



Q2 Results 2014

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Welcome and Introduction

Arun Rambocus

Director, Investor Relations, Randstad

Good morning everybody. Welcome to the Randstad headquarters. I would like to welcome all the people here in the room – analysts, investors, our board members. I would also like to give a special welcome to the people on the phone, the investors and analysts that could not make it over here. Welcome. I have a special request for the people from the press that are here; if you want to have an interview with one of our board members, please refer to Machteld Merens after this call.

The agenda for today is as usual. First, our CEO Jacques van den Broek will start with an operational update, followed by Robert Jan van de Kraats, who will touch upon the financial performance. Then we will go to the outlook and Q&A.

With that, I hand over to Jacques for the introduction. Thank you, Jacques.

Performance

Jacques van den Broek

CEO, Randstad

Gradual Recovery Continues

Good morning everyone; dear analysts, dear investors; people on the phone but also our colleagues. Second quarter results, we did a lot. There are quite some green shoots in terms of growth. I want to mention our US staffing business: it is a really well run business that has really picked up throughout the quarter and even into the third quarter. Our Belgian business, which we are going to touch upon later, is actually growing a bit faster than mentioned in the press release. Of course, Belgium is good as a bellwether for Europe. Our Dutch business is very important for the company, and is also picking up through the quarter.

We now have 300 perm professionals in China, which is our single biggest business already, growing around 70%. A really impressive performance. We are also very happy with the pickup in the company of what we call 'activity based field steering'. We are a large company. We introduced this within the company in mid-March, and if we look at the pickup in the company of this concept we are really impressed with our people.

Of course, it is not good news everywhere. The French economy is still struggling. In our German business, it looks like the economy is taking a bit of a pause, and growth is easing. Permanent placement is also a green shoot. We grew 13% globally in permanent placement; and this is also in markets where the economy is not yet very hot, such as France, again, where we grew in permanent placement. We are very happy with that result.

You will also see in the presentation the balancing act, as far as we are concerned, between growth and profitable growth. Yes, we can grow faster, but not always the growth we like. You will see this in quite a few markets, where we made some deliberate choices.

Accelerating growth is good at 3.6% in Q1, and 4.5% in the Q2. I think it is very important to mention the gross profit growth. In more and more countries, we still talk about

employees working, but we also talk about gross profit growth. Certainly, in the Anglo-Saxon environments – the UK, the US, Australia, our Chinese business – gross profit growth is very important.

And there you see, as promised, a conversion rate of 70%. We were quite surprised by the fact that this was picked up as an absolute target. Conversion rate is not something we manage as a goal in itself. For us this was an indicator of where we were as a company. Growth in Europe, and a high conversion rate. But already, for long term growth in America, slightly lower growth rate. That is a balancing act, but 70% is 70%, and you can see the EBITDA margin.

Q2 2014: Gradual recovery continues

The lines are pretty clear. Most of them are going upwards. The rest of the world of course is a mixed bag. I will comment on that a little bit later. Europe is going up nicely, and you can see the pickup in North America, which we like. And as you know, of course, this is our biggest business.

Our priorities

Back to the slides we showed you in earlier quarters as the important slides on our priorities, and the slides that are, and should be, above the bed of all our colleagues worldwide. On the right hand side, you see total talent architecture. What was that, again? It is our changing approach towards large clients. We do not go to large clients anymore – this is a bit black and white, of course – and say: 'We are Randstad, we are the second in the world, we are nice, we are everywhere, why don't you do business with us?'

We now go to the client and say: 'We know you, we know your company, we even know your sector, and we can help you to become a better company, with a better output for your people, with more efficient HR processes. We have compared you against the benchmark; we can show you where we did it, and is it interesting for you to talk further on the topic?'

This business fuels our MSP and our RPO business. And this works. So we have 30% more spend on the management globally than we had last year. In the US we have more than 40% more spend on the management. We are very happy with that development. You will see the European market maturing very quickly in the field of MSP. Our in-house business is, again, still growing 15% globally. We are very happy with that performance.

We are currently putting most of our efforts into increasing the amount of activities in our markets where markets are growing, to touch more clients, either by phone, or by a physical visit, and to send out more candidates on permanent jobs. That has definitely worked, and that is picking up, but it has a time lag. In all the interviews and roadshows we had, I talked about the fact that this normally takes to two to three quarters to really get going at high speed. But in some markets we see that this is picking up a bit quicker.

Setting the ambition

Activity based field steering in our world is definitely picking up. We have some 30% more activities in the market compared to last year. If you take a weighted average of calls, of visits, and of what we call 'candidate send outs' – the key operational indicator for growth in perm – that has increased by 30%. Some companies – the Dutch company and also the German company – have had higher increases than that. We are very happy with this. But

of course, it is not like from day one to day two this gives you results. But still, there is a direct link in our company between the ability to do this and the results. Again, our Spanish business is doing really well; it became market leader, and rose in perm. It works. Our US staffing business; our Japanese business; Tempo-Team, our second brand in the Netherlands, (Kay Stroomen is in the room) are really strong on the pickup of activity-based field steering, and we see the performance.

North America: Back to Growth in Q2

US staffing and inhouse

US staffing and inhouse showed a gross profit growth of 10% and an improving trend throughout the quarter. Perm is up 33%, and this was not a small business to begin with. Inhouse, the usual suspect, is also growing in the US. In the US, when we talk about inhouse, we also talk about lots of corporate services, which is the inhouse flavour for head offices. We are still on-site, but we do all profiles, and we do all perm. This is a very profitable part of inhouse, and also growing double digit.

US Professionals

US professionals is a mixed portfolio. We are very happy with the return in IT. IT is our biggest business, with around US\$1 billion revenue. Growth – over 3% in June. A good trend, there. Our engineering business is a smaller business, growing double digits. Our pharma business is a smaller business, growing double digit.

Our only headache in the US is our finance business. Our finance business is historically a mix of the three businesses we had in Vedior and the two businesses we acquired with SFN. It is a strong portfolio. We can provide every level for our clients, but it still needs to come together. This takes time. We have new leadership in place with Rebecca Callahan, who has a very successful track record in our Sourceright business. I am absolutely convinced that she will turn the corner with this business.

Canada

The Canadian business and economy are not great. We see some improvement through the quarter. I am optimistic that it will improve into Q3. We have a good business there, we have got good people there, but there are some headwinds economically.

France

A challenging market

When I talk about profitable growth and the choices we make, France, as you know, has been an example. Everybody talks about CICE, but of course, in the early days, years ago, we already refused low margin clients.

