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

2nd quarter results 2011

strong growth against a challenging comparison base

revenue up 13% and net income up 36%

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Randstad Holding nv
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disclaimer & definitions

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. Quarterly figures and underlying figures are unaudited.

EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill

organic growth is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications

diluted EPS is measured before amortization and impairment acquisition-related intangible assets and goodwill and one-offs

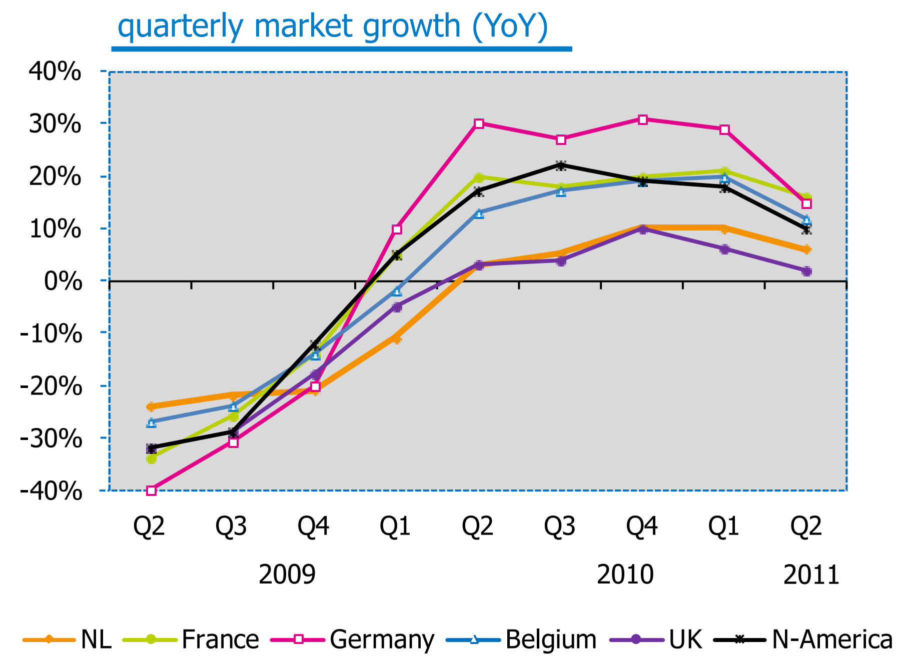
agenda

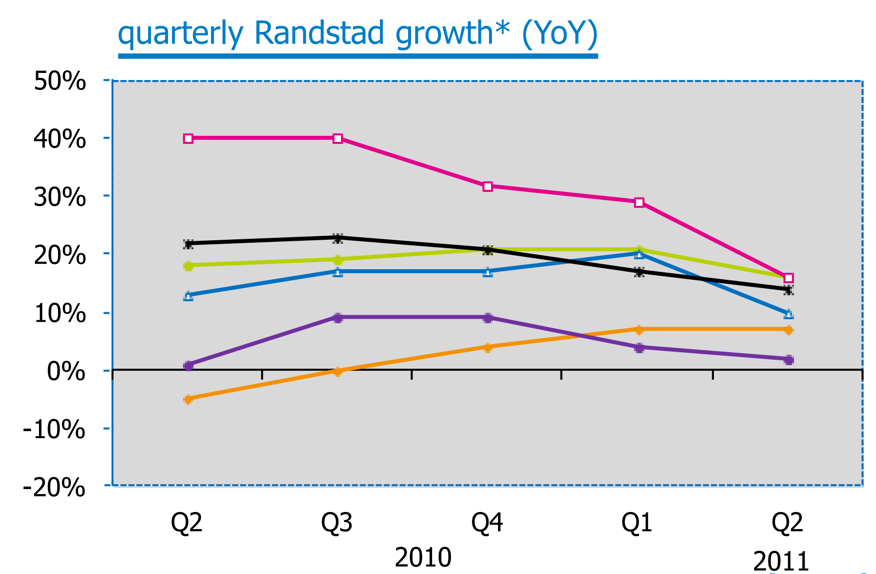
- performance
- financial results & outlook
- Q&A

performance

market trends

- growth in markets slowing due to stronger comparables
- continued high growth in industrial segments
- public sector segment NL & UK remains challenging
- administrative segment gradually strengthening
- Randstad NL outperformed the market in Q2





* organic growth

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Q2 2011: strong performance

- revenue amounted to € 3,915 million (+11% YoY organically per wd)
  - organic growth per working day reached 10% in June
  - Inhouse still very strong at +29% (Q1 2011: 41%)
  - Staffing up 10% (Q1 2011: 16%) against a strong comparison base in larger countries
  - Professionals up 7% (Q1 2011: 6%), gradually improving
  - perm fees up 14% organically (Q1 2011: 15%)

- gross margin from 18.7% to 18.4% YoY, sequentially up 0.3%
  - business and country mix gradually improving
  - negative impact French subsidy system was 0.1% at Group level
  - contribution from permanent placement fees
  - price pressure less pronounced

