

## — PARTICIPANTS

### Corporate Participants

**Robert-Jan van de Kraats** – CFO & Vice Chairman-Executive Board  
**Ben J. Noteboom** – Chief Executive Officer & Chairman-Executive Board  
**Jan-Pieter van Winsen** – Director-Investor Relations  
**Gregory A. Netland** – Member-Executive Board  
**Jacques W. van den Broek** – Member-Executive Board

### Other Participants

**Matthew G. Lloyd** – Analyst, HSBC Bank Plc (Broker)  
**Toby Reeks** – Analyst, Merrill Lynch International Ltd.  
**Teun Teeuwisse** – Analyst, ABN AMRO Bank NV (Broker)  
**Jaime K. Brandwood** – Analyst, UBS Ltd. (Broker)  
**David Tailleux** – Analyst, Rabo Securities NV  
**Robert J. Plant** – Analyst, JPMorgan Securities Ltd.  
**Marc Zwartsenburg** – Analyst, ING Bank NV (Broker)  
**Tom R. Sykes** – Analyst, Deutsche Bank AG (Prime Brokerage)  
**Arun Rambocus** – Analyst, Kempen & Co. NV (Securities)  
**Andy C. Grobler** – Analyst, Credit Suisse Securities (Europe) Ltd.  
**Charles M. Wilson** – Analyst, Goldman Sachs International Ltd.  
**Konrad Zomer** – Analyst, Joh. Berenberg, Gossler & Co. KG (United Kingdom)

## — MANAGEMENT DISCUSSION SECTION

Operator: Welcome to the Randstad Third Quarter Results 2011 Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session. Please note that this conference is being recorded.

I will now turn the call over to your host, CFO, Robert-Jan van de Kraats. Sir, you may begin.

### Robert-Jan van de Kraats, CFO & Vice Chairman-Executive Board

Thank you very much. Good morning, ladies and gentlemen. Welcome to the Conference Call on the Third Quarter Results 2011 of Randstad. We're here together at this table with Ben Noteboom; Greg Netland, because of the recent expansion in the United States and Jan-Pieter van Winsen from the IR department.

I'm going to take you through the presentation and at the end of the presentation, we'll move to Q&A. The agenda is an elaboration of performance, the financial results and the outlook and, as I said, we'll end with the Q&A.

Moving right away to Slide 5, it shows you the recent market trends and which also indicates that growth as continued, albeit at a slower pace, mainly due to the stronger comparables of last year. The seasonal trends have remained intact but, effectively, what we do see is that the classical patterns we have started early 2010 did not fully continue. One would expect to see acceleration in the White Collar and Professional segment, in the Permanent Placement segment, and that is not coming through according to the – fully, according to the classical patterns.

The Industrial segments, however, has continued to be the main growth drivers during this quarter and the impact of the public sector in the Netherlands and in the UK seems to have stabilized somewhat.

Then move on to Slide 6. In Q3, as I said, we do see slowing growth, but still Group performance; the revenues amounted to €4.2 billion, which is growth of 7% year-on-year, organically per working day, it's just below 7%.

The organic growth per working day moved through the quarter from 9% in July to 7% in September but still house – Inhouse still very strong at 18% plus, compared to the previous quarter at 29%; Staffing up 5%; Q2 that was 10%, against a strong comparison base in the larger countries; and Professionals being stable at 7%. Perm fees were up 11% organically and that was 14% in the second quarter.

And we do see the gross margin moving from 18.5% to 18.1%, which is a decline down; it is sequentially down also due to typical seasonality that we have seen during quite a few years.

The acquisition of SFN Group contributed 20 basis points on the year-on-year basis. And we see impact on the average gross margin from the Group because of the continued strong growth in Inhouse and also the change to geographical mix, with say a higher growth in certain countries and somewhat lower growth, for example, in the Dutch markets.

The operating – sorry, one point to add here is the impact of the French subsidy system. At the Group level the impact has stated so we have now completed our, I would say, very disciplined process of price adjustments in France, a little ahead of time. And the operating expenses of the Group amount to €590 million and, if one adjusts for SFN and looks at it on a constant currency basis, costs are sequentially down by €1 million. EBITA is up 14% to €175 million and reached a level of 4.1%.

Then the Netherlands. In the Netherlands, we have seen growth improving from 3% in Q2 to 4% in Q3. Randstad Netherlands continues to outperform the market substantially in Q3, while Tempo-Team is still lagging and revenue decline at Yacht, the Professionals business, or the biggest part of the Professionals business in the Netherlands, it improved to a low-single-digit rate, so that the decline is at a low-single digit level now.

The decline of the public sector eased somewhat. It is now 8% year-on-year, so the decline is 8% year-on-year. In Q2 that was still 10% and if you look at the right-bottom corner, you can see the share of public sector business in our Dutch book, it moved from 14% to 13% in 2011; so, as such, the impact is also easing on the total.

The growth in the private sector amounted to 6% and we do see easing growth in the industrial and technical sector due to the tougher comparison base. The growth in the Admin segment is inline with the market. The EBITA margin came out at 6.4%, compared to 6.8% last year and underlying pricing pressure is stable but the contributions coming from the Professionals segment is lower and that means we are missing some higher margin EBITA; so it's lower than last year.

In France, on Slide 8, it shows you we're gaining market share. Organic revenue improved by 9% in the third quarter, compared to 16% in the second; we're ahead of market. And the Automotive and Manufacturing segments are the main drivers in the Staffing business.

We also see improved growth in the Professionals segment and Permanent Placement continues to grow at a relatively attractive level, 23%. And we have seen some growth in the Inhouse business, with ongoing increase of new clients and transfers. So this is not just transfers, this is clearly growth within our existing client base as well.

As I said, the subsidies have been fully compensated now by disciplined process of price adjustments and, as we mentioned last time, we are in a process of reviewing client profitability and it might have some effect on growth going forward because unattractive levels of client profitability might make us decide to terminate certain contracts.

And the EBITA amount to 3.6%, compared to last year 3.7%, again, a strong comparison base. And one should note that profitability of last year was very strong due to the fact that we had substantial overcapacity, which was being utilized at that point in time, so the conversion, the incremental conversion or leverage was very high at the time. And currently, in the third quarter, we have invested in FTEs, both in the Inhouse business and the Staffing business.

On Slide 9, some comments on Germany, strong performance growth of 10%. In Q2 this amounted to 16%, so this is clearly solid growth, despite the very strong comparison base, note last year, 40% growth, a very substantial quarter. And we do see some signs of a tight labor market but at the same time, we see plenty possibilities in other parts of Germany.