It is definitely our ambition to create a better market in France. The only way to do that as a leading player is to strive for good relationships; for profitable business relationships. We have sacrificed roughly 2% of growth, which was not attractive. You do see where this is going, you see Crit, Synergy, mid-sized players growing fast. We know where the business is going. We do not think this is an attractive long-term strategy and we are not doing it.

Revenue

Our targeted segments are inhouse, 25%. And this is the promise for the French market, because we have many more points of sale, and if the market picks up, we will take market share, as we did in 2010, 2011 and 2012.

Professionals are at zero, which I think is pretty good in this market. Perm fees are absolutely against market; we are happy there. If you look at the EBITA margin, on the one hand it is good, but on the other hand it is also driven by CICE, so we always have a bit of a mixed feeling about that result. But it is a result.

The Netherlands

Back to growth in June

We are happy, really, with the Dutch business. The Dutch business is the business which had the biggest development from minus to plus in the quarter globally, starting negatively and picking up rather quickly in June throughout the quarter. Both Randstad and Tempo-Team are growing faster into Q3. Yacht, back to growth – we call this the Chris Heutink effect, because Yacht was in my portfolio for two years, and now it is growing. Thank you, Chris.

It is not just Yacht, Randstad and Tempo-Team also have professionals in their mix growing 12%, which is definitely a sign of improvement in the market. The focus here in the Dutch market is again on client profitability. It is probably a coincidence, but we deliberately lost roughly 2% of business. There is, in any market, and in the Dutch market, a trend whereby some companies in some sectors buy, then sell to the lowest bidder. We are not that.

Gross profit up 8%

We are very happy with the gross profit result in the Dutch market. We see the margin being stable. Perm is up 16%. If we talk about the quality potential for permanent placements, certainly in the staffing businesses, then our benchmark is the US. In the US, that business went up from about 3% of gross profit a few years ago to 8% now. So selling the same profiles we sell in staffing, but then Perm.

Our large Northern European businesses, our German Business, our Dutch Business, our Belgian business, have roughly 3% of gross profits – the same starting point the US had a few years ago. Their concept is now being adopted in the Dutch market, for example. And we see the growth. It works, and there is a large potential for growth here.

Germany

A challenging market

Germany is a challenging market. A lot has happened in Germany already over the last year. There is an economic effect, there is a political effect, and of course there is us. The price effect is easing; last year we started with the equal pay implementation and the price effect compared to last year is easing. We are very happy again; it is consistent. This is about trying to manage a company worldwide. In Germany Perm has grown by 37%. It is really picking up.

The German business is now putting in 65% more activities in the market per person per week compared to last year; a mix of calls, visits and perm send outs. You can see the improvement there. It is off a small base, honestly speaking, but we are getting there. You know, the German business has been a business which has grown with large clients. They

are still and will always remain a large part of our business, but we are now going to grow in white-collar and into perm.

There has been good growth in the IT business, in our inhouse business and the Tempo-Team business. SME is what we do with 65% more activities.

Regulatory changes

Regulatory changes: Equal pay did not hit volume in 213. It is hitting volume a bit now in Q2. There is a rule that, outside a collective labour agreement, clients have said to their unions that they will do something with a temp if he or she is working for more than two years at the company. The objective of the union would be for these people to be hired. We do not know if that is happening yet. But that is kicking in now. Since that gentleman's agreement, as you might call it, two years have passed, so we do see some pressure on temps working at the client to be sent home – which we think is unfortunate – and sometimes hired. The hiring is not a majority of this group of people. It dampens our growth a bit.

The decelerating growth throughout Q2 seems to be stabilising into July. So that is good. The gross margin is pretty stable.

Belgium

Improved profitability

Belgium is back on track. If you look at the earnings in Belgium, they are pretty good. I never compare with competition, but for years we were always as a percentage below USG in Belgium. We are now above USG. For us that is a small success. Growth is picking up. You will see the exit rates for Belgium for the growth in June is actually higher.

We had an unfortunately low cut-off from June into July, and also bad estimates from April into June. They were actually growing a bit faster than you'll see in the exit rates. Current growth in Belgium is 6-7% into June. That is quite a good pickup.

UK

Good growth in gross profit

UK is a mixed business. This is definitely also a business where you need to look at gross profit and perm fees. Gross profit is up 7%, perm fees are up 13%. This is definitely driven by a few good businesses: education and construction, property and engineering – not coincidentally the businesses that we invested in marketing in Q4. Again, the focus on client profitability and staffing in inhouse puts a damper on our top line but improves our business over time. We doubled our profits, but we have got a long way to go in the UK.

Iberia

Strengthening growth

We are very happy with our Spanish business; it is one of our most strongly led businesses. They made the integration of USG flawless. That is finished now. Our Spanish business is the market leader, surpassing Adecco. That was a long term goal. They also focused on professionals, and that is a very impressive story in Spain. They went from seventh or eighth player, three years ago, to a top three position, and we are looking up, we are not looking down. We probably want to catch at least the number two position in this business. It grew organically from zero people to 80 consultants. That is a story of strong organic growth.

Portugal

There has been a change of management here and a change in the business from low margin to mid or high margin. Françoise is working very hard with the new Portuguese management team on improving the business based on the strong market share that we have, but also taking better business in this market. You can see the results. Spain has much improved, Portugal less so. We are very happy about Spain; Portugal is a work in progress.

Other European Countries*Italy*

Italy is still a young market; it started in 1998. Penetration, which was below European levels, is rising. The economy is not that hot, but we are growing at 15%, which is above market. There is definitely more pick-up of our product there. Italy is also building a professionals business, a specialty business, and an RPO business. This is going to be a €600 million business, and again a richer portfolio over time.

Switzerland, Poland and Japan

We are very happy with the business in Switzerland. It is outperforming the market. The same story in Poland, and you do see the improvement in results.

The Rest of the World: A Mixed Picture*Japan*

In Japan, growth is stable at 10% year-on-year. We do have some legal or policy headwinds in Japan in our SPOT business. Robert Jan is the expert, so if there are any questions, he will be happy to answer them. It is good growth: Japan is a business where you can have good earnings and good margins in staffing. We are very happy with our Japanese business.

Australia and New Zealand

Australia is improving on the top line, but there is still not enough perm. It is comparable with the UK, although a year back in internal development. The market is not too great. We have got new leadership. We are very happy with Frank Rebuot, our new manager there. I know we are improving our business in Australia; we are not there yet, though.

