the **true value**
of any business
is in its **people**

annual report 2008

randstad

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

contents

financial statements

please turn over for **core data**

Randstad matches supply and demand in the labor market and provides hr services

adding value for our clients with five distinctive service concepts:

- staffing
- professionals
- search & selection
- hr solutions
- inhouse services

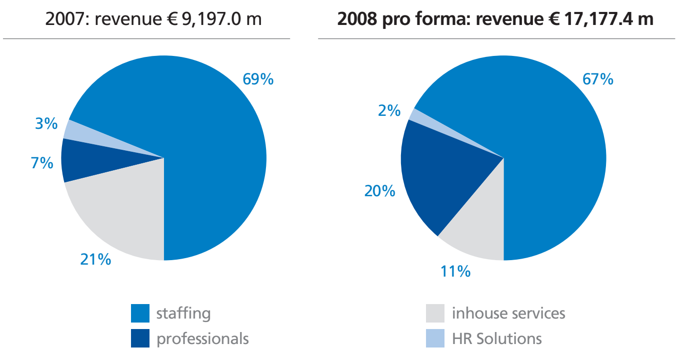
Safe Harbor statement

This document contains forecasts on Randstad Holding nv's future financial performance, results from operations, and goals and strategy. By definition, forecasts generate risk and uncertainty because they refer to events in the future and depend on circumstances that cannot be foreseen in advance. Numerous factors can contribute to material deviation from results and developments indicated in forecasts. Such factors can include general economic circumstances, scarcity on the labor market and the ensuing demand for (flex) personnel, changes in labor legislation, personnel costs, future exchange and interest rates, changes in tax rates, future corporate mergers, acquisitions and divestments, and the speed of technical developments. You should not place undue reliance on these forecasts. They are made at the time of publication of the annual financial statements and in no way provide guarantees for future performance. All operating and business environments are subject to risk and uncertainty. For this reason, we can offer no assurances that the forecasts published here will prove correct at a future date.

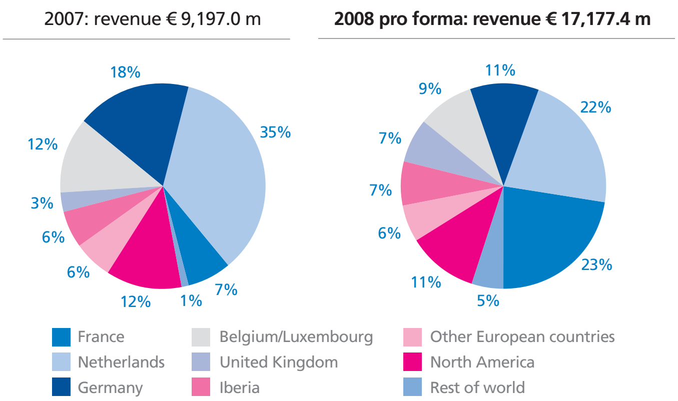
The Vedior Group has been consolidated since May 16 2008. This has a significant impact on results. We focus in our analysis of revenue, gross profit, operating expenses and EBITA on the pro forma comparison, as if the companies had been combined since January 1, 2007. Pro forma figures have been adjusted for integration costs, restructuring charges and one-offs. This best reflects the underlying performance and the way the companies have been managed. Reconciliation between actual and pro forma figures is as follows:

	Revenue	Gross profit	EBITA
Actual	**14,038.4**	**2,972.3**	**644.0**
Vedior Q1 2008	2,038.9	396.8	77.9
Vedior April 1, 2008 - May 15, 2008	1,102.1	212.5	41.5
Eliminations and reclassifications	(2.0)	(2.9)	(1.1)
Integration costs	–	–	61.9
One-Offs	–	(38.7)	10.2
Pro forma	**17,177.4**	**3,540.0**	**834.4**

Revenue split by service concept



Revenue split by geographical area



core data

Key financials (in millions of €)	2008	2007	Δ%
Pro forma			
Revenue	17,177.4	17,625.2	(3)
Gross profit	3,540.0	3,637.1	(3)
EBITA[1]	834.4	907.1	(8)
Average number of staffing employees	674,100	685,900	(2)
Average number of corporate employees	34,550	33,900	2
Actual			
Revenue	14,038.4	9,197.0	53
Gross profit	2,972.3	2,029.7	46
EBITA[1]	644.0	554.4	16
Net income	18.4	384.9	(95)
Free cash flow	672.7	328.4	105
Net debt[2]	1,641.0	144.2	1,038
Shareholders' equity	2,416.9	1,021.6	137
Ratios (in % of revenue)			
Gross margin	21.2	22.1	
EBITA margin	4.6	6.0	
Net income margin	0.1	4.2	
Share data			
Basic earnings per ordinary share (in €)	0.07	3.31	(98)
Diluted earnings per ordinary share before amortization and impairment acquisition-related intangible assets, goodwill, integration costs and one-offs (in €)	3.21	3.47	(7)
Dividend per ordinary share (in €)	–	1.25	–
Payout per ordinary share (in %)[3]	–	38	–
Closing price (in €)	14.55	27.02	(46)
Market capitalization, year-end (€ million)	2,466.9	3,150.7	(22)
Enterprise value, year-end (€ million)[4]	4,107.9	3,294.9	
Employees/outlets			
Average number of staffing employees	555,600	369,200	50
Average number of corporate employees	28,230	17,570	61
Number of branches, year-end[5]	4,146	1,889	117
Number of inhouse locations, year-end[5]	1,087	997	13

1 EBITA: operating profit before amortization and impairment acquisition-related intangible assets and impairment goodwill.
2 Net debt: cash and cash equivalents minus borrowings.
3 Payout per ordinary share in %: dividend per ordinary share on basic earnings per ordinary share.
4 Enterprise value: market capitalization and net debt.
5 Branches are outlets from which various clients are served with a number of various services and which are located in residential/commercial areas. Inhouse locations are outlets from which one client is served with a limited number of job profiles and which are located on the site of the customer.

key points 2008

- 2008 was a historic year as **Randstad and Vedior combined forces** to create the world's second-largest HR services provider
- the integration in staffing is progressing well and **synergies** are coming in **ahead of schedule**
- the contours of the **professionals strategy** have been drafted and the **professionals house style** was developed
- a year with **two faces**: 4% organic growth in both Q1 and Q2, followed by declines of 2% and 14% in Q3 and Q4, respectively
- timely cost savings demonstrate the improved focus gained from our **'managing through the cycle'** approach
- despite the successful integration, the rapid market decline in H2 2008 required an **impairment** on Vedior goodwill of € 500 million
- to **ensure financial strength** we opt for debt reduction and propose to pay **no ordinary dividend for 2008**

good
to know
you

profile

Randstad is the world's second-largest provider of staffing and other HR services.

Our services

We match people with companies that will develop their potential, and match companies with people who will take their business to the next level.

In addition to our regular temporary and permanent placement **staffing** services, the provision of temporary and seconded **professionals** and the **search & selection** of middle and senior managers, we offer specialized **HR Solutions** and provide dedicated on-site workforce management with **inhouse services**.

Randstad believes in offering a comprehensive range of HR services to our clients. The balance in our service portfolio between general staffing and specialized professionals, and between temporary and permanent placement, is unique in our industry. In short, we play a pivotal role in shaping the world of work, leveraging the true value of human capital for the benefit of our clients, candidates, employees and investors.

Our mission is to take the lead in shaping the world of work

Our mission

Shaping the world of work

In the first 50 years of our industry, the value of the global markets for HR services has grown to over € 200 billion. Yet they are still in their infancy in many major economies. As in other young and growing industries, its global leaders must actively develop these markets. They must take responsibility for stimulating growth, introducing innovations, and developing their structures and regulatory environment. In doing so, they can ensure that strong long-term worldwide growth rates will continue for many decades to come.

In Randstad today, many of the industry's pioneers have come together to form such a global leader, providing work for about 670,000 people around the world every day since the merger. We will continue to shape the markets of tomorrow and develop growth opportunities wherever they present themselves. Our goal is to be the largest, most highly valued and most profitable company in our industry. By giving employees the work they are best suited for, and by finding candidates for employers that make the best fit with their organization. And by doing so, providing true value to society as a whole.

In short, our mission is to take the lead in **shaping the world of work**.

Our global presence

Randstad was founded in the Netherlands in 1960 and has grown and expanded steadily ever since. Following this year's merger with Vedior, Randstad is ranked number two in the world in terms of revenue and operates in over 50 countries, representing more than 90% of the global HR services market. Randstad has number 1 or 2 positions in Belgium, Canada, Germany, India, Luxembourg, the Netherlands, Spain, Poland, Portugal, and the south-eastern part of the United States.

Our culture

'Good to know you'

At Randstad, we believe that creating the best solutions in HR services means always doing more, going further. This starts with continuously deepening our understanding of the environment and marketplace in which we operate. We need to understand the present and future needs of our clients, candidates, shareholders and other stakeholders.

Many companies say that their people are their most important asset. As we are in the people business and one of the world's biggest employers, we could not agree more. As success depends largely on the people you employ, it also depends on the people you employ to find them. The better we know our clients and candidates and the better our rapport with them is, the better we are at matching their needs and exceeding their expectations. They experience us as friendly and open as well as professional and driven.

Our receptive 'good to know you' culture helped ensure the success of the first phase of the integration. In the months leading up to and following the completion of the merger in July, 'get to know you' sessions were held around the world with employees from Randstad and Vedior. Both sets of employees soon discovered that their new colleagues were just as friendly, open, professional and driven as their existing ones. 'Good to know you' still represents the culture of the 'new' Randstad. We mean it, it is at the heart of everything we do, and it is certainly how we want to be known.

Our core values

Randstad is known for continuing to adhere to and live by the core values established by our founder Frits Goldschmeding: *to know, serve and trust, striving for perfection* and *simultaneous promotion of all interests*.

To know, We are experts. We know our clients, their companies, our candidates and our business. In our business it's often the details that count the most.

to serve, We succeed through a spirit of excellent service, exceeding the core requirements of our industry.

and to trust We are respectful. We value our relationships and treat people well.

Striving for perfection We always seek to improve and innovate. We are here to delight our clients and candidates in everything we do, right down to the smallest detail. This gives us the edge.

Simultaneous promotion of all interests We see the bigger picture, and take our social responsibility seriously. Our business must always benefit society as a whole.

Our unit model

The unit structure we deploy in most countries in the staffing segment is one of the features that distinguish Randstad. Each unit addresses a geographic area or segment and consists of two consultants who are responsible for both client service and candidate selection. They work as a team, ensuring one is always available to their clients and candidates, and are often dedicated to specific specialties. The client's consultants are the same people who recruit candidates for them and make the match. They are experts in the local labor market, and become experts in their clients' businesses, understanding their needs and the candidate profiles that will best meet them.

Our strategic approach

Randstad's strategy is based on four building blocks: strong concepts, best people, excellent execution and superior brands.

Strong concepts
We offer five strong service concepts to our clients and candidates: staffing, professionals, search & selection, HR Solutions and inhouse services.

Best people
All our corporate employees benefit from the focus on their development and the opportunities we provide to achieve their potential.

Excellent execution
We have blueprints for the many best practice-based processes we execute each day. Perfection is often in the details, so we take pride in getting them right.

Superior brands
Our focus on recognizable and superior brands ensures that clients and candidates know who we are and that our people act in the knowledge that they represent a world leader in HR services.

profile

services	main brands

staffing

Temporary staffing, permanent placement and specialties – specific market segments on which dedicated units focus – represent our core business. These services are offered through our well-known network of high street and suburban branches. We deploy our unique unit structure in most countries, where each unit consists of two consultants who are responsible for both client service and candidate selection.

randstad

tempo-team

professionals

For middle and senior management positions, we recruit supervisors, managers, professionals, interim specialists and consultants with professional qualifications. These specialists can be engineers, IT or finance specialists and professionals from a large number of other disciplines, such as HR, education, legal, healthcare and marketing & communications.

search & selection

We have subsidiaries in several countries specializing in the recruitment of middle and senior managers for permanent positions within client organizations. These services include a number of related recruitment and training programs that are often fee-based.

randstad

expectra

SAPPHIRE TECHNOLOGIES

HILL McGLYNN RECRUITMENT SOLUTIONS

YACHT

bbt beresford blake thomas global reach · local focus

HR Solutions[1]

We offer a comprehensive range of HR project management, vendor management, recruitment process outsourcing and HR consultancy services, such as outplacement, career management, payroll management and HR administration outsourcing. These services can be provided separately from our regular staffing and permanent placement offerings, and are usually charged at an agreed rate.

randstad

inhouse services

This is a very efficient solution for managing a high-quality workforce with client-specific skill sets, aimed at improving labor flexibility, retention, productivity and efficiency.
We work on site exclusively for one client, usually providing a large number of candidates with a limited number of well-defined job profiles, often in the manufacturing and logistics segments. We often work with the client to determine specific performance criteria, and we provide total HR management, including recruitment & selection, training, planning, retention and management reporting.

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1 HR Solutions is included in the staffing segment, but is shown here separately for information purposes. Staffing figures have not been adjusted.

regions and outlets[2]

statistics

France (931)
Netherlands (576)
Germany (340)
Belgium/Luxembourg (239)
UK (152)
Iberia (327)
Other European countries (380)
North America (296)
Rest of the world (184)

	2008 pro forma	2007 pro forma	2007
Revenue total (€ millions)	**12,003.2**	12,479.9	6,686.7
Candidates (average)	**521,900**	538,800	291,000
Corporate staff (average)	**22,800**	23,300	13,600
Outlets, year end	**3,425**	3,609	1,855

France (189)
Netherlands (28)
Germany (38)
Belgium/Luxembourg (28)
UK (164)
Iberia (5)
Other European countries (14)
North America (173)
Rest of the world (195)

	2008 pro forma	2007 pro forma	2007
Revenue total (€ millions)	**3,369.6**	3,251.0	616.0
Candidates (average)	**82,100**	74,700	5,800
Corporate staff (average)	**9,100**	7,900	1,400
Outlets, year end	**834**	810	87

France (5)
Netherlands (23)
Germany (0)
Belgium/Luxembourg (13)
UK (0)
Iberia (12)
Other European countries (1)
North America (1)
Rest of the world (5)

	2008 pro forma	2007 pro forma	2007
Revenue total (€ millions)	**479.3**	469.1	313.3
Candidates (average)	**17,700**	17,100	11,900
Corporate staff (average)	**1,150**	1,100	930
Outlets, year end	**60**[3]	85[3]	61[3]

France (62)
Netherlands (281)
Germany (219)
Belgium/Luxembourg (113)
UK (65)
Iberia (30)
Other European countries (59)
North America (145)
Rest of the world (0)

	2008 pro forma	2007 pro forma	2007
Revenue total (€ millions)	**1,856.6**	1,935.2	1,935.2
Candidates (average)	**70,100**	72,400	72,400
Corporate staff (average)	**2,100**	2,010	2,010
Outlets, year end	**974**	944	944

2 The number between brackets indicates the number of outlets.
3 These outlets are also included in staffing.

true value for investors

The Randstad share reflects true value for investors. This may sound odd, given that Total Shareholder Return amounted to minus 42% in 2008 and that no dividend will be paid for 2008. However, long-term prospects for the HR services industry as a whole, and for Randstad in particular, are positive.

The true value of any business is in its people. Randstad's business is all about people and an investment in Randstad therefore reflects an investment in the most valuable asset class. An asset class that will also become ever more scarce in the future.

The HR Services industry has on average grown at a double-digit rate over the past decades. Penetration rates are on the rise, new services are continuously being introduced, and new markets are opening up – either because of increased economic activity or through new opportunities resulting from legislative changes. However, the growth pattern is never a straight line, and economic dips, such as the world is currently facing, temporarily put pressure on the industry, our revenue and the share price each cycle.

Our focus on protecting the long-term interests of the shareholders also means that under exceptional circumstances, we opt for the safest approach. Even if that means that as a precaution it is wiser to keep cash in order to protect the balance sheet, rather than pay out a dividend, as we did this time.

In terms of long-term prospects, the HR Services industry remains a growth industry. Randstad is now the second-largest company in the industry, yet the market is fragmented – we still only have an 8% share of the global market. So there is ample room to gain market share, and we have a clear track record of doing so. Through the merger with Vedior we have a better-balanced geographic spread than any of our competitors. In addition, we have an unparalleled offering, including a leading position in the professionals segment, which is expected to grow fastest in the future.

executive board

Ben Noteboom (1958, Dutch), CEO and chairman of the executive board
After graduating in law, Ben Noteboom held international management positions with a major chemical company. He joined Randstad in 1993, with initial responsibility for the integration of a number of major acquisitions. He then held a series of senior management positions with Randstad and started inhouse services, for which he had Europe-wide responsibility from 2000. He joined the executive board in 2001, and was appointed CEO and its chairman in March 2003. In addition to his leadership of the Group, he is responsible for Randstad in the Netherlands, Group HR, Group marketing & communications, business concept development, Group legal and public affairs.

Robert-Jan van de Kraats (1960, Dutch) CFO and vice chairman of the executive board
A certified auditor, Robert-Jan van de Kraats began his career with one of the big four accountancy firms. In 1989, he joined an international technology group as finance and IT director for the Netherlands. He held various senior positions with an international credit insurance group from 1994 and in 1999 was appointed CFO and member of its managing board. He joined Randstad in 2001 as CFO and member of the executive board, and was appointed as its vice-chairman in 2006. He is responsible for the Nordics, Hungary, Greece, Turkey, Japan, China, Yacht Netherlands, finance & accounting, control, tax, treasury, business risk & audit, IR, ICT and shared service centers. He is also a supervisory board member of Ordina, a listed IT company, and SNS Reaal, a listed banking and insurance company.

Leo Lindelauf (1951, Dutch)
Following his studies at an academy for social studies, Leo Lindelauf completed a study in industrial engineering and management science. He began his career as a community worker. He joined Randstad in 1979, working as district manager and regional manager before being appointed regional director in the Netherlands. He became managing director of Tempo-Team in 1994 and managing director operations for Randstad Europe, including the position of general manager Randstad Netherlands, in 1999. Appointed to the executive board in 2001, he is now responsible for all of our operations in Germany, Spain, Italy, Portugal, Cyprus, Bulgaria and other Eastern Europe, Angola and Mozambique, as well as for Tempo-Team in the Netherlands.

Brian Wilkinson (1956, British)
After graduating in English literature in 1978 and with many years in the UK staffing and recruitment industry already behind him, Brian Wilkinson joined Vedior in 1999 as UK development manager. He was appointed to Vedior's board of management in 2003 and was responsible for its operations in the UK, Ireland, Australia, New Zealand, India, Singapore, Hong Kong, the Middle East, Sri Lanka and Malaysia. Responsibility for Vedior's operations in Portugal and Scandinavia was added in 2006. He was appointed to the executive board following this year's merger with Vedior, and is responsible for the combined businesses in the UK, Australia & Pacific, the Middle East and parts of Asia.

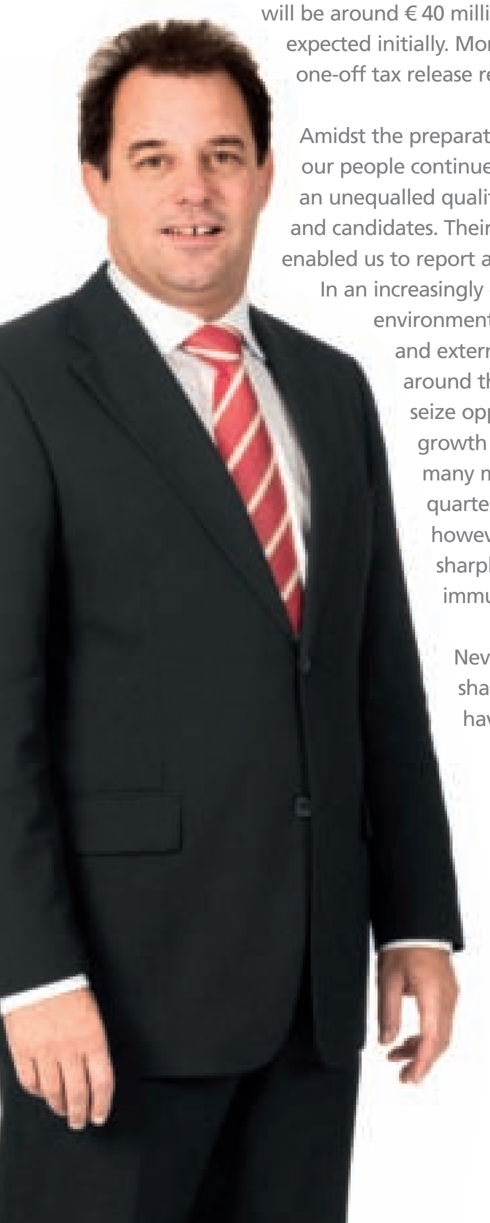
Greg Netland (1962, American)
After graduating in economics, Greg Netland joined Sapphire Technologies in 1987. He played a key role in Sapphire's integration with Select Appointments in 1994, and in Select's merger with Vedior in 1999. He was promoted to COO and executive vice-president of business development of Vedior North America in 2001, and then again to its CEO in 2003. He joined Vedior's board of management in 2007. He was appointed to the executive board following this year's merger with Vedior, and is responsible for the combined businesses in the USA, Canada and Latin America.

Jacques van den Broek (1960, Dutch)
Following graduation in law, Jacques van den Broek held a management position with an international trading company until he joined Randstad in 1988 as branch manager. Appointments followed as regional director in the Netherlands and, subsequently, marketing director Europe. In 2002, he moved to Capac Inhouse Services as managing director, also taking on responsibility for Randstad in Denmark and Switzerland. Jacques van den Broek joined the executive board in 2004, and is now responsible for France, Belgium & Luxembourg, Poland, Czech Republic, Slovakia, Switzerland, and international accounts.

message from the **CEO**

Dear shareholder,

Joining forces with Vedior to become the second-largest player in the global HR services industry made 2008 a landmark year for Randstad. The strategic fit between the companies was always clear, and we are pleased that the combination works well in practice. As it was a friendly deal, we were able to begin preparations for the integration on the day after announcing the merger plan in December 2007. This gave us a head start when we were able to start the integration after the completion of the deal. The integration is well on track. The Group head offices were combined in July and the integration in staffing has virtually been completed in the Netherlands, Belgium, the UK and Switzerland. In Southern Europe this will happen, as planned, in 2009 and we are also well underway in determining the combined strategy in professionals. The synergies will be greater than expected at the time of the merger. Cost synergies will come out at about € 90 million instead of € 80 million, while the tax synergies will be around € 40 million instead of the € 20 million expected initially. Moreover, we had a substantial one-off tax release related to the merger.



Amidst the preparation for the integration, our people continued to focus on providing an unequalled quality of service to our clients and candidates. Their efforts and commitment enabled us to report a record first quarter. In an increasingly challenging economic environment, and with all the internal and external change going on around them, they continued to seize opportunities to deliver strong growth and gain market share in many markets during the second quarter. By the end of the year however, the market was declining sharply, and none of us are immune to the impact of this.

Nevertheless, the much greater share of the market we now have is not only generating more revenue and profit in good times. It has also given our business a density that is helping us in managing our cost base more effectively to minimize the impact of the market decline. We have a much greater share of the professionals segment, which in the future will continue to grow fastest and produce the best returns. Clients are looking for fewer HR service providers, able to address more segments in more countries. We are now in a much better position to meet this increasing demand and gain market share. As the cycles of our market follow different patterns in different countries and in specific segments, our enlarged global presence and more diverse business mix helps us to continue generating solid cash flow and results.

However, the volatility in our markets reached unprecedented levels during Q4 2008 and early 2009. The magnitude of the revenue decline has been greater than in the already very cautious stress case scenario we used to determine the funding for the Vedior acquisition. Given the recent sharp drop in demand and the very low visibility, we will now, as a precautionary measure to further strengthen the balance sheet, propose that no ordinary dividend is paid for 2008. This is a decision that has not been taken lightly, as we have never skipped the dividend before. Despite the success of the integration, but because of the sudden market decline, we impaired € 500 million of the Vedior-related goodwill.

The true value of any business is in its people and, on behalf of the executive board, I would like to express our appreciation for all the hard work being done by all our people to ensure the success of the integration in difficult market circumstances. I hope this annual report will help to demonstrate how we are leveraging the opportunities created by the 'new' Randstad. We recognize that the Randstad share price did not do well this year. However, with the best people and broadest service portfolio in our young industry, we are strongly positioned to manage through these turbulent times and to emerge from them as a leader in shaping the world of work, to the benefit of all our stakeholders.

Ben Noteboom

report from the **executive board**

Highlights

2008 was a historic year for Randstad, as we combined forces with Vedior to create the world's second-largest staffing, recruitment and HR services company, changing the landscape of the industry.

The Vedior Group has been consolidated since May 16, 2008. This has a significant impact on results. We focus in our analysis of revenue, gross profit, operating expenses and EBITA on the pro forma comparison, as if the companies had been combined since January 1, 2007. Pro forma figures have been adjusted for integration costs, restructuring charges and one-offs. This best reflects underlying performance and the way the companies have been managed. Below EBITA, and regarding the balance sheet and cash flow, we focus on actual results to reflect the impact of the merger.

The offer for all issued and outstanding shares of Vedior N.V. was settled on May 16th, after 93.5% of the shares had been tendered. The statutory legal merger became effective on July 1st, when the remaining 6.5% of the Vedior shares was converted into Randstad shares, providing Randstad with full ownership.

In 2002 we established a number of strategic targets:
- EBITA margin of 5-6% on average through the cycle;
- continuous market share gains;
- an increasing share of revenue from outside the Netherlands;
- maintaining a sound financial position (leverage ratio, or net debt divided by EBITDA, of between 0 and 2).

These targets were updated slightly in 2008 (see page 19), but the combination with Vedior certainly fitted the targets well. It has given Randstad a much better balance in terms of our service portfolio and our geographic presence. It has given us the scale and scope to capitalize on the key trends in the HR services industry. These range from profitable growth in the professionals segment, through new opportunities for growth in staffing in deregulating and emerging markets, to large global accounts looking for a broader portfolio of services from a smaller number of vendors. With the broadest service portfolio, we are now a global industry leader in the professionals segment. We have combined our highly regarded and leading service offerings in the traditional staffing segment in many countries, serving both large accounts and the SME sector even better. We now have leading positions in most of the key staffing markets worldwide, with additional growth potential from emerging staffing markets. By leveraging our scale and complementary strengths we are able to serve both our clients and candidates even better.

We regret that we had to sell Randstad Portugal in order to obtain clearance for the merger from the European Commission. Given the complexity of the transaction and the large number of countries involved however, we regard it as a great achievement that we were able to obtain the Commission's approval in March 2008. After obtaining this clearance, the offer could officially be launched. In view of the deteriorating credit markets, it proved to be very helpful that the financing structure, including committed credit facilities and preset credit spreads, had been arranged well in advance, even before announcing the deal in December 2007.

Following the careful preparations that started in December 2007, the integration remained on schedule and progressed well throughout the year. Recurring pre-tax run rate cost synergies and additional tax saving synergies were even better than initially anticipated. The annual cost synergies are expected to amount to at least € 90 million and recurring cash tax savings will be around € 40 million, against original expectations of € 80 million and € 20 million respectively. The tax synergies are derived through the optimized use of the existing group financing centers in Brussels and Zurich. We achieved 65% of the annualized cost savings in 2008 (target was 40%), and the full annualized amount should be realized in 2009 (target was 75%). We realized € 15 million of the tax savings in 2008 and should realize the full amount in 2009.

Despite increasingly challenging market conditions, which required a € 500 million impairment on Vedior-related goodwill, we managed to achieve a pro forma EBITA margin of 4.9% (2007 reported: 6.0%, pro forma 5.1%). The pro forma share of non-Dutch revenue increased to 78% (2007 stand alone: 65%). We continued to achieve organic growth in our business in the first half of the year and managed to maintain strong margins and cash flow as market conditions deteriorated in the second half. Against the background of these conditions, we controlled costs where needed. While keeping our integration plans on track we participated in many more client proposals than before and grew our share of several key markets.

These efforts resulted in:
- total pro forma revenue of € 17,177.4 million, a decrease of 3% compared to € 17,625.2 million pro forma in 2007;
- pro forma EBITA of € 834.4 million, a decrease of 8% compared to € 907.1 million pro forma in 2007;
- net income of € 18.4 million, a decrease of 95% compared to € 384.9 million in 2007, mostly caused by the goodwill impairment mentioned earlier; and
- diluted EPS before one-offs of € 3.21, a decrease of 8% compared to € 3.47 in 2007.

Strategy

Our strong operational performance in difficult conditions in 2008 is thanks to the consistent dedication and motivation of our people around the world. Our strategy of pursuing sustainable growth has a clear, proven track record. However, there can be no complacency in a world economy that continues to deteriorate and in a highly competitive global HR services environment. We will continue working on our performance and managing through the cycle by remaining focused on our strategic goals. Our strategic agenda has a number of primary components, which are visualized in the diagram below.

Our operational performance and profitability is underpinned by the building blocks of our strategy. We aim to successfully complete the integration of Vedior and fully realize the synergies we have communicated by the end of 2009. Fully leveraging the opportunities provided to us by the key factors that drive growth in our markets enables us to achieve our target of making continuous market share gains. Continuing to maintain a solid EBITA margin throughout the cycle is vital for further growth. Maintaining a sound financial position ensures continuity.