And we also see a more favorable mix as a result of continued double-digit growth in the Professionals field, especially, as you can read, under the second bullet in the IT segment and our Staffing business gets more geared towards the higher-skilled workers.

During the quarter, growth has slowed to a level of 6% in the month of September. Growth is also supported by a price effect in Germany, which is the result of the adjustments in the Collective Labor Agreement, which were initiated on the 1st of May, partly, and the other part kicks in the 1st of November.

[ph] EBIT (sic) [EBITA] (8:57) margin at a very good level of 7.4%; it compares to 6.9% last year. And the operational leverage has clearly supported us here.

Belgium on Slide 10, also strong operating leverage, revenues up 3%, compared to 10% in the previous, slightly behind market due to strong focus here also on client profitability. We've seen some very aggressive pricing and then we are stepping away from that in some cases. The Industrial segment is the main driver in the Belgium markets and we are clearly ahead of the market in the Admin segment.

Inhouse is up 21% and this was 50% in the previous year in the same quarter, so a substantial comparison base. Professionals is stable at 7%. If we look at the pattern throughout the third quarter in Belgium, we do see that the month of September was stronger than the previous two months and that is always hard to predict how the season, the summer season will behave. And the result is that September was stronger than the previous two months.

The EBITA margin arrived at 4.3% and that is also the result of a very tight cost control.

In the UK on Slide 11, we have seen a challenging environment in the third quarter, again. The organic revenue grew by 2.0%; it is kind of sequentially stable. In September it arrived at 3.0%. The decline in public sector, which is still a substantial part of the business but much smaller than two years ago, as you can see at the right-bottom corner, it is now 17% of our book. And this decline in this sector it eased to 25% negative, where as it was 30% negative in Q2.

The private sector remains strong at a growth level of 11% and Inhouse continued to gain market shares. It maintains a clearly high growth rate and it continues to add new clients as well; so growth within existing clients and new clients.

Permanent fees for placements reduced by 8%; the reduction in Q2 was 7%. We clearly see a lower demand in the City-oriented businesses. The EBITA margin arrived at 0.2% versus 1.2% last year and this reflecting high growth at Inhouse, a decline at the public sector. And please note that

in – that our public sector business in the UK contributed relatively strong to the EBITA margin of the country as a whole and that's what we have seen, a serious decline. And we also see less contribution from permanent placement, resulting in this lower EBITA margin.

Then North America, which is becoming that largest market of the Group now, and maybe I can make the additional comments here that in this country we do see a classical recovery because of Professionals has taken over the lead and shows very strong growth. Organic revenue came out at 10% higher than Q – than the previous year, same quarter, whereas in the Q2, this was 14%. We think we are at market but it is clear that the Professional business is outperforming.

In Canada, we see solid growth both in Staffing and in Professionals and we have consolidated, as well as shown, the closing date is 2nd of September and, as such, it's contributed €118 million to the September revenues.

The U.S. Staffing and Inhouse was up 3% year-on-year. We did see slowing growth due to the strong comparison base and, again, also here focus on client profitability. And we have seen an improved mix here in terms of growth contributed – contribution of the Admin segment and the Perm business.

U.S. Professionals, as I said before, up strong 15%. IT and Engineering are the – still the main drivers. Healthcare continues to improve and we also see continued strong growth in the Perm contributions. As such, EBITA margin arrived at 4.7%, which is comparing to 3.8% last year and, again, this show strong operational leverage.

Some comments on Page 13 on the SFN Group. As I said, it was included in the Group results as from the 2nd of September but in order to evaluate the performance, we have included the third quarter results of SFN as a whole, whereas they are not fully being consolidated into Randstad. And in the growth in SFN Group is inline with the second quarter of 2011. It amount to minus 1%, which is the result of strong focus on improvements of the operating and that margin arrived at 3.8%, and it compares to 2.7% last year.

The sector performance in the third quarter. Looking at the Staffing first, 1% down, again, the focus on client profitability. EBITA margin up to 2.1% from 1.7%. Professionals grew by 2.0% year-on-year. Also here, IT a strong contributor but also Finance. Strong growth of the permanent placement fees was helpful here and, as such, the EBITA margin amounted to 5.7%, which compares to 3.6% last year.

And Human Resource Solutions, it shows an improved mix growth is impacted by the ending of some payroll contracts but we also see strong growth in the RPO, the Recruitment Process Outsourcing, and the MSP businesses. As such, EBITA arrived at 5.8% and that compares to 4.5%.

Then the Slide on 14, that's the slide that we have used also when announcing the acquisition of SFN and we have included it here because we have noted that the profile of SFN was not as well known with some of you as we think it's necessary. That's why we have included it again, so, as you can see here, the combination includes the segment Professional Services and that is 41% of the Group. That's the dark blue part; it's the number 2 in the IT segment, and the number 3 in Finance & Accounting in the Professionals market.

Staffing Services, the share of total is around 50% and we are the number 2 player in the Clerical segment, number 5 in the Light Industrial, as such. And we do see a strong increase in the density of the Staffing network, as result of the combination. And then the remainder, just close to 10%, is Human Resource Solution, which includes RPO and MSP. And, as such, we have become the leader in RPO in the U.S. market and we have a very substantial platform to offer to our clients in the field of MSP.

So conclusion here is that combination creates number 3 in the U.S. but it also provides us with a very strong foothold in the Professional segment, strengthening the base, which was already there and also a strong foothold in the RPO and MSP space in the United States.

And then finally, some comments on the integration process and the synergies on Slide 15. The deal closed within six weeks after announcement. That is always helpful because that helps us to deal with the uncertainty in a very speedy manner. The consolidation is effective as from the 2nd of September; integration is exactly on track. We have used the six weeks between announcement and closing to prepare plans and, as such, we have been able to initiate the process at very soon after the 2nd of September.

And in the third quarter, we have included €4.6 million of integration costs, which, as you can see at the lower part of this page, has resulted in some synergies already in field of the stock compensation plan and the delisting.

And our cost synergy ambition amounts to at least U.S. \$30 million annually and you'll see us gradually getting to that target. The annual synergies also included an amount of \$10 million of tax savings, which have remained unchanged. So that is the additional comments on SFN.

On Slide 16 some comments on the segment performance, Staffing, Inhouse, and Professionals. And, as you can see, in the Staffing business, growth has been 5%, arriving at an EBITA margin of 4.2%. The Industrial segments are the main drivers here and growth is slowing in the largest countries. It includes transfers to Inhouse, impact probably not more than 1% and it's driven by a clear focus on client profitability.