China

Our Chinese colleagues always say: 'Yes, we are doing well, but we are not going to continue that way.' Which is okay, because they still do. We are bringing in a lot of people at the same time. Being Asia, you have a high turnover of people, but China is still growing into a more than 500-person business overall, with 300 people in permanent placement.

Latin America

Latin America is growing. In Brazil, we want to change the business from a staffing business into a perm business. Which is a more attractive business.

I turn now to Robert Jan, or RJ as we call him.

Financial results & Outlook

Robert Jan van de Kraats

CFO

Income Statement Q2 2014

Thank you, Jaques. A few additional remarks from a financial perspective. First of all, Q2 is always an improvement compared to Q1. Sequentially, Q2 is the stronger quarter, but it is not as good as Q3 can be. That is typically the trend throughout the year. Q3 is the best, Q4 is a little below that, Q2 is below Q4 and Q1 is the softest quarter.

This is the P&L, but underlying, I would like to point out that the growth throughout the quarter in revenues was 4.5%. June came in at 3.6%. If you look at the value underlying the gross profit development, gross profit improvement in Q2 was 6%. The gross profit improvement in June was also 6%. This is very much the focus that we have. We are looking for revenues, but they need to be of good quality.

There is clearly a challenge in the French market, and I will show you the exit rates later on so you can see the June revenue rate being suppressed by the developments in the French market. The gross profit also includes a contribution from perm. It is 10% of gross profit right now, which is coming back to historical levels, but it is quite a while ago; it goes back to 2008.

Operating expenses.

There is a seasonal pattern. We are including some sort of temping in our cost base, some additional market expense. I will get back to that. The EBITA margin is €174 million. If you look at the countries, five of the largest operations we have are either returning at or just above 5%. That is quite a quality improvement. Reported EBITA is at €173 million. Net finance expenses are relatively low. They include a release of a provision due to the fact that we have negotiated a pretty favourable deal on acquiring a minority interest. This is extremely helpful.

Financial Key Points

If you look at the key financial points for the second quarter, free cash flow arrived at €82 million. It is always a minus here because it is a challenging quarter because of dividend pay-out and holiday allowances. This is nothing different from the regular seasonal pattern that we see here. I will get back to it at the cash flow statement.

Leverage ratio improved to 1.3. The dividend is €0.95, with €66 or €67 million of cash dividend paid out. The effective tax rate is roughly stable at 30%. That includes the French business tax EPS at 64 cents. The USG integration is now completed. Synergies are in line with expectations. We acquired a €400 million revenue book, we paid roughly €20 million and we added the integration expenses of around €20 million, and we are now generating four million quarterly synergies which adds up to €16 million a year.

We probably have a little upside to go here. On top of that we had one-off tax synergies of around €10 million. You do not have to be an expert in economic calculations to find out that this, economically, is party time. This is final time we will report on it because this is considered to be completed and very much in line with the underlying ambitions.

Segment Performance

Looking at the various segments, you can see the focus on delivery models. We have been very selective in making sure that we move business as much as possible to inhouse where we now have a 5.1% return. That is very, very high. It's always an art to allocate costs properly. That gives us the number 5.1%.

In the staffing business, you can see that although we only had 1% organic revenue growth, the EBITA was up by 22%. Professionals is closing the gap – 4.5% in inhouse last year is equal to professional's 4.5%. This time, the gap between professionals and inhouse has been reduced from 0.6% to only 0.3%. That is the way it should be. We should see professionals passing by the return on inhouse over time.

Gross Margin Bridge

Looking at the gross margin bridge, 18.2% moved to 18.4% this quarter. We can clearly see margin improvement due to the focus in our business Jacques elaborated on, and the perm fees. We can see margin expansion in North America and the Netherlands, with very strong focus on client profitability. 6% GP growth is our key focus, because there is a lot of business in selected markets available but not at the right price or at the right conditions.

As we mentioned in the press release, there are a few payroll related favourable items. This is sort of a regular event. There are always estimates in here and we always have some releases. They were a little bigger this time, a few million more. That is included here.

Operating Expenses

Reconciling €613 million this quarter with last year's €594 million, there has been some adverse impact from foreign exchange, but also the USG benefits coming through – an additional €1 million compared to the previous quarter. So this is sequential comparison.

In marketing, we have invested more. That is the typical seasonal pattern. We have some additional expenses due to commissions, and also due to temp labour in our own organisation supporting the somewhat higher level of business in Q2 compared to Q1. We continue to invest in our rest of the world business including the emerging markets.

Net Debt

Net debt is down by €235 million YoY. I am not going to go through it, but there is now an attractive return of 13.3%. DSO also improved slightly. We have a very strong focus on overdues. That is a challenge in the market. You might read some articles about extended payment terms and supply-chain finance. Typically, these are not the real solutions for the problems, because it generates a huge amount of work, a lot of contracting legalities and so forth. We are very much on top of steering the real underlying DSO.

Free Cash Flow

Free cash flow is at minus €82 million. There is nothing very specific here. The last four quarters in 2013 were better than the last four quarters in 2014. That relates mainly to the fact that we paid off the Dutch tax authorities. This was a long lasting item that was dealt with. We should add €131 million to the €323 million. We have been using the provisions in Belgium and in France over the last four quarters which has led to a negative cash development of €53 million. So a rather stable pattern if you take that into account.

Refinancing Multi-currency Syndicated Credit Facility

We have refinanced the multi-currency syndicated credit facility. This is very opportunistic. I want to be very clear about this. This is not pre-announcing any other ambition at this point in time. It is just not the case. We have financing in place; we always look at our competitors, which are typically capital market financed, which is typically more expensive. If you look at the net finance expenses of comparable players, even outside our industry, you typically see high rates.

We are bank financed and that is a bit opportunistic but we take out the risk by having long-term financing in place. We were discussing a couple of the elements in the documentation. We did see an opportunity to refinance the whole picture, and then we said, 'Let's put in the 1.8 billion.' We could get a little more, but we took it down to €1.8 billion. We currently pay 1% but it is floating. It is floating because that is the best match with the cash flows of our business. This is not an entrepreneurial vision; this is just very factual trying to hatch the developments in our business. We were also looking at more favourable conditions, so we have been able to reduce the rates slightly, but it is still attractive.

We also invest a little money all the time in having standby facilities available in case something happens so that you can sell receivables. However, we have now been able to get an arrangement which allows us to go beyond 3.5 times EBITA – our internal target is two, but externally it is 3.5 times EBITA – and we have been allowed now in the new documentations to go to 4.25. Just in case we have another 2009 that repeats itself, we want to be on the safe side. Again, there is no major or no relevant acquisition in the pipeline as we speak. So very happy with this opportunity, and we just took it when it came along.