- operating expenses sequentially up 1% to € 567 million
  - field steering allows hiring of people

- EBITA up 28% to € 153 million
  - EBITA margin was 3.9% (Q2 2010: 3.5%)
  - impact earthquake Japan lower than expected

the Netherlands: Randstad outperforms market

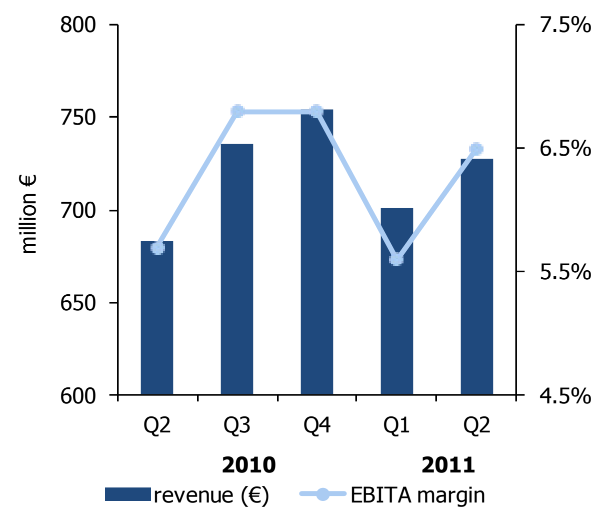
- organic revenue +7% (3% per wd)
  - Randstad outperformed market in Q2
  - Tempo-Team still lagging
  - revenue decline at Yacht stable at single digit rate
  - price pressure less pronounced

- exposure public sector remains significant
  - decline decelerated to 17% YoY (-19% in Q1)
  - largest impact at Tempo-Team and Yacht

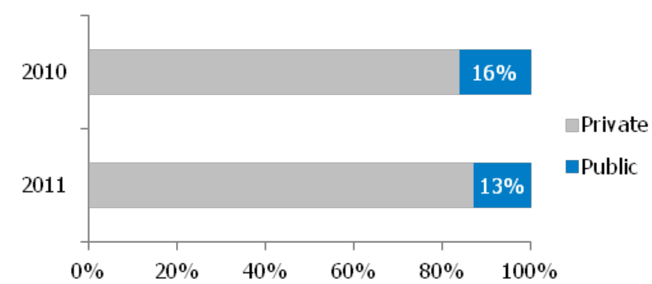
- growth private sector strong (+11%)
  - industrial and technical sector main drivers
  - administrative segment gradually strengthening

- EBITA margin 6.5% versus 5.7% LY

revenue & EBITA margin



Q2: private – public sector



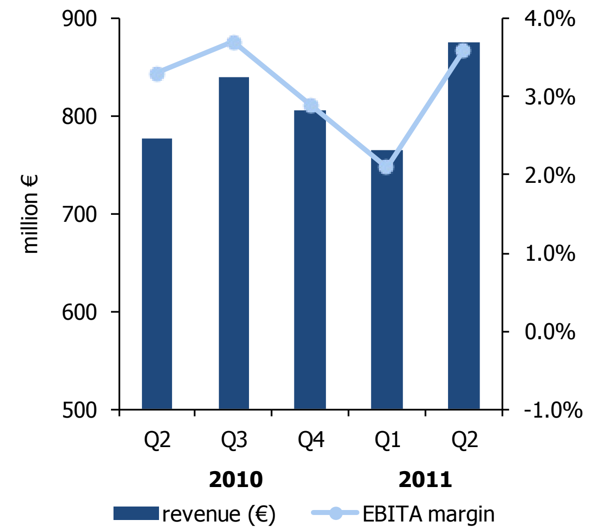
France: holding up well

- organic revenue +16% in Q2 2011 (Q1: +22%)
  - performance in line with market
  - stable growth throughout the quarter
  - Staffing solid growth
  - Professionals up YoY, IT & engineering main drivers
  - permanent placement up 38% YoY (Q1 2011: 25%)
  - ongoing increase new clients & transfers within Inhouse

- change French low wage subsidy system
  - positive results of renegotiations
  - review of client profitability

- EBITA margin 3.6% versus 3.5% LY
  - inhouse transfers improve operating leverage
  - strong performance professionals, especially in perm

revenue & EBITA margin



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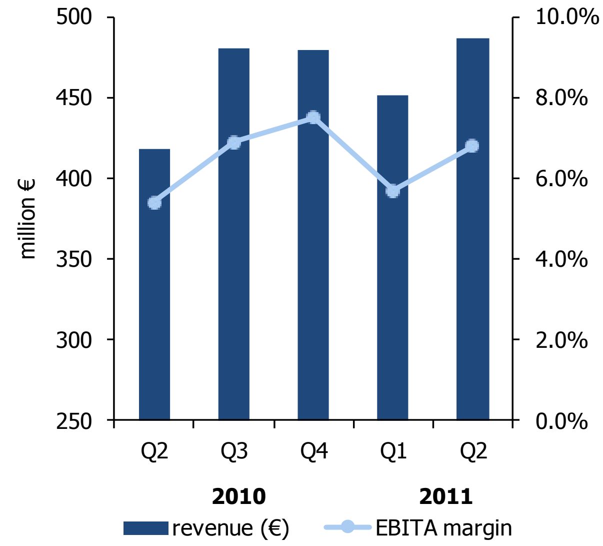
Germany: strong performance

