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

2nd quarter results 2010

Randstad generates 16% growth in Q2 2010, boosted by accelerating global staffing markets

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disclaimer

Certain statements in this document comprise forecasts on Randstad Holding's future financial condition and results from operations and certain plans and goals. By their nature, such forecasts generate risk and uncertainty because they concern events in the future and depend on circumstances which then apply. Any number of factors can cause actual results and developments to deviate from those expressed in the forecasts stated here. Such factors can be, but are not limited to, general economic conditions, scarcity on the employment market, the variation in the demand for (flexible) personnel, changes in employment legislation, future currency exchange rates and interest rates, future corporate mergers, acquisitions and divestments and the speed of technical change. The forecasts speak only as at the date of this document. Quarterly figures and underlying figures are unaudited.

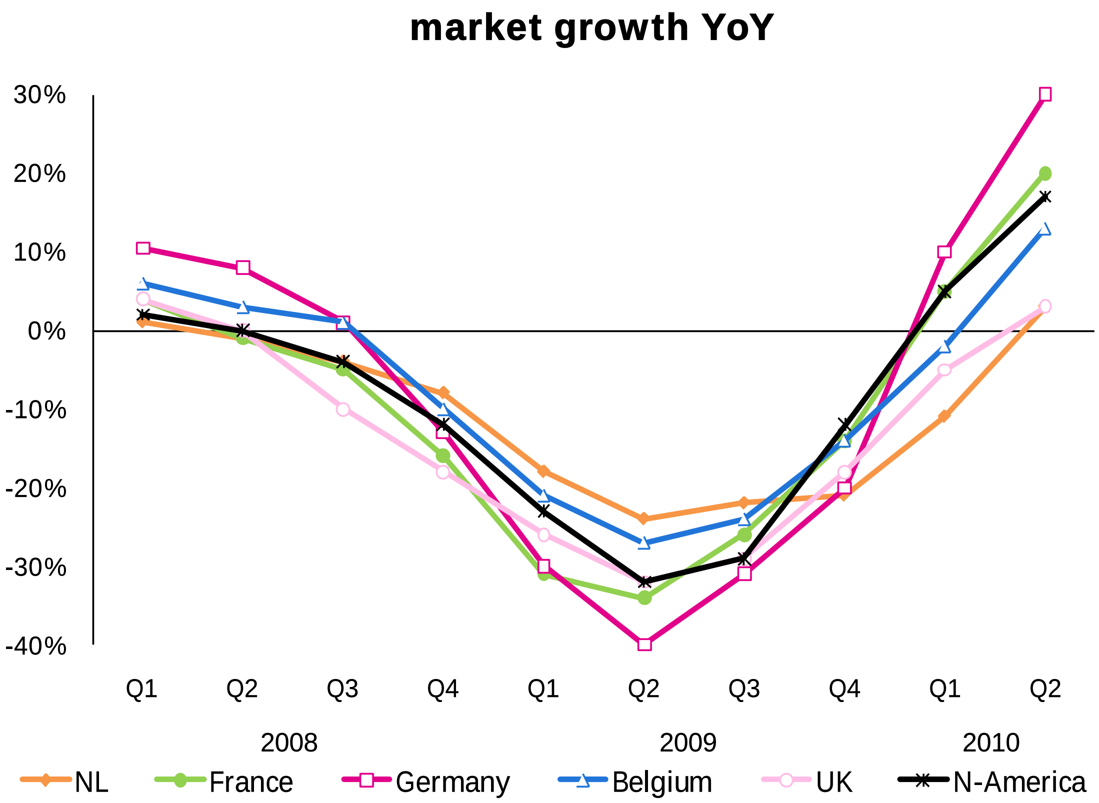
agenda

- performance
- financial results & outlook
- summary

performance

strong growth in our markets

- growth trends persist in all markets
- staffing markets showed continued growth mainly driven by the industrial segment
- administrative and professionals segments start to improve



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Q2 2010: accelerating growth (1)

- revenue amounted to € 3,468 (+14% YoY organically*)
  - organic growth per working day improving from +11% in April to +15% in June
  - inhouse and the industrial part of the staffing segment show improving growth rates
  - professionals segment shows slight growth, however in UK and NL still behind
  - perm fees up 16% organically, from +9% in April to +21% in June
- gross margin relatively flat since Q3 2009
  - commercial pressure stabilized; temp mix changed
  - impact perm fees positive in Q2 -> 9.2% of gross profit vs. 8.0% in Q2 2009
- operating expenses up 6% vs. Q1 2010 to € 529 million (+4% excluding currency impact)
  - currency impact, bonuses & commissions and investments in expansion
  - large variation in revenue growth rates by geography
  - flat compared to Q2 2009

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

Q2 2010: accelerating growth (2)

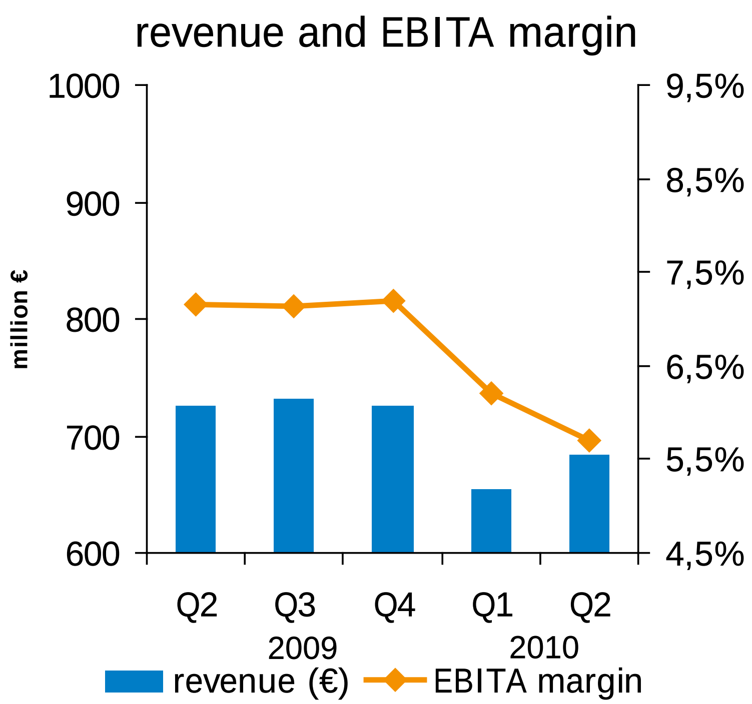
- EBITA* reached € 120 million vs. € 67 million in Q2 2009
  - EBITA margin amounted to 3.5% vs. 2.2% in Q2 2009