Outlook for Q3

Revenue growth

That brings me to the outlook for Q3. Our gain in revenue growth was 4.5%; in June it was 3.6%, and I already mentioned the gross profit growth. We do see the gradual improvements continuing. First time growth September last year and then it improved. It is not very much the comparables that play a role here in the first half of the year, because last year was stable at almost -4% in both quarters. We do see the foreign exchange impact continuing. At the bottom line it is a limited impact; it was only 3 million in the second quarter.

So the gradual recovery continues, but we do not see an acceleration of growth yet. But we also do not see it getting weaker and I think that is the conclusion that should not be in place. This has to do with a strong focus on the quality of the business. That is what is leading us in our activities: the same number of working days, and again a moderate increase of the cost base because that is a sequential pattern. There are always somewhat higher revenues in Q3 when comparing to Q2.

Exit rates for June

Looking at the exit rates for the month June, we already mentioned were 3.6% – if you round it off it is 4% – in the Netherlands at +4%, France at -3%. This is the gross profit focus here. Germany is at +1%. That is a bit understated. For Germany we always have to make estimates at the end of the quarter. In the course July you then find out what the real invoicing was. It was a little higher, so I think this is a bit understated. The same applies to Belgium at +3%; it should have been a little higher. The UK at +3%, Iberia at +6%, North

America continues at +3% the rest of Europe at +19% and the rest of the world at +8%. In total, rounded, that was +4%.

So that completes the presentation. We are now moving to Q&A. Arun.

Q&A

Arun Rambocus: Thank you. First, David. Please limit to 2 questions.

Jacques van den Broek: Robert Jan van de Kraats: Arun Rambocus: Linda Galipeau: Francois Beharel:

David TAILLEUR (RABOBANK): That is very clear, Arun. On the trend of Tempo-Team, it may not be easy to quantify, but could you say something about the impact of the improving end-markets, for example the public sector? And also your own efforts internally; are they paying off, seeing the improving top line?

Then secondly, looking at the Netherlands, the gross profit is up by 8% on flat sales, so your gross margin is apparently up. Could you say a little bit more on what the impact has been of Yacht, perm and also the price impact? Have we seen some positive pricing impact, for example, or at least no negative? Thanks.

Jacques van den Broek: Tempo-Team is improving throughout the quarter. This is very much an operational effort. What Kees has done with his people is they sat down and they started calling in a call centre environment – so a very condensed environment – all clients or ex clients that were in their database, to just mention the fact that they are there if there was any demand.

Of course we announced that. We had the feeling that demand was coming back and Tempo-Team is doing that. The improvement in activities then pays off, not so much in sectors as such. Tempo-Team sees a downward trend with large clients, so Tempo-Team also sacrifices business with large clients because of profitability reasons. They compensate that with different business, with better business. As you know, the challenge is always you get a better margin but then you need to match that with a higher productivity.

The good news, of course, is when you start growing you get a better conversion and then you immediately get a better result. It is very much a business mix thing, David. Tempo-Team also grows again in perm, which has an effect. So the total growth in perm falls directly to the margin, because in the staffing businesses – so in Tempo-Team but also in Randstad – we do this with the same people. So the conversion of that gross margin is absolutely good.

David: On pricing, is it true that there is no pressure on pricing underlying in the gross margin of the Netherlands?

Jacques van den Broek: Yes, there is pressure in pricing. As I mentioned, also in the Netherlands we have sacrificed close to 2% growth with clients we did not want to continue with, both at Tempo-Team and in Randstad. That has been going on for a long time; it is nothing special. There are clients where that is their appreciation for the service we deliver: they think it is a commodity. They have companies buying it from them and the only thing they do is just jot down the margin and the lowest one gets it, and we are never that.

Hans Pluijgers (Kepler Cheuvreux): Two questions from our side. First of all on your presentation, with respect to the activity, you were indicating that the activity was up about 30% year-on-year. First of all, was that referring purely to perm or to the total business?

Secondly, if, let us say, that increase is so significant, what was first of all at the end of Q1? How do you see it really converting into sales, how long it will take and why are we not already seeing more also from all the measures you have been implementing with respect to increasing activity? Secondly, a small question on Germany. Deceleration of growth, surely the price impacts from the equal pay is diminishing, if you could split out the development in sales by volume and price please?

Jacques van den Broek: First of all to the activities. As I mentioned, we introduced this in the company mid-March. In mid-March we had our general managers' meeting and then we worked for two days with our general managers on it, with the guidance of the companies that were ahead in this segment. Again as I mentioned, in those days it was US staffing and Spain. They taught their colleagues how to do this. Also in perm, staffing specifically, again based on the success we have had in the US, but also in Canada by the way, these colleagues taught their colleagues how to do this. They went back to their markets and they started implementing this. So you might say that as April/May this started to have an impact in the activity level.

Then it is always difficult, because then you talk about conversion. Conversion has to do with the market as such, which is difficult, and different market by market. It has to do with our top of minds, since some companies you need to do more phone calls to get a visit than in others. In some markets we get quite a good return: in the Netherlands we have one in three, so three phone calls for one visit, and when you have a visit and the market is growing you easily get an order.

So we call this a very rich funnel, an easy funnel, whereas, for example, in the US it is a tougher funnel: you need to call more. This goes back to investments in marketing that we talked a lot about in Q4. So it is a matter of time, but certainly permanent placement is a business that is very transactional. It has to do with visiting a client. It has to do with one transaction: finding the client that needs to hire a temp. So here we see a quite quick return on our activity levels, and then in temping it is more gradual. Then it is keeping it up, and we are keeping it up and then we are quite confident that this will have an effect.

However, at the same time you do have, in some markets, our large clients just wanting less; they have less demand. Sometimes we sacrifice them. Of course if you sacrifice one client and you want to replace this with a few small ones that takes time. So that is the game we are currently playing. There are a lot of things going on in the company, in the good sense of the word.

Then development volume and sales, so it was plus 9% in Q1 and now it is +7% in Germany. The price was 9% higher than volume in Q1. It is now 7% and volume has gone down a bit. So volume was slightly above zero in Q1, it is now slightly below zero in Q2, but as we see it is now a stabilising picture.

Marc Zwartsenburg (ING): First of all, a question on the gross margin trends. Going from Q2 to Q3 last year I think it was not quite a flat trend but then also USG came into the equation. Can you give us a little bit of a feel for how the seasonal trend would now pan out

with the movements that you see in your higher margin business, and also taking into account the time of the acquisition of USG? That is my first question.