Strategic building blocks

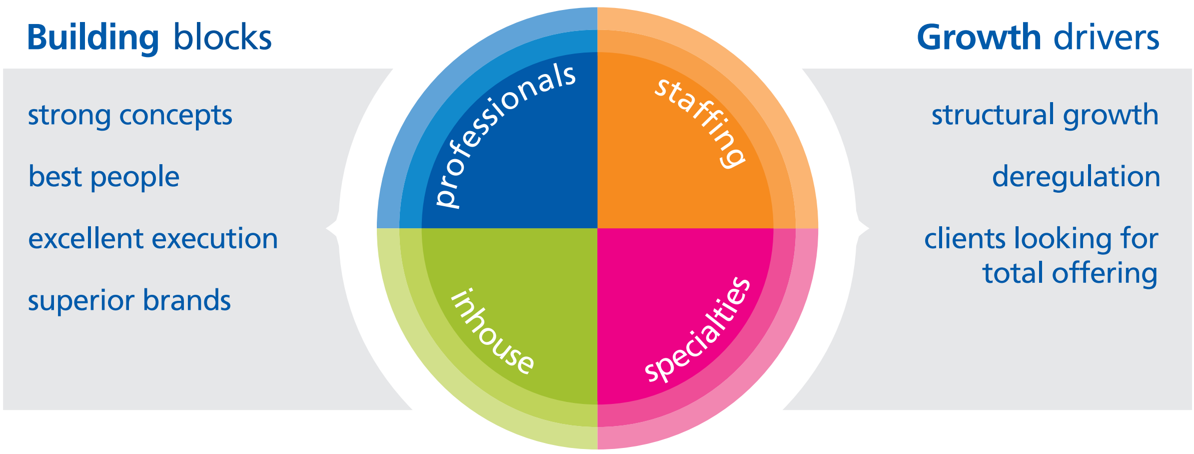
Strong concepts

All our service concepts are based on best practice and proven procedures, ensuring efficient working methods and excellence in service delivery. They can rapidly be replicated and leveraged in other markets, and are relatively easy to adapt to meet specific needs. The consistency of our service concepts and quality around the world means our international clients know they can trust Randstad to meet their needs anywhere.

Progress in 2008

Staffing and specialties
In many countries our staffing consultants have a dual role, not only serving their clients but also recruiting the candidates and making the match. This sets us apart from many competitors with separate sales and recruitment

Growth drivers & strategy



targets
- integration of Vedior and realization of communicated synergies
- continuous market share gains
- EBITA margin of 5% to 6% on average through the cycle, not below 4% in normal downturn
- sound financial position; leverage ratio of between 0 and 2

Geographic spread revenue staffing

in % of revenue, pro forma

Total in millions of €	12,003.2
France	27.4%
Netherlands	22.1%
Germany	10.4%
Belgium/Luxembourg	10.8%
United Kingdom	1.8%
Iberia	8.9%
Other European countries	7.1%
North America	6.5%
Rest of world	5.0%

forces. Furthermore, we preserve and document knowledge in our business concepts, in order to ensure that clients receive an offering that has been proven to work. Our service offering in staffing includes many specialties, specific market segments on which dedicated units focus, such as healthcare, transport, airports and contact centers. Specialties leverage our extensive branch network, our brands and front and back-office processes to make an above-average contribution to EBITA.

The merger with Vedior has strengthened our network significantly and has improved our market position in almost all European countries. We have become a key player in the UK and France, the two largest European markets. The merger also provided a strong business in Australia.

While continuing to focus on the market, the integration of our staffing businesses has been a clear priority in order to preserve the synergies. We started the year well in staffing, but against the back-ground of the economic turmoil, revenue started to decline in most geographies in the third quarter. For the full year, pro forma organic revenue declined by 2%, with an increase of 4% in the first half, followed by a 8% decline in the second. The steepest revenue declines were recorded in the US, Spain and France. Gross margin continued to be strong, due to scarcity in administrative, healthcare and several other segments, and to continuing growth in permanent placement in key territories such as the Netherlands and France. Consultant numbers were reduced to align costs with volume developments. The number of offices was also reduced, primarily as part of the merger synergies.

Professionals and Search & Selection

The combination with Vedior has broadened and deepened our activities in a wide range of professionals sectors and geographies. We now have a broader offering than any of our competitors. This diversified business mix is extremely helpful, especially in the worsening economic climate.

Most of our operating companies offer both professionals on a temporary basis as well as through permanent positions (Search & Selection). For this reason, we describe progress in these two offerings together here.
For the year as a whole, organic revenue growth in professionals amounted to 4%, with 6% growth in the first 9 months of the year and 6% contraction in Q4 2009. The best performing sectors were healthcare and education, which correlate less closely with overall economic conditions. Engineering started the year strongly, and continued to grow in the US (offshore industry-related) but slowed down in the UK in the second half (construction industry-related) and in mainland Europe. IT continued to perform well across the board, including the US, with the exception of the UK, where a large low-margin contract was phased out. The financial crisis naturally had a significant impact on the finance & accounting sector. Permanent placement was hit hardest in this respect, but we saw increased volume in temporary placements with some clients as uncertainty persisted.

In line with our strategy we are defining best practices for our service offerings in the professional segment as well, enabling us to apply these across our markets. We completed the process of defining best practices in the important engineering sector with our major operating companies by the end of the year. After a period of testing the concepts we have developed together, we aim to roll them out in a 'copy-and-paste' process later in 2009. Definition of best practices in the IT and finance & accounting sectors is scheduled for early 2009, with the other sectors following later. Through this approach we aim to speed up expansion. The creation of a brand family (see 'Superior brands') and the possibility of establishing shared service centers – an option we are studying in the UK for example – can help to increase profitability going forward.

HR Solutions

Derived from and developed out of Randstad's extensive experience in HR services (and therefore the reason why

Geographic spread revenue professionals

in % of revenue, pro forma

Total in millions of €	3,369.6
France	13.4%
Netherlands	15.6%
Germany	7.6%
Belgium/Luxembourg	2.2%
United Kingdom	25.0%
Iberia	0.9%
Other European countries	1.3%
North America	24.3%
Rest of world	9.7%

the results are included in the staffing segment), our HR Solutions offering is designed to free up the time of our client HR managers, enabling them to concentrate on their company's essential strategic HR issues. Until 2008, this area of our business had focused mainly on payroll management and HR administration outsourcing, HR consultancy services, outplacement and career management. The Vedior merger has reinforced our HR Solutions service portfolio with strengths in vendor management and recruitment process outsourcing, areas that are becoming increasingly important.

We reassessed growth ambitions and potential for our Dutch payroll business during the year. The trend towards outsourcing in the Netherlands is developing at a slower pace than expected, and the development of additional tools is a lengthy process, while pricing for basic payroll services is under pressure. This affects the growth potential of the business portfolio we had established in recent years. This reassessment has resulted in an impairment of € 85 million.

Progress in vendor management is encouraging. We merged our offerings in this field in the US, with Vedior providing the track record and client experience and Randstad contributing the network of larger clients. We are preparing for a further global roll-out in 2009.

Inhouse services

Our inhouse services continued to gain market share in the areas in which the offering is active, such as the industrial and logistics sectors. Clients clearly continue to recognize the added value of dedicated on-site workforce management under more difficult market circumstances. The efficiency and productivity improvements we bring can actually help our clients even more in the current climate. We opened 30 new inhouse locations during the year, bringing the total to 974, which is about 19% of all our outlets combined.

However, revenue per client was lower on average than last year. As we have a very high market share at the clients we serve, in most cases our volumes breathe with their output. The latter decreased on average, and this impacts our productivity.

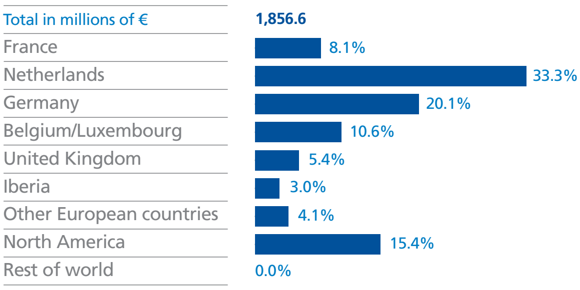
Key figures by segment

in millions of €, pro forma

	Revenue		Growth	
	2008	2007	**Total**	**Organic**
Staffing	**12,003.2**	12,479.9	**(4)%**	**(3)%**
Inhouse services	**1,856.6**	1,935.2	**(4)%**	**(2)%**
Professionals	**3,369.6**	3,251.0	**4%**	**4%**
Eliminations	**(52.0)**	(40.9)		
Total	**17,177.4**	17,625.2	**(3)%**	**(2)%**

Geographic spread revenue inhouse services

in % of revenue, pro forma



The only country where our market share decreased was the US, where we lost a few large clients at the start of the year. New clients, where as usual volume ramped up only gradually, were won during the year. In total our inhouse revenue decreased by 2% in 2008 on an organic basis including a 21% decrease in Q4 2008.

We see good potential for the roll out of the inhouse offering among the client base of Vedior, and this will be a focus area for 2009.

Best people

'Best people' acknowledges the importance of our people in maintaining and building on our success and position in the market. The true value of any business is in its people and we are very proud of our employees. It therefore goes without saying that at all times, even the difficult ones, we continue to invest in them and create the circumstances in which they can provide their best performance.

Progress in 2008

Talent management

In light of the integration activities and the relevance of talent, extra attention was paid in 2008 to expanding existing talent retention programs. The need for a local and global approach to the flow of staff and talent management is all the greater given our continued ambition to fill 80% of management positions from within, and we achieved this target in 2008 (71% in 2007). Talent management initiatives also include global management reviews, enabling us to track the management pipeline from a Group perspective and to address possible issues early on. To retain and develop specialized talent,

Our true value is in our people; we are very proud of our employees

2008 saw the launch of the finance fast track program, a dedicated set of initiatives to grow financial talent from within.

Randstad Institute
Over 300 top managers from around the world participated in 15 different talent development programs at the Randstad Institute, our internal business school, throughout the year. The new programs are created in cooperation with leading business schools such as INSEAD in France and TiasNimbas in the Netherlands. The number of senior executive Randstad Institute programs will be expanded next year to accommodate for the growth of the Group, to share the wealth of knowledge we have within it and to ensure we retain senior talent. These global programs are new for many of the senior Vedior executives.

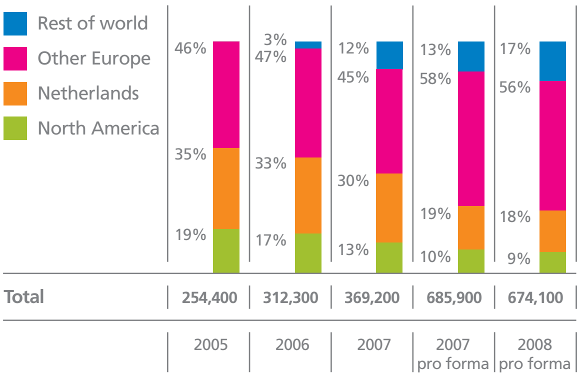
Career development
We encourage employees to take charge of their own career development. Tools include regular individual development planning meetings and the intranet is used to communicate training and development opportunities to staff at all levels. A global internal vacancy database was introduced in 2008, enabling employees to quickly learn about local and international career opportunities.

Employee engagement
We hold a global employee engagement survey each year to support retention. The survey measures key engagement drivers such as satisfaction, pride, intention to stay and likelihood to recommend. The outcomes help management determine which factors will most effectively raise engagement levels in each employee group. In 2008 the survey showed that, while there is room for improvement, engagement is high, scoring a 7.5 on a scale of 10. Employees also indicate that they are proud to work at Randstad, with 41% giving pride a score of 9 or higher. Survey reports are treated as an opportunity for further dialogue about engagement at all levels within the organization. Engagement was further stimulated in 2008 with the extension of the share purchase plan to all employees and the performance share plan to a larger group of senior managers.

Employee integration
A key factor behind the unique success of the first phase of the integration were the specially-designed ‘get to know you’ sessions held around the world to introduce the Randstad and Vedior employees to each other. They focused on building trust between them and helping them understand both the professional and personal side of the integration.

Candidate selection
‘Best people’ also means attracting, selecting and providing the best candidates. Randstad needs to be top-of-mind when a potential candidate or client thinks about work in general. The Internet has become an increasingly important channel for attracting candidates and communicating vacancies. We took a major step forward in maximizing its potential in 2008 with the launch of an advanced online job network codenamed ‘Blue 2’. Incorporating ‘DOVA’, the innovative proprietary database application developed by Vedior, the new network has already been implemented in some countries and will be rolled out across all Randstad’s major markets in 2009. Blue 2 will generate more traffic by leveraging search engine optimization techniques developed in cooperation with Google, via Randstad-branded applications on third-party sites and by its integration with complementary social networks. More candidates will be attracted for selection through the use of intuitive search and application processes, the prominent use of client names and logos, rich media and an increasingly personalized experience. It will also provide multiple opportunities for our consultants to interact with prospective clients who, when approved, will be offered a complimentary job posting service.

Average number of candidates per day, 2005-2008



Excellent execution

All of our activities are supported by standardized work processes, based on best practices, that enable us to spend more time with clients and candidates, provide clients with market-leading services, and thus gain market share. The excellent execution of our consultants is measured by the productivity of the unique units they work in, described on page 21. The unit steering model we employ is designed to optimize productivity as measured by employees working and/or gross profit per unit. Productivity measurement is key to generating strong conversion of gross profit growth into EBITA growth. Due to the slowing market, the conversion ratio declined to 24%, which is still a solid level. Receivables management is standardized, which has enabled a reduction in DSO (days sales outstanding) of more than 10% over the period 2002-2007. Realizing the Randstad DSO over the Vedior mix could reduce overall working capital by € 50-70 million. We also strive for one back office per country as this helps to streamline the back office processes. Excellent execution has also played a key role in 2008 in capturing synergies beyond the savings. Our integrated risk and opportunity management processes, detailed on page 44, represent another component of this building block.

Superior brands

Our superior brands are our guarantee to our clients that they will receive the highest quality service and the best employees worldwide. They help us ensure that we attract the best candidates and corporate employees. Our superior brands give us better pricing options and the spontaneous awareness that facilitates selling, prospecting and the introduction of new products and services. They make it easier for us to recruit and retain the right people. They enhance our visibility and credibility with regulators and legislators. They provide us with more supportive investors and additional financing options.

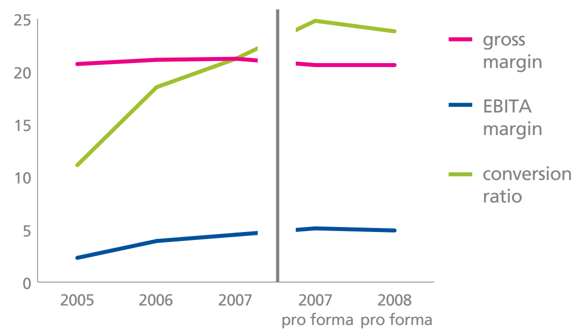
A new family of excellent specialist and professionals brands joined us in 2008, but although they have given Randstad a leading position in the global professionals market, they lack the clear brand awareness and recognition that Randstad has developed in the staffing market. In order to preserve the value of these businesses, we decided not to make radical changes, and to re-brand only where opportune. A new professionals house style was developed before year-end however, in consultation with the major operating companies. By the end of 2009, all professionals businesses will have the look and feel of this new Randstad Professionals brand family and the existing brands will be endorsed with the tagline 'a Randstad company'. As a result, we expect considerable efficiencies on marketing. Combined with the re-branding of the acquired staffing businesses in the UK, the Netherlands, Belgium and Switzerland already achieved in 2008 and being extended to France and elsewhere at the beginning of 2009, more than 95% of revenue will be within the Randstad brand family by the end of 2009.

Strategic growth drivers

Structural growth

One of the most important factors driving the long-term structural growth in our markets is our clients' need for flexibility. A more flexible workforce helps them improve productivity and be more competitive. Structural labor shortages, made particularly acute by an aging population together with declining – and often negative – population growth in Europe and elsewhere, increase this need over the long term. Average penetration rates (the percentage of staffing employees in the total working population) therefore generally increase with each cycle. Yet only in the most developed staffing markets, such as the UK, the Netherlands and France, have these rates exceeded 2%,

Gross margin, EBITA margin and conversion ratio



so the potential structural growth over the longer term is enormous. However, the structural growth element will sometimes be more than offset by economic developments, causing temporary declines, as there is a clear cyclical element as well. If gross domestic product growth is high, the labor market needs more of the skilled people we provide. In times of slowing economic activity however, demand grows more slowly, as it did in the first half of 2008, or declines, as it did for the rest of the year.

Deregulation

Another driver of market growth is deregulation, a factor we try to influence as much as possible. While deregulation is a well-known and accepted term, we stress that we are not looking for a system without rules. In fact, we strive on the one hand for the lifting of unjustified restrictions in overregulated markets, and on the other for a fair and effective regulatory environment in markets where this has yet to be introduced. New opportunities continue to open up as governments increasingly recognize the need for flexibility in their labor market. In terms of the countries that together contribute a large portion of Randstad's revenue, a major step forward was taken on October 22, when the European Parliament adopted the Agency Work Directive. It recognizes the positive role of agency work, provides more flexibility, and must be implemented by all EU member states in their national legislation by 2012. A very positive aspect of the Directive is the obligatory revision of all restrictions on temporary agency staffing in the coming three years, and the subsequent lifting of those that are unjustified or disproportionate, such as the bans on the use of temporary agency workers in the public sector in France, Belgium and Spain. The removal of restrictions in terms of contracts and sectors we can serve will significantly accelerate growth in many of our key European markets. We discuss the legislative environment in which we operate in more detail on page 22 and 23.

Clients looking for a total offering

The third factor that is becoming increasingly important in driving growth in our markets is the trend for clients to be looking for and to use a broader range of HR services, from staffing through recruitment to outsourcing. Randstad's comprehensive portfolio of services was already unique in our industry. The combination with Vedior has further enhanced and balanced our offering and given us a strong presence in almost all major markets. More clients are looking for global solutions, establishing international staff procurement organizations. Our international account management team coordinates collaborative efforts across all our country operations to offer cross-border service agreements based on quality and cost efficiency, making an increasingly significant contribution to total revenues. We are participating in many more international tenders, and received twice as many tender requests in 2008 than we had the year before.

Strategic financial targets

The overall financial goal is an average EBITA margin of 5 - 6% through the cycle. This bracket can be exceeded in very good years, while the EBITA margin should not be below 4% during normal downturns. We have tested many scenarios and believe this 4% can be maintained if we face a revenue decline of 10% for two consecutive years, followed by a 5% decline in a further year. If revenues decline at a steeper rate for several quarters, the annualized margin can fall below 4% as it takes time to adjust the cost base. We believe the average 5 - 6% range ensures the Group's financial position and enables us to keep investing in growth. The 4% minimum should reduce volatility but still allow us to invest. Maintaining a sound financial position – a leverage ratio, or net debt divided by EBITDA, of between 0 and 2 – is commensurate with an investment grade rating and important for continuity. We have a policy of using floating rates on the debt as this provides a natural hedge. In addition to the through-the-cycle Group targets, we have also developed mid-term EBITA margin targets for our different segments. These are 4 - 5% for inhouse services, 5 - 7% for staffing and 10 - 15% for professionals.

Strategy through economic cycles

Underlying our EBITA targets is full awareness of the challenges and opportunities presented by economic cycles. Downturns are challenging but, if well managed, also offer opportunities as, for instance, market share can be gained. Lessons learned from the previous downturn have influenced both our approach to the business and how the Group manages healthy EBITA performance through the cycle. As from 2006 onwards, we have started to prepare for managing through the cycle, which is paying off today. We now have a strong focus on execution throughout the organization. We have implemented the successful unit steering model throughout a large part of our staffing network and we have implemented standardized selected key work processes based on best practice. Furthermore, our cost awareness is greater and our planning, reporting and review processes are stronger. Randstad is well equipped to manage a downturn. Three factors are of major importance: revenue, direct costs and operating expenses.

Revenue

Maintaining profitability starts at the revenue line. Our geographic spread has now greatly expanded and our business mix is much more diversified, both helping us to manage the risk of revenue volatility. In general, revenue from new services such as permanent placement is more

volatile than staffing revenue, but at the same time less cyclical services, such as payrolling and HR administration, have been added. Other additional services, such as outplacement, are even counter-cyclical, and vertical market segments such as healthcare and education, now more prominent in our business mix, move in different cycles.

Direct costs
Direct costs consist largely of salaries we pay to our candidates and social security charges. Due to internal policy changes and new opportunities arising from revised collective labor agreements in the Netherlands and Germany, we have significantly fewer staffing employees on permanent contracts than in the last downturn, while idle time management possibilities have increased. This makes us more flexible and reduces idle time risk.

Operating expenses
In general, the more flexible the indirect cost base, the lower the risk. Personnel costs are the largest contributor to indirect costs. Through the use of our unit steering model, we know when and where we have to reduce corporate staff numbers. Controlled contraction of corporate staff levels is supported by regular staff turnover, and bonus schemes are equally flexible. Especially in the US and the UK professionals businesses, bonus schemes form a far larger proportion of total compensation than in our traditional staffing business. Another substantial indirect cost is represented by accommodation costs, which have been made more flexible by divesting real estate and restricting rental contracts. In principle, these should have a maximum duration of five years. The far denser network resulting from the merger with Vedior has also greatly facilitated accommodation cost management. IT costs have also been made flexible by outsourcing several functions so that costs partly reflect processed volume, and one national IT platform is used where possible to lower fixed costs. We have also standardized our marketing tools, leading to lower fixed costs, while marketing support costs vary with volume. Successful cost control depends on reaction time, and our improved reporting and review process enables us to react faster than in previous cycles. We demonstrated this in 2008 by being able to reduce our operating expenses as soon as revenue began to decline in the third quarter.

Randstad's geographic markets

How we apply our strategy in our markets

Each country in which Randstad operates has its own specific characteristics. Firstly, the staffing markets themselves are in different phases of development. Labor laws and penetration rates differ, and markets can be in different stages of the economic cycle. However varied they may be, they all have opportunities for growth. Randstad is now ranked number two in HR services worldwide in terms of revenue, but we still only have an 8% share of the total global market. Secondly, within our various markets, Randstad itself is in different phases of development. The graph on page 21 illustrates the three phases through which we establish, develop and 'copy & paste' our strong service concepts, competences and best practices as our market presence grows and as HR services markets grow and mature. We are active in countries representing more than 90% of the global HR services market. Randstad now has a stronger presence in new markets that we had entered in recent years and a presence for the first time in many more. From here our priority is to expand in the countries we cover rather than to add markets.

In countries that have markets that are growing and maturing, our services are gaining recognition. Often, this is because we contribute to flexibility in the workplace and open up the labor market for the young or unemployed. Deregulation has usually occurred in the past decade in these markets, and here we deepen our penetration in staffing and inhouse while maximizing the growth of our professionals activities.

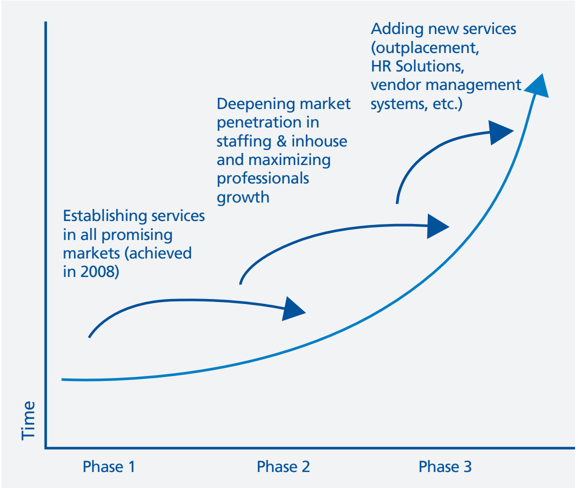
For markets where staffing has long been a reputable solution for flexibility in the workplace, penetration rates are usually higher. Examples are Belgium, the Netherlands, the UK and the US. Market characteristics differ, but the working environment is well and flexibly regulated. The business environment and potential candidates know and value the services Randstad offers. Growth can be achieved in a different way here, as they are ready for differentiated staffing propositions and additional added value services, such as outplacement, HR Solutions and vendor management systems.

Gross margin differentials

A further distinguishing factor between individual markets is gross margin. The level of gross margin we can achieve in each market depends on the level of added value.
In general, added value relates to service levels, risk and cost factors. The table below explains some of the factors that influence gross margin. Several of the differentials are integral so it cannot be assumed that gross margins will converge to a significant extent. Service levels make a big difference. In the US and the Netherlands, for instance, it is common for Randstad to handle the whole recruitment process and manage several other HR functions as well, which drives gross margin. Outsourcing of these HR functions has been less common in France, but it is developing here also. The relative importance of the professionals offering also differs by country. In the US, the UK and the Netherlands, professionals make up a large part of the total market and are a clear gross margin driver for the sector as a whole. In many other markets, this offering is far less developed. In continental Europe, labor markets tend to be highly regulated and employee dismissal often requires a severance payment. Our services provide clients with flexibility in these markets and the shift of risk is thus added value. Idle time management is also a risk factor that is reflected in gross margin. This has a positive impact on gross margin in the Netherlands and Germany, but is less of an issue in the US and the UK, for example.

The combination of improved flexibility, security for temporary staff and competitive total labor cost achieved through a collective labor agreement for the staffing industry is among the key reasons why clients in the Netherlands and Germany work with staffing companies. Through the use of a sector-wide collective labor agreement, processing costs are lower. In general, it is easier to deploy temporary staff, as in a defined period they receive the same pay rate, no matter in what sector they work. Such sector-wide collective labor agreements that help the HR services sector to reduce cost, a reduction that can be passed on to the clients, do not exist in other markets. In France, for example, unit labor cost per hour for staffing is even higher than for permanent employees, due to equal pay with permanent employees being required during the assignment and additional payments being required at the end of an assignment. This indirectly impacts the French gross margin negatively. On balance, staffing is still cheaper for employers in France as they only pay for actual hours worked.

'Copy & paste' organic growth strategy: three phases



How we grow our markets

In all our current markets, we work on the basis of our strategic building blocks. Organic growth is pursued and achieved by introducing appropriate strong concepts, driven by best people most usually through our unique unit structure and excellent execution using standardized processes. The growth model we usually apply is known as the 'lily-pad', where more lilies grow from a common stem until they cover an entire pond.
First, we research the local market thoroughly. Once we have identified an area with sufficient market potential, a team of two consultants starts up a 'unit', the structure

Gross margin differentials explained: added value experienced

	NL	GE	FR	US	BE
Outsourcing HR activities	+	+	+/–	++	+
Level of specialties	++	+/–	+	++	+
Flexibility	++	++	++	+/–	++
Idle time management	+/–	++	n.a.	n.a.	n.a.
Lower total labor cost	+	+	+/–	+/–	n.a.
Social acceptance/quality	++	+/–	–	+/–	++

Lily-pad model, controlled expansion and contraction

[1] E.W. = employees/candidates working

we use to grow our business. A third consultant is added when the unit reaches maximum capacity. Then we add a fourth consultant and split the unit into two. As the business grows, more and more units are added, including specialties and new services. Once we have covered a particular area thoroughly, we consider opening a new branch. There are strict criteria for the expansion of our branch networks. As our business and market share in the first location grows, we move into an adjacent area where we repeat the growth model. To manage through the cycle, this controlled growth model can be reversed for controlled contraction when working candidate numbers fall, by merging mature units and then reducing FTE numbers. As soon as economic conditions led to revenue beginning to decrease in 2008, we were able to use the unit steering model to reduce operating expenses.

The legislative environment

A fair and effective regulatory environment aids the development and growth of the staffing industry, prevents unfair competition and distinguishes good practice from other irregular and often illegal forms of flexible labor. The active role that Randstad plays in promoting a fairer and less restrictive legislative environment, thereby generating additional high quality employment opportunities, is one of the ways we are shaping the world of work for the better.

The shared principle and aim of all temporary staffing regulation should be to balance the protection of workers with labor market flexibility. On a global level, ILO Convention 181 and Recommendation 188 on private employment agencies, adopted in 1997, define common minimum standards for private employment agencies, explicitly recognizing the importance of flexibility in the functioning of labor markets. Staffing is often heavily regulated at the national level, but legislation and the way it is applied varies from country to country. It is largely regulated by both general employment legislation and specific provisions regarding the establishment and provision of staffing services. These are complemented by collective labour agreements concluded by representative social partners and self-regulation of the industry by its national, European and global associations.

The world's most liberal staffing markets are found in the UK, the US and Australia. Staffing is a relatively new industry sector in most of Asia, and legislation there is still maturing. In China a new 'labor contract law' was introduced in January 2008. The position of flexible workers is more secure in general as a result, in line with international standards. Although more flexibility solutions are now available to companies, specific staffing regulation is still desirable in order to help develop the Chinese staffing sector.

Latin America and Northern Continental Europe have long-established staffing markets. Here, as in the younger markets in Southern and Eastern Europe, social partners, especially unions, play an active role in labor market regulation. The social acceptance of temporary staffing by all stakeholders involved is key to a further relaxation of the legislative environment, the development of alternative work arrangements and the introduction of complementary HR services. Unions have increasingly recognized the benefits and added value of agency work for the labor market over the last decade. The signing of a Memorandum of Understanding in November 2008 between CIETT corporate members, including Randstad, and UNI Global Union is an illustration of this. The aim of the agreement is to create partnership and a global social dialogue to achieve fair conditions for the nine-million-a-day temporary agency workers around the world.

Changes to employment and staffing regulation have historically shown to have an impact on the competitiveness and the costs of the staffing industry, as temporary staffing can often be substituted easily by other forms of internal and external flexible labor and vice versa. From time to time, legislative developments have had an adverse impact on our industry. Over the last decade however, the overriding worldwide trend is towards the further lifting of legal restrictions on staffing activities. Those restrictions are often outdated and counter-productive to the effective functioning of labor markets.