- organic revenue +16% (Q1: +29%)
  - solid growth despite strong comparison base (June '10: 46%)
  - signs of tight labor market
  - more favorable mix:
    - continued double-digit growth in Professionals
    - Staffing more geared towards higher skilled workers

- Professionals up 15%
  - strong growth in IT
  - improvement in profitability

- EBITA margin up to 6.8% (vs. 5.4% LY)
  - strong operating leverage
  - favorable wage cost related items of € 3.5 million

revenue & EBITA margin

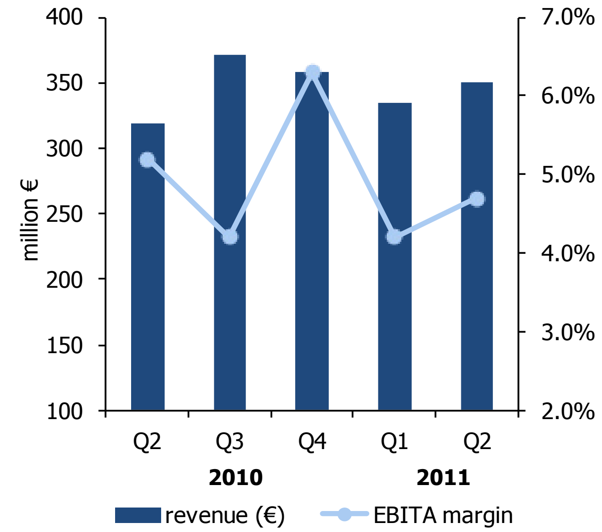


Belgium: maintaining strong leverage

- organic revenue +10% (Q1: +20%)
  - Randstad & Tempo-Team in line with market
  - industrial segment main driver
  - Inhouse strong at +21%
  - Professionals in line with Group at +7%

- EBITA margin to 4.7% vs. 5.2% LY
  - strong operating leverage
  - negative impact wage cost related itemsof €2.0 million

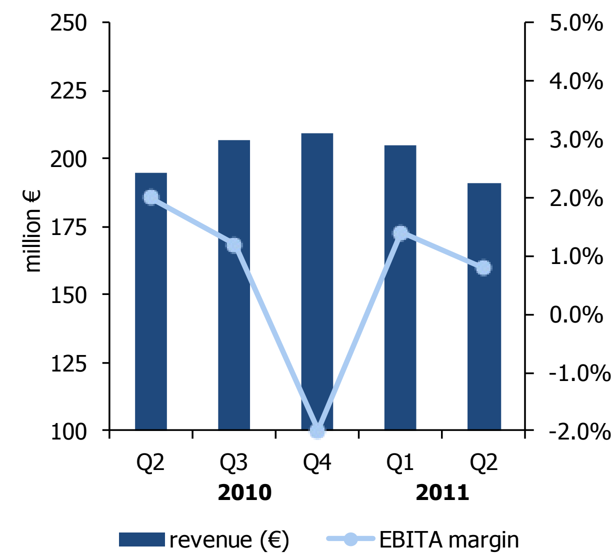
revenue & EBITA margin



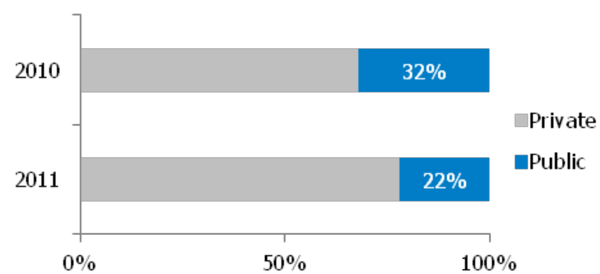
UK: changing business mix

- organic revenue +2% (Q1: +4%)
  - decline public sector (-30%) partly offset by growth in private sector (+14%)
- Inhouse continued to gain market share
  - maintains high growth rate and continues to add new clients
- perm fees down 7% YoY due to lower demand in City-oriented businesses
- EBITA margin to 0.8% vs. 2.0% LY
  - high growth at Inhouse
  - decline at Education & Healthcare