Jacques van den Broek: I would like to answer your question, Mark, but the answer is no, because when we talk about margin we need at least one month full report on margins and July we do not have a monthly report in yet. As you know there is a seasonal trend, for example it is very pronounced in Belgium. It is less pronounced in the rest of the markets. We expected at least compared to Q3 last year to have roughly the same development. I do not see a reason why this should change. Sequentially that is a bit tough to say at this moment in time.

Marc Zwartsenburg: Does USG have a big impact on that or on a group level?

Robert Jan van de Kraats: If you look at slide number 22 you can see it was 0.1% impact in Q2. There is no reason to think that is going to be very different. Underlying of course it was consolidated, but that is the impact of the consolidated USG business.

Marc Zwartsenburg: Yes, and then in the comparables, that will fall out?

Jacques van den Broek: Yes. We have shed some business, so underlying it might even improve a little bit.

Marc Zwartsenburg: And then another question on France actually. The trend there in June, going to -3%: what are you seeing in the market? You see different trends to your peers, I would say. Is there any explanation for that and how do you see that continuing in July?

Jacques van den Broek: I have an expert in the room.

Francois Beharel: So you are asking about the trend in June. Yes, the market is still negative. As Jacques mentioned, we are below the market due to our strategy to focus on profitability. We continue to consider discussions with customers without CICE effect. In the past we decided to have hard discussion and to continue even if we are able to improve our profitability. So it is still the same strategy, and we think that it is probably very dangerous to share part of CICE with customers.

So as a trend it is still negative. We will hope for an improvement probably in the markets. However, on CICE, this represents an opportunity for our customers to improve profitability, but we are not seeing new investments. So probably they are waiting for the new €10 billion additional wages allowance. So probably they are waiting for the decree, to be sure about the next investment. That is what they have to do.

Marc Zwartsenburg: Now you are saying that because of your price discipline on CICE and your gap with your peers that the others are less disciplined? Is that what you are saying?

Francois Beharel: We stabilise our price in temping.

Jacques van den Broek: The answer is yes. It is a pity of course, because – this is for the historians in the room – the allègement is also a subsidy part in the bill rate in France and competition, this is 20 years ago, also competed this away. Again, we are bent on creating a better French market and I hope we are not the only ones. I think Adecco is okay-ish, the rest is questionable.

Marc Zwartsenburg: So this trend in revenues will not change in July?

Jacques van den Broek: No. France is the outlier economically and both from a policy point of view. Our earnings are okay. We would like to grow faster. We will if the market picks up because of all the points of sales we have and in house. We have good leverage then.

Yves Franco (KBC securities): Thanks. Good morning. Two questions from my side. Can you maybe give guidance on the OPEX, or maybe on the increment to conversion ratio targeted in the next quarter? Will it go down a bit? Second question: do you have some kind of target divisional split regarding SME and large accounts in the Netherlands? Can you tell us where you are right now with that split maybe?

Robert Jan van de Kraats: Your first question on the incremental conversion ratio for Q3, we do not have a target that we are sharing with you. We only gave it last time to give you some indication. We have however explained the phases in incremental conversion. In our business if we have the first phase, where growth just comes in, we typically have incremental conversion ratios of around 80%. So 20% is then spent on additional marketing, on bonuses, commissions. Then over time, after a while, it typically declines towards 50%.

In phase 2 you start adding people; that is why it goes to 50%. In phase 3 you start adding branches, not being Inhouse, and then it goes down of course gradually towards the regular level of EBITA. You have to look at this country by country. The US has been growing for quite a while: you cannot expect a very high incremental conversion ratio after many, many years, same in Japan. So the blend this time was 70% and it very much depends on the blend of the total portfolio. So it will be high again, it will be north of 50%, but we will see how much it will be.

Jacques van den Broek: Then your SME question, our target is pretty simple: we want to work with as many clients as possible and within the clients we want to have the highest market share possible, but at the price we think is agreeable for both the client and ourselves. What you see economically is that if you see more growth is that the SME part picks up. Yesterday in our meeting with supervisory board we had our Spanish operating manager, Rodrigo Martin, and although, for example, the Spanish market is also growing, he does not see much demand yet in the SME, but we monitor it.

In the Netherlands we do see it, in Belgium we see it: so there we see the pick-up. In Germany we have never been there. This is a bit black and white, but there we need to fight ourselves in because there is a long trail of small German competitors in the SME space. The only way to fight yourself in is to be there and to contact them and to visit them frequently. This does not happen after the first call or the first visit, you can imagine. This takes time, so in Germany the SME part will definitely increase and the white collar part will increase, but we are not targeting a certain percentage here.

Yves Franco: And maybe on the pricing pressure in the Netherlands, USG yesterday reported it was hard but stabilising quarter on quarter. Do you see the same trend? You gave up some market share in the Netherlands but regarding pricing pressure you think it is now at the bottom and will become less from now on?

Jacques van den Broek: Pricing pressure is anecdotal. This is clients doing a tender. These are large clients and then everyone jumps on these clients. As we are market leader sometimes these are our clients. This is not easing. This is not getting more or less, so this

is again anecdotal. You can see in the Netherlands, looking at our margin in the Netherlands, that we take the right steps to compensate for this and more. So we are okay.

Konrad Zomer (ABN AMRO): First, question on Germany: am I right in thinking that you provisioned for the working day impact throughout the year, which might explain your really good margins in Germany in the second quarter. The second question – on a slide that has gone missing I think – is your view on the different segments around the countries. Can you share with us what you see in the automotive business in Germany, whether your growth rates come down. Also, if I can squeeze a quick one in: in Japan your EBITA margin that you generate in Japan, is that above or below the group average?

Jacques van den Broek: You start with Japan.

Robert van de Kraats: Yes, it is roughly in line with the group average. It typically is a little higher, but Jacques explained that we have some additional enforcement of compliance in the spot field, and that is suppressing the growth a little bit in a very attractive segment. By the way – this is painful – in Japan the real scarcity is not clients but candidates, and these people are then moving to smaller players, where compliance is not as sensitive, whereas we are fully compliant. That is a challenge.

You asked about Germany. I will take that one right away. We take it as it comes, so we do not make adjustments we just follow reality here. We are not provisioning.