Legal restrictions on the temporary staffing market can be divided into four categories: maximum length of assignments, reason of use for the assignment, set levels of pay and other benefit or sector prohibitions. The positive contributions that the staffing industry brings to the labor market in terms of job creation and economic growth are increasingly recognized. The fact is that if only two specific restrictions in four EU countries were lifted, another 570,000 jobs would be created by the staffing industry within five years, in addition to the 1.6 million jobs that would be created in the same period under normal economic circumstances. The prospect of having these and other restrictions lifted in the next few years has become more realistic with the adoption in October of the EU Agency Work Directive, as we discussed in the section on deregulation, one of our key growth drivers, on page 19.

The EU Directive introduces the principle of equal treatment at the company level across all member countries. Derogations from this principle are possible by Collective Labor Agreement (CLA) or by tripartite agreement in countries were there is no established system of collective bargaining, such as the UK and Ireland. In the Netherlands and Germany, CLAs for the staffing industry are already in place that derogate from the legal equal treatment principle in that they set wage levels for temporary workers and therefore promote flexibility in labor conditions. In exchange for this level of pay flexibility, temporary staff are offered more security through contracts with the agency. The parties involved in the UK are currently discussing the most favorable way of implementing the new grace period of 12 weeks and the subsequent application of 'user pay'. In all Southern and Central European markets, wage levels for temporary staff are already legally on a par with workers on the company's payroll. In Italy, where user pay is the norm, a new CLA for agency workers was concluded in 2008 that provides for more contract flexibility.

The EU Directive will also oblige member countries that are yet to have agency work regulation in place, such as Bulgaria and some of the Baltic States, to implement it. It is hoped that Turkey will also implement agency work regulation.

Agency Work Directive

The Agency Work Directive, which must be implemented by all EU member states in their national legislation by 2012, should be beneficial for our industry. SEO Economic Research calculated that lifting the ban on staffing in sectors such as construction and public services in France, Belgium, Germany and Spain alone should lead to the creation of 570,000 jobs by our industry within 5 years. This would be in addition to the 1.6 million jobs that, under normal economic circumstances, would be created in the EU by our industry in the period until 2012.

true value for candidates

If there is an industry that is truly a people business, it must be HR services. Enabling people to make the most of their abilities and help them find their way in the world of work is what our consultants do every day. The value of work can never be underestimated.

Besides the obvious economic need to provide for yourself and in many cases your family, meaningful work gives a sense of self worth and stimulates personal growth and development.

Matching people with the right job, one that makes use of their unique talents and recognizes their true value, is one of Randstad's core competencies. Getting to know our candidates, learning about their lifetime goals and their day-to-day interests is vital in making the right match between the candidate and the job. We make sure that their individual skills and interests make a good match with the job in which we place them.

Besides training on the job, Randstad is dedicated to helping candidates develop the skills they need to achieve their professional goals and improve their career options. We make an extensive range of training and development tools available to them, based on job requirements and their personal ambition.

The combination with Vedior has greatly expanded the portfolio of services we provide, across many more industry sectors, to a hugely enlarged client base in many more countries. In turn this means that the variety of opportunities that we now offer our candidates has also greatly expanded, especially in professionals.

Whether candidates are looking for a full-time or a part-time job, temporary or permanent assignments, we offer positions for all levels of ability and education. Randstad now offers an unequalled range of opportunities to ensure candidates find really interesting and rewarding positions that make the best use of their talents.

Market reviews

France

The combination with Vedior has made France Randstad's largest market by revenue and improved its position in the market from sixth to third, with an approximate 19% share. The two organizations complement each other very well, combining Randstad's successes in developing specialties and the inhouse concept with Vedior's scale and scope. Due to formal restrictions however, the integration of the businesses and the realization of synergies could not begin until Q1 2009, when the dual branding of the French staffing operations as Randstad Vediorbis will be implemented in the first phase of the integration.

Randstad's existing strength in the major cities and focus on clients in the SME sector has been complemented by the extensive presence of Vediorbis in medium-sized towns and its significant market share in large accounts. In addition to the closure of the Randstad head office in February 2009, 72 staffing branches will be closed during the Randstad Vediorbis integration, regrouping the combined teams in larger branches and realizing further accommodation cost savings. The unit model will be progressively implemented across the staffing segment operation.

As Randstad and Vediorbis share the same market vision, the two networks had focused their respective strategies on the specialization of teams by business sector. The combination brings together Vediorbis' successful multi-specialist approach and Randstad's specialties concepts for the benefit of our consultants, clients and candidates. We will also be able to capitalize on Vediorbis' relations with its major accounts to boost the growth of our unique inhouse services business, potentially increasing margins while offering our clients a more complete service with increased added value.

Vedior's professionals businesses Appel Médical and Expectra are market leaders in the healthcare and service sectors respectively. Expectra's leading position is reinforced by the existing Randstad Engineering and IT teams. Around a hundred specialist executive recruitment consultants will be brought together in a recruitment unit under the Randstad Search & Selection brand.

Despite the market weakening significantly during the second half of 2008, we continued to outperform and gain market share. Growth in staffing and inhouse services slowed during the second half of the year as large clients in the industrial, automotive and clerical sectors became more cautious. Our professionals activities performed well throughout the year, and while growth slowed in the accounting and engineering segments, continued strong growth in healthcare ran counter to the business cycle. Momentum in permanent placement, which is a relatively new market, was maintained with continued fee and market share growth. Combined with rigorous cost management, this enabled continued EBITA margin improvements in 2008. Overall, revenue declined by 4% organically, while the EBITA margin increased from 3.7% to 3.9%.

Given the deteriorating economy, 2009 will be a difficult year across our markets. Nevertheless, our professionals and recruitment business follow a later cycle than the staffing and inhouse businesses. The opening up of the public sector to temporary employment services should get underway in 2009, subject to final approval by the National Assembly. Although the process will be spread over several years, it will gradually increase the French staffing market. Randstad will be able to take advantage of its good relationship with the public authorities and its strong corporate and institutional image to benefit from this opportunity. This will not help in the short term however. In view of the adverse market circumstances at the end of 2008 and early 2009, we had to announce a social plan in January 2009. In addition to the 72 branch closures related to the merger, we plan to close another 85 branches and shed 489 FTEs.

Main market developments, 2008
in billions in local currency

Regions	Market-size[1]	Market-share in %	Market position
France	**20.9**	19	3
Netherlands	**13.9**	27	1
Germany	**12.5**	15	1
Belgium/Luxembourg	**5.2**	30	1
United Kingdom	**24.5**	4	3
Spain	**2.9**	27	2
US	**127.0**	2	5

1 Based on country data, 2007 figures, and estimated growth rates.

Netherlands

The Randstad Group is the clear overall leader in the supply of HR services in its original and highly developed home market. The full range of service concepts is provided by several operating companies, including Randstad, Tempo-Team and Yacht. The integration and re-branding of the Vedior staffing business with Tempo-Team and

Dactylo with Randstad were both successfully completed by October.

Organic revenue continued to grow in the first half of 2008, but declined in the second half of the year as market conditions worsened. Over the full year, revenue declined 2% organically. After a long period of growth, revenue in inhouse services began to contract in the summer due to pressure in the industrial and logistics sectors. The professionals segment continued to grow. Overall, healthy pricing combined with increased productivity and prudent cost management ensured continuous improvements in the EBITA margin, which was 8.6% for the year (8.5% in 2007).

Combining Dactylo with Randstad improved our market position in the SME sector, especially outside the big cities, and the addition of the complementary new specialty businesses is strengthening our position in the professionals and search & selection segments. The integration resulted in the closure of almost 100 outlets and a reduction of 40 staff. Despite the economic situation, we see opportunities in 2009 in technical functions and in the education and healthcare sectors. New regulations in 2009, making it less expensive for companies to lay off employees younger than 45, will increase the market dynamic and will provide opportunities for both temporary staffing and search & selection.

Prior to adding the Vedior business, Tempo-Team was itself already number two in the Netherlands, and the combination increased its market share significantly. It has also strengthened our position in the administrative market, and a number of important specialty players have been added to the company. All clients and candidates were retained and many synergy benefits had been realized by the end of the year. From the original combined total of around 250 outlets, about 200 remained by the end of the year after combining some and closing others. In order to manage through the cycle, employee numbers and DSO are being reduced and increased focus is being given to growth and profitability in our specialty labels. We outperformed the market throughout 2008.

The professionals and interim management services provided under the Yacht brand produced continued revenue growth in the early part of 2008 despite scarcity in several segments, but this had stagnated by the end of the year. Yacht outperformed the professionals market however. The Vedior labels in the professionals area broadened and deepened our offering in several segments, such as healthcare (FunctieMediair), finance (Reken-meesters), legal (Voxius) and ICT (Sapphire). Synergy benefits will be obtained in the areas of shared service centers, IT systems, procurement and legal services, and further synergies will be generated in marketing, mobility costs, offices and sales in 2009. We will continue to increase our flexibility through diversifying between freelance, project and permanent contracts.

Germany

While Randstad was already the HR services leader in Germany, with about a 13% market share, it had not been a very significant market for Vedior. The 65 employees and 14 outlets in the country at the time of the merger were integrated into the Randstad organization by the end of the year. As in many markets, as the economy weakened, the good revenue growth of the first half of the year turned into a decline by the end of the third quarter, resulting in 1% organic growth over the full year. The staffing markets were impacted by large industrial clients, especially in the automotive sector, scaling down their activities. A strong focus on productivity improvements early in 2008 had prepared us for the downturn in the

Development main geographic markets, 2008

in millions of €

Regions	Revenue				Organic growth	Market growth	Outperformance
	2008	2007	**2008 pro forma**	2007 pro forma			
France	**2,651.8**	650.4	**3,889.4**	4,047.0	(4)%	(5)%	1%
Netherlands	**3,535.5**	3,217.9	**3,756.6**	3,822.1	(2)%	(3)%	1%
Germany	**1,818.2**	1,627.2	**1,881.3**	1,725.0	1%	1%	0%
Belgium/Luxembourg	**1,372.0**	1,072.7	**1,563.1**	1,603.4	(3)%	(1)%	(2)%
United Kingdom	**768.0**	268.4	**1,150.4**	1,381.5	(4)%	(7)%	3%
Iberia	**874.9**	555.0	**1,144.3**	1,267.8	(5)%	(10)%	5%
Other European countries	**828.9**	552.1	**971.7**	929.9	2%	n.a.	n.a.
North America	**1,516.2**	1,132.9	**1,887.9**	2,065.5	(7)%	(4)%	(3)%
Rest of world	**672.9**	120.4	**932.7**	783.0	16%	n.a.	n.a.
Total	**14,038.4**	**9,197.0**	**17,177.4**	**17,625.2**	**(2)%**		

Outlets by region, year-end

Regions	Branches 2008	Branches 2007 pro forma	Branches 2007	Inhouse locations 2008	Inhouse locations 2007 pro forma	Inhouse locations 2007
France	1,120	1,055	120	62	59	59
Netherlands	549	822	545	336	289	289
Germany	369	391	348	228	175	175
Belgium/Luxembourg	267	274	142	113	109	109
United Kingdom	282	302	67	99	89	89
Iberia	332	370	166	30	44	44
Other European countries	383	378	207	70	66	66
North America	466	488	266	148	166	166
Rest of world	378	339	28	1	0	0
Total	**4,146**	**4,419**	**1,889**	**1,087**	**997**	**997**

second half of the year, when further internal and external staff reductions were made. Despite the economic situation, we continued to outperform the market during the year. In the professionals segment we faced a challenging environment in the engineering segment, especially in the aerospace linked business. The EBITA margin reached 6.7% compared to 7.8% in 2007. While we will be making the most of opportunities in the professionals segment and in specialties, the economic outlook for 2009 means we will continue to focus on the optimization of the branch network, productivity and staff numbers.

UK

Apart from its Martin Ward Anderson search & selection business, Randstad had focused on the staffing and inhouse segments in the UK prior to the merger with Vedior. The combination provided economies of volume and scale, wider geographic coverage and expanded sector coverage in these segments, but most importantly it added a portfolio of strong brands and specialties in professionals and search & selection. Vedior's traditional staffing businesses in the UK, primarily provided through the Select brand, were fully integrated by year-end and combined under the Randstad brand. The market was difficult throughout the year, but with the original Randstad head office closed and amalgamated with the Select headquarters in Luton in the summer and the merger of shared service centers completed, the vast majority of synergy savings has been achieved. In staffing and inhouse the combined UK corporate employee number had been reduced by some 15% to about 750 at year-end, and efficiency savings have been identified to enable a further 10% reduction during 2009.
For the professionals business in all segments combined, Randstad significantly outperformed the UK market throughout the year, especially in the second half. Declining growth in the first half of 2008 weakened further however, and became negative during the third quarter as economic conditions worsened and revenue from permanent placement fees reduced. In the professionals segment, good growth was maintained in the education (Select Education) and healthcare (Beresford Blake Thomas) sectors, which move in a different economic cycle, but the weak banking sector seriously impacted performance in finance and accounting (Joslin Rowe, MartinWardAnderson). The engineering (Hill McGlynn, BBT) and IT (Abraxas) sectors also performed less well, in the latter case due to the phasing out of a large low-margin client. In the first half we started to adjust the cost base in the UK professionals segment, and these efforts were stepped up significantly in the second half of the year. For the full year UK revenue declined 4% organically, while the EBITA margin came down to 3.9% versus 5.0% in 2007.

Geographic composition EBITA
in millions of €

Regions	2008 pro forma	2007 pro forma	Δ%	2008	2007
France	153.4	148.9	3	141.5	34.3
Netherlands	325.7	324.1	0	308.6	294.7
Germany	124.7	134.4	(7)	103.7	124.2
Belgium/Luxembourg	90.2	91.6	(2)	77.8	66.9
United Kingdom	44.8	69.0	(35)	18.8	(2.9)
Iberia	39.5	49.1	(20)	28.5	24.7
Other European countries	27.1	36.8	(26)	22.1	21.7
North America	67.0	80.9	(17)	44.0	24.6
Rest of world	20.0	31.1	(36)	5.4	(3.6)
Corporate	(58.0)	(58.8)		(44.5)	(30.2)
Integration				(61.9)	
Total	**834.4**	**907.1**	**(8)**	**644.0**	**554.4**

Belgium & Luxembourg

Randstad had already been market leader in Belgium for some time, with close to a 25% market share and revenue passing the € 1 billion mark for the first time in 2007. Plans were therefore already being discussed to create a second brand for this market, and the Vedior merger confirmed that they would be put into action. The integration and re-branding of Vedior's staffing businesses to Tempo-Team and Expectra engineering professional business to Randstad Professionals was largely completed by the end of 2008. The implementation of a single shared service center for all operations in Belgium and Luxembourg began in the fourth quarter and should be in place by the end of 2009. Overall, revenue growth declined in the first half and became negative in the third quarter, leading to an organic decline of 3% for the full year. Costs were managed well throughout the year however, operating results continued to be strong and the EBITA margin remained solid (5.8% in 2008 versus 5.7% in 2007). A significant part of the synergy savings was realized by the end of the year. We lost a bit of market share in the second half of 2008, largely because of the exposure of the staffing business to large clients in the declining industrial sector. We focused on implementation of the unit steering model, the alignment of corporate employee numbers to revenue evolution and budgetary discipline. Although market conditions are likely to remain difficult in 2009, opportunities for growth have been identified in household services, specialty staffing, professionals and outplacement.

Iberia

While preparations were made for the integration of Vedior's businesses in Spain, where Randstad had already been the second largest player in the staffing market, formal restrictions prevent its implementation until early in 2009. The Spanish staffing market was the weakest in Europe throughout the year, declining by more than 30% in the second half, but against the background of the acute slowdown of the economy we made market share gains. Strong and successful focus was placed on productivity management and the cross-selling of products and services to the combined client base. There is considerable potential for growth in the professionals segment in the IT sector, where the addition of strengths from the previous Vedior businesses and their leverage throughout the client base offers good opportunities for 2009. It is also hoped that one or more of the public, construction and healthcare sectors will be opened up to staffing services next year.

A prerequisite for clearance for the merger from the European Commission was the sale of Randstad's Portuguese operations, which had generated sales of € 47 million in 2007. Their sale to Kelly Services was completed on August 7, 2008, resulting in a book gain of € 3 million. This meant there were no integration issues in Portugal, and continued strong performance of the Select and Vedior businesses there provided double-digit growth. In total the Iberian business recorded an organic revenue decline of 5% in 2008, while the EBITA margin amounted to 3.5% (3.9% in 2007).

Other European countries

The Vedior merger gave the Randstad Group a presence in 14 additional countries and we became joint market leader in the whole of Europe. It also greatly strengthened our Italian activities, gave us the number one position in Poland and moved us into the top three in Switzerland. In order to facilitate integration in the staffing segment, we agreed to buy out several minorities, such as in Poland in August. We realized good growth overall, especially in Italy, Poland, Sweden, Norway, Hungary, Turkey, Greece and Cyprus, gaining market share in most cases. In consideration of relative revenue importance, the scale of our market presence and space, we will focus here on our Italian, Polish and Swiss activities.

As is the case in France and Spain, formal restrictions in Italy mean that the implementation of the integration of Vedior's Italian businesses can only begin early in 2009. Detailed preparations were made throughout the year however. The combination increases Randstad's reach in Italy and strengthens our permanent placement and executive search capabilities. It also provides good opportunities for moving large staffing clients to inhouse, improving revenue, profitability and employee productivity, and diversifies Randstad's offering with strong specialty expertise in the insurance, finance, healthcare and other sectors. All segments performed very well until September, when the financial crisis led to a significant contraction. Nevertheless, Italy strongly outperformed the market again throughout 2008. Rationalization of the branch network began in the fourth quarter and will be accelerated once integration begins early next year. Cost-saving synergies will be realized from the combination of head offices and IT systems early in 2009.

In addition to the merger establishing Randstad as market leader in Poland, both the network and product and service portfolio of the Polish operations have been strengthened and broadened. The legal merger will only take place here on January 1, 2009, but as the economy is still growing relatively strongly only five outlets were closed and no

redundancies were necessary. Particular opportunities in 2009 are presented in outsourcing and payroll services in this still immature market.

Within three months we were able to prepare and implement the integration process of the merger in Switzerland that strengthened our market position from fourth to third . By October we had closed and combined 15 branches, creating larger teams per branch, enhancing our market presence and enabling a 10% reduction in FTEs. Further cost synergies were obtained in accommodation, marketing and IT. In addition to integrating Vedior, we also successfully completed the integration and re-branding of Job One, which we had acquired in June 2007, while continuing to develop larger accounts and outperform the market. The liberal and flexible Swiss market facilitates our ability to adapt costs. Given its liberal nature, the implementation of a CLA for the temporary staffing sector expected next year will not have a major practical impact, but will enhance the sector's image.

For the overall region, organic growth amounted to 2% in 2008, while the EBITA margin was under pressure due to the decline in the revenue trend in several countries. The EBITA margin reached 2.8%, compared to 3.9% in 2007.

North America

Until this year's merger, Randstad had focused almost entirely on providing commercial staffing and inhouse services in the US and Canada. In the US, the contraction in the commercial staffing market that had begun in the fourth quarter of 2006 continued as the economic crisis developed. The staffing and inhouse services businesses therefore continued to focus on cost containment, productivity and profitability. The inhouse business in particular was impacted by lower revenue per client. A renewed focus was placed on strengthening local account management, accelerating mid-market account acquisition and improving account retention. Randstad's relatively strong presence in large US client companies was a key reason for the staffing business underperforming a weakening market in 2008. Leveraging the increased scale and scope of the post-merger business and a renewed focus on the mid-market will be key priorities for 2009 in order to return to above-market performance. In addition, Vedior's commercial staffing business Placement Pros is being integrated into the Randstad staffing operation, producing revenue and cost synergies.

Vedior's North American businesses have always been primarily focused on the more profitable and more late-cyclical professionals area, so the merger has provided Randstad with a much stronger and more diversified portfolio. The businesses specializing in healthcare (ClinicalOne, Locum), IT (Sapphire) and engineering (Think Resources) performed strongly throughout the year. Reduced demand in the US finance and accounting areas (Accountants Inc.) contributed to slight overall decline in professionals revenue in the second half of the year. Moving forward, we will be making the most of the many opportunities to leverage synergies and best practices and for cross-selling across all our US operations in 2009.

Revenue in Canada grew over the full year, but started to decline towards the end of 2008. The combination with Vedior in Canada has consolidated Randstad's position as the staffing industry leader in terms of revenue. This enables us to respond more effectively to the demand for a broad national delivery platform, gives us a wider service offering than any of our competitors and creates significant opportunities for cross selling and leveraging of each other's client base. All of these strengths improve our ability to manage the business through the cycle and ensure that we retain our market leadership position.

For North America as a whole, revenue contracted 7% organically in 2008, with the EBITA margin reaching 3.5% (3.9% in 2007).

The merger greatly improved our presence in emerging markets

Rest of the world

In addition to substantial professionals and staffing activities in Australia and New Zealand, the merger has brought HR services businesses in five new countries in Latin America, four in Asia and three in each of the Middle East and Africa into the Randstad Group. Strong growth continued across Latin America, Asia and the Middle East throughout the year, and limited growth continued in the Asia-Pacific region. For the segment as a whole, organic revenue growth amounted to 16% in 2008. The EBITA margin amounted to 2.1% (4.0% in 2007), based on slowdown in some larger regions and continued investment in others. With consideration for relative revenue importance, regional presence and brevity, we will focus here on our activities in Australia and New Zealand, Latin America, China and India.

The activities in Australia and New Zealand joining Randstad are fairly evenly split between the staffing and professionals service concepts, and the businesses operating there are characterized by a culture of successful entrepreneurship. The global downturn began to impact the economy and the HR services market much later here than in North America and Europe, but revenue growth turned negative towards the year-end. Most specialty labels outperformed the market, with industrial and education in particular continuing to show solid growth throughout the year. Randstad's strong position in these specialties and healthcare will allow us to maximize opportunities presented by additional government spending of around € 20 billion planned for 2009.

Latin America represents an exciting and high growth new market for Randstad. Again, there is a good balance between staffing and professionals activities, and solid growth was delivered by all the larger businesses. Argentina and Mexico, where the Vedior merger has given Randstad number three positions, performed particularly well. The process of moving the businesses in Mexico to the Randstad brand began in 2008, and will be completed in 2009. Significant new growth opportunities will be provided in Brazil in 2009 should pending legislation to liberalize temporary work contracts and recognize outsourcing come into force.

The relatively young Randstad China operation outperformed growth in the HR services market, with both staffing and search & selection growing by around 20% in 2008. Staffing growth slowed during the year however, as the economy slowed and pending the introduction of new labor legislation. Limited professionals activities in the legal, accounting and IT specialties in mainland China and Hong Kong were added following the merger with Vedior.

While our Chinese investment program is reviewed on a monthly basis to manage through the cycle, being a new player in an immature and high growth market, serious downturn effects are not anticipated. We plan to expand activities in recruitment for mid level positions and invest in new units for flexible project-based staffing, making the most of the opportunities presented by the liberalized market.

The combination with Vedior is extremely positive in India, where strong market outperformance was maintained throughout the year. The scale of the combined entity, operating from 122 offices in 78 locations and with a market share of about 7% in a highly fragmented market, is in itself a key positioning factor. The access to global accounts, replicable business concepts and the potential to set up an integrated back office creates competitive advantage. The inclusion of the Ma Foi group of companies has given Randstad clear leadership of the immature and fast-growing HR services market in the sub-continent. The Team4U payroll and staffing activities were integrated into Ma Foi, the larger entity, by the end of the year, with a number of offices being closed and combined. The rapidly growing Indian market meant that no redundancies were involved, and the combined staffing business will be rebranded as Randstad India by the end of 2009. Despite continued anticipated slowdown in the global economy in 2009, the Indian economy is still expected to grow next year. While we foresee clear deceleration in job creation growth compared to 2008, we still expect to see about 1 million new jobs in the organized sector in 2009. A loss of inertia is expected in permanent placement, but conditions remain very promising for the temporary labor market. We expect consolidation in the Indian HR services market and that clients will rationalize their vendor processes. This will reinforce the ability of our strong brands in India to capture additional market share.

In November we acquired a 10% stake in Japanese FujiStaff. FujiStaff ranks number 6 in the Japanese staffing market. In the fiscal year ending March 2008, FujiStaff generated revenue of about € 700 million. The participation in the share capital strengthens the ties between Randstad and FujiStaff. Earlier this year we launched a joint project, the Global Staffing Research Center, to survey and analyze the significance of HR services businesses in the labor market.

Income and financial position analysis

Income statement

Revenue

In 2008, revenue amounted to € 14.0 billion, 53% more than the reported € 9.2 billion in 2007. The acquisition of Vedior, consolidated as of May 16, 2008, impacted this figure considerably. On a pro forma combined basis, revenue amounted to € 17.2 billion, 3% less than in 2007. The pro forma organic decrease amounted to 2%. We started the year positively, with 5% combined organic revenue growth in Q1 2008 and 4% in Q2. Revenue started to slip in the summer, leading to a 2% organic decline in Q3 and, due to the quickly changing economy, a steep 14% decline in Q4.

Until the summer we had observed many usual patterns. In Q4 2006 the commercial staffing market in the US had started to decline. This was followed by easing of growth rates across Europe, starting in blue collar staffing, followed by scarcity-related growth reduction in white collar staffing during 2007 and H1 2008, coinciding with continued growth in professionals and permanent placement. The financial crisis impacted all our end markets from September onwards however. Reduced consumer confidence, lower availability of credit and the need to reduce inventories have caused reduced demand among our industrial clients as well as in the white collar and professionals segments, including declines in staffing and permanent placement in many markets at the same time.

The fact that market contraction is now more concentrated than in the previous cycle does not imply that our strategy of diversification is not effective. We still observe significant differences. Within continental Europe, the Netherlands, due to the relatively high proportion of services in the gross domestic product, has held up relatively well when compared to France, Germany and Spain, which are more prone to swings in the capital goods, automotive and construction sectors. Growth was maintained in segments such as education and healthcare, which helped the North American and UK results in particular. The government sector also did well in several countries. Our presence in emerging markets such as Asia and Latin America was strengthened, and growth continued in these regions as well as in the Middle East.

Gross profit and gross margin

For the full year, gross profit amounted € 3.0 billion, compared to € 2.0 billion in 2007, with gross margin moving from 22.1% to 21.2%. The difference is largely explained by the Vedior consolidation. Due to the geographic mix, with a significant part of revenue from France, Vedior's gross margin was lower than that of Randstad, which had been dominated by high Dutch and German gross margins. On a pro forma basis, gross profit amounted to € 3,540 million, with the gross margin flat at 20.6%. The underlying gross margin increased somewhat in the first half of the year, based on strong pricing and continued growth in permanent placement fees. Permanent placement fees started to come down in the second half (by 11% compared to H2 2007), with a negative effect on gross margin. For the full year, permanent placement fees amounted to 2.4% of revenue and 11.8% of gross profit, about the same as in 2007. Permanent placement fees declined first in banking and finance, but engineering and IT also suffered lower demand towards the end of the year. In the Netherlands and Germany, where we have candidates on our own payroll, idle time increased somewhat at the end of the year, which had a slightly negative impact on gross profit.

Gross margin is not a strategic target as such, as it is influenced by factors such as segment and geographic mix. We steer on conversion of gross profit into EBITA, in order to realize our EBITA margin targets.

Operating expenses

Reported operating expenses include non-cash amortization for the capitalized Vedior client and candidate databases, as well as non-cash impairments of € 585 million related to the Vedior goodwill (€ 500 million) and our Dutch payroll business (€ 85 million). Reported operating expenses also include integration costs (€ 61.9 million) and reorganization costs (€ 31.0 million).

For a meaningful analysis of underlying operating expenses we look at the costs excluding these items. We swiftly adjusted our cost structure in reaction to decelerating markets. In the first half, operating expenses grew in line with increased volumes. Underlying operating expenses for the full year amounted to € 2,705.6 million pro forma however, 1% lower than in 2007, as costs were reduced in the second half. In Q4 2008 the underlying operating expenses amounted to € 641 million, 9% lower than in Q4 2007 and 4% lower than in Q3 2008. While we continued to invest for too long in the previous cycle, operating expenses were reduced this time as of Q3 2008, exactly in the quarter when revenue started to contract. This demonstrates the improved focus gained from our 'managing through the cycle' approach (see page 19).

We ended the year with 5,233 outlets, 3% fewer than at the end of 2007 and 7% fewer than at June 30, 2008. During Q4 2008, we employed 34,000 FTEs on average, 5% fewer than during Q4 2007. Given our average staff

Consolidated income statement

in millions of €	2008	2007
Revenue	14,038.4	9,197.0
Cost of services	11,066.1	7,167.3
Gross profit	**2,972.3**	**2,029.7**
Selling expenses	1,602.9	1,036.3
General and administrative expenses	1,404.1	453.8
Total operating expenses	**3,007.0**	**1,490.1**
Operating (loss)/profit	**(34.7)**	**539.6**
Dividend preferred shares	–	(7.2)
Financial income and expenses	(71.7)	5.1
Net finance costs	**(71.7)**	**(2.1)**
Share of profit of associates	3.8	2.0
Income before taxes	**(102.6)**	**539.5**
Taxes on income	121.0	(154.6)
Net income	**18.4**	**384.9**
Pro forma		
Revenue	17,177.4	17,625.2
Gross profit	3,540.0	3,637.1
Operating expenses	2,705.6	2,730.0
EBITA[1]	834.4	907.1
EBITDA[2]	933.6	997.3
Earnings per share (€)		
Basic	0.07	3.31
Diluted	0.07	3.30
Normalized diluted[3]	3.21	3.47

1 EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill.
2 EBITDA: operating profit before depreciation, amortization and impairments.
3 Normalized diluted: diluted before amortization and impairment acquisition-related intangible assets (€ 85.7 million), impairment goodwill (€ 555.8 million), integration costs (€ 44.7 million), other one-offs in operating profit (€ 6.5 million) and one-off tax gains (- € 226.1 million). All amounts after tax.

turnover rate of above 20%, it was possible to achieve the greater part of this downward cost adjustment by making use of natural attrition. However, with the significant reduction in H2 2008 in FTEs and offices, we also cut back in management and back office personnel through forced redundancies. In some cases, such as in the Netherlands, the UK and Belgium, this was already part of the integration plans. In other countries, such as Germany, France and the US, this has been done, or is planned to be done, through restructuring. Related costs are one-off in nature and excluded from underlying operating expenses. Bonus payments are another important cost component. Especially in those operating companies that have relatively large permanent placement businesses, bonus payments have been reduced. Cost synergies from the merger came in ahead of schedule and amounted to € 22 million for the full year, with the annualized target of € 90 million to be reached already by Q3 2009.