revenue & EBITA margin



Q2: private – public sector



North America: professionals in the lead

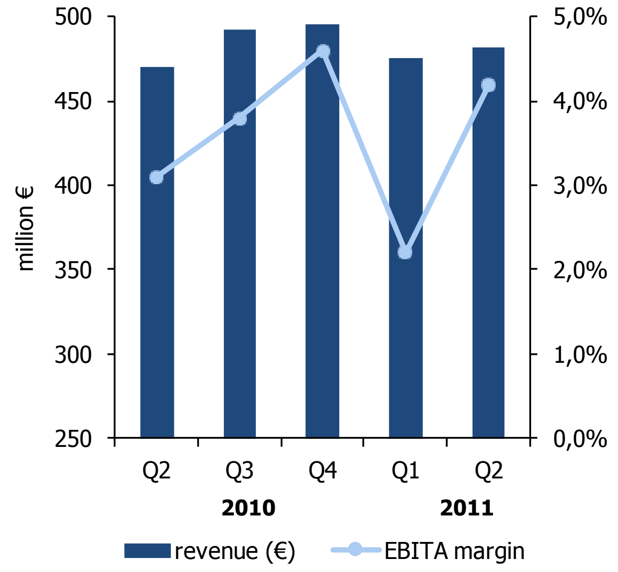
- organic revenue +14% in Q2 2011 (Q1: +19%)
  - US Staffing in line with market, while US Professionals outperformed
  - Canada solid in staffing and professionals

- US Staffing & Inhouse up 10% YoY
  - strong comparison base
  - improved mix: administrative segment and perm

- US Professionals up 17% YoY
  - IT & Engineering still main drivers
  - Finance & Accounting strong in perm
  - perm stronger YoY and sequentially
  - significant productivity (GP/FTE) enhancement: +11% YoY
  - rebranding started

- EBITA margin 4.2% vs. 3.1% LY
  - continued strong operating leverage

revenue & EBITA margin



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segment performance

Staffing in € million	Q2 2011	Q2 2010*	% organic
revenue	2,563.5	2,318.4	*10%*
EBITA	104.9	84.2	*24%*
EBITA margin	*4.1%*	*3.6%*	

- driven by industrial clients
- strong comparison base in largest countries
- administrative segment strengthened
- strong operating leverage

Inhouse in € million	Q2 2011	Q2 2010	% organic
revenue	631.9	455.7	*29%*
EBITA	24.1	18.9	*16%*
EBITA margin	*3.8%*	*4.1%*	

- continued strong growth
- transfers from Staffing and new clients
- underlying profitability in line with LY

Professionals in € million	Q2 2011	Q2 2010*	% organic
revenue	719.6	694.1	*7%*
EBITA	34.4	29.2	*27%*
EBITA margin	*4.8%*	*4.2%*	

- mainly led by IT & Engineering
- still down in NL and UK due to significant government exposure
- perm strong, except UK
- strong operating leverage

* Q2 2010 restated for transfers between staffing and professionals

revenue development per industry segment

Segments	USA	Germany	France	Netherlands
Manufacturing	+	++	++	++
Automotive	++	++	++	++
Food	o	o	+	+
Transport	++	+	+	+
Business services	+	+	+	o
Financial services	++	o	+	+
IT services	++	+	++	+
Public sector	o	+	o	-
Health & social work	++	++	o	o

update Professionals organic growth accelerator

Q1

launch of "Professionals organic growth accelerator plan"

- further strengthen a leading position in countries and segments
- aim to accelerate growth in next 2 years
- gradually adding 500 FTEs (10%) based on field steering model

progress

Q2

- implementation validated Professionals concept in existing businesses
- addition of 90 FTEs, predominantly in North America, Australia, Spain and Germany
- total net investment amounted to around € 1 mln in Q2

Q3

- expected net investment in Q3 of € 2.0 million

financial results & outlook

Q2 2011: financial key points

- good performance against a stronger comparison base
- gross margin 0.3% up versus previous quarter
- strong cost control maintained, limited sequential increase
  - 250 FTEs hired in Q2 based on field steering
  - marketing investments
- EBITA up 28%, EBITA margin 3.9%
  - incremental conversion rate of 47%

Q2 2011: financial key points

- EBITA up 27% organically to € 153 million
- effective tax rate* amounted to 31%
  - in line with guidance for 2011 between 29-32%
- diluted EPS* up 31% to € 0.59 vs. € 0.45 in Q2 2010
- moving average DSO improved by 2 days to 54 days (YoY) and stable compared to previous quarter
- net debt € 1,070 million (Q2 2010: € 1,142 million)
  - free cash flow -/- € 106 million due to holiday payments in NL & Belgium
  - total dividend paid € 209 million
  - leverage ratio 1.6 (Q2 2010: 2.4)

* before amortization and impairment of acquisition-related intangible assets and goodwill