- based on current trends we expect to be able to pay dividend over 2010

* EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

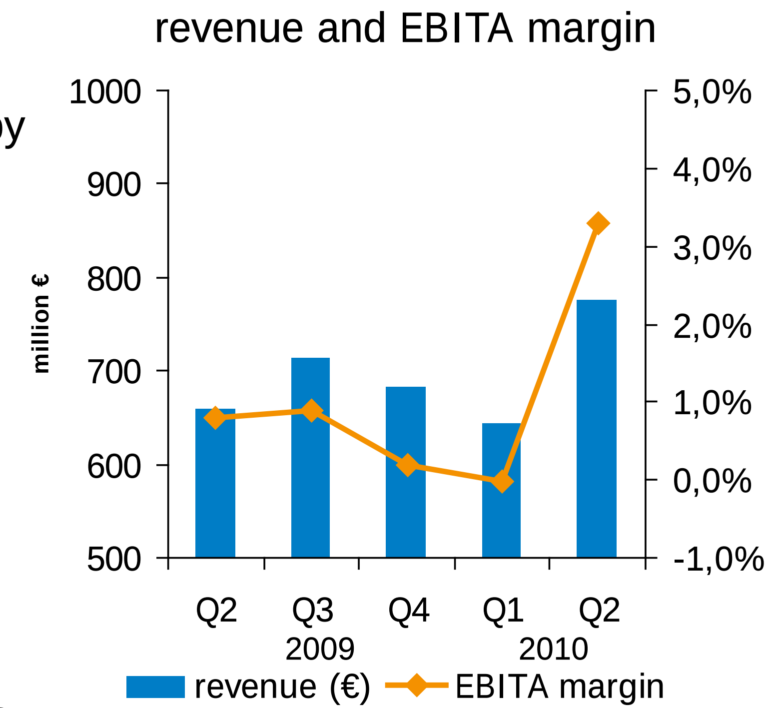
the Netherlands: late cyclical market recovering

- organic revenue -5% in Q2 2010
  - market shows slight growth in Q2
  - late cyclical due to service oriented economy
  - growth driven by industrial segment
  - Tempo-Team at market, Randstad below market lagging somewhat in industrial sector
  - Yacht (not in ABU) still below market average; public sector geared professionals segment not recovering yet
- gross margin sequentially down
  - stabilization of commercial pressure
  - increased idle time at Yacht
- EBITA margin 5.7% versus 7.2% LY
  - infrastructure maintained in view of market development



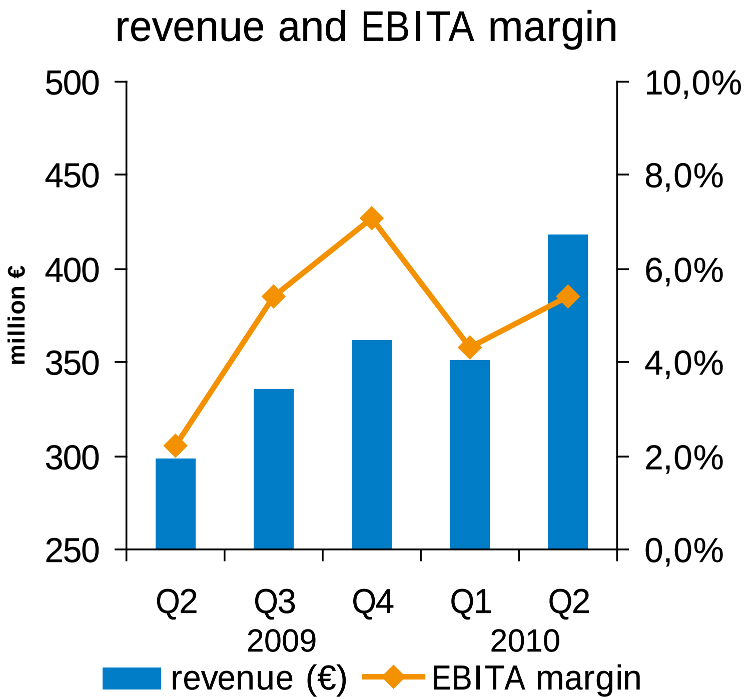
France: closing the gap

- organic revenue +18% in Q2 2010 (vs. +1% in Q1 2010)
  - gap with market closed in June
  - growth carried by all segments; mainly driven by manufacturing and automotive
  - permanent placement up c. 50% in June (YoY), while c. 30% through the quarter
  - professionals segment improving (MoM) in Q2
  - 5 inhouse locations added and 6 transfers
- gross margin sequentially flat
- continued focus on cost structure
  - office reductions, strategic adjustments
- EBITA margin improved to 3.5% versus 0.8% LY
  - impact of French business tax is € 10 mln for Q2
- DSO improved
  - 2.4 days improvement YoY in Q2 (60 day payment law)



Germany: impressive performance

- organic revenue +40% in Q2 2010 (vs. +10% in Q1 2010)
  - strong outperformance of the market in Q2 based on strong execution and unit steering
  - improving growth trend throughout the quarter
- gross margin sequentially stable
  - idle time improved vs. LY
  - productivity significantly enhanced (YoY)
- mixed performance professionals
  - growth accelerated in IT
  - engineering still behind; stable MoM
- EBITA margin up to 5.4% (vs. 2.2% LY)
  - strong operating leverage
  - some investments in people in high growth areas