Inhouse has to deal with a strong comparison base and shows strong operational leverage, arriving at a very solid EBITA margin of 4.7%. And the Professionals business arrives at the same amount of – or the same percentage of EBITA margin, which indicates the opportunity is still there. It's mainly led by the IT and the Engineering business, with strong perm, with the exception of the UK.

And, unfortunately, the contribution of the Netherlands and the UK to this segment is still hampered by the public sector exposure, so profitability is inline with last year, mainly due to lower contributions from the Netherlands and the UK, and an excellent contribution from the U.S.

Then some comments on the, let's say, archaic market segments, as we also – always include those. As you can see here, Manufacturing and Automotive still are the main drivers of the growth in the Blue Collars business, across the board.

In the Professionals field, it is mainly IT, and that is exactly what we see in our main countries. The Public Sector still down, but one should note that this sector is only a relevant sector to us in the Netherlands and in the UK. And we do see improved growth in our U.S. Healthcare business. In our Health & Social Work in Germany and in the Medical Business in France, [ph] upper (20:26) Medical, that is.

And then an update on Slide 18 on our organic – additional organic investments in Professionals, we call it the Growth Accelerator. We've launched it Q1 in order to further strengthen the leading position in countries and certain segments, with the aim to accelerate growth in the next two years, and the ambition was to gradually add 500 FTEs, based on our field steering model. So we'll continue to grow on a regular basis but on top of that, we have allocated some funds to accelerate the growth.

In Q3, we do see continued implementation of the validated Professionals concept in the existing businesses. We have added 88 FTEs, predominantly in North America, Australia, Spain and Germany. And we can see those contributions clearly being successful. The total net investment

amounted to €1.4 million, which is a relatively limited amount. And year-to-date, we have now added 178 FTEs. It's going a little slower, because it's very much driven by the real performance in the companies, but we do have clear segments in certain countries where we are successful and where we will continue to add people as a result of this program.

And that brings us to the financial results on Slide 20. The key financial points: EBITA up 7% and it includes integration costs and one-offs of a level of almost €11 million and we'll continue to disclose it like this; the effective tax rate arrived at 31%; diluted EPS up 12%; moving average of DSO, showing our working capital management, it improved by one day in a context where large clients are clearly pushing for extended payment terms. They sometimes believe we are a bank, whereas it doesn't say so on the door of our businesses, but they'll continue to push. And in the meantime, we'll continue to improve our collection discipline.

Net debt arrived at close to €1.5 billion and the leverage ratio now amounts to 2 times EBITDA. And we made the point that at the end of the year, our leverage ratio should arrive at a level below 2.0. It's good to see that, already in this quarter, it is within the limits of our policy. And with the banks, we have an arrangement that we can go up to 3.5 times. But internally, we try to stay at or below 2.0 times. And this is clearly confirming our dividend policy.

The free cash flow increased by 12% to a substantial amount of almost €200 million, and that is driven by the improved results and the somewhat higher release of working capital, which is the result of less growth and more – somewhat more payables.

The income statement, which is kind of recapturing everything I've just said, just pointing out that the net finance costs are reflecting here an amount of €7 million. And we're very happy to see that, as a result of our financing policy and our use of floating interest rates.

And now, moving on to the gross margin slides on 22. In Q3, we arrived at 18.5% last year and now at 18.1% and what's in between is explained here. The temp margin is lower, roughly 50 basis points, as a result of mix and price effects. It is clearly impacted by the continued high growth in Inhouse and also by the fact that some lower gross margin markets are growing faster than a higher growth – higher gross margin market like the Netherlands.

And I also should outline here that the gross margin is not always a solid indicator of the potential to make EBITA. Because if we can serve our clients through Inhouse, in the segment reporting, you have seen how much that contributes to our Group EBITA.

Again, no impact of the change in the French subsidies, the perm fees increased by 11% and are now 9% of gross profit versus 8.5% last year in the same quarter. And this compares to a bit north of 12% of gross profit at the time Randstad and Vedior merged. So, theoretically, still a way to go here.

We also see higher growth in the lower margin Payrolling business. And the green box here is the contribution of SFN because it comes in with a somewhat higher gross margin, contributing to the average gross margin of the Group.

Then some selected balance sheet items on 23. Again, the leverage ratio of 2.0 and then a substantial amount of receivables, so effectively, that is what we focus on when managing the balance sheet.

The consolidated cash flow statement on 24. It arrives at the free cash flow number, I just mentioned. And you can see that our net additions in PPE, which effectively is our CapEx, €17 million, so still at a very controlled level. And then, the €194 million is reconciled with the change in net debt, which increased by €417 million. And the bridge is made out of the acquisition of SFN,

which is like 99% of the amount here, the finance cost and an amount of €55 million translation effects.

And that is explained by the following because we are reconciling here with the level of net debt. And part of the net debt consists, out of U.S. dollars and yen, because, as you know, our policy is to match the EBITDA composition with the net debt composition. So, net debt is effectively – it's constructed in a way that it matches the currencies in which we will redeem net debt.

And the U.S. dollar and yen have appreciated during the quarter and that effect is explained here. That's the €55 million. So, our policy is clearly, economically, the right one, but this is the effect as a result of that.

Then finally, the outlook for Q4. Organic growth for working day has decreased, as I mentioned, through the quarter to just below 7% in September. We also expect to see that gradual slowdown continued in Q4. The focus on client profitability, which I've mentioned a couple of times, will remain and will have some impact on growth going forward. We also expect the underlying, so that's the organic basis of OpEx, to remain in line with the third quarter, as it then will be fully consolidated in Q4.

And also, FujiStaff was fully consolidated, as from the second half of October last year, so the impact will be at the minimum here. And the integration cost related to SFN that we expect in Q4 will be sort of similar to Q3. And we clearly expect the leverage ratio to be below 2.0 times EBITDA by the end of the quarter.

And the exit rates for September and that is organic growth for working day in the Netherlands amounted to 3% growth in the Netherlands; 10% growth in France; in Germany 6%; in Belgium, 6%; in the UK, 3%; in Iberia, 0%; and in North America, 9%. So, this totals to just below 7% for the Group.

Then one more remark to make, analysts, please, note the dates of the 1st and 2nd of December, we'll have our Analyst and Investor Days at the exciting location of Randstad's Group headquarters in Diemen, which we feel is an efficient way of meeting you.

And I'm now moving to Q&A. And the suggestion I have – actually, the request I have is to limit yourselves to two questions each. Please go ahead.

**QUESTION AND ANSWER SECTION**

Operator: Thank you. We will now begin the question-and-answer session. [Operator Instructions] Matthew Lloyd from HSBC from line with a question.

**<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>**: Good morning, gentlemen. Two questions because I did hear you. First...