income statement Q2 2011

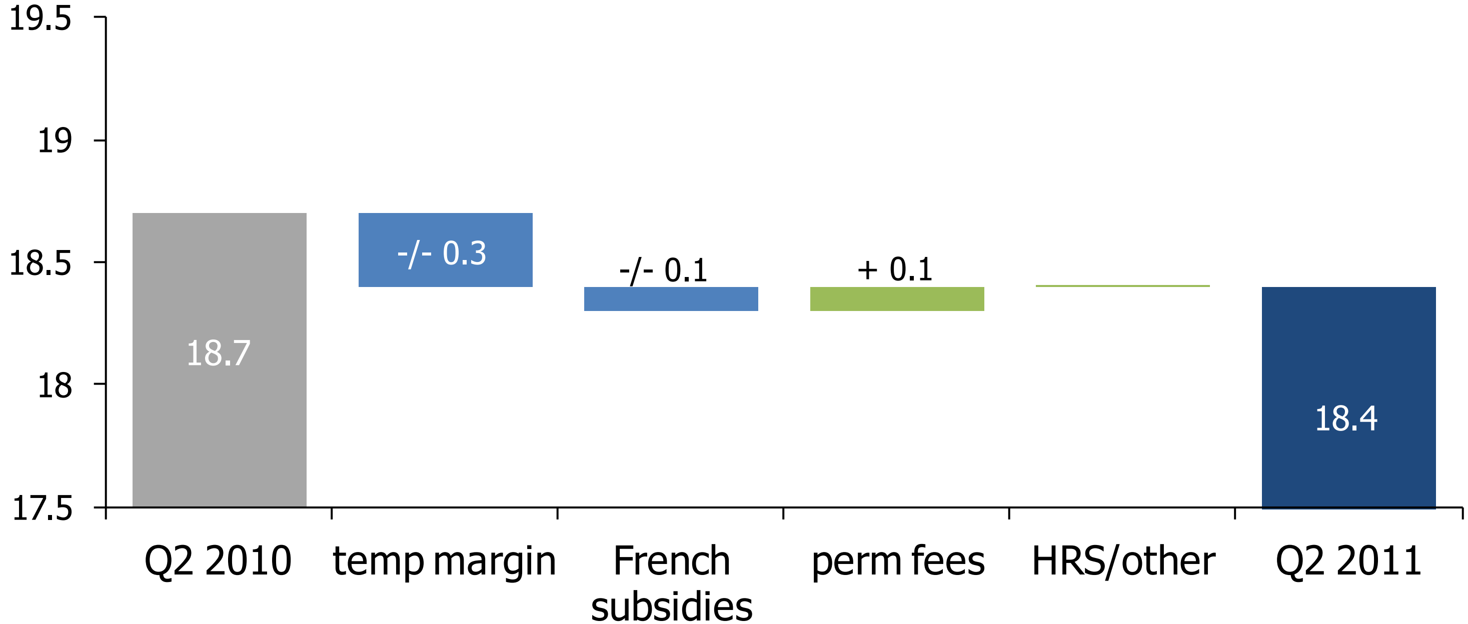
€ million	Q2 2011	Q2 2010	% change	% organic
revenue	3,915	3,468	*13%*	*12%*
gross profit	721	649	*11%*	*10%*
gross margin	*18.4%*	*18.7%*		
operating expenses	567	529	*7%*	*6%*
opex as % of revenue	*14.5%*	*15.3%*		
underlying EBITA	153	120	*28%*	*27%*
underlying EBITA margin	*3.9%*	*3.5%*		
reported EBITA	**153**	**124**		
amortization	-/- 39	-/- 39		
net finance costs	-/- 5	-/- 8		
income before taxes	**109**	**78**		
tax	-/- 33	-/- 22		
net income	**76**	**56**		
adjusted net income***	101	77		
diluted EPS**	0.59	0.45		

* attributable to holders of ordinary shares

** before amortization and impairment acquisition-related intangible assets and goodwill and one-offs

gross margin Q2 2011

gross margin development



- price pressure on temp margins is less pronounced
- improving business & country mix

- perm fees increased by 14% organically (YoY)
  - perm fees are now 9.7% of gross profit (vs. 9.2% Q2 2010)

selected balance sheet items

€ million	June 30, 2011	June 30, 2010
trade and other receivables	2,846	2,605
trade and other payables	-/-2,127	-/-1,923
operating working capital*	**719**	**682**
cash & cash equivalents	250	250
current borrowings	-/-95	-/-192
non-current borrowings	-/-1,225	-/- 1,201
net debt	**-/-1,070**	**-/-1,142**
DSO, days sales outstanding	*54*	*56*
leverage ratio	*1.6*	*2.4*

* operating working capital is trade and other receivables minus current part financial fixed assets minus trade and other payables

consolidated cash flow statement

€ million	Q2 2011	Q2 2010
cash flow from operations before OWC*	117	98
usage of OWC	-/- 206	-/- 193
additions of PPE and software	-/- 18	-/- 12
financial receivables	-	1
disposals of PPE	1	1
free cash flow	**-/- 106**	**-/- 105**

€ million	Q2 2011
free cash flow	**-/- 106**
net (acquisition)/disposals	-/- 7
issue ordinary shares	2
net finance costs paid	-/- 4
dividend	-/- 209
translation effects & others	1
net debt increase Q1 2011 –> Q2 2011	**-/- 323**

* after taxes

outlook

- organic growth per working day was 10% in June
  - Staffing should continue at single digit rate in largest countries
  - Inhouse expected to remain double digit
  - Professionals expected to improve gradually

- Q3 2010: organic growth p/wd at 16%, flat throughout the quarter

- limited cost increase based on seasonality and field steering

- intended acquisition SFN Group expected to close late Q3
  - limited impact on consolidation in Q3