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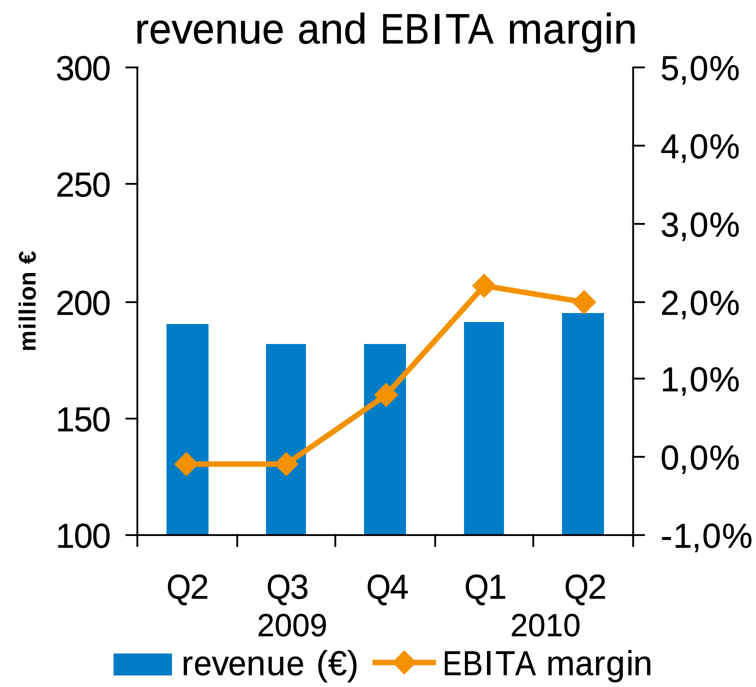
UK: continued growth inhouse and perm, professionals still lagging

- organic revenue +1% in Q2 2010 (vs. -6% in Q1 2010)
- inhouse continues strong growth throughout the quarter (YoY)
  - strong pipeline new clients
- perm fees keep improving (+15% YoY)
- professionals as a whole still down:
  - Healthcare and Education segments face pressure
  - continued growth in Finance, HR, Media
  - strong performance Engineering/Construction despite challenging market conditions
- EBITA margin up to 2.0% vs. -0.1% LY



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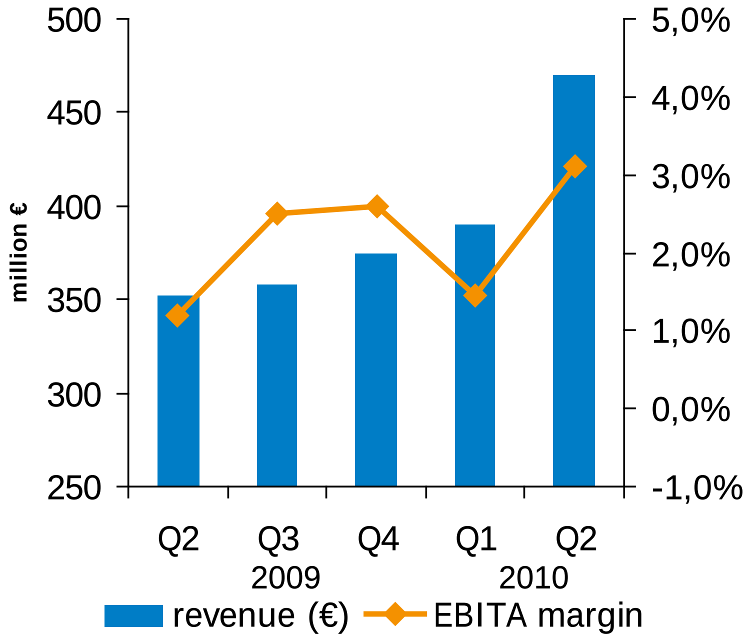
North America: accelerated growth across the board

- organic revenue +22% in Q2 2010 (vs. +9% in Q1 2010)
  - strong outperformance of the US market
  - US staffing & inhouse well above 30% growth (YoY)
  - US professionals improved through Q2 showing double-digit growth, driven by IT and Finance
  - perm increased by 20 % YoY
  - Canada also up (+13%) in Q2 vs. LY
- gross margin sequentially improved
  - perm fees and professionals recovering
  - less negative impact SUI* charges
- continued good cost management
  - increase in bonuses and commissions
- EBITA margin 3.1% vs. 1.2% LY
  - strong conversion of GP

revenue and EBITA margin



* SUI = state unemployment insurance

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revenue development per industry segment

Q2 2010 vs Q2 2009	US	Germany	France	Netherlands*
Manufacturing	++	++	++	++
Automotive	++	++	++	++
Food	++	++	+	-
Transport	++	++	0	++
Business services	++	0	+	-
Financial services	+	0	++	-
Public administration	0	n/a	n/a	-
Health & social work	++	0	+	--

* Netherlands: based on combined revenue of Randstad and Tempo-Team

financial results & outlook

Q2 2010: financial key points (1)

- positive trend improved through the quarter
- underlying gross margin sequentially flat since Q3 2009
  - gross profit amounted to € 649 million, up 9% YoY
- underlying operating expenses sequentially 6% up to 529 million
  - currency impact: ~ € 10 mln
  - commissions & bonus accruals: ~ € 10 mln
  - investments in expansion: ~ € 10 mln
- EBITA* improved by 79% and reached € 120 million vs. € 67 million LY
- effective tax rate** amounted to 29%
- diluted EPS up 67% from € 0.27 in Q2 2009 to € 0.45 in Q2 2010

* EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs

** before amortization of acquisition-related intangibles

Q2 2010: financial key points (2)