Net finance costs

For the full year, net finance costs amounted to € 71.7 million, compared to € 2.1 million in 2007. This increase results from the 5-year syndicated loan (see balance sheet) we obtained for the partial debt financing of the Vedior acquisition. While the full year financing costs have increased, they trended down as the year progressed. In Q4 2008, net finance costs amounted to € 19.0 million, which was some 40% lower than in Q3 2008, amongst others based on a reduction in net debt and certainly also because of the reduction in interest rates. Our policy of using floating rates as a natural hedge, paying EURIBOR plus a fixed spread, has started to pay off. The dividend on the preferred financing shares, which was stable at € 7.2 million, is no longer part of the net finance costs as, following an amendment to the Articles of Association, the preferred shares are again classified as equity.

Taxes on income

In 2008, the effective tax rate amounted to 23.2% (excluding impairment goodwill in the amount of € 555.8 million and one-offs in deferred taxes in the amount of € 226.1 million) compared to 28.7% in 2007.

The underlying effective tax rate amounted to approximately 27%, in line with our tax planning. The reported effective tax rate of 23.2% was influenced by tax synergies of approximately € 15 million. The structure to create tax synergies from the merger has been implemented successfully and we expect to reach the full amount of approximately € 40 million in 2009.

In Q4 2008, the merger and subsequent legal and operational integration impacted our tax position. Randstad US and Vedior US were legally combined in October 2008. As a consequence, all future US taxable profits (including those of the more profitable Vedior assets) can be used to offset the existing tax loss carry forward position of Randstad US. This resulted in a recognition of € 40 million in respect of deferred tax assets in relation to tax losses carry-forward in the US, which is recorded as a net gain.

Furthermore, following legal and operational restructuring after the merger, the recapture obligation that resulted out of US losses that have been deducted from Dutch fiscal profits were re-assessed. Payback now depends on eventual

Consolidated balance sheet at December 31

in millions of €	2008	2007
Assets		
Property, plant and equipment	190.5	135.7
Intangible assets	3,315.2	433.3
Deferred income tax assets	422.0	282.5
Financial assets	74.0	10.2
Associates	2.0	480.9
Non-current assets	**4,003.7**	**1,342.6**
Current receivables	2,888.1	1,590.5
Cash and cash equivalents	831.0	384.1
Current assets	**3,719.1**	**1,974.6**
Total assets	**7,722.8**	**3,317.2**
Equity and liabilities		
Shareholders' equity	**2,416.9**	**1,021.6**
Minority interests	4.0	0.8
Group equity	**2,420.9**	**1,022.4**
Non-current liabilities	2,937.3	959.8
Current liabilities	2,364.6	1,335.0
Liabilities	**5,301.9**	**2,294.8**
Total equity and liabilities	**7,722.8**	**3,317.2**

dividends from the US operations being received in the Netherlands, rather than on US profits. This reassessment of which it is considered highly unlikely that this obligation has to be repaid in the foreseeable future, resulted in a one-off release, or net gain, of € 186 million.

Balance sheet

The balance sheet total expanded from € 3.3 billion at the end of Q4 2007 to € 7.7 billion by the end of Q4 2008, reflecting the consideration paid for Vedior and the inclusion of Vedior's asset base.

Non-current assets

The most evident changes in non-current assets are the increase in intangible assets, related to the full consolidation of Vedior, and the decrease in associates, which included our 15% stake in Vedior at year-end 2007. The intangible assets include the value of Vedior's client and candidate databases, to which we attached a fair value of € 1.0 billion. We apply an amortization period of approximately 7 years, leading to an annual non-cash amortization charge of about € 144 million. Goodwill amounted to € 2,325.8 million at year-end. Goodwill is allocated to operating segments, which in our case are geographical areas. Based on the provisional allocation of goodwill and the pace of revenue decline in several regions, such as Iberia, the UK and France, we impaired goodwill by € 500 million in Q4 2008. For the full year, impairments totaled € 585 million, as we also impaired € 85 million on our Dutch payroll processing business in H2 2008.

Non-current liabilities

One of the changes in non-current liabilities has been the reclassification of the preferred financing shares, for a value of € 165.8 million, from debt back to equity, following changes to the Articles of Association (see page 58). Our credit facility is also included here (see net debt).

Operating working capital

Following the merger, operating working capital increased from € 409.5 million at the end of 2007 to € 672.0 million. As a percentage of revenue, operating working capital improved from 4.5% to 4.0% (pro forma revenue 2008). Given the increased exposure to countries where longer payment terms are the norm, such as France and Spain, this represents good performance. Within the Group there is a strong focus on days sales outstanding (DSO) and working capital, which are reflected in the bonus targets of the senior managers of our operating companies. As a further incentive, operating companies are charged for their use of operating working capital. Trade receivables represent the component that is most important for us to influence. These increased from € 1.6 billion to € 2.8 billion because of the merger. Because of the change in the geographic mix due to the merger, DSO increased from 52 days to 59 days. On a pro forma combined basis however, the moving average improved from over 60 to 59 because of solid DSO performance in the Netherlands, France, the US and Germany. The aging of trade receivables was also given considerable attention as the credit crisis puts pressure on

Key indicators

	2008	2007
Balance sheet		
Operating working capital[1] in millions of €	672.0	409.5
Operating working capital as % of revenue (2008, pro forma)	4.0%	4.5%
Days Sales Outstanding (moving average)	59	60
Net debt[2] in millions of €	1,641.0	144.2
Free cash flow in millions of €	672.7	328.4

1 Operating working capital: trade and other receivables minus trade and other payables plus (for 2007) dividend preferred shares.
2 Net debt: cash and cash equivalents minus borrowings.

clients and tends to create longer payment terms. This is especially visible in southern European companies. Exposure to bad debts increased, but remained limited overall. We had to provide € 5 million for the demise of Lehman, but other cases were far smaller. The Randstad receivables portfolio is very diversified geographically, in segmentation and in client base.

Shareholders equity

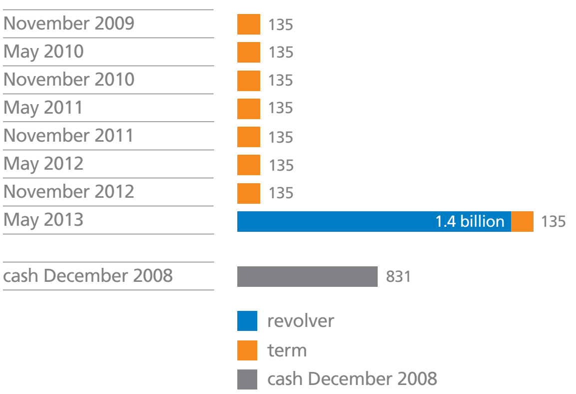
Shareholders' equity increased by the issue of ordinary shares for the financing of the Vedior acquisition and the reclassification of preferred shares.

Net debt

The net debt position per year-end is € 1,641 million, compared to € 144 million at the end of 2007. Gross debt is higher, and amounted to € 2,472 million, as we maintain cash balances for tax and other purposes. At mid year, right after the completion of the deal, net debt amounted to € 2.1 billion, which was reduced through solid cash generation in the second half of the year. The leverage ratio (net debt over EBITDA) amounted to 1.8 at year-end, in line with the internal goal of achieving a maximum of 2.0 x EBITDA within twelve months from the closure of the deal. The loan documentation allows us a leverage ratio of maximum 3.5 x EBITDA, which provides a cushion (see also managing through the cycle, page 19, and risk management, page 44). Committed financing had been arranged before the deal was announced, and the spread of 50-115 basis points over EURIBOR can be considered favorable. The € 2.7 billion facility consists of a term loan of € 1.1 billion, which has to be paid back in semi-annual installments of € 135 million, starting November 2009, and a revolver of € 1.6 billion. We will use free cash flow to redeem the revolver where possible, and its refinancing is only scheduled for May 2013, which provides flexibility.

Debt facilities & repayment schedule

in millions of €



Consolidated cash flow statement

in millions of €	2008	2007
Cash flow from operations before operating working capital	558.9	458.4
Operating working capital	195.2	(57.0)
Net cash flow from operating activities	**754.1**	**401.4**
Capex[1]	(76.0)	(72.3)
Net acquisitions[2]	(1,914.9)	(587.5)
Other	(5.4)	(0.7)
Net cash flow from investing activities	**(1,996.3)**	**(660.5)**
Net cash flow from financing activities	**1,688.3**	**324.1**
Net increase in cash, cash equivalents and current borrowings	**446.1**	**65.0**
Cash, cash equivalents and current borrowings at January 1	**315.8**	**250.3**
Net increase in cash, cash equivalents and current borrowings	446.1	65.0
Translation gains/(losses)	(1.0)	0.5
Cash, cash equivalents and current borrowings at December 31	**760.9**	**315.8**
Free cash flow	**672.7**	**328.4**

1 Net additions in property, plant and equipment and software.
2 Net acquisitions of subsidiaries and associates.

Cash flow statement

Cash flow from operations before operating working capital improved as did operating results (higher actual EBITDA). With a continued focus on DSO, the slowdown in revenue led to the usual unwinding of operating working capital, leading to a cash inflow. Full-year net capital expenditure amounted to € 76.0 million, compared to € 72.3 million in 2007. As a result, free cash flow amounted to € 672.7 million, compared to € 328.4 million in 2007.
In 2008, € 1,914.9 million was spent in cash on acquisitions (€ 1,931.4 million spent on acquisitions and € 16.5 million received on disposals), partly financed through a syndicated loan. Dividend payments amounted to € 153.2 million (€ 152.5 million in 2007).

true value for clients

Finding and retaining the best people and maintaining a high level of flexibility are crucial in today's challenging and ever-changing business environment. Better use of the true value of human capital increases efficiency and improves productivity. It's about having the right people with the right skills, systems and solutions, at the right time.

Flexibility allows you to breathe with the tides of the economic cycle and be well positioned for future growth opportunities. This applies to small local businesses as well as to large international corporations.

Through our comprehensive knowledge of global and local labor markets, we assist our business partners in engaging a workforce best suited to their needs. Our services range from temporary and permanent staffing and inhouse services to recruitment of (interim) professionals and services such as outplacement, assessments and vendor management.

In the new combination we offer a broader range of services, across all the countries in our greatly enlarged geographical footprint. This enables us to meet our clients' demand to work with fewer suppliers, to share knowledge and expertise across the globe and apply these insights to address our clients' needs. Similarly, the much larger pool of candidates we now offer our clients means they can be sure of finding the talent they need.

Our clients know that to find the best talent, the quality of the intermediary is decisive. Our consultants not only have expertise in HR issues, but are often themselves qualified professionals in their sector. So they intimately understand the specific trends, skills and issues at hand. They speak the same business language, and know what drives success. This focus allows us to be a strategic business partner in HR and provide the right employees to our clients, thus enhancing the total value of their workforce, and the true value of their business.

Corporate social responsibility

Each day, Randstad's 34,550 employees in 52 countries put about 670,000 people to work. Serving clients and candidates is certainly good business, but for Randstad employees it means 670,000 unique success stories every day. Each of us takes pride in knowing that we have helped candidates find jobs, gain experience and achieve a higher level of economic and social well-being.

Randstad's central role in society

Ever since our beginnings in the 1960s, Randstad has been very aware that our success depends on society as a whole benefiting from the positive effects of everyone working together. Randstad is at the heart of a network of many stakeholders, including clients, unions, governments and candidates, and we take our responsibility to them seriously. We take pride in finding suitable jobs for our candidates and suitable candidates for our clients, but our commitment to society does not stop there.

Our merger with Vedior has served to strengthen our commitment to the role we play in society. The additional expertise across our expanded network allows us to impact society and serve our stakeholders more deeply across our markets. As we have grown in scale and scope, it is our ambition to reflect this in our approach to social responsibility. Our presence in over fifty markets globally enables us to make immediate differences locally. It also means we face the challenge of measuring and comparing the impact of activities across markets, which are subject to different definitions, benchmarks, social practices and local regulations.

As we further align our operations and activities across our markets, we are establishing key performance indicators for social responsibility relevant to our business spread and activities.

Reporting indicators and measurements

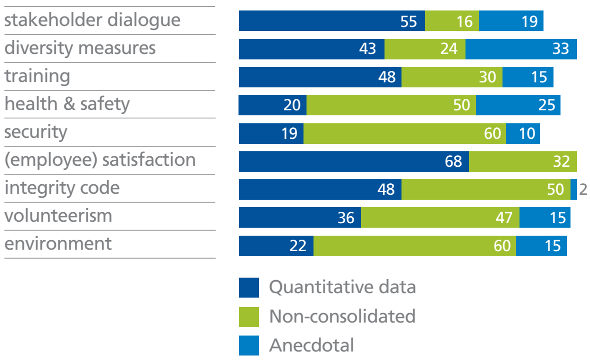
We base our reporting on the CSR indicators proposed by the Global Reporting Initiative that are of relevance to the HR sector. These indicators are:

- labor market relations and stakeholder dialogue, engaging all the players in the employment sector;
- diversity measures and (re)-integration programs, broadening the talent pool for Randstad and our clients while improving access to the labor market for those marginalized in society;
- career advancement and training, for both candidates and corporate employees; health, safety and security, focusing on our proactive initiatives to promote health and prevent accidents; client, candidate and employee satisfaction; code of conduct and integrity code;
- volunteerism;
- environmental measures, including energy consumption and waste management.

In order to increase consistency and transparency, we have implemented a baseline model for reporting on these KPIs. The model reflects our internal reporting on the defined indicators per percentage of our people measured in FTEs. We aim to increase these percentages each year to illustrate performance and improvements.

To accurately reflect the reporting spread, *quantitative*, *anecdotal* and *non-consolidated* are used to indicate the type of data available centrally across the Randstad Group. 'Non-consolidated' refers to data that has not yet been standardized in the data collection process, this year largely due to the integration with former Vedior companies ongoing in this period. The challenge of consolidating data from our new operations is compounded by the fact that existing individual sectors and markets currently adhere to different methodologies and definitions to address these indicators. The task of aligning measurement systems to standardize data will be closely reviewed so that we are positioned to face these challenges more effectively.

% of our people covered per indicator



In the future, we will supplement this model with detailed aspects for each individual indicator, to provide clear insights into performance and the criteria used to steer policy and CSR activities across the Group. It is also our objective to keep increasing coverage and consolidation each year, so that we eventually cover all aspects in our entire Group with a focus on increasing the quantitative measurements where appropriate.

Labor market relations and stakeholder dialogue

Effective communication is critical to the success of our business and is a priority for us. We fulfill our role as a labor market authority by sharing our knowledge, insights and experience in open dialogue with our all our stakeholders.

Employee participation in social dialogue is encouraged through a network of works councils that bring together managers and employees across the organization regularly to discuss work and HR-related issues. Results of dialogues in the country works councils are fed into an international platform that meets twice a year to discuss policy issues and information relevant to Randstad Group companies. Randstad also actively engages in dialogues with labor unions, both nationally and internationally. UNI-Europa, the representative labor union for skills and services in Europe, are invited to attend the international platform meetings as observers.

At a pan-European level, UNI-Europa and the European Confederation of Private Employment Agencies (Euro-CIETT) meet in the sectoral Social Dialogue committee, a forum allowing union representatives and private employment agencies to convene to discuss issues of mutual importance. Randstad is represented in the delegation of Euro-CIETT, and participates with the Social Dialogue committee for temporary agency work to further professionalize and gain more societal acceptance for the industry. Moderated by the European Commission's Directorate-General for Employment, Social Affairs & Equal Opportunities, the committee met three times during 2008. Discussions included the joint declaration on the recently adopted Agency Work Directive, a joint research on 'Temporary Agency Work contribution to transitions in the EU Labor market: the example of vocational training' and the promotion of national social dialogue, especially in eastern European countries. Further, the Dublin Foundation finalized their report on 'Temporary Agency Work and Collective Bargaining in the EU' and social partners initiated a project on the European Observatory on cross border activities within Temporary Agency Work, to be concluded in 2009.

Diversity measures and (re-)integration programs

Randstad believes that in order to serve the communities in which we operate, we must reflect the diversity and demographics of these many communities amongst our own employees. A diverse workforce also provides a competitive advantage and helps acquire new business. One of Randstad's strategic building blocks is 'best people', and we seek out top talent, regardless of race, gender, age, sexual orientation, creed, political conviction, disability or social background. As stated in Randstad's globally implemented HR standards, 'diversity is recognized as an added value'. Our focus on developing a diverse workforce helps us ensure we continue to recruit and retain the highest quality staff for ourselves and our clients.

Research 2008

Randstad provides insights into market trends and employment issues. We invest in regular research initiatives and provide foster thought, business and social leadership in these areas. Our current initiatives include:

- the Randstad Workpocket 2008 – HR guide, produced by Randstad and essential for local businesses dealing with employment legislation and HR issues in local markets.
- The World of Work 2008: Randstad USA's comprehensive annual survey examines the relationship between employees and employers and critical current business issues.
- Salary Surveys: to help our clients and candidates set appropriate salary expectations across specialized sectors, many of the Group's companies issue regular salary survey findings and provide online assistance with compensation.

Data from CIETT, the International Confederation of Private Employment Agencies, indicate that there is an overrepresentation in the number of workers employed through its members who belong to the category defined by the OECD as 'outside the labor market' (i.e. long-term unemployed, first-time labor market entrants, women accessing the labor market, older people, etc.). We take pride in the fact that Randstad provides a great many people each year with their first introduction to the labor market. This is important for society as a whole, and particularly so for those who would otherwise be marginalized. Randstad offers the means to build skills and experience, which in turn fosters social inclusion and the sense of self worth that results from gainful and meaningful employment.

Given the nature of our business, it is no surprise that diversity measures and (re-) integration programs can be found throughout the Group and are one of the strongest ways we enable people at all levels of society to thrive. Randstad Belgium was one of our first operating companies to specifically introduce diversity projects, as early as 1996. Their Randstad Diversity service provides equal opportunity and competency management advice to client companies. Together with local partners (NGOs, non-profit training organizations, the government and other parties), Randstad Belgium helps both businesses and jobseekers alike, and Randstad Diversity is the official 'coaching

The European Alliance on Skills for Employability

Randstad is a founding member of The European Alliance on Skills for Employability. Along with other Alliance partners, including Microsoft, State Street and Cisco we support the EU Growth & Jobs Strategy by working together to bring ICT competencies and training to 20 million people across Europe by 2020. To date, the Alliance has succeeded in reaching 10 million and maximizes its social impact by targeting underserved communities, including youth populations, people with disability, older workers and women (re-)entering the workforce. The Alliance is active in Germany, France, Belgium, Luxembourg and Hungary, and launches are planned in 2009 for Poland and the Netherlands.

partner' of Forem, the government skills training agency for disadvantaged people in the French-speaking part of Belgium.

In France, we are signatories of 'la Charte de la Diversité', and are also active in the diversity commission of PRISME, the French Confederation of Private Employment Agencies, as well as other leading diversity associations. Our informational materials are translated into Arabic in France to facilitate the recruitment of skilled people from the large pool of immigrant workers. In 2009, we will continue Vedior's Institute for the Promotion of Equal Opportunity and Sustainable Development, fostering sustainability through public, private and institutional partnerships as well as through cross border associations, under a newly named Randstad Institute.

A number of our operating companies, and notably Randstad Spain and Randstad Germany, have established foundations to provide access to employment for disadvantaged people, such as those with disabilities, women at social risk, victims of domestic violence, single parents, older workers, and the chronically unemployed.

In Argentina we are involved in promoting inclusion in the labor market across a range of social groups, including agricultural workers who often need assistance in gaining access to work opportunities and young entrepreneurs entering the workforce for the first time.

Randstad Asia Pacific is working to significantly increase the number of people from diverse backgrounds who find work through our services through a strategic alliance with Diversity@Work, a regional leader in the promotion of diversity in the workplace.

A key factor in maintaining diversity is ensuring equal opportunities for women. Our flexible work environment and Randstad's training and career advancement opportunities, makes us an attractive employer for women. The proportion of female employees at Randstad is always well above average. We provide women with equal training opportunities and salary grades, maintain flexible work solutions to keep women employees engaged in the company and encourage clients to hire more women. The average percentage of women in higher management positions in the Randstad operating companies reached 46% (2007: 40%), inclusive of former Vedior staff and indicative of our strong commitment to recognizing female talent throughout the organization.

Career advancement and training

We have described the wide range of activities and dedicated multi-level talent development and training programs we provide on pages 16 and 17, in the description of our 'best people' strategic building block.

Randstad operating companies also set aside separate budgets for training candidates and temporary workers. Training, which is essential for maintaining sustainable skills in the workforce, is dependent upon the needs of the client and the individual labor market, and includes courses specific to call centers, sales, IT, hospitality and technical skills, for example.

Total out-of-pocket training costs[1]
in € millions

	2008	2007	2006
Corporate employees	**16.6**	16.8	12.4
Staffing employees	**30.8**	28.8	26.7

1 Costs do not include training activities covered by former Vedior companies, to be consolidated in 2009.

Health, safety and security

We believe that the highest standards of health and safety in the workplace are a right for everyone. We adhere to all applicable local standards and regulations, and where there are few or none, we lobby for their introduction, while continuing to apply our own high standards until sector-wide measures are in place.

The Randstad Group strives for an overall lower absenteeism rate (illness) per operating company than the country average. Operating companies whose rate exceeds their country's average must submit a plan to the corporate HR department to reduce it. Accidents and absenteeism also represent costs, so it makes good business sense to ensure workers are healthy and productive. As we recognize that most work-related accidents can be prevented, we stress the importance of educating both employees and candidates on health and safety issues on an ongoing basis. Health and safety is also a component of introduction programs for new employees.

Each operating company has a protocol in place to record information on accidents, usually quarterly, according to local regulations. Targets for reducing workplace accidents and employee absence depend on the frequency of accidents and the duration of absences in each operating company.

Following the merger with Vedior, we are working to align health and safety reporting structures for accidents and injuries across the Group to ensure accurate data and that appropriate measures are taken to protect our corporate employees and candidates.

In 2006 we introduced a standard, company-wide security policy to manage and respond to security incidents in a timely manner. Called the Initiative for Randstad's Improved Security (IRIS), the program, which allows employees to log incidents, has been successfully rolled out across many operating companies, with the establishment of local calamity teams and the translation and activation of IRIS communications. To further facilitate the response to incidents, IRIS will be made available in 2009 through our corporate intranet, as well as through existing local channels.

Client, candidate and employee satisfaction

In order to have the best people and deliver the best services in the industry we must ensure the engagement and satisfaction of our staff. It is our social responsibility to create an environment in which they can develop themselves and feel proud and inspired about the work they do each day.

Randstad conducts an annual global People Survey to research the engagement levels of employees throughout the Group. This year the Survey coincided with many integration initiatives, and Vedior companies were invited but not obliged to participate. In 2009, the survey will be extended to all operating companies. In total 21,278 employees were invited to respond in 2008, with a 66% of participation rate. Especially considering the integration and realignment of several operations, we were pleased to have received an overall engagement score of 7.5 on a 10-point scale. More specifically, 43% of participants gave a score of 9 or higher for their intent to stay, and 41% gave the same score to indicate that they were proud to work at Randstad. Survey results are treated as an opportunity for improvements and further dialogue at all levels within the organization, and these are actively addressed through local management channels.

Many operating companies conduct local client and candidate surveys throughout the year, to monitor progress and ensure Randstad processes are in line with stakeholder expectations. This also allows us to address areas that need attention. These surveys are rolled into key performance indicators used by managers to help us steer policy.

Code of conduct and integrity code

Group-wide, Randstad has a number of systems in place to receive and address concerns regarding integrity or misconduct. Our code of conduct and provision for reporting misconduct – the integrity code – provide a means to communicate any impropriety that might take place in the company. These documents can be found on our website, and copies are included in the company introduction package received by every new employee. Employees are also given a local dial-in number and access to the 'tip line' website, hosted by an independent third party, where they can report misconduct anonymously. While misconduct is usually reported through supervisors, this alternative avenue is open to all employees. The whistleblower policy that applied to former Vedior companies, will be integrated with the integrity code in 2009, and employees of operations that joined the Group through the merger with Vedior will be given full access to the existing tip line.

Integrity code complaints 2008

	2008	2007	2006
New complaints	34	28	16
Of which legitimate	19	23	8
Reported closed	18	23	8

Communication about the codes will be further enhanced throughout the Group in 2009 to ensure compliance for all operating companies.

Volunteerism

In 2004, Randstad entered into an exciting partnership with the NGO Voluntary Service Overseas (VSO). Like Randstad, VSO are specialists in recruitment and placement, recruiting and placing volunteers with professional qualifications from around the world to live and work in developing countries to share their skills and change lives in local communities. Like Randstad, where demand for workers comes from our local clients, the call for skilled volunteer workers comes to VSO from organizations in the developing countries themselves. We leverage our knowledge and networks to help VSO bring about positive change and alleviate poverty.

Since the start of the VSO partnership, a total of 50 Randstad employees, of which 16 in 2008, have worked or are working in countries such as Indonesia, Uganda, Kenya, and India. Our HR Solutions Namibia joint project is an ongoing success, with plans to rollout this concept in Zambia in 2009. Through this concept, volunteers work from the local VSO office advising local NGOs on HR concepts and assisting organizations in the implementation of HR infrastructures. We are also helping VSO to improve their internal processes and systems through the sharing of knowledge and best practices from within our organization.

Going forward, due to both our merger with Vedior and the recent expansion of VSO's activities in the Americas, we have additional volunteer opportunities. We hope to make an even greater impact in the field of development work, enriching the lives of local populations and providing inspiration for personal and professional growth across the Randstad network.

In addition to our work with VSO, many Randstad operating companies, including Randstad US and Ma Foi in India, are actively involved in national volunteering efforts and partnerships with local NGOs.

Environmental measures

Although the nature of our business means that Randstad is not a resource intensive company, we regard it as our duty to minimize our use of resources. We aim to meet local energy standards and regulations at a minimum, and plan to institute additional mechanisms in 2009 to better monitor our environmental impact.

In 2008, energy consumption at our global headquarters in the Netherlands reflected an increased usage of heating, gas and electricity as compared to 2007. These increases are attributable to office climate regulation during the 20 additional days in 2008 with freezing temperatures and six extra days where temperatures exceeded 25 celsius. Building occupancy also increased in 2008 with the integration of the Vedior headquarters.

Since the beginning of 2009, we have been using 100% green energy at our headquarters, through a new procurement agreement that guarantees that only energy wholly-generated and supplied through wind, water and solar power is supplied.

Resource use at Randstad headquarters

	2008	2007	2006
Water (m^3)	13,000	14,000	9,000
Central heating (gJ)	6,000	5,000	5,000
Natural gas (m^3)	12,500	9,000	16,000
Electricity (mln. kWh)	3.7	3.5	4.0
Paper recycled (kg)	65,000	62,000	71,000
Cardboard recycled (kg)	14,000	9,000	15,000

Across our operations, Randstad is committed to taking steps to reduce waste. Our individual operating companies proactively address climate change concerns through the implementation of energy and waste saving and recycling initiatives for reusable materials.

In 2008, Randstad Netherlands rolled out a successful regional pilot to improve the separation of waste paper, plastics, glass, ink cartridges and organic waste. In 2009, the approach will be extended to additional branches across the Netherlands, with a focus on demonstrating cost savings from these efficiencies.

As a global organization, a certain amount of business travel is integral to building and maintaining both strong internal and external relationships. Staffing is primarily a local business however. We are therefore able to limit business travel and endeavor to do so whenever possible, enhancing our international contact through alternative means such as telephone/video-conferencing and online meetings. To ensure that when we do travel we minimize our carbon footprint, we will increase efforts to accurately map our impact and implement procedures to reduce it where possible.

In 2008, we began participating with KLM in a program to compensate for emissions from air travel originating in the Netherlands. In 2009, we will extend our central reporting on compensation programs and consider further enhancements via similar initiatives in order to cover a larger percentage of travel activities across our operations.

Memberships and the sharing of our core competencies

Randstad shares its knowledge of and expertise in the world of work through its membership of a number of organizations and the roles it plays in a number of initiatives:

- Through our membership of CIETT, we strive for well-regulated working conditions for all workforce populations.
- We are a founding member of the European Alliance on Skills for Employability.

In 2008, 16 Randstad employees joined the VSO partnership as volunteers

- Randstad is on the steering board of the Business and Society Roundtable of the INSEAD Business School, where managers share experiences on advancing the CSR agenda.
- Randstad has a chair at the University of Amsterdam that focuses on the effect of demographic trends and migration on the labor market. We also participate in a number of labor-related research initiatives at other universities.
- We are a signatory of the United Nations Global Compact.
- Our active participation in CSR Europe helps us to stimulate socially responsible business practices.
- We participate in Samenleving & Bedrijf (Community & Company), an organization that promotes corporate social responsibility goals, including diversity.
- In New Venture, Randstad provides advice and coaching to budding entrepreneurs.
- Randstad Belgium and Italy have Social Accountability 8000 accreditation from Social Accountability International, the global standard-setting human rights organization dedicated to improving workplaces and communities.