**<A – Ben Noteboom – Randstad Holding NV>**: [indiscernible] (30:08)

**<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>**: Yeah, it's amazing, I can actually can't. First question, in terms of SFN, in terms of SG&A costs, is there anywhere that you think it has particular and obvious inefficiencies that you might be able to sort of put a better control over?

And then secondly, a sort of a more general question. In terms of European growth, do you feel that, sort of, Belgium growth rates are a little worrying in terms of historic as they've led some of your European growth rates and barring a couple of weeks, they've been a little bit on weak side?

**<A – Ben Noteboom – Randstad Holding NV>**: Yeah, on the first question, so – I assume that you are referring to more efficiency on top of the synergies we have defined?

**<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>**: Yes.

**<A – Ben Noteboom – Randstad Holding NV>**: Yeah, exactly. Now because obviously these are synergies, I think are obvious if you look at the consolidation of what we bought and the overlap, so, that's clear. The efficiencies are mainly, of course, two-fold.

One, if you look at our Professional business, quite a few of them are actually doing very well. The thing – what we do see, however, is that the growth rates – the sales efficiency, if you want, is too low. So, we feel we could add to that.

On the other side, the RPO position of SFN, then the [ph] marketing of that (31:35) puts efficiency in some of our delivery systems for specific contracts. And on the cost level, moving or changing and the Staffing revenue or what they call in-house to our Inhouse concept will actually make us more efficient, I'm confident about and make us – and will actually also enable the branches to be more focused on the right segments.

And as you might have seen, of course, or you don't, but the profitability of our Staffing organization in the U.S. is – this quarter at an all-time high, as far as I remember. And that is because of the right positioning of the company.

Now, what we see in SFN that we can still add quite a lot in that respect to that – to those operations. So, that's why also, strategically, and then I'm not talking about an exit of course, client synergies, international contracts, et cetera, because that will drive potentially at top line even more.

The obvious parts, we will be looking at being more efficient, financial discipline. I don't think there's much to be gained. They are an efficient and very professional company, so that that's fine. But operationally, I think those are the main areas where we would see opportunities.

**<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>**: Okay.

**<A – Ben Noteboom – Randstad Holding NV>**: And last thing I forgot, by the way, is marketing, obviously, because we're building a really big pool of marketing budget now, with a lot of rebrands



that we have done obviously. The [ph] Shadow Voice (33:03) is becoming increasingly strong and on a more efficient, cheaper base.

All the other staff on economies of scale, and we have back-office maybe, but actually, if you look at any business in our industry above €300 million, €400 million, economies of scale are limited. So, that will not have a major impact.

<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>: Okay.

<A – Ben Noteboom – Randstad Holding NV>: Second question, whether or not Belgium is an indication for the rest of Europe to follow, is that the question [indiscernible] (33:37)...

<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>: Yes.

<A – Ben Noteboom – Randstad Holding NV>: I don't think so. I think we see some markets where we have different – the two different, one, cyclical and the structural growth. Structural growth, of course, there'll be big opportunity in many of the markets where penetration is low. You see that markets – again, companies' organizations are more and more looking for the efficiency of the labor they put to work, so that's us.

And demographics are going to help us. So I see structural growth opportunity in many markets, also the more mature ones, if you look at that. In Belgium, we've also been rather selective on the contracts we wanted and we didn't want, because we are looking at profitability in a few more markets, as you might have read through our press release.

Of course, there is opportunity to have better returns in other contracts than some of the ones we have. Or we will renegotiate them, as we have done in France successfully this quarter, which is not a guarantee for the future. But we're looking more to that.

So, no, it's not – and for me, it's not an indication of potential slowdown. I think the biggest effect we're going to see is from confidence potentially returning; if the market will perceive the solution as being put forward by the politicians, actually this morning, as being successful. I think that is, by far, the most important driver of any economic activity. That means also us.

<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>: I don't want to push it...

<A – Ben Noteboom – Randstad Holding NV>: Two short questions, sorry.

<Q – Matthew Lloyd – HSBC Bank Plc (Broker)>: And I won't ask a follow-up question, because that would indicate that I can't count, so I'll just say [indiscernible] (35:12)...

Operator: Toby Reeks from Merrill Lynch is on line with a question.

<Q – Toby Reeks – Merrill Lynch International Ltd.>: Good morning, guys. I'll stick to the two as well. Could you just sort of give us an idea of how you're thinking about the contracts that you're sort of renegotiating or potentially exiting? You'd sort of talk about going through that process in France, but you've also done it in the U.S. and Belgium. What sort of size are they as a percentage of revenue, potentially? Or at what level of gross margin do you start to review these contracts?

<A – Ben Noteboom – Randstad Holding NV>: Yeah. That – it's not a fixed number, of course. If you look at the margin, we look at profitability per client. So, depending again on the concept through which we could supply a client, there's a difference. If you would use the SFN/RPO model, it's a very, very low cost model. So, you can make a lot of money on an average of a very low margin.

If you look at our Inhouse, we are still – we could still be very efficient. If it's a contract that would actually include a wide network of branches, supplying a low quantity of people, so having a low revenues at low margin, that's where we actually put the limit. So, we look at it per client and then per operation. So, it's basically impossible to put a number against it, because it has all the variables you can imagine.

**<Q – Toby Reeks – Merrill Lynch International Ltd.>**: And proportion of sales?

**<A – Ben Noteboom – Randstad Holding NV>**: Yeah, that we can't say, because if you now look at France, we had anticipated [ph] where the – (36:41) having a negative effect on growth from these sort of negotiations in Q3. It didn't happen because we are in the midst of negotiations. So, a number of clients actually will accept the fact that we will need a better price, or that we will service them in a different way. So, it will be actually – it's too early to say. We have to wait for negotiations. So far so good.

**<Q – Toby Reeks – Merrill Lynch International Ltd.>**: Okay. And then on the Inhouse business, can you give us an idea of the number of new clients you added in Q3, relative to Q2? And how that's progressed, I guess, from Q1 and Q2 into Q3?

**<A – Ben Noteboom – Randstad Holding NV>**: No, we don't share that sort of legal information on clients. Sorry.

**<Q – Toby Reeks – Merrill Lynch International Ltd.>**: Okay. That's fine.

**<A – Jan-Pieter van Winsen – Randstad Holding NV>**: Next question.

Operator: Teun Teeuwisse from ABN AMRO is on line with the question.

**<Q – Teun Teeuwisse – ABN AMRO Bank NV (Broker)>**: Yes. Good morning, gentlemen. I will restrict to two questions as well. And the first one is on the SFN margin improvement,. If I recall correctly, as Ben stepped away from payroll last year. But can you indicate what the gross margin effect has been in Q3 and year-to-date? And if you already see the effect easing? And my second question would be on your marketing strategy. If I understood well, Q3 cost base was a bit lower, due to the timing of marketing expenses, but what would, in the current market conditions, be your strategy towards marketing?