- net debt: anticipated impact SFN Group € 575 million (including additional costs)

Q&A

appendices

drivers effective tax rate

effective tax rate* was up to 31% in line with guidance (vs. 29% in 2010)

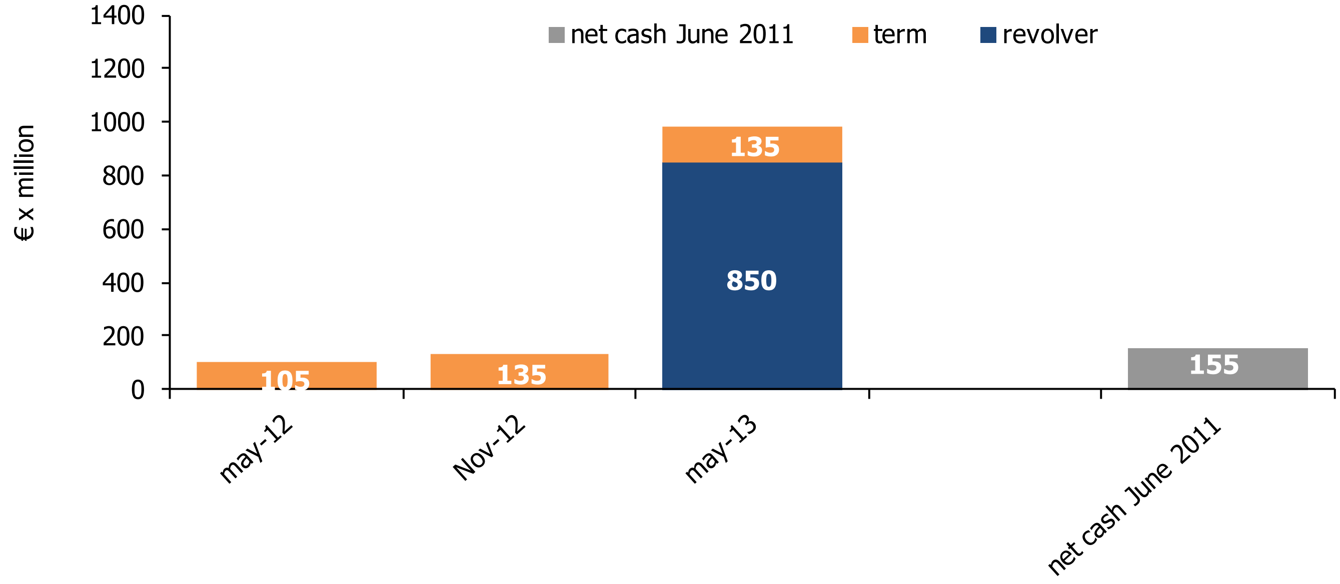
- change in geographical mix: high growth in countries with above average tax rates
- as our results improve, the relative effect of the tax planning measures decreases

driver / impact	effective* tax rate	cash tax rate	explanation
growth operating companies and mix effects	+	+	higher weight countries with high CIT rate and impact of permanent differences, based on current tax planning
changes in corporate income tax (CIT) rate	+ or -/-	+ or -/-	dependent on direction of change
repayment € 131 m. (Dutch tax)		+	ultimately 2012
payment regarding recapture obligation		+	tax payment NL based on German profits
timing differences		+ or -/-	dependent on changes in deferred taxes

* tax rate on the underlying profit before tax (before amortization and impairment acquisition-related intangible assets and goodwill and one-offs)

debt facilities & repayment schedule

repayment schedule (excluding current borrowings)