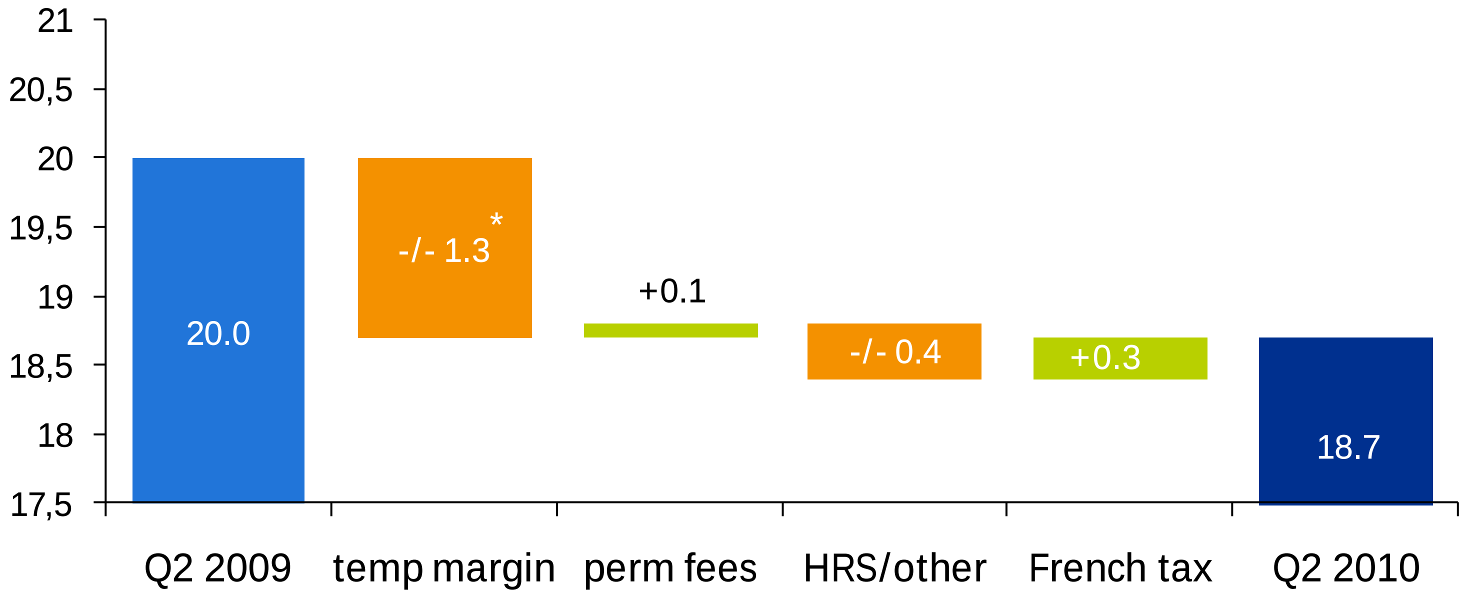
- moving average DSO improved by 1 day to 57 days (YoY)
- free cash flow in Q2 2010 amounted to € 105 million negative vs. € 56 million negative in Q2 2009
  - regular pattern; increased use of working capital caused by continued revenue growth and payment of holiday allowances in Q2
- net debt amounted to € 1.142 million vs. € 996 million in Q1 2010
  - leverage ratio at the end of Q2 2010 is 2.4 (vs. 2.3 in Q1 2010)
  - interest rate currently at 135 bp
  - next mandatory reduction (€ 105 million) of the term loan due in May 2012

income statement Q2 2010

€ million	Q2 2010	Q2 2009	% change	% organic
revenue	3,468	2,987	*16%*	*14%*
gross profit	649	598	*9%*	*6%*
gross margin	*18.7%*	*20.0%*		
operating expenses*	529	531	*0%*	*-1%*
opex as % of revenue	*15.3%*	*17.8%*		
underlying EBITA**	120	67	*79%*	*66%*
underlying EBITA margin	*3.5%*	*2.2%*		
actual EBITA	124	54		
amortization	-39	-40		
net finance costs	-8	-14		
income before taxes	78	1		
tax	-22	11		
net income	56	12		
adjusted net income***	77	46		
diluted EPS**	0.45	0.27		

* before impairment, integration costs and one-offs
** before amortization, impairment acquisition-related intangible assets and goodwill, integration costs and one-offs
*** attributable to ordinary shareholders