Jacques van den Broek: On the sectors, yes we had the slide. It is not so scientific in a way. Automotive is not too bad. BMW is having record years there. They are a good client of ours. By the way they also are the most attractive employer. They won the Randstad Award. People around the world, some 200,000 people, voted BMW as the most attractive employer. They also sell a lot of cars, so that helps. It is from slightly up to slightly down, so it is not like anything is plummeting in Germany or any sectors are really plummeting, but it looks like a bit of a pause in a way.

Policy wise, we are not so happy with Germany. What you now see is a very active and a bit dogmatic social democratic party, which again is chasing the unproven scenarios of squeezing flexibility. They think this will turn into fixed jobs, which is not the case. We issued a study, 'Flexibility at Work', where we have scientifically proven, or at least the universities we asked to do that, that when you squeeze flexibility it does not become fixed work, it becomes badly regulated flexibility. So that is not the way to go.

What we also find worrying is we totally approve a minimum wage as such, but what you now see is that the minimum wage in the eastern part of Germany is going to €8.50 and Poland, which is 40km to the east, is €2.65. This is an educated workforce with a good infrastructure. We think this is dangerous. We talked to the social democratic party, but so far they have the wrong policy. We think this is not the way to go, but okay, we are just a face in the crowd. We are lobbying actively, but yes, then again.

Arun Rambocus: We now move to the online questions. Please take over, thank you.

Paul Sullivan (Barclays): Good morning everybody. Just a couple of questions, firstly on US Professionals. Can you give us a sense of timing or any timetable of the improvement that you are trying to get through in finance at the moment and just what the market is doing in that particular vertical? That is the first one and then secondly in the UK it did seem that

contract terminations stepped up quite a bit. As you can see, there is a renewal pipeline through the second half of the year. Do you think that is going to remain an ongoing drag through the second half in the UK or was there a specific spike in the second quarter? Thanks.

Jacques van den Broek: I will take your UK question and then Linda Galipeau will take your US question. Yes, we are actively shedding bad business in the UK. Certainly in our in house portfolio we do have a group of clients that is not necessarily willing to pay what we would like them to pay, and then we say goodbye. This is not a specific drag on Q2 or Q3. By the way, we advocate looking at gross profit development and perm development in the UK because this is by far the most important part of our business we are focussing on. So it is less on pure top line.

Linda Galipeau (Randstad): On the finance business in US Professionals, first US Professionals' exit rate in June was flat, so slight improvement in the quarter. The FNA business is significant but it is certainly not the largest business in the US. The US Professionals numbers are very much driven by the IT segment, so I think that is important to note. The FNA business underperformed and their performance in June was in line with the quarter so we have not seen an improvement yet.

Certainly the business is forecasting a solid improvement and given the new leadership I have every reason to believe that is going to occur but is yet to come through in the numbers. It is certainly the segment that has been most affected by the slowdown in the mortgage sector. That is a big user of flexible staffing, but I think at this point it is internal issues that are driving the low performance and that is good because that is easier to correct.

Paul Sullivan: The low single digit that you are seeing in the UK, is that likely to continue in the third quarter? Do you see any major shifts?

Jacques van den Broek: Top line or gross profit?

Paul Sullivan: Top line.

Jacques van den Broek: Top line, okay. Again, I do not know. Probably, because there is not much going on there, but our high single digit growth in gross profit in the UK we expect to continue, and that is good news.

Chris Gallagher (JP Morgan): Good morning. Just a quick question on the rest of the world: do you know when you would expect the margin to start improving in that segment?

Jacques van den Broek: Yes, the rest of the world is quite a cocktail. It is a portfolio of countries. We have significant investments in Brazil, for example, where we expect to see the returns improving. So that means the investments on a net basis will start to decline. We have ongoing investments in India. It is quite a large operation. We run an operation with more than 1,000 people in India, and will continue to invest for the next couple of quarters. In China actually we are making too much profit, so we need to speed up investments.

However, you can imagine, having been growing at the rate of 60%, 70%, 80% over the last quarters an organisation cannot continue that too easily or accelerate beyond that level. So we might continue to make a bit of a good return here. The Japanese business, it has the challenge in the spot field but at the same time it continues to grow in other fields so no investments going on here. Jacques mentioned Australia, where we are focussed on the perm

business, and that should start to give us returns. So yes, on a net basis gradually we should see this improving going forward in the next couple of quarters.

Toby Reeks (Morgan Stanley): Hi there guys. I am going to ask a couple as well. The first is on leverage in the capital structure. It looks like you are going to have pretty much no doubt by the end of 2015 that you have got the internal target of two times EBITA and there are not any acquisitions in the pipeline. Can you talk around your thought process of how that will pan out, particularly around returns?

Robert Jan van de Kraats: These assumptions are not illogical so to say. It is a matter of scenarios testing. If you would follow a continued growth scenario then indeed at the end of 2015 there will be either little or no debt left, but we do not know if that will happen, first of all. Secondly, we do not have any relevant M&A in the pipeline as we speak, but we might be looking at it in the course of the next quarters. We might start to look at it again.

Again, strategically, we are not cooking something sizeable, very sizeable. That is not the issue as per today. The point is just if you can get this kind of facility at a relatively low cost – if you again compare our financial expenses with the market it is very, very low – we are making an investment here that is very acceptable. It is rather opportunistic. It is there. If we need it we will use it, if not we are not going to use it.

Getting to underlying potential assumptions, this is not arranged in order to repurchase shares. That is not the intention here, so no pending sizeable acquisitions, nothing in the cooks in terms of global changing transactions, no repurchasing of shares being prepared. That is the underlying arguments here, but rather opportunistically refining ourselves for the next five years at a very favourable rate.

Toby Reeks: The loan covenants being 4.25, it is just if your internal target is two and then you are going to be zero in 2015 and you do not have any M&A and you are not going to repurchase shares, is there scope for the dividend to increase? What is the thought process around that internally?

Robert Jan van de Kraats: We try to disconnect transactions and financing as much as we can. We did see an opportunity in the market because we typically spend a little money to keep insurance options in the air, and we could combine it now. If we save a few hundred thousand, then we just go for it and now we could move the insurance options into the overall arrangement, that is why we did it. Again, this is a financing that is going to carry us in the next five years into 2019 and then it has two extension options that brings us into 2021; something might happen in these years, but nothing in the books right now.

Toby Reeks: Okay, just to put the question another way. I should assume in my model that you turn cash positive in 2016, I should not be assuming that used that cash flow on, you have ruled out buy backs, you are saying that there is nothing in the pipeline, but you should not assume that you look to return some of that if you go cash positive in a special dividend, something like that.