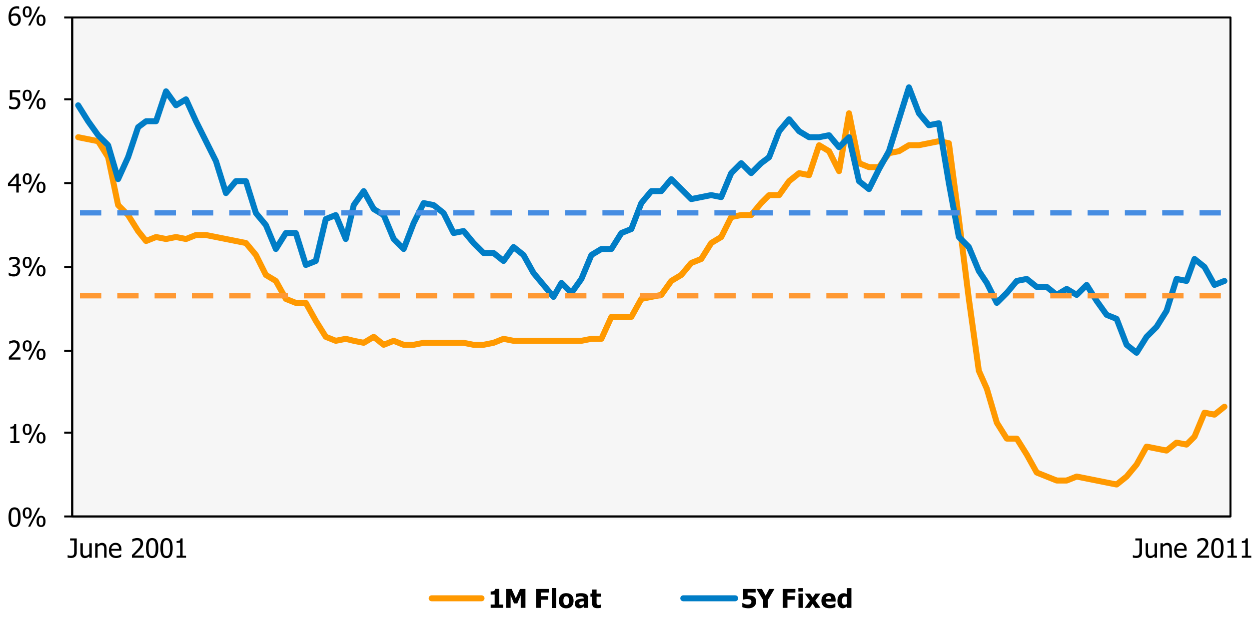


- covenant; net debt/EBITDA* of max. 3.5
  - at the end of Q2 2011 the net debt/EBITDA ratio was 1.6
- syndicated credit facility amounts to € 1,995 million

* EBITDA; 12 months rolling back

financing: fixed vs. floating interest rates

10 year historical interest rates comparison 1M vs 5Y



average fixed rate = 3.6%

average floating rate = 2.6%

- we use floating interest rates as a natural hedge
  - spread above Euribor of 50-115 bps

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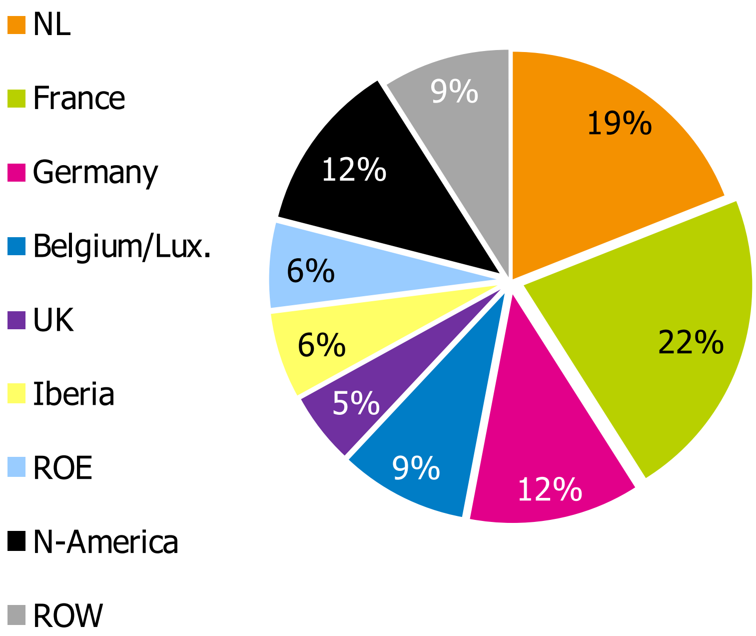
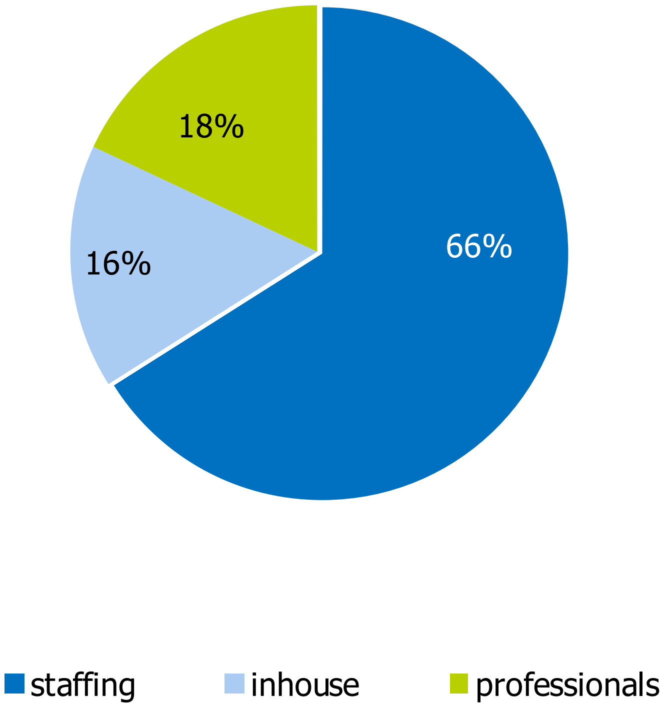
revenue split Q2 2011