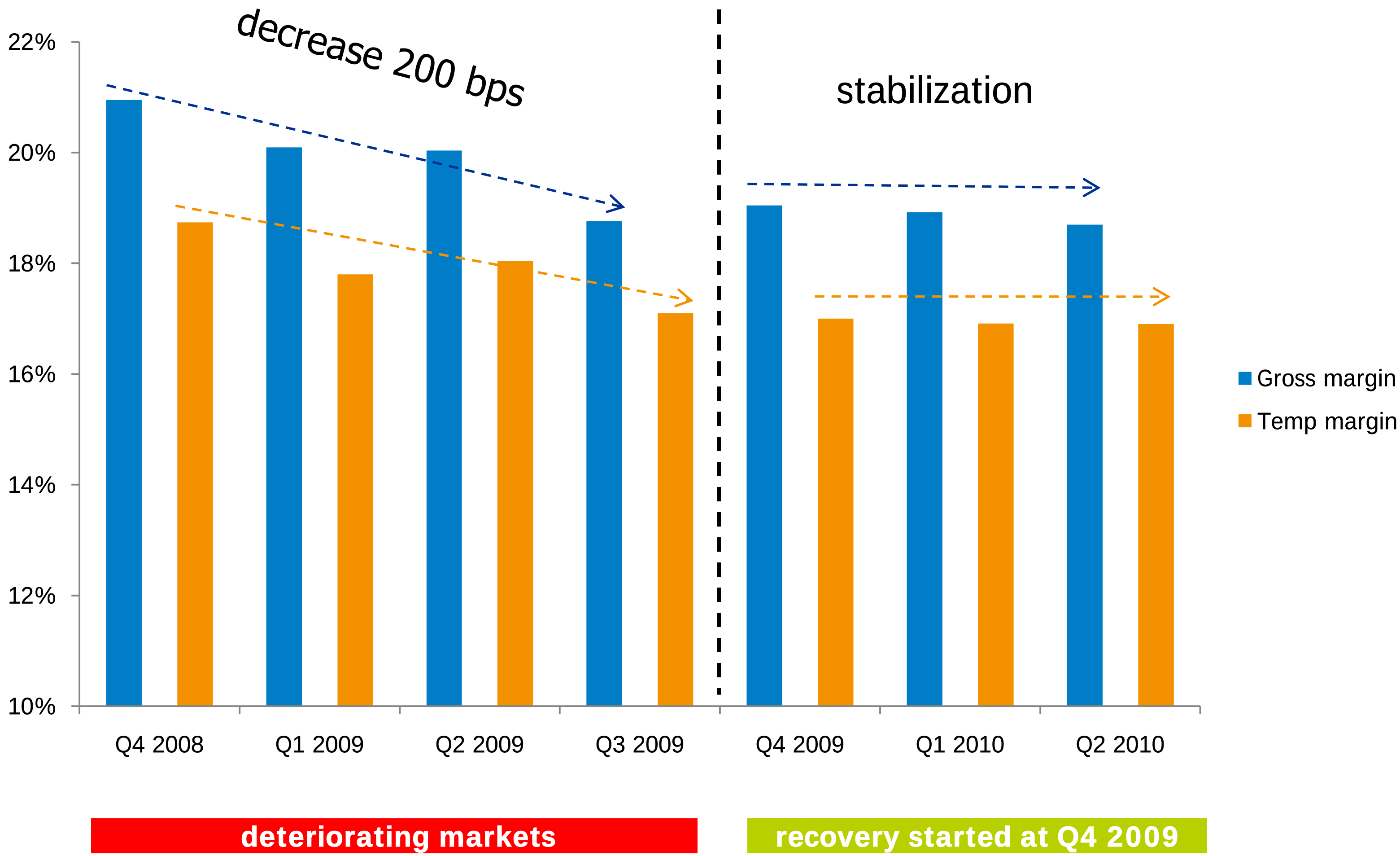
gross margin development Q2 2010



- commercial pressure on temp margins stabilized
  - geographical & segmental mix shifts
- perm fees increased by 16% organically (YoY)
  - perm fees are now 9.2% of gross profit (vs. 8.0% Q2 2009)
- mix shift to lower margin business within HRS
- reclassification of French business tax contributes +0.3%

* including country mix-effect and 0.3% effect Yacht

gross margin development



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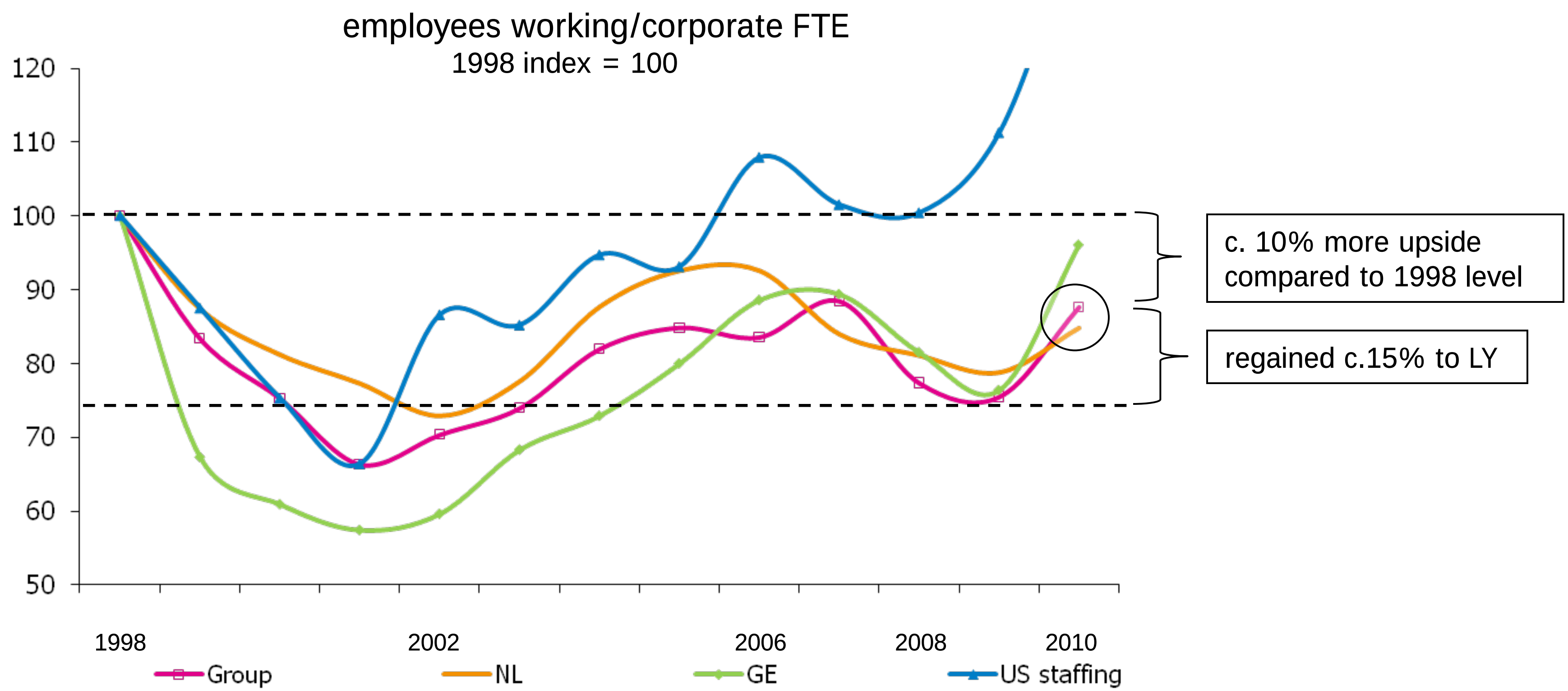
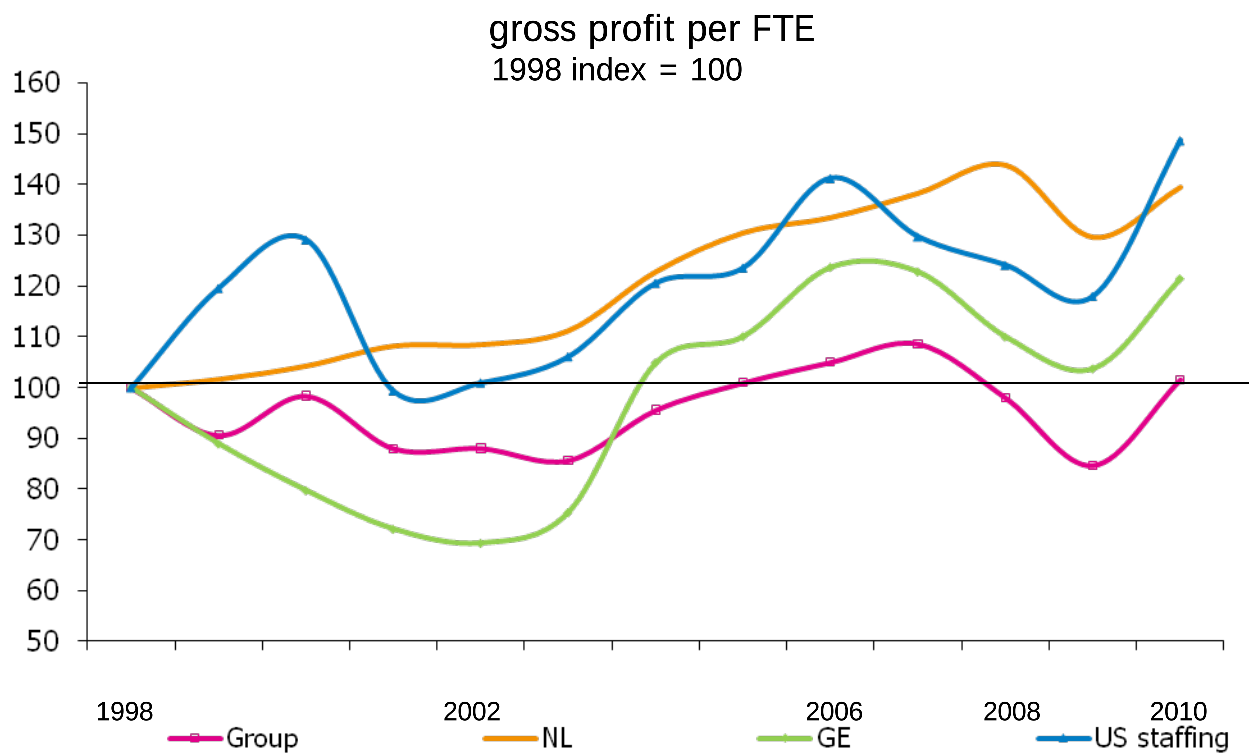
productivity development