**<A – Ben Noteboom – Randstad Holding NV>**: Yes, let's start with the easy question. The easiest is marketing, of course. We always have [ph] somehow to weigh (38:24) a reasonably high spend relative to many of our colleagues on marketing, and we will maintain that level. We did have some, of course, exceptionals while we did rebrands. And in some companies, that was a bit more expensive, that's why the comparison base might be misleading a bit.

For example, if you remember the rebranding in France, which, of course, was quite an effort, and Belgium, et cetera. So that's I think, in general, we hold onto marketing expenses. The percentage exactly o, the change in payroll contractors, of course, is impossible to give, because there are too many variables. And to be honest, if I could, my apologies, I wouldn't give them to you, so we can't do that. And then the second part of the question...

**<Q – Teun Teeuwisse – ABN AMRO Bank NV (Broker)>**: Can you give an indication, then, of what the gross margin effect just has been year-on-year, without looking at any other effect, for SFN?

**<A – Ben Noteboom – Randstad Holding NV>**: No, payroll effect, in general, of course, a very low margin business. Same, by the way, for example, in Holland, but there's still variable average in

profit, but in this case, they were that low, it didn't make sense to have them. It's a €2 billion company and so that means the effects of any individual contract is always limited.

**<Q – Teun Teeuwisse – ABN AMRO Bank NV (Broker)>**: Okay. Thank you.

Operator: Jaime Brandwood from UBS is on line with a question.

**<Q – Jaime Brandwood – UBS Ltd. (Broker)>**: Morning. Two questions; firstly, just on the permanent recruitment activities. Could you give us a sense for the perm exit rate in September? Maybe give us a little bit of regional cut-out, particularly given the strength in the U.S.?

And then my second question would be on the EU Agency Work Directive, which, as you mentioned in your press release, has now kicked in. Which countries are you most optimistic you will start to see some positive impact from the EU Agency Work Directive in 2012? Thanks.

**<A – Ben Noteboom – Randstad Holding NV>**: On the first question, permanent placements. September, was the highest month of the year in permanent placements. And we should also realize that there's some SFN in there but still we saw some markets with some very decent growth.

**<Q – Jaime Brandwood – UBS Ltd. (Broker)>**: But on an organic basis, was it much better than the 11%, which you saw for the quarter?

**<A – Ben Noteboom – Randstad Holding NV>**: Now I'm looking at total number here. It was about 13%, so, yeah, it was higher.

**<Q – Jaime Brandwood – UBS Ltd. (Broker)>**: Okay.

**<A – Ben Noteboom – Randstad Holding NV>**: And as we noticed, this – if you extrapolate these numbers, we're going to end up in heaven.

**<Q – Jaime Brandwood – UBS Ltd. (Broker)>**: No, I know, I know...

**<A – Ben Noteboom – Randstad Holding NV>**: And we might, but it's not a guarantee, because it's a very volatile market. So, I wouldn't extrapolate that too much.

**<Q – Jaime Brandwood – UBS Ltd. (Broker)>**: Fair enough.

**<A – Ben Noteboom – Randstad Holding NV>**: And the other part of the question was?

**<A – Robert-Jan van de Kraats – Randstad Holding NV>**: That was the EU Directive.

**<A – Ben Noteboom – Randstad Holding NV>**: Oh, EU Directive, yeah, yeah. What we've seen, of course, is that quite a few countries did not implement the directive...

**<Q – Jaime Brandwood – UBS Ltd. (Broker)>**: Exactly, yeah.

**<A – Ben Noteboom – Randstad Holding NV>**: Or only partly. So, that means it'll take quite a lot of lobbying, including, but potentially, court cases that will be initiated by our industry associations, not by individual companies obviously, to make sure that countries would stick to the changes that they should actually implement in their legislation. The effect on total revenue for the total Group will be immaterial next year.

**<Q – Jaime Brandwood – UBS Ltd. (Broker)>**: So, which countries do you believe have fully implemented, other than the UK?

<A – Ben Noteboom – Randstad Holding NV>: Yeah, very few. I think France is a good area where they've made most of the changes. Spain has made an attempt, but they're still – they put the [ph] EU region (41:55) between the actual effect that should occur. Italy, we haven't seen anything.

<A – Jan-Pieter van Winsen – Randstad Holding NV>: Belgium.

<A – Ben Noteboom – Randstad Holding NV>: Belgium, we haven't seen anything. And...

<Q – Jaime Brandwood – UBS Ltd. (Broker)>: What about Germany?

<A – Ben Noteboom – Randstad Holding NV>: Germany government, nothing happened.

<A – Jan-Pieter van Winsen – Randstad Holding NV>: That sector was opened.

<A – Ben Noteboom – Randstad Holding NV>: Yeah, that sector was opened but nothing happened so [indiscernible] (42:12)...

<Q – Jaime Brandwood – UBS Ltd. (Broker)>: And the construction in Germany?

<A – Ben Noteboom – Randstad Holding NV>: Construction in Germany. No, I think it's open, isn't it?

<A – Jan-Pieter van Winsen – Randstad Holding NV>: Is opened.

<A – Ben Noteboom – Randstad Holding NV>: It's open, but there's hardly any business

<Q – Jaime Brandwood – UBS Ltd. (Broker)>: Okay.

<A – Ben Noteboom – Randstad Holding NV>: Yeah. But anyhow, on the back of the Directive, I would not expect material change in our growth numbers for next year.

<Q – Jaime Brandwood – UBS Ltd. (Broker)>: Okay. Thanks a lot. Thank you.

<A – Ben Noteboom – Randstad Holding NV>: Thank you.

Operator: David Tailleir from Rabo Securities is on line with a question.

<Q – David Tailleir – Rabo Securities NV>: Yeah. Good morning, gentlemen. First a question on SFN, if I make the right calculation, I arrive at a gross margin level of about 24%, 25% of SFN in Q3 in September. Is that the correct figure? And how sustainable would it be, in your view, coming from, let's say, a little bit more than 20%?

And then secondly on the Netherlands, I think Manpower was – issuing quite some cautious statements on specifically the Dutch staffing market seeing a slowdown the last couple of weeks. Could you confirm that? Or are you surprise by these kind of statements? Thanks.

<A – Ben Noteboom – Randstad Holding NV>: No. I mean, David, I would never argue with the fact that you do know how to calculate. So, as more of the assumption we would have to actually discuss on that. But the Professional business has been doing well in SFN, so they have a nice margin. By the way, the calculation's easy because we indicated that the positive effect on the Group was 0.2%. So...