geographical area



sectors



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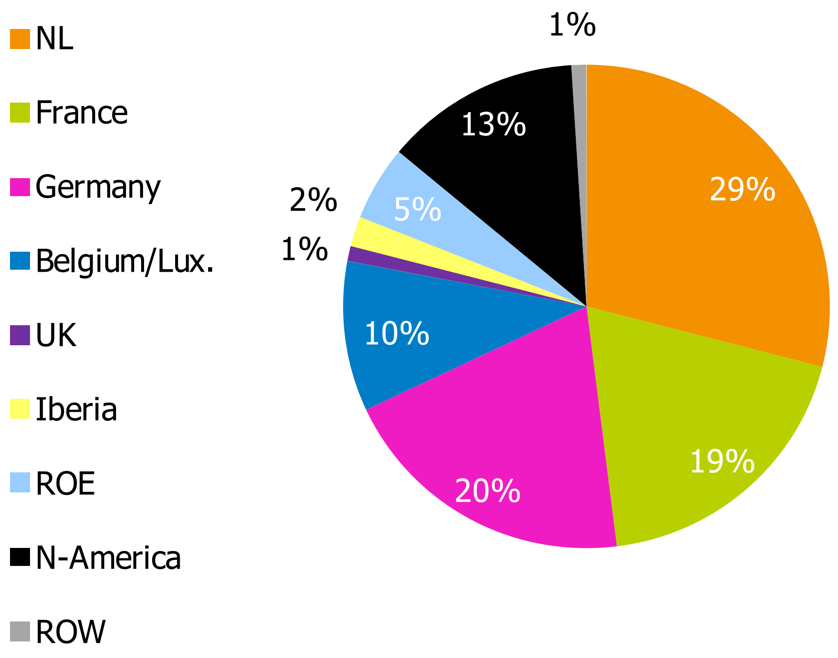
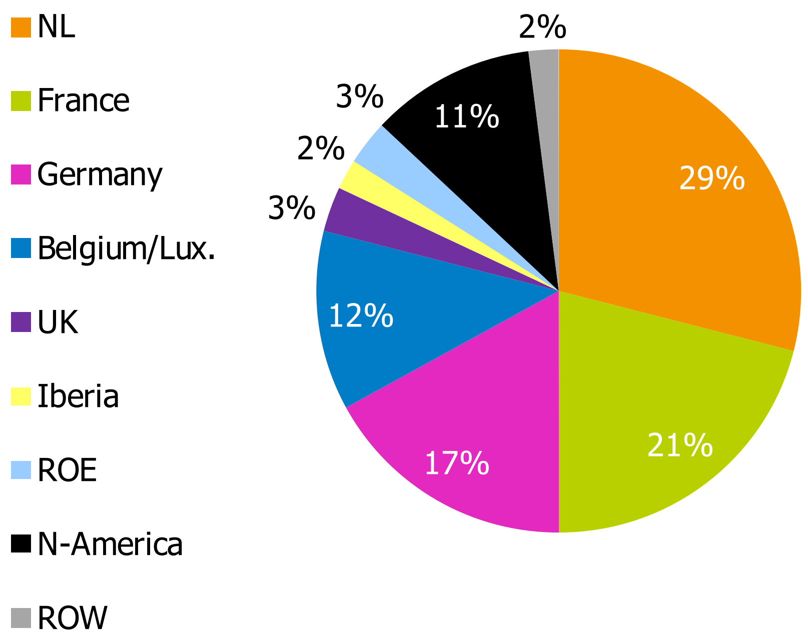
EBITA breakdown by geography spread significantly improved

Q2 2011



Q2 2010



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outlets* by country

end of period	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010
the Netherlands	739	746	733	739	725
France	889	896	905	896	928
Germany	530	516	503	475	450
Belgium/Lux	367	367	374	387	388
United Kingdom	275	278	289	297	300
Iberia	272	268	257	266	264
Other Europe	330	322	316	351	346
North America	485	487	500	486	476
Rest of world	296	305	318	218	220
total	**4,183**	**4,185**	**4,195**	**4,115**	**4,097**

* branches and inhouse locations

corporate employees by country

average	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010
the Netherlands	5,170	5,190	5,280	5,300	5,210
France	3,910	3,870	3,920	3,940	3,870
Germany	2,940	2,880	2,890	2,740	2,430
Belgium/Lux.	2,110	2,080	2,130	2,150	2,030
United Kingdom	1,960	1,990	2,060	2,050	2,040
Iberia	1,460	1,450	1,450	1,470	1,460
Other Europe	1,790	1,730	1,690	1,570	1,490
North America	3,070	3,010	3,030	2,940	2,790
Rest of world	4,870	4,850	4,360	3,540	3,500
Holding	170	160	150	150	150
total	**27,450**	**27,210**	**26,960**	**25,850**	**24,970**

staffing employees by country

averages	Q2 2011	Q2 2010
the Netherlands	87,200	83,100
France	91,100	81,100
Germany	54,600	47,300
Belgium/Lux.	44,300	40,900
United Kingdom	24,500	23,100
Iberia	48,900	48,200
Other Europe	38,000	30,200
North America	56,000	50,400
Rest of world	104,100	83,700
total	**548,700**	**488,000**