Summary of awards & rankings received by Randstad in 2008

- Randstad France obtained the Label for Professional Equality between Men and Women from the Ministry of Labor, Social Relations, Family and Solidarity.
- Randstad France obtained the Label for Professional Equality between men and women.
- In the National Human Resources Awards, Randstad Luxembourg won awards for both ‘Best outplacement services’ and ‘Best Interim Services’.
- Randstad Luxembourg won national ‘Best Outplacement Services’ and ‘Best Interim Services’ HR awards.
- The Mandeville Group in the UK was selected as ‘Recruitment Team of the Year’ in the REC-sponsored London and South East Recruitment Awards.
- Joslin Rowe received two National Training Awards: the Regional Training Award for Greater London and the UK Training-Medium Employer Award.
- Locum Medical received Distinctive Certification from Joint Commission.
- Ma Foi was awarded for World Class Performance in the International Asia Pacific Quality Awards.
- Randstad Netherlands, Randstad Spain and Vedior Germany were once again awarded in the Best Place to Work category. Randstad Netherlands ranked no. 12 and Randstad Spain was no. 6 overall and no. 1 in our industry sector.
- Major Players won Best Medium-to-Large Recruitment Firm, Joslin Rowe won Best Office Support Recruitment Firm and Digby Morgan won Best HR Recruitment Firm at the Recruiter Awards for Excellence.
- Randstad was included in the top 15 in BusinessWeek’s list of Europe’s top 50 companies, ranked according to overall annual sales and earnings performance.
- Randstad won Philips’ Breakthrough Award for its performance in the Total Cost of Ownership category.
- Randstad France was voted a ‘Great Place to Work’, receiving a silver award.
- Randstad was listed in the FTSE4Good Index, which measures the performance of companies in meeting globally recognized corporate responsibility standards.
- In 2008 Randstad participated in the Dow Jones Sustainability Index for the fifth consecutive year. This index tracks the financial performance of sustainability-driven companies worldwide. For 2008, we received a bronze rating, indicating our ranking in the top 5 of the support services peer group.

Risk and opportunity management

A new platform

The acquisition of Vedior has significantly changed the platform of the Group. The 'in control' position at Randstad had been established in a different manner than at Vedior.

The integration process is crucial to the success of the transaction and requires priorities to be set. In this context, the Randstad risk & control framework, described below, has been updated using best practices from Vedior as well. In the course of 2009 the framework will be fully aligned and implemented.

The risk profile of the company has changed due to the acquisition of Vedior. On the one hand, revenue is more widely spread across geographies and segments. The share of revenue associated with idle time risks has reduced from 26% to 16%. The currency mix changed from 17% in non-euros in 2007 to 26% pro forma in 2008. Indirect personnel costs in liberal markets as a share of total personnel costs have also increased. On the other hand, due to debt financing of the Vedior acquisition, the balance sheet is more leveraged, with a net debt to EBITDA ratio of 1.8 (2008 pro forma) versus bank covenants of up to 3.5. Furthermore, the Group has increased its footprint from 20 to more than 50 countries. We now own some smaller operations more distant from the Group center.

Strategy, targets and risk appetite

Risk & opportunity management is firmly embedded in our strategy and is considered essential for achieving our targets (see page 13). We deliberately address risks and opportunities together, as we believe they go hand in hand. We actively stimulate entrepreneurship throughout the organization and encourage our people to identify and seize opportunities. At the same time, we recognize that the risks inherent in entrepreneurship must be assessed and controlled. It involves knowing when to give full throttle, but also when to apply the brakes.

We have defined our risk appetite on a number of internal and external factors including:
- business performance measures: an EBITA margin target of 5-6% on average through the cycle, with a minimum of 4%;
- financial strength in the long term, mainly defined through the repayment capacity ratio;
- liquidity in the short term: cash flow from operations and working capital;
- compliance with relevant rules and regulations;
- economic environment;
- reputation.

Our risk and opportunity analysis and risk appetite reflect a cocktail of potential risks and opportunities. We analyze combinations of potential risks and opportunities and use techniques to qualify and quantify risks to establish a direction for our key controls and insurance risk management. The likelihood of certain combinations is impossible to assess however, and as the potential inherent false security is a risk in itself, we use the quantification of risks with great care.

The table below provides a sensitivity analysis of the various factors that comprise our risk and opportunity analysis and risk appetite.

Sensitivity

	Change	Impact	On	Assumption versus FY 2008
Revenue	+/– 1%	+/– € 35 million	EBITDA	Flat gross margin and no change cost base
Revenue	+/– 1%	+/– € 12 million	EBITDA	Flat gross margin and maximum conversion[1]
Gross Margin	+/– 0.1%	+/– € 17 million	EBITDA	Flat revenue and no change cost base
Gross Margin	+/– 0.1%	+/– € 6 million	EBITDA	Flat revenue and maximum conversion[1]
Operating expense	+/– 1%	+/– € 27 million	EBITDA	
USD	+/– 10%	+/– € 5 million	EBITDA	Stable revenue and margin in US
GBP	+/– 10%	+/– € 5 million	EBITDA	Stable revenue and margin in UK
EURIBOR	+/– 100 bp	+/– € 16 million	Financial charges	Stable net debt versus year end
Net debt	+/– € 100 million	+/– € 3 million	Financial charges	Stable interest rates versus year end

1 Aim at maximum recovery of gross profit reduction through reduction in operating expenses.

We are convinced that the continuity and sustainability of our business are as important to stakeholders as its growth and operation. Continuity and sustainability are therefore fundamental components of our strategy, risk appetite and key values.

Risk & control framework

Randstad's risk & control framework is part of the 'excellent execution' building block that links our mission and objectives with the execution of strategy by the Group. It sets the standard for the way we manage risks and opportunities and is in line with the COSO-ERM framework (Committee of Sponsoring Organizations of the Treadway Commission).

In 2008 the framework was updated using the best practices of Vedior's framework, ensuring the continuity of the effective risk management and control systems in place within Randstad and Vedior. A fully aligned framework will be implemented during the course of 2009.
Our risk & control framework is designed to ensure:
- monitoring of the effectiveness of our strategy – by regularly reassessing our strategic direction, we fully leverage our strategic strengths while ensuring strategy is consistently executed;
- the company's continuity and sustainability, among others by consistent accounting, reliable financial reporting and compliance with laws and regulations;
- excellence in execution – we focus on the most efficient and effective way to conduct our business, enabling us to identify opportunities and avoid mistakes;
- avoidance of material negative financial impact on the Group's profit & loss account and cash position.

The framework's core components are illustrated and described below.

Tone at the top
Consistently maintaining the correct 'tone at the top' establishes the foundations for effective risk & opportunity management. The attitude and behavior of management should serve as a good example for all Randstad employees to follow. The importance of internal controls to the business is understood, and both our code of conduct and integrity code are communicated transparently and published on our website. Any cases of inappropriate management behavior or relevant failures are disclosed internally in order to increase awareness and prevent reoccurrence. For example, after providing for a potential loss of approximately € 5 million on debtors because of the bankruptcy of Lehman Brothers, our senior management in the United Kingdom, jointly with Group business risk & audit prepared a memo with lessons learned and communicated this throughout the Group.

Securing Randstad's 'in control' position

Strategy setting
Randstad's strategy is firmly embedded in its operations. A business planning and reporting cycle is in place to measure how well and consistently we execute our strategy and deliver on our strategic objectives. The business planning cycle is derived from the strategic planning cycle, in which key performance indicators and milestones are defined to measure actual against planned performance.

Early in the summer in a typical year, operating companies draft their strategic plans for the coming year. These plans are discussed with the executive board and are used for the Group's strategic plan. The executive board discusses this strategic plan with the strategy committee and the supervisory board.

Monitor and control
The identification and analysis of risks and opportunities represents an ongoing process that is naturally a critical component of effective internal control. On the basis of these and the Group's risk appetite analysis, the key controls within Randstad's business processes are registered and their effectiveness continuously monitored.

A monthly reporting cycle is in place on both financial and non-financial information and some key operational data are reported on a weekly basis. Every six months the managers of all Randstad companies are required to sign off responsibility sheets that explicitly define their responsibilities and how they should be applied and executed. Furthermore we have designed a risk & opportunity management structure to monitor and control the risks and opportunities at a local level. Companies report every six months on their top risk and opportunity areas, including individual action plans and timeframes to respond to them. The operating company management and the executive board, supported by Group control, discuss deviations from the standards set in them at quarterly review meetings, including in depth discussions on past and expected performance. Those processes and review meetings were fully implemented within the Vedior companies in the course of 2008.

In conjunction with the risk appetite assessment, insurable risks are also periodically assessed in order to determine which should be transferred to the insurance market. Based on this assessment it was decided that they will be harmonized further and that a global public liability and professional indemnity program will be introduced for all our companies in 2009.

Best practices, policies and processes
Strict corporate procedures govern financial reporting, investment procedures, powers of attorney and authority structures. Best practices, including control measures, are continuously identified and defined in blueprints, such as the accounts receivable blueprint, and implemented in our companies. We strive to 'copy & paste' these best practices, policies and processes throughout the organization.

Essential Randstad and Vedior policies and processes, including updated authority structures and powers of attorney, were aligned and implemented in 2008. We expect to complete this process in 2009 and will continue combining the best practices of both companies.

Audit and review activities
Internal and external teams periodically review the effectiveness of the risk & control framework. The Group's business risk and audit department works closely with local audit teams, the external auditors and corporate departments and is responsible for developing, implementing and maintaining policies, procedures and reporting related to our risk & opportunity management and internal controls. Its annual plan includes activities that monitor and report on the effectiveness of key controls in business processes and ensures that identified weaknesses are properly addressed. Results are discussed in review meetings between local management and the business risk and audit team.

The Group's audit committee is informed about the audit results and monitors the risk management and control systems, the quality of the financial information, and compliance with recommendations of auditors.

In line with practice at Vedior, a risk advisory committee was established within Randstad in 2008, chaired by the Group CFO. Members include representatives of operations and corporate departments. The committee supports management by identifying risks & opportunities and monitoring follow up. The committee met three times in 2008.

Risk mapping

We identify and classify risks, both at Group level and at operating company level, by mapping risk impact and type of risk. Within risk impact, we distinguish between torpedo risks and latent risks. Torpedo risks can have an immediate financial impact or immediately threaten the continuity of the Group, while latent risks do not have an immediate impact, but could become torpedo risks if not properly managed.

Risk mapping at Randstad

	Business risks		Legal/ Compliance	Organi-zational	Financial
	Strategic	Operational			
Torpedo risks					
Latent risks					
Reputation risks					

The type of risk includes strategic, operational, legal/ compliance, organizational and financial risks. All types of risks could potentially lead to reputation risks.

Once a risk is identified, we address it by:
- estimating its significance;
- assessing the likelihood of its occurrence;
- assessing the effectiveness of internal controls;
- developing specific actions needed to reduce it to an acceptable level.

Management must assess how much risk is prudently acceptable and strive to maintain it within this level. All relevant risks are analyzed and reviewed in a systematic way according to the risk & control framework. This process is an integral part of the business planning and review cycle.

Key risks

Below we describe our key risks that have been discussed with the full supervisory board and the audit committee.

Strategic risks
Our business is highly susceptible to macro-economic conditions and change that result in revenue volatility risk,

In integration, speed is vital to lower the risk of unrest among personnel

which is a strategic risk as investing late in an upturn can lead to loss of market share while late reaction in a downturn will hurt profitability.

Our performance in 2000/2001 gave reason to intensively rethink our strategy for managing through the cycle. As a result, in 2006, having tested various scenarios in our operating companies, our policy for managing through the cycle (see pages 19 and 20) was presented at an investor day in November 2006. In order to reduce the strategic revenue volatility risk, we manage tightly on actual performance, using weekly indicators, with a focus on quick reaction time, rather than steering on macro forecasts, as the latter are often lagging indicators and therefore unreliable steering sources.

Through the acquisition of Vedior we have a wider geographical spread and are less dependent on specific regions, which reduces revenue volatility. In addition, we now offer more services in different segments that run in different economical cycles. Professional services tend to react later to economic changes than staffing for example, and we have increased exposure to HR solutions, which are less cyclical (such as payroll or HR administration) or even countercyclical (outplacement).

Operational risks

Our personnel represent a key asset for sustaining and further growing our operations and losing personnel is an operational risk. We therefore carefully monitor and manage unfavorable shifts in retention rates, especially regarding our consultants.

We monitor the turnover rate carefully, conduct employee satisfaction surveys, design and implement training, and maintain an extensive introduction program with the active involvement of local management. We also manage the risk of unfavorable shifts in retention rates by filling management vacancies internally within an 80% rule, providing management development programs for those with strong potential, and identifying and training future leaders. Moreover, stock purchase plans are available for all corporate employees and performance share plans for senior management. These plans create awareness of the Group's performance and enhance commitment.

Organizational risks

Integration of Vedior

The integration can be seen as an organizational risk and is carried out carefully. We started preparing for the integration of Vedior in December 2007. In February 2008, country managers were appointed who formed and managed the country integration teams. By mid May 2008, the country integration teams had drafted the integration plans and had started to execute them. Speed is vital to lower the risk of unrest among personnel.

The corporate head offices of Randstad and Vedior were integrated in July. In the Netherlands, the UK, Switzerland and Belgium, the integration of the staffing services has been completed. In other countries the integration is progressing well on schedule.

We have aligned essential policies and procedures, such as authorization levels, investment policies and some key controls. We maintained our focus on serving our clients and adding market share in many countries during the integration, and have not identified the loss of any major clients due to combining the two companies in 2008.

Both Randstad and Vedior used the same application for consolidating the financial figures, but different versions. Those systems were maintained in 2008, which incurred some technical limitations. From January 2009 onwards, we will use one central version of the application for consolidation purposes.

IT systems

IT is crucial to our operational continuity. Examples of our dependence on IT include the proper, timely payment to our staffing employees and accurate invoicing to clients. The profile of many of our staffing employees is such that timely (often weekly) payment is a key driver to work for us. The risks associated with IT are spread, as each country and/or operating company has its own IT system in place, including local payment systems.

To mitigate risks regarding our operational continuity, the disaster recovery policy was renewed in 2008, our external and internal auditors paid specific attention to computer controls, and intrusion tests on our local systems were performed. IT is overseen by the Group IT department.

Financial risks

We are exposed to a variety of financial risks, specifically changes in foreign currency exchange rates, interest rates, liquidity risk, investment risk and related external reporting risk. We manage these risks centrally via a Group treasury department under the direct supervision of the Group CFO.

Debt position

To ensure proper financing, our offer for Vedior was made partly in shares and debt financing of the cash component was arranged through a five-year syndicated loan facility, which has a maximum capacity of € 2.7 billion and had been arranged before the Vedior offer was announced. We thus consciously avoided the risk of having to refinance

short-term bridge financing as well as having to issue equity in a secondary public offer.

The net debt position per year-end is € 1,641 million, compared to € 144 million in 2007. The loan documentation allows us a net debt of maximum 3.5 x the EBITDA of the last four quarters. The internal goal of achieving a maximum of 2.0 x EBITDA within twelve months from the closure of the deal was achieved by the end of Q3 2008. To limit the risk of covenant breach we use our managing through the cycle approach (see pages 19 and 20). In order to be well-prepared for the event of very severe market circumstances, and to know what steps to take to protect our financial position should such an event arise, we have also tested scenarios in which the covenant could be at risk.

We finance against floating interest rates since in an economic downturn, when our earnings may be under pressure, interest rates will normally tend downwards. Floating interest rates are considered a natural hedge against the development in operational results. In 2008, interest levels indeed followed this pattern with a sharp decline in the rates towards the end of the year. In addition, as we believe that floating rates are on average lower than fixed rates, we expect to save cost in the long run by financing against them. As a consequence of this policy, our debt covenants do not include an interest cover ratio.

For tax planning and cash management purposes, Randstad maintains sufficient cash positions (€ 800 million) with various banks. The risks associated with the cash balances are regularly and carefully analyzed by the Group treasury department, ensuring that positions can be adjusted quickly.

Currency rates

Our exposure to foreign currency exchange risk is limited, as both income and expenses are generated locally. As a portion of the cash flow is generated in currencies other than the euro however, currency fluctuations can affect consolidated results. We hedge our financial exposure to the main non-euro currencies by borrowing part of our net debt position in them.

Accounts receivable

Another financial risk relates to the accounts receivable portfolio, the largest current asset on our balance sheet. The risk profile of this current asset has changed due to the recent economic developments. To limit credit risk, a blueprint for the accounts receivable procedure is implemented in most companies to aim for a low level of bad debt expense. Our credit risk exposure to our largest customer is less than 1%, receivables older than 182 days are fully provisioned and our DSO (days sales outstanding) is 59 days, compared to 60 days in 2007. The profit and loss accounts of the operating companies contain an operating working capital charge in order to increase awareness of the cost of capital. DSO is also included in the budgets and targets of local management.

Pensions

Most of the pension schemes that are in place within the Group, including the Dutch plans, are defined contribution plans, funded through payments to independent entities. For these plans, no legal or constructive obligations exist for the Group to pay further contributions if the separate entities do not hold sufficient assets to pay all employees the pension benefits relating to their service in the current and prior periods.

For further details on financial risks, please see 'Capital and financial risk management' on pages 85-87.

Compliance risks

Compliance risks arise from continuously evolving legal environments and the influence of collective labor agreements. Examples of legal risks are the contractual liability between client, Randstad and staffing employee, damage caused by staffing employees, or breach of competition rules. Wrongful actions of a few people can have serious consequences. For example, in February 2009 the French Competition Council imposed a fine of € 18.2 million as they alleged that Vediorbis had been involved in exchanges of commercially sensitive information with competitors from 2003 to 2004 and a specific concerted practice in connection with one tender offer. In relation to this case clear commitments have been provided to prevent, where possible, any infringement in the future.

We aim to deliver our services according to our standard terms and conditions. In cases where we agree for specific reasons to deliver on non-standard terms, we specify our maximum liability and financial exposure as clearly as possible, in close consultation with our local legal department. Pricing levels should be high enough to absorb risk-related costs. Our goal is to limit acceptance of consequential losses and/or product liability.

Conclusion

The executive board is responsible for Randstad's internal risk management & control systems and for reviewing their effectiveness. These systems are designed to manage the risks that may prevent us from achieving our objectives. However the systems cannot provide absolute assurance that material misstatements, fraud and violations of laws and regulations can be avoided. Projections regarding future effectiveness are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Group's policies and procedures may deteriorate.

The executive board has reviewed and analyzed the strategic, operational, compliance, organizational and financial risks to which the Group is exposed, and continuously reviews the control environment. The outcome of this review has been shared with the audit committee and the supervisory board, and has been discussed with our external auditor.

The business risk and audit team performed risk & opportunity-based reviews of selected operating companies in 2008. In 2009 the team will continue with the risk & opportunity-based audits. The scope of these audits is based on each operating company's assessment of risks and opportunities and predefined focus areas. The focus areas for 2009 are:
- implementation of the updated key control register and blueprints throughout the Group;
- reconciliation of hours paid and hours invoiced;
- IT, general and application controls;
- social security payments;
- contract liability risks.

The risk management and control system over financial reporting should ensure consistent accounting and reliable financial reporting in standard forms. During 2008 the Randstad and Vedior accounting manuals were aligned to ensure consistency throughout the Group. Actual performance is regularly measured against annual business plans and budgets approved by the executive board and discussed by them during review meetings with Group controllers.

In accordance with best practice provision II.1.4 of the Dutch corporate governance code and the recommendations of the monitoring committee thereon, including the proposed amended code as published on December 10, 2008, Randstad has assessed the design and operating effectiveness of its internal risk management and control systems as well as the operating effectiveness of internal controls regarding financial reporting as outlined in the paragraphs above.

Based on the activities performed during 2008, the executive board believes that the risk management and control systems regarding the financial reporting risks have worked properly during 2008, and provide reasonable assurance that the 2008 financial statements do not contain any errors of material importance.

In accordance with the Dutch Financial Supervision Act, section 5:25c, the executive board declares that, to the best of our knowledge:
- according to IFRS, the financial statements for 2008 give a true and fair view of the assets, liabilities, financial position and profit or loss of Randstad Holding nv and its consolidated Group companies taken as a whole;
- the annual report gives a true and fair view of the situation per December 31, 2008, the state of affairs during the financial year 2008 of Randstad Holding nv and its consolidated Group companies taken as a whole, together with a description of the key risks and uncertainties Randstad Holding nv faces.

Diemen, the Netherlands, February 25, 2009

The executive board,

Ben Noteboom
Robert-Jan van de Kraats
Jacques van den Broek
Leo Lindelauf
Greg Netland
Brian Wilkinson

true value for employees

As Randstad believes that the true value of a company is derived from its people, we naturally take great care in the engagement and development of our own workforce. As a global leader in the HR services industry, we put our knowledge and expertise to work in our own organization.

Like all other employers, Randstad is not immune to difficult economic conditions, and we regret that in adjusting to them we have had to let valuable employees go. We actively invest in the well being of our employees to ensure that they have the tools, motivation and levels of involvement necessary to reach their full potential. We ensure that they come to work each day to an environment in which trust and respect are embedded and aligned throughout all our business activities and relationships.

'Best people' is a one of the fundamental building blocks of our strategy, reflecting the winning spirit at the heart of Randstad's culture. The truly global network we now enjoy as an organization offers our people a wealth of opportunities to share successes and inspire one another each day. The HR services industry is still a young industry. As leaders and pioneers in many of our markets, it is our people who are on the cutting edge of progress.

The dynamic nature of our business means exciting career paths and rewarding development avenues for both personal and professional growth. The combination with Vedior enables Randstad to offer an even greater range of career possibilities to our managers, and as 80% of management positions are appointed through internal promotion, this also means that the number of opportunities has grown for all our consultants.

supervisory board

The supervisory board supervises the policies of the executive board and advises them on the general course of affairs of Randstad. In the two-tier corporate structure under Dutch law, the supervisory board is a separate and independent body from the executive board. The by-laws governing the composition, duties and meetings of the supervisory board, together with further information, are published in full on the corporate website at www.randstad.com.

Leo M. van Wijk
(1946, Dutch)
Leo van Wijk was first appointed to the supervisory board in 2002, and his second term will expire in 2010. He is a member of the nomination & compensation committee. As from 2009, he will succeed Jan Hovers as chairman of the audit committee.

Leo van Wijk is vice-chairman of the board of directors of Air France-KLM and chairman of Skyteam. He is also a member of the supervisory board of AEGON NV.

Jan C.M. Hovers
(1943, Dutch)
Jan Hovers was first appointed to the supervisory board in 1995, and his fourth term will expire in 2009[1]*. He is chairman of the audit committee.*

Jan Hovers is the former chairman of the boards of Océ N.V. and Stork B.V. and is the current chairman of supervisory boards of GVB Holding NV, Inter Access B.V., Smeva NV, Kusters Engineering BV, MPS NV, NEM Holding BV, Koninklijke Ten Cate nv and Schuitema N.V. He is also a member of the supervisory board of Randstad Groep Nederland bv.

1 The by-laws have been revised since Mr Hovers' first appointment to limit board membership to a maximum of three 4-year terms.

Beverley C. Hodson
(1951, British)
Beverley Hodson was first appointed to the supervisory board in 2008, and her first term will expire in 2012. As from 2009, she will be a member of the nomination and compensation committee.

Beverley Hodson was formerly retail managing director of WH Smith Group PLC, having headed business within Sears Plc and the Boots Company PLC. She was formerly a member of the supervisory board of Vedior N.V. She is also currently a non-executive director of NFU Mutual, iForce Ltd, First Milk Limited and Robert Wiseman Dairies PLC.

Fritz W. Fröhlich
(1942, German)
Fritz Fröhlich was first appointed to the supervisory board in 2003, and his second term will expire in 2011. He is the supervisory board's chairman, a member of the audit committee and chairman of the nomination & compensation committee.

Fritz Fröhlich is the former Chief Financial Officer and vice-chairman of the executive board of AkzoNobel nv, and is the current chairman of the supervisory board of Altana AG and Draka Holding N.V. He is also a member of the supervisory boards of ASML Holding NV, Rexel SA, Allianz Nederland Groep N.V. and Aon Jauch & Hübener GmbH. He is a member of the investment committee of ABP Vermogensbeheer.

Willem Vermeend (1948, Dutch)
Willem Vermeend was first appointed to the supervisory board in 2003, and his second term will expire in 2011. He is currently a member of the strategy committee. As from 2009, he will be a member of the audit committee.

Rob Zwartendijk (1939, Dutch)
Rob Zwartendijk was first appointed to the supervisory board in 1999, and his third term will expire in 2012. He is a member of the strategy committee.

Frits J.D. Goldschmeding (1933, Dutch)
Frits Goldschmeding was first appointed to the supervisory board in 1999, and his third term will expire in 2011. He is the supervisory board's vice-chairman, chairman of the strategy committee and a member of the audit committee.

Henri M.E.V. Giscard d'Estaing (1956, French)
Henri Giscard d'Estaing was first appointed to the supervisory board in 2008 and his first term will expire in 2012. As from 2009, he will be a member of the strategy committee.

Giovanna Kampouri Monnas (1955, Greek)
Giovanna Kampouri Monnas was first appointed to the supervisory board in 2006, and her first term will expire in 2010. She is a member of the nomination & compensation committee.

Willem Vermeend is the former Minister of Social Affairs and Employment and the former State Secretary of Finance. He is Professor of European Fiscal Economics at the University of Maastricht and board member of the TSS Cross Media Group. His memberships of other supervisory boards include those of AFAB Holding NV, NV Industriebank LIOF, Maison van den Boer B.V., Free Record Shop Holding B.V., Imtech N.V. and Mitsubishi Motors Europe B.V.

Rob Zwartendijk is a former member of the management board of Royal Ahold N.V. and the former president and CEO of Ahold USA. He is chairman of the supervisory boards of Nutreco Holding NV, Blokker Holding B.V., and SNS REAAL Beheer Foundation. He is also a member of the OPG Foundation Preferred Shares.

Frits Goldschmeding is the founder of Randstad and the former president and Chief Executive Officer of Randstad Holding nv. He is chairman of the supervisory board of Instituut SMO bv. He also occupies the Dr. Jacques Postma chair at the Nyenrode Center for Entrepreneurship.

Henri Giscard d'Estaing has been Chairman of the Board and Chief Executive Officer of Club Méditerranée S.A. since December 2002. Before joining Club Méditerranée in 1997, he held various management positions at Groupe Danone and Cofremca. He was formerly a member of the supervisory board of Vedior N.V. He is currently a member of the board of directors of Groupe Casino Guichard-Perrachon S.A.

Giovanna Kampouri Monnas is an independent consultant and the former president of the international division and member of the executive committee of Joh. Benckiser GmbH. She is a member of the supervisory boards of TNT N.V. and Belenes Puig S.L., and a member of the International Academy of Management.

report from the **supervisory board**

Particularly given the successful offer for Vedior, 2008 was a special year in the Group's 48-year history. The combination of Randstad and Vedior has created the second-largest HR services company in the world and fits very well with our strategic targets and defined growth drivers. Together, we have enhanced market positions, an improved geographic reach and a wider product offering. Based on realistically anticipated and already partly realized synergies, the transaction was expected to create shareholder value by 2010, assuming low single digit growth going forward. If current market trends continue, this will be delayed. The supervisory board is impressed with the speed and effectiveness of the integration process, both at Group level as well as in many countries. Despite the contracting market trends and the difficult financial and economic environment, which have led to a € 500 million impairment on Vedior-related goodwill and the precautionary measure to propose that no ordinary dividend is paid for 2008, the supervisory board has great confidence in the future of the combined company.

Following the acquisition of Vedior and as approved by shareholders during the extraordinary general meeting held on April 23, 2008, the supervisory board welcomed Beverley Hodson and Henri Giscard d'Estaing, formerly members of the supervisory board of Vedior. With their international profile, management expertise and knowledge of the Vedior Group, they are an ideal fit with the profile of the supervisory board, increasing its diversity. The same meeting approved the appointment of Greg Netland and Brian Wilkinson, formerly members of the board of management of Vedior, as members of the executive board. All of these appointments, which became effective on May 16, 2008, properly reflect the increased international profile and geographical coverage of Randstad.

Structure, composition and working method of the supervisory board

In line with Dutch corporate governance requirements, the members of the supervisory board together represent a broad range of experience and expertise. The board's role is to supervise the ongoing growth and development of the Group, monitor its strategy, progress and performance and provide expert advice and support. The supervisory board currently comprises nine members, whose profiles are listed on pages 52 and 53 of this annual report. At the next Annual General Meeting of shareholders on March 31, 2009, the final term of Jan Hovers will expire. Jan Hovers has made a very important and valuable contribution to the supervisory board and to Randstad during his 14-year term as a member of our board. We are very grateful to him and wish him well for the future.

The supervisory board attaches great importance to the independence of its members. As a rule, all members, with the exception of no more than one, should be independent in the meaning of article 1 of the by-laws of the supervisory board. This article is in line with the relevant provision in the Dutch corporate governance code. With the exception of Randstad founder and former chief executive officer Frits Goldschmeding, all supervisory board members are independent within the meaning of the code. The members of the supervisory board were not granted and do not possess any Randstad options or shares, with the exception of Frits Goldschmeding and Henri Giscard d'Estaing who personally hold shares in the company (as stated on page 117).