<Q – David Tailleir – Rabo Securities NV>: Exactly.

<A – Ben Noteboom – Randstad Holding NV>: Yeah. Yeah. And I'm sure you were better at maths than I was, so, I guess you're in the right range.

<Q – David Tailleir – Rabo Securities NV>: I'm not sure. But maybe a very quick follow up...

<A – Ben Noteboom – Randstad Holding NV>: I am, though. I am.

<Q – David Tailleir – Rabo Securities NV>: Okay. Whatever the level would be, do you believe, let's say, we can use the September level also for the coming months, approximately?

<A – Robert-Jan van de Kraats – Randstad Holding NV>: There is a – this is Robert-Jan. They have been going through full year closing in the month of September. And, as you know, effectively, that means that you look again at your provisioning and your accruals and so forth. So, this is typically not the right standard to take forward. So, it might be a little at the high end.

<A – Jan-Pieter van Winsen – Randstad Holding NV>: And you have to take into account that September is the last month of the quarter, where typically most of the current placements are included, which also impacts the growth market. So, September is not a run rate going forward.

<Q – David Tailleir – Rabo Securities NV>: Okay. Thanks. And then, maybe on the Netherlands?

<A – Ben Noteboom – Randstad Holding NV>: Yeah. I'm a bit puzzled. If you look at the – by those remarks, to be honest, if you look at the ARPU numbers we see, actually if you go back, what is it, six quarters, it's almost a flat line going from level [ph] 8% (44;46) to 4% or 3% and 4% again, very stable. So, I don't see sudden drastic changes in this market. I was a bit surprised. But, again, if you start from a low base, a few big clients can have a big variation.

<Q – David Tailleir – Rabo Securities NV>: Yeah. So, it's not fully confirmed?

<A – Ben Noteboom – Randstad Holding NV>: No.

<Q – David Tailleir – Rabo Securities NV>: Okay. And one final remark maybe, Ben, good luck with your team and compliments for last week.

<A – Ben Noteboom – Randstad Holding NV>: Thank you.

Operator: Robert Plant from JPMorgan is on line with the question.

<Q – Robert Plant – JPMorgan Securities Ltd.>: Good morning. There is a view that SFN had perhaps over-invested in back-office systems, particularly ERP, for the size of its business. Is this something that you found when you've looked at SFN?

<A – Jan-Pieter van Winsen – Randstad Holding NV>: Greg.

<A – Gregory Netland – Randstad Holding NV>: Yeah. This is Greg. Hi. Yeah, for sure the company had invested significantly in their IT system. The good news is, it's fully depreciated and we've got some very nice IT systems to work with now.

<A – Jan-Pieter van Winsen – Randstad Holding NV>: Is that a clear answer?

<Q – Robert Plant – JPMorgan Securities Ltd.>: That's fine. Thanks.

<A – Jan-Pieter van Winsen – Randstad Holding NV>: No further...

Operator: [ph] My final (46:02)...

<A – Jan-Pieter van Winsen – Randstad Holding NV>: Questions from you?

Operator: Sorry. Excuse me. Marc Zwartsenburg from ING is on line with a question.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Yes. Good morning, gentlemen. Two final questions from my side. First of all, the gross margin, if you look at the underlying, stripping out SFN Group, the quarter-on-quarter decline is around 50 basis points. Could you perhaps give a bit more detail where that's coming from, which areas are specifically – are still a bit worrying on gross margin, seeing gross margin pressure? That's my first question.

<A – Robert-Jan van de Kraats – Randstad Holding NV>: Yeah, Marc, I'll take that one then right away and actually, I was aiming to be ahead of your question by elaborating on the slide on the gross margin, because it is clearly the result of the mix in the segments, Inhouse, leading the way and also the mix in geographies where, unfortunately, the growth in the Netherlands is not yet at the level that the growth was, for example, in France. And that clearly has an impact on the average gross margin of the Group. These are the key contributors.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: But in terms of mix, if you look quarter-on-quarter, the mix for Holland was basically the same versus the Group as in Q3. So, are you seeing perhaps also in Holland still pressure on the gross margin? Because if I look to ARPU, it still seems to be that the gross margin's under pressure.

<A – Robert-Jan van de Kraats – Randstad Holding NV>: Yeah, the pricing pressure is stable. That's the point we've also made, so that's not causing this. It's really the mix within the growth that we see in the third quarter which, of course, is different from the growth level in Q2.

<A – Jan-Pieter van Winsen – Randstad Holding NV>: As Robert-Jan mentioned, over a few years already, there's always a seasonal pattern from Q2 to Q3, which also plays a role here.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Yeah, sure, but it's normally around 20, maximum 30 basis points or so and not 50 basis points, perhaps then explain by mix in Inhouse, but I thought maybe perm UK or perhaps still pressure on the Holland explaining a bit of that.

<A – Robert-Jan van de Kraats – Randstad Holding NV>: Yeah. Yeah and effective we have a decline in permanent placement fees in the UK; it doesn't help.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Yeah.

<A – Robert-Jan van de Kraats – Randstad Holding NV>: Yeah.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: And then, my second question, Germany, could you give us an update on legislation in terms of equal pay, where we stand there? Can we expect any outcome there from the court? And you're lobbying in terms of offsetting equal pay versus the temp contractors there?

<A – Ben Noteboom – Randstad Holding NV>: We still have CLA, that's running until sometime next year. And obviously, as always, you start to negotiate the way beforehand on the collective labor agreements. And the nice parts is, of course, in the negotiation, you never know where it's going to end. So, it's impossible to give an update now. [ph] Yeah, second [indiscernible] (48:52)...

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: So, this is running till when you said? Next year? The CLA is running till?

<A – Ben Noteboom – Randstad Holding NV>: The end of next year. The end of – yeah.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: And in between, it can – yeah, you can change that around if they start negotiating and then break it open, isn't that possible?

<A – Ben Noteboom – Randstad Holding NV>: But, yeah, usually, you need two parties to agree that the agreement you've actually committed to is no longer valid because – or else, you have an agreement, right?

Obviously, we can give something and get something better back then we're always prepared to open any contract. But it gives us time to actually do the right things.

<Q – Marc Zwartsenburg – ING Bank NV (Broker)>: Okay. That's good news. Thanks.

<A – Ben Noteboom – Randstad Holding NV>: Yeah, to be honest, Marc, it's no news because that's how it works. Okay.