- large variation in productivity developments per country
- solid improvement potential across the board

productivity development



- ongoing improvements in various countries
- limited growth when corrected for inflation
- group performance influenced by geographic mix shifts

consolidated balance sheet

€ million	June 30, 2010	June 30, 2009
property, plant & equipment	139	168
intangible assets	3,174	3,313
deferred tax assets	503	481
other assets	3,002	3,040
total equity	2,683	2,449
non-current liabilities	1,812	2,456
current liabilities	2,322	2,097
balance sheet total	6,817	7,001
moving average DSO (days)	57	58
net debt position	1,142	1,522

consolidated cash flow statement

€ million	Q2 2010	Q2 2009
cash flow from operations before OWC	98	58
release / (usage) of OWC	-/- 194	-/- 105
additions of PPE and software	-/- 12	-/- 11
financial receivables	-	-
dividend	1	-
disposals of PPE	1	2
free cash flow	-/- 105	-/- 56

€ million	Q2 2010
free cash flow	**-/- 105**
net (acquisition)/ disposals	-/- 9
issue ordinary shares	1
interest	-/- 6
dividend	-/- 7
translation & other on net debt	-/- 20
net debt (increase) / reduction Q1 2010 –> Q2 2010	**-/- 146**

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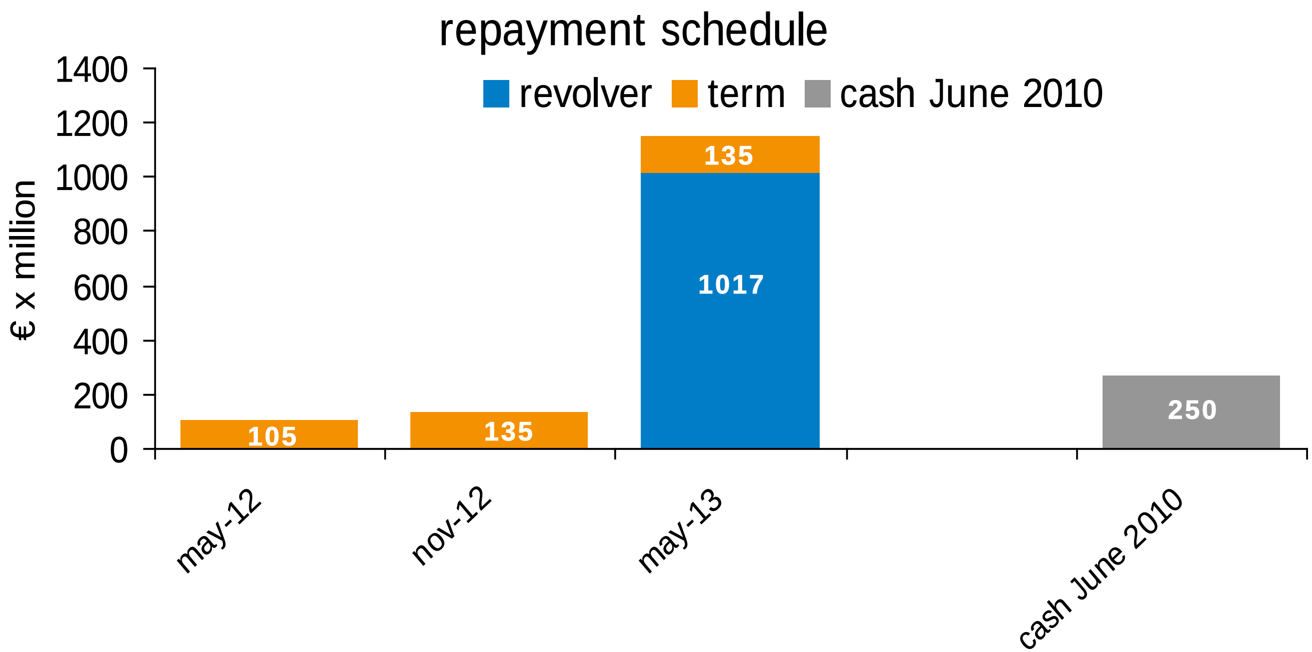
debt facilities & repayment schedule