While the supervisory board as a whole retains overall responsibility for its functions, it assigns some of its tasks to three permanent committees: the audit committee, the strategy committee and the nomination & compensation committee. In light of the acquisition of Vedior, an ad hoc transaction committee was also established. The full supervisory board appoints committee members from its own membership based on the relevance of their expertise and experience. All supervisory board members are in principle also members of at least one committee.

By-laws and terms of reference for both the supervisory board and its committees have been drawn up in compliance with the Dutch corporate governance code. These documents are available at the company's offices and are posted on the corporate website.

Randstad ensures that there are structured reporting lines to the supervisory board and its committees. Key departments and operating companies work according to reporting frameworks that facilitate monitoring by both the executive board and the supervisory board. The supervisory board meets regularly throughout the year, according to a pre-arranged schedule, both with and without the executive board and senior management. Outside this schedule, its members are available to the executive board at all times. By way of frequent informal consultation with the members of the executive board in between the meetings, the supervisory board, in particular its chairman, remains well informed about the general state of affairs within Randstad and offers advice on various matters. The committees also come together at fixed times during the year, according to a pre-determined schedule, and when required. They report directly to the full supervisory board on a regular basis, usually directly following a committee meeting.

At the end of each year, the supervisory board extensively assesses the composition, performance and functioning of the executive board and the supervisory board, as well as its individual members.

Supervision and advisory activities in 2008

The supervisory board met nine times during the course of 2008, five of which meetings were held jointly with the full executive board and four among themselves, with the participation from the chief executive officer in some of the items. These four meetings were held to discuss the nominations for appointment to the supervisory and executive board as well as board remuneration and other items. Senior corporate and operational management were invited to several meetings. The external auditor was involved in one meeting. The supervisory board also paid a two-day visit to the operations in the United Kingdom. In 2008, absenteeism was again negligible.

The supervisory board is updated on a regular basis regarding market developments in the countries where the company operates and in potentially interesting markets. This generally includes the latest developments in labor relations, demographics and politics. These updates are either provided by the members of the executive board or directly by senior local management. Senior management of the operations in Spain and Belgium joined a supervisory board meeting in 2008 to give an update on their respective countries, including Randstad's position and the integration of Vedior's operations. The two-day visit to the various operations in the United Kingdom gave the supervisory board additional insight into the quality of local management and a better understanding of the working processes there. Incidentally, supervisory board members also visit country management or participate in country meetings on an individual basis, as the opportunity arises.

Strategy is a priority for the supervisory board. Ample time was spent on an in-depth discussion with the executive board on the realization of the strategic targets in the past years, the acquisition and integration of Vedior, the geographic and sector coverage as well as the strategy for the Group going forward. The supervisory board also discussed the company's profitability through the cycle, for example how to continue achieving the strategic EBITA margin objectives, also during economic downturns, and the medium-term targets for the new and combined businesses.

As Randstad operates in a competitive environment, it is inappropriate to detail some of the topics discussed and monitored by the supervisory board. However, the following overview is an indication of its supervisory activities – most topics and issues recur throughout the year:

- strategy and growth, organically and through acquisitions
- corporate planning projects, including potential acquisitions and divestments
- the Vedior agreement and transaction, and the subsequent integration process, including the post-deal organizational structure and board composition
- the financial performance of the Group as a whole and key issues per operating company
- budgets
- managing Randstad through the cycle
- capital structure, including the restructuring of the preference shares
- the assessment of company risks (see pages 44-49)
- corporate governance, including the assessment of compliance with the Dutch corporate governance code and the proposals of the monitoring committee
- compliance, including the updated insider dealing rules and the list of sensitive securities
- the preparation, evaluation and follow-up of the annual and extraordinary general meetings of shareholders
- management development
- corporate social responsibility, including compliance with the code of conduct and the integrity code
- the extensive evaluation and appraisal of the executive board and its individual members
- the composition of the supervisory board and its committees, including new appointments

- the composition of the executive board, including new appointments
- the remuneration policy and remuneration of the executive board
- the allocation of shares to senior management
- supervisory board remuneration
- investor relations, share price and shareholder development
- legislation, particularly the status of the European Directive on agency work.

During a separate meeting, the supervisory board discussed its own performance, composition and that of its three committees. In preparation for this self-assessment, each member of the supervisory board anonymously completed a questionnaire, assessing all relevant topics. A summary of the main findings from the completed questionnaires was used as the basis for the self-assessment discussion.

To underline the importance of Randstad's code of conduct and integrity code, the supervisory board shares responsibility for these with the executive board. The integrity code is supported by a confidential telephone line and website that can be used by any employee to anonymously report issues or activities that they consider to be illegal, in breach of the Group-wide code of conduct, or other relevant policies and procedures. Operating company integrity officers report periodically to the central integrity officer, who in turn reports quarterly to the audit committee. Should any reported misconduct concern the senior management of an operating company, the Group integrity officer informs the executive board or supervisory board, and either board may involve the audit committee for investigation and follow-up. More information on these codes can be found on page 41.

We are pleased to report that Jan Hovers was awarded the honor of Knight in the Order of Orange-Nassau by Queen Beatrix of the Netherlands. In the annual Institutional Investor magazine rankings, Robert-Jan van de Kraats was named as 'Europe's Best CFO' in the business & employment services sector for the third year running. He also received the CFO of the Year 2008 award in the category AEX companies (the top 25 companies on NYSE Euronext Amsterdam). The nomination of Ben Noteboom as a member of the supervisory board of Ahold was announced in November 2008.

Supervisory board committees

While the topics described above are discussed, monitored and supervised by the full board, the supervisory board committees work closely with senior management to generate detailed information and recommendations on the specific areas on which they focus.

Report of the audit committee

The audit committee currently comprises Jan Hovers as chairman and Frits Goldschmeding and Fritz Fröhlich as members, the latter being the designated financial expert. Each member has specific and extensive relevant expertise in the area of financial management.

Throughout the year, the audit committee is tasked with the direct supervision of all matters relating to financial strategy and performance, including reporting, auditing, budgeting, and recommendations to the supervisory board on the appointment and performance of external auditors. The committee assesses audit strategy, the scope and approach of the external auditors, and monitors progress. The relationship with the external auditors is evaluated annually, partly in light of the proposal to reappoint them. With the executive board, the audit committee reviews quarterly and full-year financial statements, auditors' reports and management letters. Discussion of the internal risk and control framework is a recurring topic. The committee appraises its own performance each year, and subsequently reports to the full supervisory board. At a meeting held in the absence of members of the executive board, the audit committee met with the external auditors to discuss the quality of financial reporting and cooperation with the financial departments.

The audit committee held six meetings during the course of 2008, one of which was held in part without any members of the executive board present. The chief executive officer and the chief financial officer join the committee meetings on behalf of the executive board. Senior management from the corporate financial departments and the external auditor are also in attendance.

The main topics discussed at the meetings in 2008 included:
- the financial performance of the Group and its major operating companies
- reviews of auditors' reports for the past quarter
- the outlook for the next quarter
- the acquisition, its financing and the integration of Vedior, including in-depth discussion of how the accounting for Vedior should be treated
- the allocation and valuation of intangible assets
- an update from business risk & audit
- the follow-up of recommendations of the external auditors
- the external auditors' client service plan and audit planning
- a review of fiscal, legal and IT developments
- an update of the financial strategy, capital structure and dividend policy
- a review of pension provisions
- quarterly legal letters, listing material litigation
- quarterly reports from the Group integrity officer.

Auditors' fees

The aggregate fees charged by PricewaterhouseCoopers for professional services rendered in the years 2008 and 2007 were as follows:

in millions of €	2008	2007
Audit services	4.2	2.1
Audit-related services	0.5	0.1
Non-audit services	1.3	0.5
Total	**6.0**	**2.7**

The audit services in 2008 relate to the audit of the consolidated financial statements and local statutory accounts. In addition, other audit firms provided services amounting to € 1.0 million (2007: € 0.1 million).
The fees 2008 include substantial costs related to the acquisition of Vedior.
The fees were approved by the audit committee.

Report of the strategy committee
The strategy committee currently comprises Frits Goldschmeding as chairman and Willem Vermeend and Rob Zwartendijk as members. The committee acts as a sparring partner for the executive board and produces an annual strategy paper for discussion with the full supervisory board. It works with the executive board on updates to strategic targets and monitors and evaluates growth criteria.

The executive board provided the strategy committee with an extensive update on the most recent developments and trends in the Randstad operating companies, the realization of strategic targets set in past years, the acquisition and integration of Vedior, the geographic and sector coverage as well as the strategy and targets for the Group going forward.

Report of the nomination & compensation committee
The nomination & compensation committee currently comprises Fritz Fröhlich as chairman and Giovanna Monnas and Leo van Wijk as members. The committee met five times during the course of 2008. The chief executive officer and the chief financial officer participated in part of some of these meetings.

One of its tasks is to make recommendations with regard to the Randstad remuneration policy for the executive board and the supervisory board, for adoption by the Annual General Meeting of Shareholders. The approved policy then forms the basis for the fixed and variable remuneration of executive board members. In light of the considerably increased size of the Group following the Vedior acquisition in 2008, the committee made an extensive review of executive board remuneration and revisited the share-based performance award for senior management of the Group, based on benchmarks provided by Towers Perrin, an independent specialized international consultancy firm. This review resulted in an updated and re-aligned remuneration package, which will be submitted to the Annual General Meeting of Shareholders in March 2009. A detailed remuneration report is published each year and is available on the Randstad corporate website. It is also summarized in this annual report on pages 59-62.

The nomination & compensation committee is also tasked with advising on candidates to fill vacancies in the executive board and supervisory board, evaluating the performance of both boards and their members, reviewing the long-term succession planning of senior management and making recommendations on the composition of supervisory board committees. The committee assessed and nominated the re-appointment of Rob Zwartendijk and the appointment of Beverly Hodson and Henri Giscard d'Estaing to the supervisory board. The committee also assessed and nominated the appointment of Greg Netland and Brian Wilkinson to the executive board. All new board members participated in an extensive induction program to fully acquaint them with the Randstad businesses, concepts and processes.

Reports of the Annual General Meeting and Extraordinary General Meetings of Shareholders

At the Annual General Meeting of Shareholders, held on May 7, 2008, the chief executive officer, Ben Noteboom, and the chief financial officer, Robert-Jan van de Kraats, gave presentations on the general state of affairs at Randstad and its financial performance in 2007. After shareholders had been given the opportunity to raise questions about the 2007 annual report, the meeting adopted the 2007 financial statements. The external auditors attended the meeting and their representatives were introduced at the start of the meeting. After discussing the new dividend policy as a separate agenda item, the meeting approved the dividend payment. The members of the executive board were granted discharge for their management of Randstad and the members of the Supervisory Board were granted discharge for their supervision thereof. Rob Zwartendijk was reappointed as a member of the supervisory board and Bram Anbeek van der Meijden as a director of Stichting Administratie-kantoor Preferente Aandelen Randstad Holding. The meeting adopted the performance-related remuneration of the executive board in the form of shares and share options and gave the executive board the authorization to acquire the company's own shares through purchase on

the stock market or otherwise for a period of 18 months from May 7, 2008. PricewaterhouseCoopers were reappointed as the company's external auditors for the financial year 2008.

At the Extraordinary General Meeting of Shareholders, held on April 23, 2008, shareholders approved the intended acquisition of Vedior and the various transactions resulting from the offer for the outstanding Vedior shares, including the increase of the company's authorized capital to € 75 million and the issuance of approximately 48 million new ordinary shares. The proposed amendments to the Articles of Association were approved, including the amendments regarding the preference B shares. Pursuant to this amendment, distributions on preference B shares can only be made upon the adoption of a resolution of the executive board and the supervisory board. Distributions on ordinary shares can only be made once distributions on the preference shares are completed. Pursuant to this amendment, the preference B shares qualify as equity capital under IFRS. Brian Wilkinson and Greg Netland were appointed as members of the executive board and Beverley Hodson and Henri Giscard d'Estaing as members of the supervisory board.

At the extraordinary general meeting of shareholders, held on June 26, 2008, shareholders approved the legal merger of Vedior N.V. with Randstad Holding nv, the last step in the transaction process.
All general meetings were simultaneously transmitted by audio web-cast via the corporate website. All documents for the meetings were placed on the corporate website. Within three months after each meeting, the draft minutes of the meetings were made available for three months for comments and were subsequently adopted.

Financial statements 2008

Based on article 27 of the Articles of Association, we submit the financial statements contained in this 2008 annual report to the Annual General Meeting of Shareholders. The financial statements have been audited and provided with an unqualified opinion by PricewaterhouseCoopers Accountants N.V. (please see the auditor's report on page 124). We recommend that the Annual General Meeting of Shareholders adopt the financial statements and the appropriation of net income proposed by the executive board.

The supervisory board endorses the executive board's decision to propose to the Annual General Meeting of Shareholders to pay no dividend on ordinary shares for 2008 (2007: € 1.25) and a cash dividend on the cumulative preferred shares of € 0.284 (2007: € 0.284). The supervisory board also supports the executive board's proposal to retain the remaining net income for equity holders of € 11.0 million and add it to reserves.

The supervisory board also proposes that, pursuant to article 19 of the Articles of Association, the Annual General Meeting of Shareholders grants discharge to the members of the executive board for their management and to the members of the supervisory board for their supervision in 2008.

The supervisory board would like to thank the executive board and all employees of Randstad for their contribution and dedication in 2008.

Remuneration report 2008

This is a summary of Randstad Holding nv's remuneration policy and its main components, as well as an overview of the actual remuneration of the members of the executive board and the members of the supervisory board in 2008. The full remuneration policy and report of Randstad Holding nv is posted on the corporate website. In accordance with legal and financial reporting requirements, some of the information is detailed in the financial statements (from page 72).

Introduction

Randstad applied the remuneration policy for members of the executive board in 2008 as adopted by the Annual General Meeting of Shareholders held on May 8, 2007. This policy was also applied to establish the employment agreements for the new members of the executive board, Greg Netland and Brian Wilkinson, effective May 16, 2008.

Remuneration levels are determined on the basis of a number of clear, transparent criteria and reflect general as well as specific individual responsibilities in an international context. They are benchmarked against both an international labor market peer group and an international performance peer group:

- The international labor market peer group represents the market in which Randstad competes for senior management talent, and is used to benchmark fixed salary levels. It is composed of twelve international staffing and business outsourcing companies headquartered in five countries, reflecting Randstad's international orientation. They are: Adecco S.A., Rentokil Initial Plc, Cap Gemini S.A., Atos Origin SA, Robert Half International Inc., LogicaCMG Plc, Manpower Inc., Kelly Services Inc., Spherion Corporation, True Blue Inc., Volt Information Sciences and Michael Page Plc. In view of its acquisition by Randstad, Vedior N.V. was replaced by Michael Page Plc in this group as from 2008.

- The international performance peer group is used as a benchmark to establish performance in terms of Total Shareholder Return (TSR), as described below, for the payout of certain variable remuneration components. It reflects the market in which the company competes for shareholder preference. This group is comprised exclusively of staffing companies and can be characterized as 'sector-specific'. It consists of the following companies: Adecco S.A., Kelly Services Inc., True Blue Inc., Manpower Inc., Robert Half International Inc., USG People N.V., Spherion Corporation, Volt Information Sciences and Michael Page Plc. In view of its acquisition by Randstad, Vedior N.V. was replaced by Michael Page Plc in this group as from 2008.

TSR reflects the return received by a shareholder and captures both the change in a company's share price and the value of dividend income, assuming dividends are reinvested in the company. The supervisory board considers TSR to be an appropriate measure, as it objectively measures the company's financial performance and assesses its long-term value creation as compared to other companies in the sector. TSR performance for the companies of the international, sector-specific performance peer group is calculated based on their 'home/primary listing'.

Executive board remuneration in 2008

The remuneration of the executive board consists of fixed and variable elements, explained below. An overview of the 2008 and 2007 amounts is included in the notes to the financial statements (pages 113-117). For on-target performance, approximately half of the total compensation of a member of the executive board is performance-linked.

Fixed compensation

Base salary
In line with general market developments in the Netherlands, fixed salaries were increased by 5% as per January 1, 2008.

Pension contribution
The pension arrangements for members of the executive board are based on defined contribution and are placed with an insurance company. Randstad provides an annual contribution of 27% of base salary to the schemes of executive board members; the board members themselves contribute 8.5%. The company has no specific early retirement arrangements in place for board members.

Variable compensation

The variable portion of the total remuneration package is performance-related. It consists of short and longer-term components. Performance targets and conditions are derived from our strategy and annual business plans. Randstad's strategy is extensively described in the annual report, from page 14.

The supervisory board sets the targets prior to each performance period.

Short-term incentive: annual cash bonus
The total cash bonus opportunity in 2008 amounts to 70% of base salary for on-target performance and the maximum

bonus level is 100% of base salary. If performance is below a pre-defined threshold level, no bonus will be paid out.

As set by the supervisory board at the start of 2008, the shared targets for the first half of 2008 are in line with the existing arrangements at that time: revenue growth (bonus opportunity ranges from 12.5% - 40%), EPS (bonus opportunity ranges from 12.5% - 40%) as well as the individual and discretionary targets (each max. 10%). These are linked to the successful completion of the Vedior acquisition and subsequent integration and are fully at the discretion of the supervisory board. For the members of the executive board who are former Vedior board members, their existing Vedior bonus arrangement was maintained for the first half of 2008.

Following the acquisition of Vedior, the preset criteria for the second half of 2008 required reassessment. The supervisory board adopted the following criteria: maintaining market share instead of organic revenue growth, and Group EBITA instead of EPS development. The maximum 10% discretionary bonus is fully dependent on the integration efforts. Bonus opportunity ranges remained unchanged.

Actual targets are not disclosed, as these qualify as information that is commercially sensitive and potentially share price sensitive.

Based on the partial achievement of the financial targets and limited use of the discretionary space, the bonuses paid with regard to performance in 2008 varied between 41.35% and 60% of the annual base salary per executive board member.

Long-term performance-related remuneration in shares and stock options

In the context of the expiration of the three-year performance share plan during the course of 2007 and with an eye to developments in market practice, the long-term incentive plan was reviewed by the supervisory board and presented for adjustment to the Annual General Meeting of Shareholders held in May 2007. The meeting adopted the proposals to conditionally grant performance shares and performance options on an annual basis as from 2007.

Shares and options granted under these plans (based on cliff vesting, i.e. 100% after 3 years) can become unconditional (i.e. might vest) depending – solely – on Randstad's TSR performance compared to the performance peer group, measured over a 3-year period starting from January 1 of the year they are granted.

At the moment they are granted, the fair value of the shares assuming on-target performance is equal to an amount of 40% of base salary for all executive board members, while a similar amount of 40% of base salary is granted in options, also based on the fair value. The total medium and long-term consideration hence amounts to 80% of base salary – for all executive board members alike – which is in line with the median levels of the international labor market peer group.

Vesting is related to the company's ranking within the peer group, as follows:

position 1	250%	(of the number of shares and options initially granted)
position 2	200%	
position 3	150%	
position 4	125%	
position 5 (on-target)	100%	
position 6	75%	
position 7	50%	
position 8 (threshold)	25%	
position 9	0%	
position 10	0%	

On February 14, 2008, a conditional grant of performance shares for on-target performance was effected, based on 40% of the annual base salary per executive board member as per January 1, 2008 and the fair value of the performance shares as per January 1, 2008 (€ 20.49 per share).

On February 27, 2008, a conditional grant of performance stock options for 'on-target' performance was effected, based on 40% of the annual base salary per executive board member as per January 1, 2008 and the fair value of the performance options per January 1, 2008 of € 7.57. The options may vest and can be exercised three years after they are granted; the exercise price is the average price of the Randstad shares on Euronext on February 22, 2008 up to and including February 26, 2008 (three business days following the fifth business day after publication of the 2007 results): € 26.39 per share.

The potential on-target awards are as follows:

	Number of shares	Number of options
B.J. Noteboom	15,547	42,082
R.J. v.d. Kraats	11,039	29,880
L.J.M.V. Lindelauf	9,697	26,248
J.W. van den Broek	9,697	26,248
G.A. Netland	9,000	24,000
B. Wilkinson	9,000	24,000
Total	**63,980**	**172,458**

In line with this policy, the newly appointed members of the executive board, Greg Netland and Brian Wilkinson, were granted 9,000 performance (restricted) shares and 24,000 performance options each. All other conditions, including performance conditions, vesting period and exercise price, were in line with the 2008 award to the other members of the executive board.

Conditions:
The option term is seven years. Options can only be exercised after the moment of vesting, taking into account the applicable regulations for transactions in securities. If employment ends before the vesting date, the options will lapse. The company offers no financing arrangements at grant or exercise of the options.

As from 2008, performance shares and performance options are granted in the so-called open period following the publication of the Group's fourth quarter financial results in February. From then on, the exercise price of performance options will be determined based on the average prices of the Randstad shares over the three business days following the fifth business day after publication of the fourth quarter results. The number of shares and options will be calculated based on the fair value of the Randstad share as per January 1.

Other benefits
Additional arrangements include: expense and relocation allowances, company car and accident insurance.

Loans
The company has issued no loans or guarantees to executive board members.

Executive board remuneration in 2009
Following the successful acquisition of Vedior, the supervisory board extensively evaluated the remuneration policy of the executive board during the course of the second half of 2008 against the objectives of the policy and developments in the market. Towers Perrin, a specialized international consultancy firm, was retained to provide assistance in this evaluation.

Based on this evaluation, a proposal for minor amendments to be made to the current remuneration policy for the members of the executive board will be submitted for adoption by shareholders at the Annual General Meeting to be held on March 31, 2009. The key elements of this proposal are:

- As the size and complexity of the company significantly increased following the acquisition of Vedior, the current international labor market peer group had to be updated as it is no longer an accurate reflection of its market. As the Group has outgrown most of its direct competitors, a newly defined labor market peer group will be proposed. This is a combination of the largest direct competitors and more or less comparable cross-industry 'people business' companies, similar in size and scope. The newly defined labor market peer group consists of: Adecco S.A., Manpower Inc., Atos Origin S.A., Koninklijke Ahold N.V., Tesco Plc, Capgemini S.A., Air France-KLM S.A., Deutsche Lufthansa A.G., TNT N.V., Groupe Rexel S.A., Henkel AG & Co. and Heineken N.V. The international performance peer group will remain unchanged.
- Based on the benchmark review, the current remuneration levels of the executive board are at the lower end of this newly defined international labor market peer group. It is the intention of the supervisory board to increase the base salaries of the members of the executive board over time, if possible within the next one to two years, and to bring them back into line with the median of this peer group. The median level is the level in line with the current remuneration policy. The timing and size of the increase will depend in part on the economic and trading environment and the success in realizing the integration of Vediorís businesses worldwide. Due to the current economic and trading environment, the supervisory board has decided that base salaries will not be increased as from January 1, 2009.
- Also based on the benchmark of the annual cash bonus arrangement against the newly defined international labor market peer group, it is proposed to increase the total annual cash bonus opportunity from 70% to 80% of base salary for on-target performance and the maximum bonus level from 100% to 120%.

Supervisory board remuneration in 2008
The Annual General Meeting of Shareholders determines the remuneration of the supervisory board members, and it may be reviewed annually. The remuneration of the members of the supervisory board consists of one component only: a fixed annual payment. It is not linked to the financial results of the company. Members of the supervisory board do not receive any performance or equity-related compensation and do not accrue any pension rights with the company; the company does not grant stock options or shares to members of the supervisory board.

Members of the supervisory board who hold shares or derivatives of shares in the company are only allowed to hold such shares as long-term investments. They have adhered to the company regulation on inside information. The company does not grant loans or guarantees to supervisory board members.

As approved by the Annual General Meeting of Shareholders held in May 2007, the annual allowances for the members of the supervisory board are set at median levels of the relevant benchmark:

in €		2008	2007
supervisory board			
chairman	F. Fröhlich	**90,000**	90,000
all members		**60,000**	60,000
audit committee			
chairman	J. Hovers	**9,000**	9,000
member	F. Fröhlich	**6,000**	6,000
member	F. Goldschmeding	**6,000**	6,000
nomination & compensation committee			
chairman	F. Fröhlich	**7,000**	7,000
member	G. Kampouri Monnas	**5,000**	5,000
member	L. van Wijk	**5,000**	5,000
strategy committee			
chairman	F. Goldschmeding	**7,000**	7,000
member	W. Vermeend	**5,000**	5,000
member	R. Zwartendijk	**5,000**	5,000

Beverley Hodson and Henri Giscard d'Estaing received their supervisory board allowance following their appointment to the supervisory board effective May 16, 2008.

The total remuneration in 2008 amounted to € 580,000 (2007: € 505,000). The details per board member are specified in the notes to the financial statements, page 117.

The supervisory board members receive a fixed annual cost allowance related to supervisory board meetings: € 2,000 net for members and € 3,000 for the chairman.

Jan Hovers is also a member of the supervisory board of the subholding of the Dutch operating companies, Randstad Groep Nederland bv. In this position he receives an annual allowance of € 12,000.

Supervisory board remuneration in 2009

Following the successful acquisition of Vedior, the supervisory board also evaluated the remuneration policy for members of the supervisory board during the course of the second half of 2008. Towers Perrin also provided assistance in this review.

The supervisory board decided not to propose any adjustments in the current allowances for the time being, but it may review the levels again in due course.

Diemen, the Netherlands, February 25, 2009

The supervisory board,

Fritz Fröhlich, chairman
Frits Goldschmeding, vice-chairman
Henri Giscard d'Estaing
Beverley Hodson
Jan Hovers
Giovanna Kampouri Monnas
Willem Vermeend
Leo van Wijk
Rob Zwartendijk

corporate **governance**

Principles

At Randstad, sound corporate governance has always been a key component of our culture and behavior. Our business processes throughout the organization incorporate transparency for both external reporting and the sound management of our activities around the world. This transparency has been achieved through the consistent application of our core values, described on page 5. This culture has been actively developed for many years, and this process continues today. Randstad therefore has a strong focus on integrity, transparency and clear and timely communication. Good corporate governance and adequate supervision are important prerequisites for trust in Randstad and its management. Decisions taken on corporate governance must be seen in the context of an ongoing process. National and international developments are closely monitored. Given the increased international exposure of Randstad and its businesses, the international context is of vital importance.

Following the introduction of the Dutch corporate governance code (the 'code') in 2005, Randstad's corporate governance structure was discussed at the Annual General Meeting of Shareholders in May 2005. Randstad is in compliance with the code and has adopted all relevant recommendations. As the code is based on the 'comply or explain' principle, we explained a number of so-called 'deviations' to shareholders, which are noted below. No changes to the corporate governance structure have occurred since.

In December 2008, the revised code was introduced. The suggested amendments and new provisions, included in the revised code, were extensively discussed by the executive board and supervisory board during their joint meeting on February 25, 2009. Randstad will implement any of these changes and additions where feasible and relevant. In our 2009 annual report, we will again report on our corporate governance structure and compliance with the revised code and submit corporate governance as a separate agenda item for discussion with shareholders during the Annual General Meeting in 2010.

Our governance in practice

Randstad operates a two-tier board structure. The supervisory board comprises the non-executive directors, while the executive board comprises the executive directors of the company. Both boards have their own unique responsibilities, which focus on Randstad's general interests and take into account the interests of all stakeholders. Both boards are accountable to shareholders, who should at all times be provided with a clear view on corporate decisions and the decision-making process. Any conflict of interest between Randstad and a board member should be avoided. A (potential) conflict of interest must be reported immediately to the other board members and/or the chairman of the supervisory board. Any shareholding in the company must be for the purpose of long-term investment. Board members must at all times comply with the provisions contained in the Randstad insider dealing rules. The rules include, amongst other items, a policy that Randstad share and option dealings by board members, as well as senior corporate staff, should normally be restricted to the two weeks following the publication of quarterly financial results, provided the person involved has no inside information at that time.

Executive board

Tasked with the management of the company, the executive board is accountable for developing, driving, executing and achieving the approved Group strategy and strategic targets. The executive board is also responsible for sound business and financial controls, while respecting policies that have been set. The responsibility for the management is vested collectively in the executive board. Since 2005, board members have been appointed for a maximum term of four years. The division of tasks between the board members requires the approval of the supervisory board. Any board position at another company requires the prior approval of the supervisory board. In any event, a member of the executive board may not be a member of the supervisory board of more than two listed companies or serve as chairman of the supervisory board of another listed company.

Supervisory board

The supervisory board, acting in the interests of the company, supervises and advises the executive board in performing its management tasks, setting the direction of the Randstad business and guiding the general development of the company, including its financial policies and corporate structure. It evaluates the strategy, development of results, operating model and internal control mechanisms established under the executive board's management. It is empowered to recommend to general meetings of shareholders persons to be appointed as members of the supervisory board and executive board. Major management decisions, including those involving Group strategy, require the approval of the supervisory board. The supervisory board further supervises the structure and management of systems of internal business controls and the financial reporting process. It determines the remuneration of the individual members of the executive board within the remuneration policy adopted by general meetings of shareholders.

Appointments and reappointments to the supervisory board are considered on the basis of a profile, taking into account the nature of the business and activities of Randstad as well as the desired background and expertise of candidates. A member of the supervisory board should limit the number of supervisory board memberships and other positions at listed and non-listed companies in such a way as to guarantee the proper performance of his or her duties and may not hold more than five supervisory board memberships in Dutch listed companies, with a chairmanship counted twice. Supervisory board remuneration is determined by general meetings of shareholders and is not dependent on the company's results.

While the supervisory board as a whole retains overall responsibility, it assigns some of its tasks to three permanent committees: the audit committee, the strategy committee and the nomination & compensation committee. Their well-grounded advice and recommendations support the full supervisory board's decision-making.