Operator: Tom Sykes from Deutsche Bank is on line with a question.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: Yeah. Morning, everybody. Just – first question was just in the mix of light industrial versus the rest of the Group. Just wondered what you might have been told about production schedules from some of the larger manufacturers that you supply in Q4 and Q1? And then just on Germany, obviously, it's quite a tight labor market. Are you still able to match the lengths of contracts of the candidates to the length of contracts that you have with the clients still in place?

<A – Ben Noteboom – Randstad Holding NV>: Yeah, what we see in the Industrial segment is the obvious development as you've also seen in our segments. Automotive, for example, still shows big growth, but we do see that they are tuning down the plannings so that – as is to be expected, if you look at all the other data in the market. So, I don't see anything unusual there, Tom, and I know you're smart enough to see all the trends in sales, so it's in line with what you would expect. I see very few different things there.

Germany, the matching – of course, the shortage is regional, especially in the technical area; it's difficult to find people, which is down south. As I mentioned before, unemployment in the Munich area is about 3%, so that really is tough. On the other hand, if you look at the percentage of orders filled in Germany, that looks to be flat-lined. So, that means we don't see – have too big an impact there but it is specific areas where it's difficult

In other areas, we still see enough potential to fill the order. So, it might really end up slight – cause a slight change in mix but it's nothing disastrous yet. And the other thing that's starting more and more, of course, is the sort of cross-border staffing, if you want, or actually people moving within Germany from one area to the other.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: Right.

<A – Ben Noteboom – Randstad Holding NV>: But that's always a process that takes some time to gain momentum because people have to organize, et cetera. It's something a bit more complicated to organize. But it's not disastrous yet. But, indeed, in some areas, especially technical area, you see that the shortages are getting more difficult to handle.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: You wouldn't see that as a kind of increasing idle time risk at all?

<A – Ben Noteboom – Randstad Holding NV>: No. On the contrary, yeah. On the contrary, it should actually reduce idle time, although idle time is very low. So, I would also not put in big improvement in the factories because we are at very efficient rate already.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: Yeah. I mean, it's not the idle time on the way up. It's just that if you're guiding to slower growth out of Germany or the growth in Germany is a bit slower than if you're having to sign people up to longer contracts. Then, it's kind of the [indiscernible] (52:28) idle time risk on the way down but, obviously, you're implying that.

<A – Ben Noteboom – Randstad Holding NV>: Oh, yeah, that way, yeah. Yeah, I know we – I think we've had a lot of practice in having the right contracts. If you look at deliveries in December '09 when we lost, I don't know how many, but anyhow, 10,000s of workers and we still didn't have a problem with the idle time.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: Okay.

<A – Ben Noteboom – Randstad Holding NV>: We'll try to stick to the same practice.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: And sorry, just final your comments on autos, automotive. Would that be in all regions? Would that include Germany as well?

<A – Ben Noteboom – Randstad Holding NV>: Less so at the moment.

<Q – Tom Sykes – Deutsche Bank AG (Prime Brokerage)>: Okay. Thanks very much.

<A – Ben Noteboom – Randstad Holding NV>: Thank you.

Operator: Arun Rambocus from Kempen is on line with a question.

<Q – Arun Rambocus – Kempen & Co. NV (Securities)>: Yes. Good morning, gentlemen. A question on profitability. Randstad has an official target to keep the Group profitability between the 4% and 6% bracket. And if I look at the consensus for this year, assuming that it's not – will not be far off, you will be below that. And of course, there are some structural trends like the government in the Netherlands, UK. Robert-Jan, you mentioned the distorted recovery pattern, meaning the [indiscernible] (53:34) in Europe is not taking off as fast as anticipated and we see a cyclical downturn in blue collar. So, to what extent is this target still realistic? I mean, is it a hard target for Randstad to achieve it next year looking how the revenue trends are developing? And can you update us on that? Thanks.

<A – Robert-Jan van de Kraats – Randstad Holding NV>: Yeah, Arun, we don't have a downturn in Blue Collar. That leads the way...

<Q – Arun Rambocus – Kempen & Co. NV (Securities)>: Well, weakening.

<A – Robert-Jan van de Kraats – Randstad Holding NV>: But I can see your point on the – in terms of the progress being made in increasing profitability. The underlying assumption that we have always stated for getting to the 5% to 6% is that we need to be able to leverage the base. So, that requires some growth. And if we do continue to see growth also next year, you'll see us making progress. And that is clearly, strategically something that we have reinforced in the company and that is also leading the way in the plans for 2012. So, that means we are expecting to move on and to close the gap gradually. So, there's no reason for us at all to adjust these targets.

<Q – Arun Rambocus – Kempen & Co. NV (Securities)>: Again, I suppose we will have a scenario that you go for flat revenue growth for next year. Do you think that Randstad's cost base is



flexible enough to go to the lower bracket of that range? Or is it unachievable, given the – well, given the skill you have for certain regions and the investments you're making?

**<A – Robert-Jan van de Kraats – Randstad Holding NV>:** Well, Arun, we have shown in the downturn that we can make a very significant adjustment to the cost base. Roughly 80% of the adjustments to the cost base, at that time, were realized through natural attrition. So, there really is a hell of flexibility in the company. The question is can – is it necessary and where is it? Because the mix that we meet at the moment is a bit confusing and we do see substantial growth in certain markets where we are adding people.

Whereas in other markets, we do not see the growth to fill up the overcapacity that we have and that means the leverage is insufficiently improving to really make a lot of progress. And that is why we have reinforced our ambition, again, internally, for next year to make sure that we are managing this very tightly.

**<Q – Arun Rambocus – Kempen & Co. NV (Securities)>:** Thank you very much.

Operator: Andy Grobler from Credit Suisse is on line with a question.

**<Q – Andy Grobler – Credit Suisse Securities (Europe) Ltd.>:** Good morning. Just following on from Tom's question about automotive, we've heard from some of the bigger automotive companies that they are actively looking to cut temp head count into Q4, maybe into Q1. Are you seeing that begin to affect your business? And will you be directly affected by the comments from the likes of Peugeot and so forth?

**<A – Jacques van den Broek – Randstad Holding NV>:** Yeah. Hello. Jacques van den Broek, here. On the Peugeot thing, we are not touched because this happens in a certain factory where we are not a supplier. So, in the short-term, we will not be hit on the Peugeot thing.

**<A – Ben Noteboom – Randstad Holding NV>:** In the end, what we see is that some of the also the truck manufacturers, do see slowdown a bit and us carrying less people. But not to the extent you refer to 10%, 15%; it's not what I recognize yet. It might happen, we'll see.

**<Q – Andy Grobler – Credit Suisse Securities (Europe) Ltd.>:** Okay, thanks. And just one other quick question. Just looking at the number of outlets, in the Rest of the World region, it fell quite sharply Q3 from Q2. What is the reasoning for that?

