – March 31, 2013 Shareholders' equity	January 1 – March 31, 2013 Non-controlling interests	January 1 – March 31, 2013 Total equity	January 1 – March 31, 2012 Shareholders' equity	January 1 – March 31, 2012 Non-controlling interest	January 1 – March 31, 2012 Total equity
Value at January 1	**2,724.9**	**0.1**	**2,725.0**	**2,898.4**	**0.6**	**2,899.0**
Amendments IAS 19	-11.6	0.0	-11.6	-	-	-
Tax effect amendments IAS 19	3.9	0.0	3.9	-	-	-
Restated value at January 1	**2,717.2**	**0.1**	**2,717.3**	**2,898.4**	**0.6**	**2,899.0**
Comprehensive income						
Net income for the period	29.7	0.0	29.7	28.8	0.0	28.8
Translation differences	19.1	0.0	19.1	-19.0	-0.0	-19.0
Total comprehensive income	**48.8**	**0.0**	**48.8**	**9.8**	**0.0**	**9.8**
Dividend on ordinary shares	-215.4	-	-215.4	-215.1	-	-215.1
Dividend on preferred shares	-6.8	-	-6.8	-7.1	-	-7.1
Share-based payments	7.3	-	7.3	6.5	-	6.5
Tax on share-based payments	-1.1	-	-1.1	2.8	-	2.8
Issue of ordinary shares	2.3	-	2.3	0.9	-	0.9
Issue of preferred shares	139.8	-	139.8	-	-	-
Purchase of own shares	-9.4	-	-9.4	-	-	-
Value at March 31	**2,682.7**	**0.1**	**2,682.8**	**2,696.2**	**0.6**	**2,696.8**

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-month period ended March 31, 2013 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, 2012, except for the amendments to the IFRS-standard 'IAS 19 employee benefits, as disclosed in note 28.4 of the aforementioned consolidated financial statements. Refer to the section 'Amendments adopted by the Group: IAS 19 'employee benefits' of these notes.

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, 2012.
The consolidated financial statements of the Group as at and for the year ended December 31, 2012 are available upon request at the Company's office or at www.ir.randstad.com.

Amendments adopted by the Group: IAS 19 'employee benefits'

The Group applies, for the first time, the revised IAS 19 'employee benefits' as of January 1, 2013. IFRS requires restatement of the comparative numbers and disclosure of the nature and the effect of the changes. Because of the minor impact on the consolidated income statement and balance sheet, the Group has decided not to present this restatement on the face of the primary statements, but to disclose the effects in these notes.
The comparison between the reported figures and the restated figures for Q1, 2012 is as follows:

In € million	**Restated Q1 2012**	Reported Q1 2012
Gross profit	748.2	748.2
Total operating expenses	699.7	699.6
Operating profit	**48.5**	**48.6**
Net finance costs	-6.8	-7.4
Income before taxes	**41.7**	**41.2**
Taxes on income	-12.6	-12.4
Net income	**29.1**	**28.8**

Other comprehensive income for Q1, 2012 in the amount of € 19 million negative, would have shown € 17.9 million negative after restatement for the amendment.

The negative impact on shareholders' equity as per January 1, 2012 amounts to € 3.9 million, restating shareholders' equity from the reported € 569.5 million to an amount of € 565.6 million.

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, 2012.

Seasonality

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

Effective tax rate

The effective tax rate in Q1 2013 of 30% is based upon the estimated effective tax rate for the whole year 2013 (Q1 2012: 30%).

Disposal of Group companies

The total cash in for disposals in Q1 2013 amounts to € 3.7 million (Q1 2012 only: € 8.7 million), which is mainly related to cash inflow from disposed businesses in the UK in Q4 2012.

Shareholders' equity

Issued number of ordinary shares	Q1 2013	Q1 2012
January 1	172,072,912	170,948,980
Share based payments arrangements	524,667	1,123,932
March 31	**172,597,579**	**172,072,912**

Average number of ordinary shares (in millions)	Q1 2013	Q1 2012
Avg. number of ordinary shares outstanding	172.2	171.5
Avg. number of diluted ordinary shares outstanding	173.3	172.1

The Group holds 284,463 treasury shares as of March 31, 2013, acquired during Q1, 2013. The average number of (diluted) ordinary shares outstanding, has been adjusted for these treasury shares.