The audit committee assists the supervisory board in fulfilling its supervisory responsibilities for the integrity of the financial reporting process, the system of internal business controls and risk management, the external audit process, the external auditors' qualifications, independence and performance, as well as Randstad's process for monitoring compliance with laws and regulations.

The strategy committee acts as sparring partner for the executive board and produces an annual strategy paper for discussion with the full supervisory board. It works with the executive board on updates to strategic targets and monitors and evaluates growth criteria.

The nomination & compensation committee makes proposals for the remuneration of members of the executive board and supervisory board. It also reviews the size, composition and performance of both boards and their members.

Both boards, including the committees of the supervisory board, have their own regulations, which set rules with regard to objectives, composition, duties, responsibilities and working methods. These regulations are posted on the corporate website.

Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders appoints the members of the supervisory and executive boards based on non-binding recommendations from the supervisory board. Other important matters which require the approval of shareholders are:

- adoption of the annual accounts
- adoption of profit appropriation
- additions to reserves
- dividends
- remuneration policy
- discharge of the executive board for the management
- discharge of the supervisory board for the supervision of the management
- appointment of the external auditor
- appointment, suspension and dismissal of the members of the executive board and supervisory board
- remuneration of the supervisory board
- authorization to purchase, issue or sell shares in the Group's capital
- adoption of amendments to the Articles of Association.

As of 2009, the timing of the Annual General Meeting of Shareholders will be advanced to the end of March or early April. Within three months after the meeting, the draft report of the meeting is made available for three months for comments. The final report is posted on the corporate website.

Voting rights

The issued share capital of Randstad Holding nv currently consists of approximately 169.5 million ordinary shares and 25.2 million Type-B preferred financing shares. The ordinary shares have equal voting rights ('1 share, 1 vote'). As per December 31, 2008, the holders of approximately 95.4% of ordinary shares have been able to make unrestricted use of their voting rights at the Annual General Meeting of Shareholders. The other 4.6% of ordinary shares has been converted into depository receipts. A foundation, Stichting Administratiekantoor Randstad Optiefonds, holds those shares to which the attached voting rights are vested. The depository receipts issued by Stichting Administratie-kantoor Randstad Optiefonds are fully exchangeable into ordinary shares, and are held by Stichting Randstad Optie-fonds and by employees who have obtained depository receipts by exercising options. Frits Goldschmeding, the company's founder, is the sole board member of Stichting Administratiekantoor Randstad Optiefonds.

The foundation Stichting Administratiekantoor Preferente Aandelen Randstad Holding holds Type-B preferred financing shares. The voting rights attached to these shares are vested in this foundation. The board comprises Bas Kortmann, Bram Anbeek van der Meijden and Ton Risseeuw. The board members are fully independent of both the company's management and other shareholders. The foundation's Articles of Association were compiled in accordance with Annex X, Euronext Amsterdam Rule Book, Book II. Depository receipts issued by the foundation are held by ING Groep N.V., Fortis N.V. and Randstad Beheer bv. Effective August 4, 2008, the number of voting rights on the Type-B preferred financing shares, has been aligned with the historical capital contribution. The total number of votes on these shares has been reduced from 25.2 million to 3.6 million. Following an amendment to the Articles of Association, the preferred shares are now classified as equity.

Auditor

The executive board ensures that the external auditors can properly perform their audit work and encourages both the external auditors and the company to properly pursue and perform the role and the policy of the company regarding the external auditor. The Annual General Meeting of Shareholders charges the external auditors with the task of auditing Randstad's annual accounts.

Internal risk management and control systems

You will find a detailed description of Randstad's risk & control framework on pages 45-46. This section also includes specific actions taken in this area in 2008, including the effective working of control systems and compliance with relevant regulatory environments.

Deviations from the Dutch corporate governance code

Randstad applies all relevant provisions of the Dutch corporate governance code, with the following deviations.

II.1.1 A management board member is appointed for a maximum period of four years.

The members of the executive board appointed before 2005 were appointed for an indefinite period. The members of the executive board appointed since 2005 have been appointed for a period of four years.

II.2.3 Shares granted to management board members without financial consideration shall be retained for a period of at least five years [...].

Since 2005, the three-year medium-term bonus has been paid out in performance shares. These shares vest after three years and are retained for at least two years. We believe this five-year term sufficiently enhances shareholder alignment and is in line with the medium-term nature of the bonus plan. However, we also believe that share sales should be allowed earlier to the extent necessary to settle related tax liabilities. As referred to in the remuneration report, a one-time additional grant of conditional shares was made in 2007. These shares will vest in three tranches after three subsequent years. Vested shares should be held for an additional period of two years from the moment of vesting, with the exception of the sale of shares to cover income taxes due in relation to the award.

II.2.7 The maximum remuneration in the event of dismissal is one year's salary.

Given Randstad's shareholder structure, with its strong concentration of shares within the shareholder group, and to do justice to the seniority of board members, severance for members of the executive board is fixed at two annual base salaries plus one-twelfth of the same annual salary per year of service to a maximum of three annual salaries. This severance arrangement applies only to early termination of the employment contract when the cause of termination does not lie with the board member concerned, or in the case of a change in control.

III.5 If the supervisory board comprises more than four members, it should designate […], a remuneration committee and a selection & appointment committee.

Because it was felt that the selection, appointment and remuneration related issues are interlinked, the supervisory board decided to combine these activities in one committee: the nomination and compensation committee.

III.5.11 The remuneration committee shall not be chaired by the chairman of the supervisory board [...].

Given the strategic importance of the selection and retention of senior management for the long-term success of the company, Randstad has opted for a combined nomination & compensation committee. Randstad considers it vital that the chairman of the supervisory board is also closely involved in the attraction and retention of current and future senior management, as well as the longer-term succession planning for the executive board, which is reflected through his appointment as chairman of the nomination & compensation committee.

Legal transparency obligations

Most of the information that needs to be disclosed under the Article 10 Takeover Directive Decree and section 391, sub-section 5, book 2 of the Dutch Civil Code is available in various sections of our annual report. In this particular section, we provide additional information or indicate where the information can be found.

a Capital structure and attached rights and duties
An overview of the company's capital structure, voting rights and dividend policy is included on page 68-69 of this annual report.

b Statutory or contractual restrictions on share transfers
About 16.9% of the total share capital (4.0% ordinary shares and 12.9% Type-B preferred shares) is converted into depository receipts (see Voting rights on page 64). The transfer of depositary receipts of preference B shares requires the approval of the executive board and supervisory board.

c Major shareholders
The list of major shareholders can be found in the section on major shareholders on page 68.

d Special rights of control
The company has not issued special rights of control to specific shares or shareholders. Preference A shares can be issued, but solely as approved by general meetings of shareholders.

e Control mechanisms relating to option plans and share purchase plans
Within the Group, the following share-based payment arrangements are in effect: a performance stock option plan for the executive board, two performance share plans (one for the executive board members and one for senior management) and a share purchase plan for all corporate employees. The relevant characteristics of these plans can be found in the remuneration section on page 59 and notes to share-based payments on page 111.
The maximum number of options and shares to be granted is fixed; the actual granted number is linked to predetermined performance targets. The number of options and shares to be granted may not lead to a dilution per year of more than 1% of issued ordinary shares. The share purchase plan for all corporate employees does not affect the share capital of the company.

f Voting limitations
Holders of ordinary share depository receipts and Type-B preferred share depository receipts have no voting rights.

g Agreements with shareholders that can limit the transfer of shares or voting rights
In 2007, the company finalized an agreement with Mr. Frits Goldschmeding, Randstad founder and leading shareholder, and his inheritors, on their shareholding. Frits Goldschmeding's objective remains explicitly to continue his position as a long-term shareholder through direct ownership or eventually through his inheritors.

The leading ambition for all parties involved is to secure the company's continuity, strategic position and development, now and in the future. Such commitment justifies assigning one seat as member of the supervisory board. The main points of the agreement are as follows:
- Lock-up: in the event of Mr. Goldschmeding's passing, his inheritors will be bound to a lock-up of at least 12 months, implying that during that year they will carry out no actions concerning their direct or indirect interests in Randstad Holding, nor will any changes take place in the strategy as it is pursued by Randstad Holding.
- Grace period: if the inheritors intend to divest all or part of the shares after the lock-up period, they shall give written notice of this intended divestment to the executive and supervisory boards six months in advance.
- Consultations: after receiving such notice, the boards will enter into consultation with the inheritors, and they can propose candidates or alternative candidates while taking account of the interests of the inheritors and the continuity of Randstad Holding nv. Such a proposal should be made within four months after receipt of the notification from the inheritors. This ruling only applies as long as the total interest of the inheritors amounts to more than 33⅓% of all issued and outstanding ordinary shares Randstad Holding nv.
- Supervisory board seat: Randstad Beheer (the investment vehicle through which the majority of family shares is held) has the right to nominate one member of the supervisory board after Mr. Goldschmeding's third term in the supervisory board, or at an earlier stage in case his membership of the supervisory board is terminated before the Annual General Meeting of Shareholders in 2011. The person to be nominated should fulfill the qualities that are required of a supervisory executive of an international company and the nomination shall be submitted to the AGM. These rights and obligations will cease to be applicable as soon as the interests of the inheritors fall below 25% of the issued and outstanding ordinary shares Randstad Holding nv.

As far as the company is aware, this is the sole arrangement with a shareholder that can limit the transfer of (depository receipts of) shares or of voting rights.

h Regulations concerning appointment and dismissal of executive board members and supervisory board members

Members of the executive board and supervisory board are appointed and may at any time be suspended or dismissed by the Annual General Meeting of Shareholders. A supervisory board member is eligible for reappointment twice. Resolutions with respect to appointment and dismissal are passed by an absolute majority of the votes cast.

When a proposal for the amendment of the Articles of Association is made to the Annual General Meeting of Shareholders, this is always stated in the convening notice for that meeting. A copy of the proposal, containing the verbatim text of the proposed amendment, is simultaneously deposited at the office of the company, for perusal by every shareholder and holder of depository receipts, until the end of the meeting. Copies are made available free of charge. Amendments to the Articles of Association involving changes to the special rights accruing to the holders of preference shares require the approval of the holders of preference shares concerned at the meeting.

i Authority of the executive board, especially to issue of shares in the company and the acquisition of company shares by the company

The executive board is authorized, subject to the approval of the supervisory board, to issue shares, grant subscription rights and restrict or exclude pre-emptive rights for holders of ordinary shares until May 8, 2012 for an annual maximum of 1% of the issued ordinary share capital of the company. The Annual General Meeting of Shareholders held on May 7, 2008 authorized the executive board to have the company acquire its own shares, also subject to the approval of the supervisory board, for a maximum of 10% of the total number of issued ordinary shares. This authorization has been limited to a maximum of 18 months and the aim is to renew it each year.

j Change of control arrangements

Change of control provisions have been included in the company's syndicated facility as well as the company's performance share and options plans for senior management and the share purchase plan for corporate employees.

k Agreements with board members or employees

In the event that a board member's employment contract is terminated because of a public offer, they will receive severance pay of two annual base salaries plus one-twelfth of the same annual salary per year of service to a maximum of three annual salaries.

Corporate website

The full text of the above mentioned by-laws and Articles of Association is available at the company's offices and is posted on the corporate website.

investor relations & Randstad **shares**

Investor relations goals
Randstad's investor relations main goal is to build our 'financial brand'. Whereas clients and candidates recognize the Randstad brand for its reliability and service quality, investors and analysts should recognize our open and transparent communications style and our aim to be best in class in disclosure and in providing insight into the business. These efforts ensure accurate valuation for the shares over time. In addition we aim to be recognized as a worldwide labor market authority.

Communications policy
We communicate with the financial community through a broad range of dedicated activities. We undertake an active approach to maintain a dialogue with existing and potential shareholders. We take the lead in setting up roadshows and try to accommodate meeting requests where feasible. We adhere to the legal obligations relating to confidentiality. In that respect we oppose the trend among investors to adopt no-broker policies during road-shows. Excluding brokers from investor conversations does not support our open and transparent communications style.

Communications activities
Each quarter Randstad organizes analyst meetings or conference calls to discuss results, supplemented by press conferences twice a year. Analyst meetings and conference calls are also webcasted. Furthermore, in November 2008, Randstad organized an analyst & investor conference at our headquarters in the Netherlands. Topics discussed included the strategy, managing through the cycle and the integration of Vedior and Tempo-Team in the Netherlands. The new board members, Greg Netland and Brian Wilkinson, who both have an extensive background at Vedior, shed light on their experience to date at Randstad. Conferences like this help investors and analysts to gain a better understanding of the way we work and are an opportunity to meet the executive board and other key managers. Roadshows for institutional investors were organized in the Netherlands, the US, the UK, France, Belgium, Germany, Switzerland, Scandinavia and Canada. A large number of one-on-one investor meetings were conducted at our head office in the Netherlands.
In addition, Randstad presented at several investor conferences in the Netherlands, the UK, the US and France. In order to meet private investors we participated at the 'Dag van de Belegger' organized by the Dutch shareholder association VEB.

Randstad shares
Randstad Holding ordinary shares are listed on Euronext in Amsterdam (ticker symbol RAND). Options on Randstad shares are also traded on Euronext Amsterdam.

Share capital
The issued share capital changed during the year, primarily due to the issue of shares as part of the mixed offer for Vedior.

	Number Year end 2008 (m)	Number Year end 2007 (m)	Nominal value
Ordinary shares	**169.5**	116.6	€ 0.10
Type-B preferred financing shares	**25.2**	25.2	€ 0.10
Total number of shares	**194.7**	**141.8**	**€ 0.10**

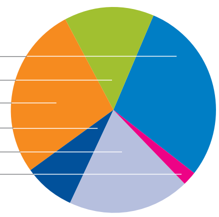
Major shareholders
Under the Disclosure of Major Holdings in Listed Companies Act, shareholders are obliged to give notice of interests exceeding certain thresholds to the Netherlands Authority for the Financial Markets (AFM). Almost all the holdings listed below are a combination of (depositary receipts of) ordinary shares and (depositary receipts of) type-B preferred financing shares. The stakes of Frits Goldschmeding and Stichting Randstad Optiefonds changed due to the share issue.

	2008	2007
F.J.D Goldschmeding	**30-40%**	40-50%
ING	**10-15%**	10-15%
Fortis	**5-10%**	5-10%
Stichting Randstad Optiefonds	**0-5%**	5-10%

Indicative free float spread
Randstad's free float has improved from about 40% to about 60% and the number of shares in free float has about doubled. The majority of the free float of ordinary shares is held outside the Netherlands. We actively pursue an international spread. We estimate that approximately 6% of our ordinary shares is held by private investors.

Indicative geographical spread ordinary shares (free float)

Netherlands	29%
United Kingdom	14%
North America	27%
France	8%
Other Europe	19%
Rest of world	2%



Liquidity
Liquidity has improved over the past few years. The number of shares traded has risen substantially, from about 32 million in 2003 to over 300 million in 2008. The increased free float enhances liquidity.

Indices

The Randstad Holding ordinary share is included in many indices, including the Euronext AEX index, Euronext 100, Dow Jones Stoxx TMI, MSCI Europe and the Dow Jones Stoxx Sustainability Index. Inclusion in large indices is important; in part because it improves visibility and liquidity.

Earnings per share reporting

Randstad reports earnings per share on a fully diluted basis. We focus on earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs as, in our view, this gives the best reflection of underlying business performance.

	Q1	Q2	Q3	Q4	Full Year
2008, excl. one-offs	**€ 0.65**	**€ 0.90**	**€ 0.91**	**€ 0.72**	**€ 3.21**
2007, excl. one-offs	€ 0.63	€ 0.83	€ 0.97	€ 1.04	€ 3.47
2006	€ 0.43	€ 0.64	€ 0.92	€ 1.18[1]	€ 3.17
2005	€ 0.24	€ 0.47	€ 0.65	€ 0.79[1]	€ 2.15
2004	€ 0.12	€ 0.31	€ 0.44	€ 0.82[1]	€ 1.68

1 Including one-off tax gains of € 0.38 in 2004, € 0.09 in 2005 and € 0.19 in 2006.

Dividend policy

In 2007 we updated our dividend policy. We aimed at a floor in the dividend of € 1.25 and consistent dividend growth through the cycle, based on a flexible payout ratio of 30% to 60% of net profit adjusted for amortization of acquisition-related other intangible assets. We stress tested the financing of the Vedior acquisition and based on a scenario of 5% revenue decline in H2 2008, 10% declines in both 2009 and 2010 and another 5% in 2011, we believed we would be able to pay this dividend. However, due to rapidly deteriorating markets, revenue declined at a pace far beyond this scenario in Q4 2008 and at the start of 2009, while visibility is low. In combination with the existing debt burden and the increased costs of capital, we believe it is prudent to propose to pass the dividend over 2008 in order to strengthen the balance sheet.

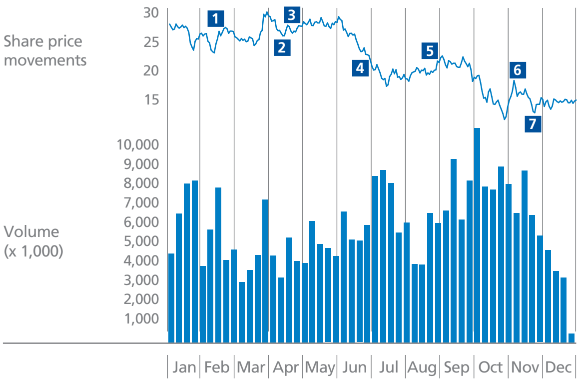
Per share data	2004	2005	2006	2007	**2008**
Dividend (€)	0.66	0.84	1.25	1.25	**–**
Payout (%)	39	40	40	37	**–**
EPS	€ 1.68	€ 2.15	€ 3.17	€ 3.47[2]	**€ 3.21[2]**
Free Cash flow	€ 2.00	€ 1.56	€ 3.02	€ 2.82	**€ 4.64**
Equity	€ 4.40	€ 4.65	€ 6.82	€ 8.78	**€ 16.23**
EBITA (pro forma)	€ 1.96	€ 2.59	€ 3.77	€ 4.76	**€ 5.60**

2 Before amortization, impairment, integration costs and one-offs.

Share price development Randstad Holding ordinary shares

Our shareholders suffered. The share price ended the year at € 14.55, 46% below the 2007 closing price of € 27.02. Including the dividend of € 1.25 that was paid out in May, total shareholder return (TSR) was -42%. The share did relatively well in the first half of the year, based on solid Q4 2007 and Q1 2008 results and relief on good progression with the Vedior transaction.

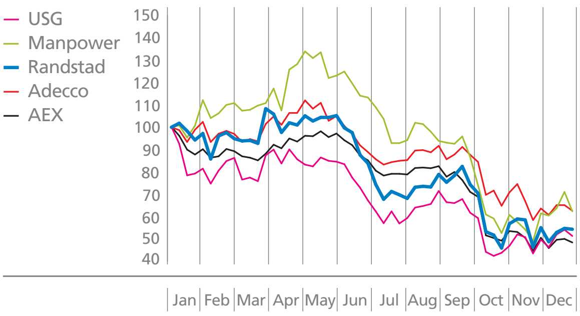
Share price development Randstad Holding ordinary shares



1 February 14th: Full year results 2007
2 April 17th: EU approval for Vedior merger
3 April 25th: Q1 results
4 June 26th: Vedior merger approved by shareholders
5 August 27th: Q2 2008 results
6 November 6th: Q3 2008 results
7 November 20th: Strategy update at analyst & investor day

Weak market data in July and the economic turmoil in the months thereafter drove the share price down. Market capitalization of ordinary Randstad shares amounted to € 2,466.9 million on December 31, 2008, compared to € 3,150.7 million on December 31, 2007.

Share price development Randstad ordinary shares compared to Euronext AEX Index and peers



	2004	2005	2006	2007	**2008**
Closing price (€)	28.95	36.69	52.40	27.02	**14.55**
TSR (%)	52	29	45	(46)	**(42)**
High (€)	29.90	36.80	57.55	63.18	**30.00**
Low (€)	18.90	26.73	36.35	24.72	**11.15**

true value for society

One of the principles on which Randstad was founded is the belief that work is a unifying force in society. Almost fifty years later, we continue to add true value to society through our strong commitment to employability for all people. Many of Randstad's social initiatives are aimed at training, engaging and advocating for otherwise poorly served populations.

These are often groups who would otherwise be outside or on the fringes of the labor market. They include the chronically unemployed, disabled, disadvantaged and otherwise marginalized communities. The combination with Vedior has enabled us to greatly expand these initiatives in India and elsewhere. Our global cooperation with VSO remains a prime example of how we are facilitating the development of the specific skills needed to realize a more diverse and able workforce.

As individuals, particularly those who have found themselves on the outside of conventional work structures, become more proficient, they are better positioned to earn a living, more able to care for their families and more motivated in all areas of performance and progress.

By promoting employment research and sharing our expertise, Randstad fosters constructive dialogue and engagement with thought and opinion leaders from diverse industries and areas of learning. We are active participants in the key forums internationally in which employment issues are discussed. Together with the network of social, business and government partners we have extended still further in 2008, we strive to ensure the creation and preservation of secure livelihoods for people at all levels of society.

consolidated **income statement**

The notes on pages 76 to 121 are an integral part of these consolidated financial statements.

in millions of €	note		2008		2007
Revenue	6	**14,038.4**		**9,197.0**	
Cost of services	7	11,066.1		7,167.3	
Gross profit	8		**2,972.3**		**2,029.7**
Selling expenses	9	1,602.9		1,036.3	
General and administrative expenses	10	1,404.1		453.8	
Total operating expenses	11		3,007.0		1,490.1
Operating (loss)/profit	12		**(34.7)**		**539.6**
Financial income	13	53.8		13.9	
Financial expenses	13	(125.5)		(16.0)	
Net finance costs	13		(71.7)		(2.1)
Share of profit of associates	21		3.8		2.0
Income before taxes			(102.6)		539.5
Taxes on income	14		121.0		(154.6)
Net income	15		**18.4**		**384.9**
Attributable to:					
Ordinary equity holders of Randstad Holding nv			11.0		384.9
Preferred equity holders of Randstad Holding nv			7.2		–
Equity holders			18.2		384.9
Minority interests			0.2		0.0
Net income			18.4		384.9
Earnings per share attributable to the ordinary shareholders of Randstad Holding nv (expressed in € per ordinary share)					
Basic earnings per ordinary share (€)	16		0.07		3.31
Diluted earnings per ordinary share (€)	16		0.07		3.30

consolidated **balance sheet** at December 31

The notes on pages 76 to 121 are an integral part of these consolidated financial statements.

in millions of €	note		2008		2007
Assets					
Property, plant and equipment	17	190.5		135.7	
Intangible assets	18	3,315.2		433.3	
Deferred income tax assets	19	422.0		282.5	
Financial assets	20	74.0		10.2	
Associates	21	2.0		480.9	
Non-current assets			4,003.7		1,342.6
Trade and other receivables	22	2,820.4		1,570.4	
Income tax receivables	19	67.7		20.1	
Cash and cash equivalents	23	831.0		384.1	
Current assets			3,719.1		1,974.6
Total assets	24		7,722.8		3,317.2
Equity and liabilities					
Issued capital	25	19.5		11.7	
Share premium	25	2,013.9		432.6	
Reserves	25	383.5		577.3	
Shareholders' equity		2,416.9		1,021.6	
Minority interests	25	4.0		0.8	
Group equity			2,420.9		1,022.4
Preferred shares	26	–		165.8	
Borrowings	27	2,401.9		460.0	
Deferred income tax liabilities	19	341.9		287.3	
Provisions	28	69.4		46.7	
Other liabilities	29	124.1		–	
Non-current liabilities		2,937.3		959.8	
Trade and other payables	30	2,148.4		1,168.1	
Income tax liabilities	19	41.6		57.5	
Borrowings	27	70.1		68.3	
Provisions	28	104.5		41.1	
Current liabilities		2,364.6		1,335.0	
Liabilities	31		5,301.9		2,294.8
Total equity and liabilities			7,722.8		3,317.2

consolidated **cash flow statement**

The notes on pages 76 to 121 are an integral part of these consolidated financial statements.

in millions of €	note	2008		2007	
Net income		18.4		384.9	
Taxes on income	14	(121.0)		154.6	
Share of profit of associates	21	(3.8)		(2.0)	
Net finance costs	13	71.7		2.1	
Operating (loss)/profit		(34.7)		539.6	
Depreciation property, plant and equipment	12	63.6		39.0	
Amortization and impairment software	12	36.4		12.2	
Amortization and impairment acquisition-related intangible assets	12	122.9		14.8	
Impairment goodwill	12	555.8		–	
Gain on disposal of subsidiaries	18	(3.8)		–	
Share-based payments	38	13.5		11.2	
Provisions	37	10.6		(5.4)	
Income taxes paid	19	(205.4)		(153.0)	
Cash flow from operations before operating working capital			558.9		458.4
Trade and other receivables	37	480.9		(120.0)	
Trade and other payables	37	(285.7)		63.0	
Operating working capital			195.2		(57.0)
Net cash flow from operating activities			**754.1**		**401.4**
Additions in property, plant and equipment	17	(58.3)		(60.5)	
Additions in software	18	(33.7)		(13.9)	
Acquisition of subsidiaries	18	(1,931.4)		(108.6)	
Acquisition of associates	21	–		(478.9)	
Held-to-maturity investments	20	(2.8)		(0.5)	
Loans and receivables	20	(12.0)		(0.2)	
Dividend received	21	9.4		–	
Disposals of property, plant and equipment	17	16.0		2.1	
Disposal of subsidiaries	18	15.6		–	
Disposal of associates	21	0.9		–	
Net cash flow from investing activities			**(1,996.3)**		**(660.5)**
Re-issue of purchased ordinary shares	25	–		0.6	
Issue of new ordinary shares	25	0.2		7.8	
Drawings on non-current borrowings	27	2,391.6		460.0	
Repayments of non-current borrowings	27	(466.2)		–	
Financing		1,925.6		468.4	
Financial income received	13	26.7		13.6	
Financial expenses paid	13	(110.8)		(5.4)	
Dividend paid on ordinary shares	25	(146.0)		(145.3)	
Dividend paid on preferred shares B	25	(7.2)		(7.2)	
Reimbursement to financiers		(237.3)		(144.3)	
Net cash flow from financing activities			**1,688.3**		**324.1**
Net increase in cash, cash equivalents and current borrowings			**446.1**		**65.0**
Cash, cash equivalents and current borrowings at January 1	37		**315.8**		**250.3**
Net increase in cash, cash equivalents and current borrowings			446.1		65.0
Translation (expenses)/gains			(1.0)		0.5
Cash, cash equivalents and current borrowings at December 31	37		**760.9**		**315.8**
Free cash flow	37		**672.7**		**328.4**

consolidated **statement of changes** in Group equity

The notes on pages 76 to 121 are an integral part of these consolidated financial statements.

in millions of €	note	Issued capital	Share premium	Reserves				Share holders' equity	Minority interests	Group equity
				Trans-lation	Share-based payments	Treasury shares	Retained earnings			
Value at January 1, 2007		11.6	404.6	(9.6)	8.2	(0.4)	375.9	790.3	–	790.3
Net income 2007		–	–	–	–	–	384.9	384.9	0.0	384.9
Translation differences	25	–	–	(27.9)	–	–	–	(27.9)	0.0	(27.9)
Total recognized income 2007		–	–	(27.9)	–	–	384.9	357.0	–	357.0
Dividend 2006 on ordinary shares paid		–	–	–	–	–	(145.3)	(145.3)	–	(145.3)
Share-based payments:										
- fair value of vested rights	25	–	–	–	11.2	–	–	11.2	–	11.2
- exercised stock options (on new issued shares)	25	0.1	20.8	–	(1.8)	–	(11.3)	7.8	–	7.8
- exercised stock options (on treasury shares)	25	–	–	–	–	0.4	0.2	0.6	–	0.6
- issued performance shares	25	0.0	7.2	–	(0.7)	–	(6.5)	0.0	–	0.0
Other:										
- minority interests upon first consolidation		–	–	–	–	–	–	–	0.8	0.8
Value at December 31, 2007		11.7	432.6	(37.5)	16.9	–	597.9	1,021.6	0.8	1,022.4
Net income 2008		–	–	–	–	–	18.2	18.2	0.2	18.4
Asset revaluation of associates in business combinations		–	–	–	–	–	(16.5)	(16.5)	–	(16.5)
Translation differences	25	–	–	(57.3)	–	–	–	(57.3)	0.1	(57.2)
Total recognized income 2008		–	–	(57.3)	–	–	1.7	(55.6)	0.3	(55.3)
Dividend 2007 on ordinary shares paid		–	–	–	–	–	(146.0)	(146.0)	–	(146.0)
Preferred shares	25	2.5	163.3	–	–	–	–	165.8	–	165.8
Issue of ordinary shares	25	5.3	1,412.1	–	–	–	–	1,417.4	–	1,417.4
Share-based payments:										
- fair value of vested rights	25	–	–	–	13.5	–	–	13.5	–	13.5
- exercised stock options (on new issued shares)	25	0.0	0.7	–	0.0	–	(0.5)	0.2	–	0.2
- issued performance shares	25	0.0	5.2	–	–	–	(5.2)	0.0	–	0.0
Other:										
- minority interests upon first consolidation		–	–	–	–	–	–	–	3.1	3.1
- disposal minority interests		–	–	–	–	–	–	–	(0.2)	(0.2)
Value at December 31, 2008		19.5	2,013.9	(94.8)	30.4	–	447.9	2,416.9	4.0	2,420.9

The sum of the various items included under reserves within shareholders' equity per December 31, 2008 amounts to € 383.5 million (December 31, 2007: € 577.3 million).

notes to the consolidated **financial statements**

1. General information

Randstad Holding nv is a public limited liability company incorporated and domiciled in the Netherlands and listed on the Euronext Amsterdam. The registered office of the company is in Amsterdam. The address of the company is:
Diemermere 25
1112 TC Diemen
The Netherlands

The consolidated financial statements of Randstad Holding nv include the company and its Group companies (together called the 'Group').
During the year 2008 Randstad Holding nv acquired all the remaining shares of Vedior N.V. (85%), after 15% had already been purchased during December 2007 following the announcement of a public offering for the shares of Vedior N.V.
The Vedior group of companies is consolidated as of May 16, 2008. Considering the size of the Vedior group of companies, the 2008 consolidated figures are materially impacted compared to 2007.