Robert Jan van de Kraats: Yes, well, you know we have studied it once more, if you go back to economic theory. Share buy-backs are not adding economic value, unless the money is in the balance sheet for a long period of time; that is a statement we have made before. If Randstad arrives at a net cash position and it lasts for a while, then we will certainly

reconsider this at that point in time, because we were are not going to keep cash in the balance sheet forever. But that is not the case at the moment, that will take a little while and then we will come back to it.

Toby Reeks: Okay, okay, clear. The second one is –

Arun Rambocus: Sorry, I think we have to move on. Next question, please. Thank you for your questions.

Tom Sykes (Deutsche Bank): Just wondered if you detail the growth rate in the inhouse business in North America, please. Just it looks like it was growing at about 15% in Q4 last year and it is about 7% now. I just wondered if that was due to a lower level of transfers, Canada or what is happening to the underlying if you give a view on the industrial manufacturing business in the US. And then obviously you just made the comment on MSP in Europe, maturing quickly. Just wondering if you could expand on that maybe which countries you thought were adopting an MSP model more quickly than others, please.

Linda Galipeau: So on the US, the numbers we report, are not net of transfers. So in our IS, what you are seeing is actually the underlying growth rate is improving. It is accelerating fairly significantly. That has to do with two things. Lots of new winds, new programmes, and a robust and many are saying renaissance of the manufacturing sector in the US. So the growth of the RI segment in the US is very positive. Compared with the growth rates throw us off a little bit, because they include transfers.

So last year the growth rates were primarily driven by transfers. This year the growth rate is driven by new winds and if you saw also the branch growth rate in the US general staffing, it is also up. So I think that the interpretation is actually an acceleration not a de acceleration. Though I understand why that is a bit confusing.

Tom Sykes: Okay, and you would expect that, is that bottoming out now in in-house North America should start re accelerating again?

Linda Galipeau: Again, it is not accelerating. The number is confusing because it includes transfers. So you have to look at the overall general staffing number to look at the health of the segment because we move things back and forth between the branch segment and the RAS segment.

Tom Sykes: Okay, thank you.

Jacques van den Broek: Do you want to the MSP also or not? Should I do the MSP one?

Linda Galipeau: You do it, because I missed the question.

Jacques van den Broek: Okay, well good morning also to you, Tom. Yes, well, MSP, we have a great team in the US. An experienced team. And they are doing well and are selling more programmes. We sold a lot of new programmes into Q1 and they are maturing into Q2, so that helps. As you know our company well, when we have a strong concept we multiply it across the world, so we now have a global team on MSP and RPO, a Sourceright team, and they share experiences also in our Global Client Solutions theme we sell around the world. And that fuels our growth. MSP is still surely in continental Europe pretty immature market, although spending by ThyssenKrupp in Germany of €150 million on the management, thirty-three locations is really a benchmark success.

This business feeds on one client telling the other ones that they made a good choice, so then you get a speed up. So pretty happy with the development there, we think it is crucial because if you look at the US, probably 85% of all corporates have a programme in place, either MSP, RPO or both. And we want to be ahead of the curve with the development, certainly in Europe and ideally also keep up with this development in Asia.

Tom Sykes: Do you feel like the speed of acceptances is moving up a little? Obviously giving the reference climb there, but in continental Europe, obviously in ex UK, in Europe Where does that leave the RPO model or the MSP model has been there a while. Is MSP in continental Europe, has there been more traction there?

Jacques van den Broek: Yes, well we in our total talent architecture approach, we do not talk about MSP as a means, we talk about managing workforces, we talk about managing suppliers, we talk about compliance, we talk about long term HR visibility based on transparency and spend. And then you get to MSP, so yes, it is being picked up in Europe if you look at the conferences where we are and where we present, in the HR communities becoming more and more logical to start contemplating this and again as more and more clients will have adopted a similar model, then you get to speed up.

Tom Sykes: Okay, many thanks. Thank you.

Jacques van den Broek: Okay

Laurent Brunel (Exane BNP Paribas): Yes, good morning, just a couple from me. Firstly, in Australia, could elaborate a bit more on your good performance which contrasts with your competitors' numbers. And is it the results of your sales force initiative? And secondly, on France, do you expect similar performances in Q3 versus Q2 despite perfect comps? Which July[?]? And what do you think the cost segment is?

Jacques van den Broek: Francois will answer the French, the question on France. On the first question I heard good performance, so thank you. But on which sector were you specifically aiming?

Laurent Brunel: Sorry? In Australia.

Jacques van den Broek: Oh, Australia. Yes, well, I think good performances between brackets, so yes, we grow relatively fast in large blue collar clients. We have not implemented in-house yet in Australia, we are doing that now in the second half of the year so I think we will benefit more from that. So growth in the top line, although it is always good to have that, does not always translate into a great EBITA performance and they know that so we have two strategies in Australia. One, as mentioned, moving large clients to in-house. And the second one is grow fast in perm. Definitely optimistic about what goes on in Australia. Not yet happy with the overall result. France?

Francois: France it is about trend in Q3? So if we look at the trend in July last week. Professional union announce down turn around for the week minus four, so I do not know if Q3 will be better? Probably, once again, companies are waiting for the ten billion additional sales subsidies, to decide to invest or not. I know techs is doing very well. Automotive is getting a bit better but due to a bad effect on the construction segment which is doing very badly. So I do not know if Q3. We hope. But we will see. But we have no good sign right now.

Laurent Brunel: Okay, thank you. And can you just repeat the exit trades in June for rest of Europe 8% but I think it is a wrong number.

Robert Jan van de Kraats: Wait, just checking the data now. Rest of Europe was +3%.

Laurent Brunel: Compared to 20% in Q2.

Robert Jan van de Kraats: Plus 20% in Q2. We are now looking at the data.

Laurent Brunel: I mean for the European countries. Is that correct?

Robert Jan van de Kraats: Yes, we had an exit rate for Q1 of 18%. And now for Q2 it is +3%. In the rest of Europe

Laurent Brunel: I am a bit lost. When I look at your performance for European countries it was 20% in Q2. And you are talking about the exit rate of +3%?

Robert Jan van de Kraats: We will have a look at it and we will come back to this item. Just hold on.

Laurent Brunel: Okay, thank you.

Robert Jan van de Kraats: We will move to the next question, but we will come back.

Rajesh Kumar (HSBC): Hi, good morning. Could you just give us some clear indication on what July growth rate you are indicating. It is in line with the quarter so when you say, in line with the quarter, are you talking about April or June? And second, you have talked about the final process in which people are taking decisions quicker, which particular market is that happening and what do you think it means for the conversation ratio?