Issued number of preferred shares

The issued number of preferred shares as per March 31, 2013 is 25.200.000 type-B preferred shares and 50,130,352 type-C preferred shares; the latter type-C has been issued during Q1, 2013, leading to a net increase in equity of € 139.8 million, being the balance of € 140 million from issuance of these preferred shares less directly attributable costs of € 0.2 million.

Net debt position

The net debt position as of March 31, 2013 (€ 930.6 million) is € 165.1 million lower compared to December 31, 2012 (€ 1,095.7 million), which is mainly influenced by a positive net cash flow from operating activities and the issuance of preferred shares. The drawings on the current syndicated loan facility are classified under current liabilities as short-term part non-current borrowings, since these borrowings will mature in May 2013. We arranged a new syndicated revolving credit facility of € 1,420 million with a forward start structure in Q2, 2013 and maturity in 2016 (€ 300 million) and 2017 (1,120 million). An additional syndicated credit-facility with a group of Japanese banks amounting to JPY 8 billion has been drawn in full during Q1, 2013, leading to an inflow of € 65.6 million; this facility will mature in 2015. Financial covenants are comparable to the existing facility.
Movements on the current syndicated facility are presented as movements on non-current borrowings in the cash flow statement.

On February 13, 2013, Randstad has launched standby facilities with a small group of banks. The facilities offer the Group the opportunity to sell accounts receivable of selected European entities with a maximum of € 275 million. Randstad is entitled to activate these facilities, which run up to 24 months, at any time.

Breakdown operating expenses

In € million	Q1 2013	Q1 2012
Personnel expenses	442.9	470.9
Other operating expenses	152.0	173.3
Operating expenses	**594.9**	**644.2**

Depreciation, amortization and impairment of property, plant, equipment and software

In € million	Q1 2013	Q1 2012
Depreciation and impairment property, plant and equipment	12.1	13.6
Amortization and impairment software	5.3	6.4
Total	**17.4**	**20.0**

French Competitive Employment Act ('CICE')

Included in the consolidated balance sheet under 'financial assets and associates' is an amount of € 14.6 million in respect of a receivable arising from tax credits under the new French Competitive Employment Act ('CICE'). This receivable is presented under non-current assets in the balance sheet, since the amount is expected to have a maturity of longer than 1 year, due to the combined effect of the legal regulations of these 'CICE' arrangements and the income tax situation of our French operations. In the cash flow statement this amount is presented in the line 'other non-cash items' under cash flow from operating activities, since the 'CICE' arrangements are considered to be related to the operating activities.

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 43 of the consolidated financial statements as at and for the year ended December 31, 2012.

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, 2012.

Events after balance sheet date

On April 4, 2013, the Group announced to acquire part of the European staffing activities of USG People in Spain, Italy, Poland, Switzerland, Luxembourg and Austria for an amount of € 20 million. The acquisition is expected to add revenue of € 434 million on a full-year basis. The transaction is subject to customary closing conditions including regulatory approvals, for example from the European Commission. The transaction has been approved by the Boards of both companies. The Group expects to close the transaction by mid-2013. The Group will finance the transaction by using its existing credit facilities.

The dividend payable on ordinary shares in the consolidated balance sheet as of March 31, 2013 in the amount of € 215.4 million, is determined based upon a cash dividend of € 1,25 per ordinary share.
In the Annual General Meeting of shareholders of March 28, 2013, it was approved that the holders of ordinary shares can choose between a dividend in cash or in shares. The shareholders had to make the choice for a dividend in cash or a dividend in shares in April 2013. On April 22, 2013 the stock dividend conversion rate has been set on the basis of the volume weighted average share price of Randstad during a 5 day period started April 15, 2013.
Based on the choices made the value of the stock dividend amounts to € 131.6 million (representing the issuance of approximately 4,572,000 new ordinary shares), the remainder of € 83.8 million has been paid in cash. If this choice would have been known at the balance sheet date of March 31, 2013, the dividend payable would have been € 131.6 million lower, whereas shareholders' equity would have been higher for the same amount.