- covenant; net debt/EBITDA* of max. 3.5
  - in Q2 2010 the net debt/EBITDA ratio was 2.4
- syndicated facility amounts to € 1,995 million
- no mandatory payments before May 2012
- no refinancing before 2013
- standby securitization facility of € 125 million

* EBITDA; 12 months rolling back, before integration costs and one-offs

managing through the cycle

growth phase	decline phase	stabilization phase	growth phase
• market share gains • productivity mgt through unit steering • incremental conversion ratio ≥ 50% • EBITA target 5-6% • prepare for EBITA not below 4%	• market share gains • productivity mgt through unit steering • recovery ratio ≥ 50% • in normal down-turn EBITA not below 4%	• market share gains • productivity levels allow for growth, but no excessive overcapacity • in normal downturn return to 5-6% EBITA target ASAP • in abnormal downturn return to 4% EBITA ASAP	• market share gains • productivity mgt through unit steering • incremental conversion ratio ≥ 50% • EBITA target 5-6% • prepare for EBITA not below 4%

outlook

- positive trends throughout Q2
- growth level of June continued into July
- we expect growth in all segments:
  - continued solid growth rates in inhouse in Q2
  - staffing showed robust growth
  - professionals returned to growth
- leverage ratio (net debt/EBITDA) expected to be below 2 by the end of 2010, which enables us to pay dividend on ordinary shares based on our existing dividend policy

summary

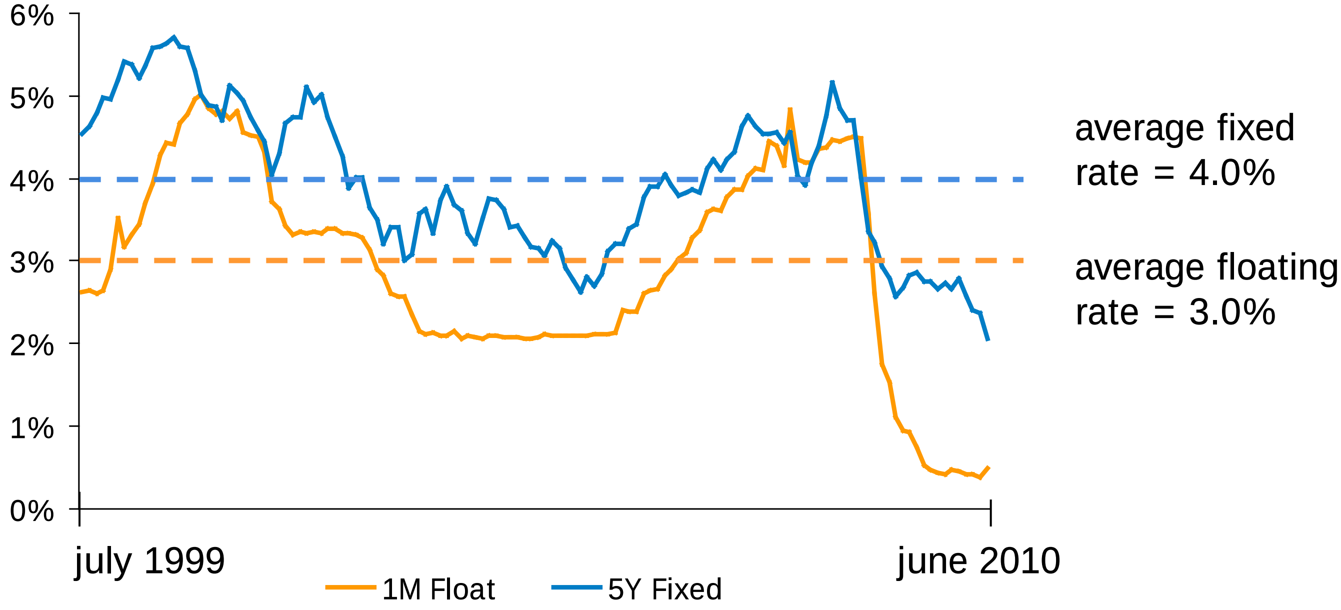
- growth trends persist in all markets
- accelerated growth in most regions
  - mainly visible in inhouse and industrial part of staffing
  - professionals segment as a whole showed slight growth through the quarter
- gross margin sequentially flat
  - commercial pressure eases, positive impact perm fees
- higher operating costs due to:
  - currency impact: ~ € 10 mln
  - commissions & bonus accruals: ~ € 10 mln
  - investments in expansion: ~ € 10 mln
- EBITA margin improves by 130 bps to 3.5% in Q2 (YoY)
- continued focus on:
  - cost management
  - leverage ratio
  - productivity; usage overcapacity
  - marketing campaigns & market share
  - DSO

Q&A

appendices

financing: fixed vs. floating interest rates

10 year historical interest rates comparison 1M vs. 5Y



- we use floating interest rates as a natural hedge
  - spread above Euribor of 50-115 bps.
- decoupling of Euribor and money market in 2008 due to banking crisis
- trend normalizing again since Q4 2008

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tax guidance unchanged

driver / impact	effective* tax rate	cash tax rate	explanation
growth operating companies	+	+	less impact of permanent differences
growth opcos and mix effects	+	+	higher weight countries with high CIT rate
changes in corporate income tax (CIT) rate	+ or -/-	+ or -/-	dependent on direction of change
repayment € 150 m. (Dutch tax)		+	ultimately 2012
payment regarding recapture obligation		+	tax payment NL based on German profits
timing differences		+/-	dependent on changes in deferred taxes
reclassification French business tax	+	+	no impact on net income

expected tax rates (%)	effective* tax rate		cash tax rate (compared to the effective tax rate)	
2010	27-30	→	slightly above	estimated cash tax rate is excl. € 150 m. tax repayment
2011-2013	31-37	→	in line	