Jacques van den Broek: Your first question, pretty clear guidance there, so the revenue level projected for July is roughly the same as for Q1. So I think that is pretty precise guidance, I could not put any more light on that one. I did not understand your question. So could you repeat that one.

Rajesh Kumar: So you are saying, July is in line with Q1 and not Q2?

Jacques van den Broek: Yes.

Rajesh Kumar: Okay

Jacques van den Broek: So 4.5%, something like that.

Rajesh Kumar: Okay. And the second question I have basically, the speed of hire, which have you seen –

Jacques van den Broek: Speed of hiring?

Rajesh Kumar: Yes.

Jacques van den Broek: Okay. Yes, well, the speed of hiring, certainly in the US, in the UK, is picking up a bit. But I would still, I would like to reiterate the fact that our group growth in perm is also a deliberate effort and not so much that the speed of hiring overall is increasing so we do see some better markets, but also some markets where this is the result of the deliberate sales effort.

Robert Jan van de Kraats: Okay, we are now going to come back to the question now on the exit rate for the other European countries. And that was a typo, so thanks for identifying

it. It does not change the total by the way, and as a compensation I am going to give you the exit rates of the underlying countries.

So the exit rate for rest of Europe was 19%, and for Italy 15%, for Switzerland, there it is just north of 13%, For Austria it was north of 50%. And for Poland, 25%. That is pretty good return on a mistake, is it not? And Austria with the 50% growth, that is the part we bought from USG.

Toby Reeks (Morgan Stanley): On the OPEX development you are expecting as we go into the next quarter, could you just talk around the marketing side of things. How much do you think that is going to pick by and is that the primary driver of the increase?

Jacques van den Broek: Nothing. Nothing spectacular as in marketing boost like Q4. So, a slight seasonal pick up, certainly in September. Because September is always when you start the year again and we have a lot of marketing events planned to be in the market to support our people going out. And certainly also in the Netherlands, also the Netherlands will again have what we call the youth at work project where we going to try and get a lot of unemployed youth back to work again like we very successfully did last year. So very much looking forward to doing that again.

Toby Reeks: Okay, so a similar progression that we saw into Q2 with that level –

Jacques van den Broek: Comparable.

Toby Reeks: – that we are looking at.

Jacques van den Broek: Comparable.

Toby Reeks: Okay, thanks.

Arun Rambocus: Okay, then we go back to the room where we have three final questions. Please limit yourselves to one or two questions, please. Thank you very much.

Marc Zwartsenburg: Yes, two further questions from my side. First of all, Robert Jan van de Kraats, can you give us an indication how much the interest cost will go down on the back of the renegotiated loans on an annual basis based on currency adapt and current floating rates? And the other question is about Germany. What do you see going on there in July? You see so much is working out during the summer and expending holidays, so is July getting a bit better because of companies not going on holiday?

Jacques van den Broek: No, not because of that. Because companies not going to holiday you see they have a lot of demand. And it is not that booming so they do what they usually do. We do see the cons not decreasing in volume so that is good. Sorry. The volume development compared to the same period last year is flattening out. So where it was going 1-2 into the quarter, a bit down in volume, volume is now stabilising into July.

Robert Jan van de Kraats: You cannot realise a lot of improvement on a lot of financial expenses, so that is the starting point. And the improvements have been marginal so if you take 60 million as a base for now then I guess we might be able to save a million or so or a million plus. But it is very much dependent on the underlying base rates for that is key. And these are very attractive as we speak.

Hans Pluijgers: So one question from my side, on Iberia, you see year on year, only about 2.5 million improvement in your profitability. While you see organically a quite significant

growth for June and you have saved about 4 million on the USG integration. So what is happening, the underlying reason, I have not seen a better improvement?

Robert Jan van de Kraats: It combines Spain and Portugal. Spain is very steady, good improvement. In Portugal we have made some adjustments to the portfolio, the client base. Portugal is a growing market but also challenging. Typically DSO is a very high levels. You have to think about 80-90 days. Pricing can be unattractive. So we have made some choices here in the portfolio. So that is what you see coming through.

Jacques van den Broek: Piethein, welcome back.

Piethein Leune (SNS): I will limit myself to one question and that is regarding in the permanent placement business. We have seen great growth there at this quarter, given the activity that you have been putting out I would expect it grow further in the coming quarters. Where do you see this business strategically going to as a percentage of you gross profit? I know that it is not an exact question, that 2016, I will not have 20%. But more on a broader level. How does it fit in your portfolio?

Jacques van den Broek: Yes. There are two things. Two developments here. One is the development of growing more in perm in the business mix in our more established countries. So comparison again, US staffing going from 3% to 8%. And the Dutch business, the German business, the Belgian business still at 3%. They could go up to 5-6%. A second development of course is we have more companies who sell perm. The Chinese business being one of them, are also changing our Brazilian business which in hindsight was too much built into again a staffing business, low margin, we do not want to go there, certainly northern Brazil.

Revamping that into perm business so there is also a business effect. So our highest point was 12% perm fees in the gross margin into 2008. I think over time, but again, rightly so this is just a number, 15% could be feasible. Yes. But again depending on development, you know how it works.

Concluding Remarks

Robert Jan van de Kraats

CFO

I would like to finalise the Q&A. Thank you for joining us on the presentation. I would like to add one thing and that is that the trends we have seen in Q2 and going into Q3 are very much confirming that we believe the 5-6% EBITA range is very feasible depending of course, it is a matter of timing, depending on the speed of growth. That is also important in my final point here, if I may.

Because we have one guy sitting here, Jan-Pieter, who has been with us since 2004; for the last ten years. He has been responsible for investor relations for the last three years actually. A predecessor of yours is here (Piethein). Your successor sits here; Arun. Your two other predecessors are in Singapore, and in Tempo-Team as CFO's. Actually you are going to follow the same path. Jan-Pieter has been promoted to become the CFO of our Portuguese business; you just heard a question about it, so there is work to do. And on behalf of everyone, we want to say, thanks a lot: we highly appreciated your conscious work. Your

dedication, your passion, it was an excellent period of time over the last three years. Thanks a lot.

Arun Rambocus: Okay, thank you very much for coming over. Before we go to the coffee, I would like to remind you that our Q3 result is on 30th October. And we have our capital markets day on 20th November. Please put it in your agenda. Thank you very much for attendance.

Jacques van den Broek: Thank you.

[END OF TRANSCRIPT]