**<A – Robert-Jan van de Kraats – Randstad Holding NV>:** On that segment, [ph] Q2 had to know that (57:15) that indeed and that is the result of our merger in Japan, where we are merging the White Collar and the Blue Collar business which was – White Collar was FujiStaff and the Blue Collar was I-Line, and these companies have joined forces because we want them to be closer together. And as a result of that we have adjusted the number of outlets, nothing special, so to say.

**<A – Ben Noteboom – Randstad Holding NV>:** So, they were administered as two different ones, whereas they were in the same building. So – and then there's only one left, where actually physically nothing has changed.

**<Q – Andy Grobler – Credit Suisse Securities (Europe) Ltd.>:** Okay.

**<A – Robert-Jan van de Kraats – Randstad Holding NV>:** And some say they were not in the same building, but then we put them in the same building because it creates efficiencies and cross-selling.

**<Q – Andy Grobler – Credit Suisse Securities (Europe) Ltd.>:** Okay, great. Thank you very much.

Operator: Charles Wilson from Goldman Sachs is on line with a question.

**<Q – Charles Wilson – Goldman Sachs International Ltd.>**: Good morning, with your Inhouse business and the geographies where it's growing faster, do you see any impact in the market as a whole on pricing as competition tries to retain that business or compete more effectively?

**<A – Ben Noteboom – Randstad Holding NV>**: There's no more competition out of this price pressures in that segment than there is in other big contracts, so, in general, that is the case. Jacques, maybe you want to [ph] add something (58:34).

**<A – Jacques van den Broek – Randstad Holding NV>**: Yeah, what's interesting to see is that for example in France where you've seen that we've – well, rather successfully increased pricing, the effect at Inhouse this was easier than in the [indiscernible] (58:44) business, which of course, has to do the value we supply to clients there.

**<Q – Charles Wilson – Goldman Sachs International Ltd.>**: Okay, and just on the last two quarters, the margin's been down year-on-year in the Inhouse. Can you just say why that is, please, on the EBITA margin?

**<A – Ben Noteboom – Randstad Holding NV>**: Yeah.

**<Q – Charles Wilson – Goldman Sachs International Ltd.>**: Excuse me?

**<A – Ben Noteboom – Randstad Holding NV>**: The last two quarters?

**<A – Jan-Pieter van Winsen – Randstad Holding NV>**: I mean, the down margin in Inhouse, that's what you're asking for?

**<Q – Charles Wilson – Goldman Sachs International Ltd.>**: Yes, please.

**<A>**: Yeah, the margin at Inhouse in Q2 was partly affected by a one-off negative in Belgium which went directly into margin. Well, we now regard result Inhouse to be stable.

**<A – Robert-Jan van de Kraats – Randstad Holding NV>**: Yeah. And the fact that the French business is now contributing more to the Inhouse portfolio as a whole, and that comes in with a somewhat lower, as well as the UK where we have seen significant growth in Inhouse as some dampening effect on the return here.

Can I ask you to move for the last question?

**<Q – Charles Wilson – Goldman Sachs International Ltd.>**: Yeah. That was my last question.

**<A – Robert-Jan van de Kraats – Randstad Holding NV>**: Yeah. But also in general, operator, please. We'll take the last question now.

Operator: Our last question comes from Konrad Zomer from Berenberg Bank.

**<Q – Konrad Zomer – Joh. Berenberg, Gossler & Co. KG (United Kingdom)>**: Hi, good morning. Just one question on the EBITA margin of SFN in Q3, the 3.8%, I'd like to get a bit more clarity on where the substantial improvement has come from? Is that something related to you guys? Is that something related to the general growth in the market or any particular actions?

**<A – Gregory Netland – Randstad Holding NV>**: Yeah. Konrad, it's Greg. The answer is kind of a combination of things. If you look at the Page 13, you'll see the profitability in both the Staffing and

the Professionals business was up. There's numerous factors involved. So, it's kind of a combination of some better margin trends, as Robert-Jan mentioned, in the gross margin some catch-up on some state on employment. And then you've got the third factor, which is some efficiencies in the back-office. So, it's a combination of things. But primarily, the strategy of driving the gross margin is helping us on the operating margin, with that focus on client profitability.

**<A – Robert-Jan van de Kraats – Randstad Holding NV>**: And, Konrad, please note that the first synergies have started to come in as well. Yeah.

**<Q – Konrad Zomer – Joh. Berenberg, Gossler & Co. KG (United Kingdom)>**: Right. So, if you hadn't acquired SFN, the EBITA margin was likely going to be lower than what it is now?

**<A – Robert-Jan van de Kraats – Randstad Holding NV>**: Of course. The stock price also.

**<A – Gregory Netland – Randstad Holding NV>**: Yeah. But remember this is a pro forma, so, you wouldn't have seen that significant of a difference.

**<Q – Konrad Zomer – Joh. Berenberg, Gossler & Co. KG (United Kingdom)>**: Well, that's exactly where my question comes from because I assume you're going to raise margins. But I wouldn't expect you to have such a big impact in just one quarter as in one month. So, I'm trying to figure out where the underlying improvement came from?

**<A – Robert-Jan van de Kraats – Randstad Holding NV>**: Well, Konrad, as Ben also made very explicit at the time it was still independent that it was focusing on improvement of EBITDA. And as a result of that, they have also shown somewhat lower growth already in the previous quarter. So, this is in line, I think, with their announcements. And on top of that, we do have some elements like, for example, the synergies that have started to come in.

**<A – Ben Noteboom – Randstad Holding NV>**: Again, it's a mix of what we had. The summaries show the focus on profitability within the company, a little bit, the synergies are already kicking in and the third one is the closing of the quarter, where there was a favorable provisions, et cetera.

**<A – Gregory Netland – Randstad Holding NV>**: And I think it's...

**<A – Ben Noteboom – Randstad Holding NV>**: But there's not one reason for this effect. It's a mix of the three.

**<A – Gregory Netland – Randstad Holding NV>**: And the good news is that this was happening before we took over. So, I think the efforts of SFN had begun to already drive this improvement.

**<Q – Konrad Zomer – Joh. Berenberg, Gossler & Co. KG (United Kingdom)>**: Right. Okay. Thank you.

---

#### Robert-Jan van de Kraats, CFO & Vice Chairman-Executive Board

---

Thank you very much. This completes the third quarter call on the Randstad 2011 results, and we hope to see you at the Investor and Analyst Days early December. Thank you very much. Bye-bye. Operator?

**Disclaimer**

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

*The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2011. CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.*