* tax rate on the underlying profit before tax (before amortization/impairment acquisition related intangibles)

geographic performance

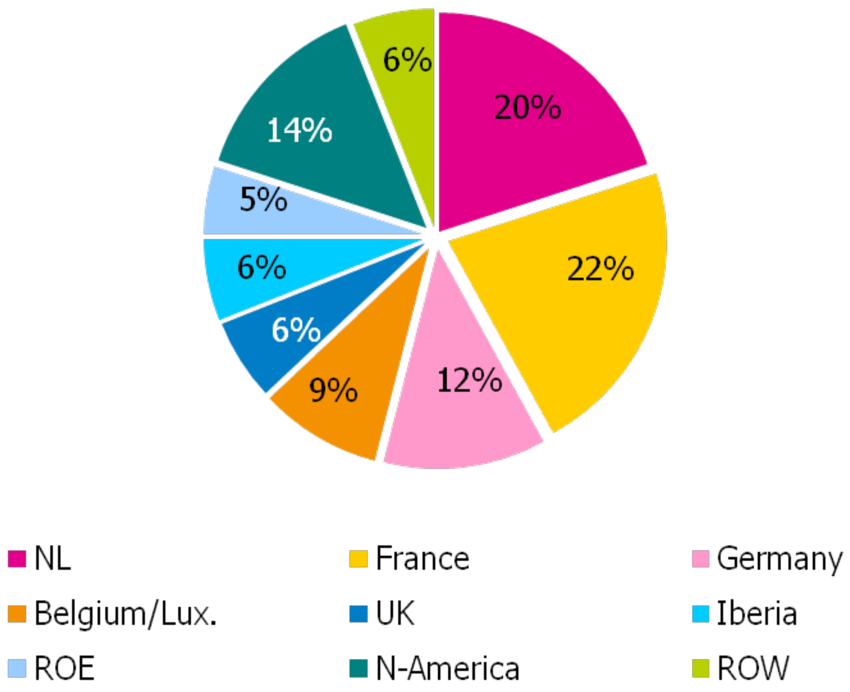
€ million	Q2 2010	Q2 2009	organic growth
revenue:			
the Netherlands	683	726	*-5%*
France	777	660	*18%*
Germany	418	299	*40%*
Belgium/Luxembourg	319	282	*13%*
United Kingdom	195	190	*1%*
Iberia	210	188	*11%*
North America	470	352	*22%*
EBITA margin:			
the Netherlands	*5.7%*	*7.2%*	
France	*3.5%*	*0.8%*	
Germany	*5.4%*	*2.2%*	
Belgium/Luxembourg	*5.2%*	*5.3%*	
United Kingdom	*2.0%*	*-0.1%*	
Iberia	*1.1%*	*-0.6%*	
North America	*3.1%*	*1.2%*	

segment performance

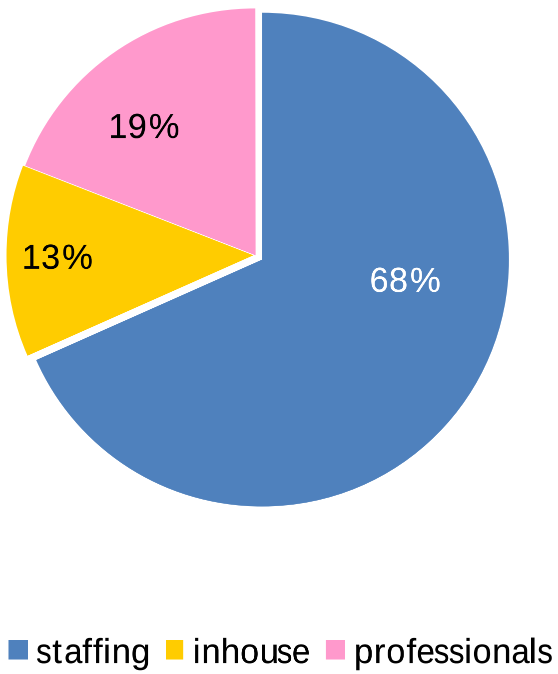
€ million	Q2 2010	Q2 2009	organic growth
revenue:			
staffing	2,363	2,050	*13%*
inhouse services	456	301	*50%*
professionals	649	636	*1%*

revenue split Q2 2010

geographies



segments



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outlets* by country

end of period	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009
the Netherlands	725	726	754	761	786
France	928	966	988	993	988
Germany	450	433	428	431	436
Belgium / Lux	388	392	329	332	331
United Kingdom	300	289	292	294	301
Iberia	264	261	265	266	274
Other Europe	346	340	340	341	349
North America	476	477	494	504	513
Rest of world	220	229	239	259	354
total	**4,097**	**4,113**	**4,129**	**4,181**	**4,332**

* branches and inhouse locations

corporate employees by country

average	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009
the Netherlands	5,210	5,260	5,610	5,870	6,210
France	3,870	3,870	4,000	4,270	4,390
Germany	2,430	2,370	2,320	2,290	2,330
Belgium / Lux.	2,030	2,020	2,050	2,010	1,970
United Kingdom	2,040	2,040	2,110	2,230	2,470
Iberia	1,460	1,470	1,500	1,530	1,610
Other Europe	1,490	1,460	1,460	1,480	1,710
North America	2,790	2,780	2,870	2,960	3,120
Rest of world	3,500	3,480	3,510	3,680	3,960
Holding	150	150	150	150	160
total	**24,970**	**24,900**	**25,580**	**26,470**	**27,930**

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staffing employees by country

averages	Q2 2010	Q2 2009
the Netherlands	83,100	90,400
France	81,100	76,400
Germany	47,300	34,500
Belgium / Lux.	40,900	37,900
United Kingdom	23,100	21,300
Iberia	48,200	46,800
Other Europe	30,200	25,000
North America	50,400	41,700
Rest of world	83,700	76,900
total	**488,000**	**450,900**