Activities
The main activity of the Group is temporary and contract staffing, including search and selection activities.

Date of authorization of issue
The financial statements were signed and authorized for issue by the executive board and supervisory board on February 25, 2009. The adoption of the financial statements and the adoption of the dividend are reserved for the shareholders in the Annual General Meeting of Share-holders (AGM) on March 31, 2009.

2. Summary of significant accounting policies

2.1 Basis of preparation
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (hereafter: IFRS).

New standards, amendments and interpretations to existing IFRS standards became effective in 2008. These new standards, amendments and interpretations, as far as they are relevant to the Group, have no impact on the valuation and classification of assets and liabilities of the Group.

New standards, amendments and interpretations to existing IFRS standards have been published that must be applied in accounting periods beginning on or after January 1, 2009. As far as these standards, amendments and interpretations are applicable to the Group, the Group has not opted for early adoption. New standards, amendments and interpretations are expected to have no impact on the valuation and classification of assets and liabilities of the Group.

The financial statements are prepared under the historical cost convention, unless otherwise stated in this summary of significant accounting policies.

For both current (expected to be recovered or settled within 1 year) and non-current (expected to be recovered or settled after 1 year) assets and liabilities, the corresponding presentation is used on the face of the balance sheet. Current assets and liabilities are not discounted.

The preparation of financial statements requires the Group to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The actual outcome may differ from these judgments, estimates and assumptions.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments made by management in applying accounting policies that could have a significant effect on the financial statements are disclosed in note 4.

With respect to the company income statement of Randstad Holding nv, the company makes use of the exception provided for in Article 402, Part 9, Book 2 of the Dutch Civil Code.

In these financial statements all amounts, unless otherwise stated, are presented in millions of euros.

2.2 Consolidation principles
The consolidated financial statements comprise the financial data of Randstad Holding nv and its subsidiaries.

Subsidiaries
Subsidiaries are companies where Randstad Holding nv has the power, directly or indirectly, to govern the financial and operational policies, generally accompanying a shareholding of more than 50% of the voting rights. Subsidiaries are

consolidated from the date that control commences until the date that control ceases.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries. The consideration of an acquisition is measured as the fair value of the assets given and liabilities incurred or assumed at the date of acquisition, including directly attributable acquisition costs. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their estimated fair value at the date of acquisition. The excess of the consideration of an acquisition over the fair value of the Group's share of the net assets acquired is recorded as goodwill. If the consideration of an acquisition is less than the fair value of the net assets acquired, the difference ('negative goodwill') is recognized directly in the income statement.

Intragroup balances and intragroup transactions are eliminated, as well as any unrealized gains from these transactions. Unrealized losses from intragroup transactions are also eliminated unless there is evidence of impairment of the assets transferred.

See note 42 for an overview of the major subsidiaries.

Minority interests
Minority interests represent the position of net result and net assets not held by the Group and are presented separately in the income statement and within Group equity in the consolidated balance sheet, separately from shareholders' equity. To the extent that a position of assets not held by the Group represents a negative net asset value, the Group does not allocate losses to minority interests. Upon acquisitions of minority interests, the difference between the consideration and the book value of the share of the net assets acquired is recognized in goodwill.

Associates
Associates are companies where Randstad Holding nv has significant influence, but not control, over the financial and operational policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost. The Group's investment in associates includes goodwill on acquisition, net of any accumulated impairment losses.

The Group's share of the post-acquisition profits and losses of the associates is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Results and other movements are based on the accounting policies adopted by the Group.

2.3 Foreign currencies

Functional and presentation currency
The Group operates in countries with different currencies. All companies have, as their functional currency, the local currency of the country in which they operate, which is their primary economic environment. The functional currency of the parent company, as well as of a major portion of its subsidiaries, is the euro. The presentation currency is the euro.

Transactions and balances in currencies other than the functional currency
Transactions in currencies other than the functional currency of the related company are converted at the foreign exchange rate at the date of the transaction.

Monetary balance sheet items in currencies other than the functional currency of the related company are converted at year-end exchange rates. Exchange differences resulting from the settlement of such transactions, as well as from the conversion of monetary balance sheet items, are included in the income statement, except for exchange differences resulting from financial liabilities designated as a hedge of the net investment in a foreign operation; these are recognized directly in equity. Exchange differences on cash and cash equivalents and borrowings are included in net finance costs. Exchange differences on other monetary balance sheet items are included in operating expenses.

Non-monetary balance sheet items that are measured in terms of historical cost in currencies other than the functional currency of the related company are converted at the foreign exchange rates at the date of transaction. Non-monetary balance sheet items that are measured at fair value in currencies other than the functional currency of the related company are converted at the foreign exchange rates at the dates the fair values were determined.

Financial statements of Group companies
Upon translation of foreign activities, the assets and liabilities of operations in currencies other than the euro, including goodwill and fair value adjustments arising on consolidation, are translated to euros at the foreign exchange rates ruling as of the balance sheet date. The income statements of these operations in currencies other than the euro are translated to euros at average exchange rates.
Upon acquisition of a subsidiary that has a currency other than the euro, balance sheet items are translated to euros at the foreign exchange rates ruling at the acquisition date.

Net investment in subsidiaries that have a currency other than the euro
The net investment in subsidiaries that have a currency other than the euro includes the participation in the net assets of these subsidiaries, and, if applicable, loans to these subsidiaries, of which settlement is neither planned nor expected to occur in the foreseeable future.

Translation differences that occur upon consolidation, relating to the translation of the net investment in subsidiaries that have a currency other than the euro, are included in a separate component within shareholders' equity, as well as translation differences of financial liabilities designated as hedges of such investments, to the extent that the hedge is effective. These translation differences are released or charged to the income statement as part of the gain or loss on disposal, whenever a foreign operation is disposed of.

The following main exchange rates to the euro apply for 2008 and 2007 (averages on annual basis):

	2008		2007	
	Average	At year-end	Average	At year-end
Australian dollar	**0.58**	**0.49**	–	–
Canadian dollar	**0.64**	**0.59**	0.68	0.69
UK pound sterling	**1.26**	**1.05**	1.46	1.36
US dollar	**0.68**	**0.71**	0.73	0.68

Hedging activities
The Group is engaged in the hedging of net investments in foreign operations by designating financial liabilities as (net investment) hedges of such investments.
Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement under net finance costs. Gains and losses accumulated under equity are included in the income statement when the foreign operation is disposed of.

2.4 Segment reporting
A segment is a distinguishable component of the Group that is engaged in providing services within a particular economic environment (geographical segment), or in providing similar services (business segment), that is subject to risks and rewards different from those of other segments. The information per geographical area (primary reporting format) and the information per business segment (secondary reporting format) are included in the notes to which the information relates.

Following the merger of 'Randstad' and 'Vedior' the internal reporting system was assessed for the combination. Reporting along geographical lines was considered to be the leading reporting structure within the combined company going forward. The segments presented are consistent with the internal reporting provided to the executive board, being the decision-making body in the Group and responsible for allocating resources and assessing performance of the operating segments.

Geographical areas
The Group operates in a number of geographical areas. The Netherlands is the home country of the parent company.
There are no sales or other transactions between the geographical areas.

Business segments
The service concepts ('business segments'), are organized on a worldwide basis to support the operating entities in efficient and effective operations. Three different service concepts are represented, being 'Staffing' (including HR solutions), 'Inhouse services' and 'Professionals'.
All service concepts have activities in all parts of the world. For a more detailed description of these service concepts, refer to the report of the executive board, on pages 14 to 16 of this annual report.

In addition to the segments reported, in the disclosures on segments 'corporate' and 'facilities' are included and represent the unallocated part of assets, liabilities, income and expenses. Corporate comprises holding activities. Facilities include centralized service companies.

2.5 Impairment of assets

Non-financial assets
The carrying amounts of the Group's non-financial assets, with the exception of deferred tax assets and the plan assets in relation to defined benefit pension plans, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For assets that have an indefinite life, such as

goodwill, testing for impairment is performed at least annually.

If there are such indications, the recoverable amount of the asset concerned is estimated. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. For purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Goodwill is allocated to groups of cash-generating units for purposes of impairment testing.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.
The resulting impairment loss is recognized in the income statement immediately.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The value in use is determined by means of the present value of estimated cash flow projections. The discount rates used in discounting the projected cash flows are based on actual interest rates, which align with the terms of the projections, and the specific risks of the asset or business, respectively.

Impairment losses recognized relating to a cash-generating unit are first allocated to reduce the carrying amount of the goodwill of the related cash-generating unit, and then to reduce the carrying amount of the other assets of that cash-generating unit on a pro rata basis.

Financial assets
The carrying amounts of the financial assets (held-to-maturity investments, loans and receivables) of the Group are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount is impaired. If objective evidence exists that a financial asset or group of financial assets is impaired, the amount of the impairment loss is calculated as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). The resulting impairment loss is recognized in the income statement immediately.

Reversals of impairment losses
An impairment loss with respect to goodwill is not reversed.

With respect to other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

An impairment loss with respect to financial assets (held-to-maturity investments, loans and receivables) is reversed if, in a subsequent period, the amount of the impairment loss decreases and this decrease can be related objectively to an event occurring after the impairment loss was recognized.

2.6 Revenue
Revenue comprises the fair value of the consideration received or receivable for services rendered during the year to third parties. Revenue from rendered services is recognized in the income statement in proportion to the stage of completion of the contract as of the balance sheet date. Stage of completion is measured by reference to costs (mainly hours) incurred to date as a percentage of total estimated costs for each contract. When the outcome of the contract cannot be measured reliably, revenue is recognized only to the extent that expenses incurred are eligible to be recovered.
No revenue is recognized if there are significant uncertainties regarding recovery of the consideration.

Revenue from temporary placements includes the amounts received or receivable for the services of temporary staff including the salary and salary-related employment costs of those staff. These revenues are generally based on the number of hours worked by the temporary staff.
Revenue from permanent placements includes the fee received or receivable for the services provided; the fee generally being calculated as a percentage of the candidate's remuneration package. These permanent placement contracts are divided into 'retained assignments' for which the revenue is recognized on the completion of certain pre-agreed stages of the service (and the fee is non-refundable) and 'other', for which the revenue is recognized on completion of the total service.

2.7 Expenses
Cost of services comprises expenses directly attributable to revenue. These costs mainly include expenses related to staffing employees, such as wages, salaries and social charges.

Operating expenses are classified based on the functional model and are recognized in the year to which they relate.

Selling expenses comprise personnel and accommodation expenses in relation to operational activities at the outlets, advertising and marketing and other selling expenses.

General and administrative expenses comprise personnel and accommodation expenses in relation to the activities at the various head offices, IT expenses, other general and administrative expenses, as well as the amortization of acquisition-related intangible assets and impairment of goodwill.

2.8 Leasing

Lease contracts of which the majority of risks and rewards inherent to ownership do not lie with the Group are classified as operating leases. Expenses related to operating leases are included in the income statement on a straight-line basis over the term of the lease.

Lease contracts of which the majority of risks and rewards inherent to ownership lie with the Group are classified as finance leases. Upon initial recognition, the related assets are valued at the lower of the fair value of the asset and the discounted value of the minimum lease payments. These assets are depreciated based on the same term of depreciation for similar assets of the Group or the lease term, if lower.
The lease terms to be paid are divided into a repayment and an interest portion, so as to achieve a constant rate on the finance balance outstanding. The liabilities arising from finance leases are included under non-current liabilities at an amount excluding the interest charges. The interest portion included in the periodic lease payments is included as interest expense in the income statement over the lease period.

2.9 Grants

An unconditional grant is recognized in the income statement when the grant becomes receivable. Any other grant is recognized when there is reasonable assurance that it will be received and that the Group will comply with the conditions attached to it.
Grants that compensate for expenses incurred are credited to the income statement on a systematic basis in the same period in which the expenses are incurred.
Grants that compensate for the cost of an asset are deducted from the capitalized value of the related asset and recognized in the income statement as part of the depreciation and/or amortization charges.

2.10 Net finance costs

Net finance costs comprise interest expenses and interest income, as well as items similar to interest, exchange differences on cash, cash equivalents and borrowings and dividend on preferred shares classified as liabilities. Interest expenses and income are recognized on a time-proportion basis in the income statement, using the effective interest method. Interest due to the passage of time of held-to-maturity investments, loans and receivables, as well as in relation to the valuation of certain provisions are also included in net finance costs, as well as changes in the value of the liability for put options from minority interests and differences upon settlement of these liabilities. These changes also include interest due to passage of time.

2.11 Income taxes, deferred tax assets and liabilities

Taxes on income

Taxes on income for the year comprise current taxes and the realization of deferred taxes. Income taxes are recognized in the income statement, except to the extent that these taxes relate to items recognized directly in equity, in which case these taxes are also directly recognized in equity.

Current taxes on income are the sum of taxes levied on the results before taxes, in the countries where those results were generated, based on local tax regulations and against tax rates enacted or substantially enacted at year-end. Tax-exempt income and expenses not deductible for tax purposes are taken into account in calculating taxes on income.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized, using the balance sheet liability method, to provide for temporary differences between the value of the assets and liabilities for financial reporting purposes and for tax purposes. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.
Deferred tax assets, including those resulting from tax losses carry-forward, are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences, including tax losses carry-forward, can be utilized.

Deferred tax assets and liabilities are stated at nominal value and are valued against tax rates enacted or substantially enacted at year-end, that are expected to apply in the coming years when the assets and liabilities are expected to be realized or settled.

No deferred tax liability is created for the following temporary differences: goodwill not deductible for tax purposes, the initial recognition of goodwill that is deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences in relation to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

2.12 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the assets.

Subsequent expenditures are capitalized as a separate asset or in the asset's carrying amount, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. All other expenditures are charged directly to the income statement.

Land is not depreciated. Depreciation on other property, plant and equipment is charged to the income statement on a straight-line basis over their estimated useful lives, from the date they are available for use.
The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

Gains and losses arising on disposal are included in the income statement under general and administrative expenses.

The estimated useful lives for each category of property, plant and equipment are on average:

	Term
Buildings	33 years
Computer hardware	4 years
Leasehold improvements	5 years
Furniture and fixtures	4-5 years

Leasehold improvements are depreciated over the term of the initial lease, in the event that this term is shorter than 5 years.

2.13 Intangible assets

Goodwill

Goodwill is the excess of the consideration of an acquisition over the fair value of the Group's share in the net assets acquired at the date of acquisition.
Goodwill on acquisitions of subsidiaries is included in intangible assets; goodwill on acquisitions of associates is included in investments in associates.
Goodwill upon acquisitions represents payments made by the Group in anticipation of future economic benefits from assets that cannot be identified individually and cannot be separately recognized. These relate, for example, to synergies expected from the combination and the workforce of the acquired companies.

Goodwill is stated at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity that is sold.

Goodwill is allocated to groups of cash-generating units for the purpose of impairment testing. The allocation is made to those groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Acquisition-related intangible assets

Acquisition-related intangible assets (customer relationships, brand names and candidate databases) that are acquired by the Group and have definite useful lives are stated at cost less accumulated amortization and impairment losses.

When an intangible asset is acquired in a business combination, its cost is the fair value at the date of its acquisition. This cost is determined on a basis that reflects the estimated amount that the entity would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available. If the fair value cannot be measured reliably, the asset is not recognized as a separate intangible asset, but is included in goodwill.

Amortization of acquisition-related intangible assets is charged to the income statement on a straight-line basis over their estimated useful lives, from the date they are available for use.

The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

The estimated useful lives for each category of acquisition-related intangible assets are:

	Term
Customer relationships	4-8 years
Brand names	1-5 years
Candidate databases	2-5 years

Software

Acquired software (licenses) and developed software are stated at cost less accumulated amortization and impairment losses.

Expenditures in relation to the development of identifiable and unique software products used by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets and amortized over their estimated useful lives. Capitalized costs include employee costs of software development and an appropriate portion of relevant overhead. Expenditures associated with maintaining computer software programs are recognized as an expense when incurred.

Amortization of software applications is charged to the income statement on a straight-line basis over their estimated useful lives, from the date they are available for use.

The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate.

The estimated useful life for software is 3 to 5 years. Acquired computer software licenses are amortized, using the straight-line method, over their useful lives of 3 to 5 years or, if the license period is shorter than 3 years, over this shorter period.

2.14 Financial assets

Investments in liability and equity instruments are divided into various categories. Classification of these investments depends on the purposes for which the investments have been acquired. Management determines the classification at the time of the purchase and re-evaluates such designation at each subsequent balance sheet date.

Purchases and sales of all financial instruments are recognized on the settlement date, which is the date an asset is delivered to or by the Group. The cost of financial instruments includes transaction costs.

Held-to-maturity investments

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturities that an entity has the positive intent and ability to hold to maturity. This category excludes originated loans.
These financial assets are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest method.

Loans and receivables

Loans and receivables (originated loans) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
These financial assets are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest method.

2.15 Trade and other receivables

Trade and other receivables are initially stated at fair value. Subsequent measurement is at amortized cost using the effective interest method less provision for impairment.

A provision for impairments of trade and other receivables is established when it is more likely than not that the Group will not be able to collect the amounts receivable. The provision for impairment of trade receivables is based on the trade receivable portfolio experience of the various subsidiaries, as well as on individual assessments of expected non-recoverable receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization and serious default or delinquency in payments, are considered indicators that the trade receivable is impaired. The amount of the provision is equal to the difference between the assets' carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance.
Losses are charged to the income statement within 'selling expenses'.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, as well as time deposits and other short-term highly liquid investments with original maturities of 3 months or less.

2.17 Equity

Ordinary shares are classified as equity. The distribution of the dividend on ordinary shares is recognized as a liability in the period in which the dividend is adopted by the company's shareholders.

At the issue of new shares, the proceeds less directly attributable costs are recognized in shareholders' equity within issued capital and, if applicable, within share premium.

At the purchase of own ordinary shares that are included in shareholders' equity, the consideration paid, including directly attributable costs, is recorded as a change in shareholders' equity. Purchased ordinary shares are classified as treasury shares and presented as a deduction from shareholders' equity under reserves.

At the sale (re-issue) of treasury shares, the proceeds less directly attributable costs are recognized under treasury shares for the original consideration paid; the remainder is recognized under retained earnings.

2.18 Share-based payments

The company has various share-based payment arrangements that are settled in ordinary shares. The fair value of these share-based payments, calculated on grant date, is based on valuation models. The fair value is included in personnel expenses in the vesting period during which the expected employee services are received. The same amount is credited to shareholders' equity.

At each balance sheet date, the company revises its estimates of the vesting of these share-based payment arrangements. The impact of the revision on original estimates in respect of the past vesting period, if any, is recognized in the income statement immediately, with a corresponding adjustment to shareholders' equity.

2.19 Preferred shares

Preferred shares are classified as equity during 2008 and as non-current liabilities during 2007.
Early in 2008 the conditions of the preferred shares were changed such that preferred shares classify as equity instead of as a liability. During 2007, the preferred shares were valued at amortized cost using the effective interest method; dividend on these preferred shares was included under net finance costs.
Transaction costs relating to the issuance of preferred shares or the extension of the term of preferred shares outstanding are included (in the proceeds) under the respective classifications of preferred shares.

2.20 Borrowings

Borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortized cost. Any difference between the proceeds and redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.21 Provisions

Provisions are recognized for legally enforceable or constructive obligations as a result of a past event and for which the settlement is likely to require an outflow of resources and the extent of which can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at an interest rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

Provisions for restructuring are recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. These restructuring provisions mainly comprise lease termination penalties for branches and severance payments for personnel. No provision is created for future operating losses.

Provisions for workers' compensation are based on claims for compensation (of both staffing and corporate employees) in relation to accidents during working hours, for which the Group can be held liable. These provisions relate to the operations of the Group in North America. The North American operations are self-insured for workers' compensation claims up to a certain maximum amount (stop-loss insurance), where possible under applicable local laws. An independent actuary calculates the amount of the provision.

Within other provisions, the Group has provided for obligations, if and as far as necessary, mainly in relation to:
- Onerous contracts if the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract; and
- Estimated amounts of claims from third parties.

2.22 Pensions and other employee benefits

The Group has various pension schemes, in accordance with local conditions and practices in the countries in which it operates. Most of the pension schemes are defined contribution plans, which are funded through payments to independent entities. The Group has no legal or constructive obligations to pay further contributions if these separate entities do not hold sufficient assets to pay all employees the pension benefits relating to employee service in the current and prior periods.
The regular contributions constitute net periodic costs for the year in which they are due and are included within personnel expenses and/or costs of services.

A few pension plans are defined benefit plans. The liability recognized in the balance sheet with respect to defined benefit pension plans is the present value of the defined benefit obligation of the estimated amount of future benefits that employees have earned in return for their service in the current and prior years, less the fair value of plan assets. Independent actuaries calculate the defined benefit obligations based on factors such as age, years of service and compensation (projected unit credit method).

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

In calculating the Group's obligation with respect to defined benefit plans, that portion of actuarial gains and losses is recognized in the income statement over the expected average remaining service years of the employees participating in the plan, to the extent that any cumulative unrecognized actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation or the fair value of plan assets. Otherwise, the actuarial gain or loss is not recognized (corridor approach).

Past service costs are recognized immediately in the income statement, unless changes to the pension plans are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

In accordance with applicable legal requirements, the Group recognizes liabilities for several termination indemnity and long service leave plans. These liabilities are based on calculations made by independent actuaries based on factors such as age, years of service and compensation (projected unit credit method).
Actuarial gains and losses related to these termination indemnity plans are recognized in the income statement in the year they occur.

2.23 Other non-current liabilities
Other non-current liabilities mainly include the liabilities arising from arrangements the Group has entered into with the previous owners of acquired companies that still hold a minority interest. The Group has entered into put and call options with the holders of these minority interests. The put option gives the minority shareholder the right to sell its minority interest to the Group. The call option gives the Group the right to purchase the minority interest.
The option exercise price is determined by a contractually agreed formula that is (mainly) based on the future results of the company involved.

The liability is stated initially at fair value. Subsequent measurement is at amortized cost, using the effective interest method. The value is determined by means of the present value of the expected cash outflows to settle the liability, based on projected results. The discount rate used in discounting the expected cash outflows is based on an interest rate that reflects the current market assessment of the time value of money.
In line with the nature of the put option, the liability is classified as short-term, except for the part that can only be exercised after one year.
Changes in the value of these liabilities, as well as differences upon settlement between the actual cash outflow and the expected cash outflow, are accounted for in the income statement under net finance costs.
The acquired companies are fully consolidated.

2.24 Operating working capital
Operating working capital includes current assets, excluding cash and cash equivalents and current income tax receivables, minus current liabilities, excluding current borrowings, current income tax liabilities and the current part of provisions.

2.25 Net cash/debt
The net cash or net debt includes the balance of cash, cash equivalents and borrowings (both current and non-current).

2.26 Fair value estimation
Fair value estimations are included in these financial statements, mainly in respect of financial assets and financial liabilities.

All financial assets and liabilities of the Group are not traded in active markets. Therefore techniques such as estimated discounted cash flows are used to determine the fair value.

The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial assets and liabilities.

3. Consolidated cash flow statement

The cash flow statement has been prepared applying the indirect method. Cash in the cash flow statement comprises the balance sheet items cash and cash equivalents as well as current borrowings, because current borrowings form an integral part of the Group's cash management. Cash flows in foreign currencies have been translated at average exchange rates. Exchange differences concerning cash items are shown separately in the cash flow statement. Income taxes paid/received are included in the cash flow from operating activities. Interest income and expenses and dividends paid are included in the cash flow from financing activities.

The purchase price of acquisitions paid, as well as the selling price of disposed subsidiaries received, is included in cash flow from investing activities. This purchase price paid, as well as the selling price received, is included in the consolidated cash flow statement net of cash acquired or disposed of, respectively.
Changes in assets and liabilities resulting from the acquisition and disposal of subsidiaries are taken into account in the calculation of the consolidated cash flows.

4. Critical accounting estimates and judgments

In the preparation of financial statements, the Group makes certain critical accounting estimates and assumptions concerning the future. The resulting reported amounts will, by definition, rarely equal the related actual outcome. Estimates and judgments are continually evaluated and are based on historical experience and various other factors, including expectations of future events, which are believed to be reasonable under the circumstances.

The following estimates and assumptions have an inherent significant risk of potentially causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

4.1 Impairment of intangible assets

The Group tests whether intangible assets have suffered any impairment, in case of triggering events and at least annually. The recoverable amounts of cash-generating units have been determined using, amongst other instruments, value-in-use calculations. These calculations require the use of estimates. Based on these performed impairment tests, impairment losses are considered to be detected. However, should the actual performance of these cash-generating units become materially worse compared to the performance based on the estimates, possible impairment losses could arise, or could deviate from the detected impairment losses. This impairment loss or deviation could have a material effect on the carrying amounts of the intangible assets. For sensitivity of impairment testing, refer to note 18.2. For the accounting policies of intangible assets, refer to note 2.13.

4.2 Provisions

Due to the nature of provisions, a considerable part of their determination is based on estimates and/or judgments, including assumptions concerning the future.
The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions. Hence, the differences between actual outcomes and the recorded provisions can impact results over the periods involved.
The timing of outflow of resources to settle these obligations is subject to the same uncertain factors.

With respect to provisions, the provision for workers' compensation is sensitive to changes in the interest rate. Should the interest rate deviate by 1%-point, with all other variables held constant, the amount of the provision would deviate in a range of € 1 – 2 million. Changes in the assumptions for the provision for pension and employee benefits are believed to have no material effects on the consolidated figures.

4.3 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide, deferred tax asset on, amongst other items, tax losses carry-forward and deferred tax liabilities. There are many uncertain factors that influence the amount of the tax losses carry-forward. The Group recognizes deferred tax assets on tax losses carry-forward based on their best estimates. When the actual results are different from the amounts that were initially estimated, such differences will impact the income tax in the income statement and the deferred tax assets and/or deferred tax liabilities in the period in which these deviations occur. For sensitivity of assumptions in the determination of deferred taxes, refer to note 19.1.

5. Capital and financial risk management

5.1 Capital Management

Randstad Holding's policy is to maintain a strong capital base. We aim to be perceived as investment grade at all times. We believe this is important in order to maintain candidate, client, creditor and investor confidence and to sustain the future development of our business.
We aim to safeguard the Group's ability to continue as a going concern in order to provide returns for our shareholders and maintain an optimal capital structure to reduce the cost of capital.

Capital includes equity attributable to shareholders and preferred shares:

	2008	2007
Shareholders' equity (including preferred shares as equity 2008)	2,416.9	1,021.6
Preferred shares (including preferred shares as liabilities 2007)	–	165.8
Total capital	2,416.9	1,187.4

Early in 2008 the conditions of the preferred shares were changed such that preferred shares classify as equity instead of as a liability; the carrying amount of € 165.8 million has been transferred from non-current liabilities to equity.

We monitor the geographic spread of shareholders as well as the concentration of shareholdings, including stakes in the share capital of above 5%. We aim to maintain a good balance between stability and liquidity of the shares.
The contract Randstad signed with its leading shareholder (for details please refer to page 66 of this annual report) is in line with the aim of achieving continuity. To ensure a good geographic spread we include many different

countries in our roadshow programs, while we aim to include all investor types in these schedules as well as to ensure liquidity.

In 2007 we reviewed our capital structure. Randstad maintains its long term and conservative view on its balance sheet. We target a leverage ratio (net debt/EBITDA) of between 0 and 2, independent of the size of the company. This range is in line with our aim to be perceived as investment grade.

Prolonged net cash positions (held over 1 year) will in the future be paid back to shareholders, preferably through share buy backs. We obtained authorization at the AGM of May 7, 2008 for the executive board to have the company acquire its own shares, up to a maximum of 10% of the total number of issued ordinary shares. The authorization is limited to a maximum of 18 months and the aim is to renew the authorization each year. We intend to create long-term flexibility. Acquired shares are put in treasury and can be used for future acquisitions or to offset dilution from management share plans.

Randstad updated its dividend policy as from 2007. We aim at a floor of € 1.25 in the dividend and consistent dividend growth through the cycle, based on a flexible payout ratio of 30% to 60% of net profit adjusted for amortization of acquisition-related other intangible assets. The policy is in line with the cash flow trends, which usually show a more gradual development than earnings trends.

5.2 Financial risk management

The Group's activities expose it to a variety of financial risks, including credit risk, liquidity risk, foreign currency exchange risk and interest rate risk. The Group's overall risk management program is aimed at minimizing potential adverse effects on the financial performance of the Group.

Risk management procedures are carried out under policies that have been approved by the executive board. Risk management procedures, as well as the actual financial risks, are also the subject of discussion in the audit committee of the supervisory board. Our risk & control framework is in place to ensure that risks are detected, measured and reported properly.

5.2.1 Credit risk

Credit risk within the Group arises from the possibility that customers and other counterparties may not be able to settle their obligation towards the Group as agreed.

Credit control departments of the operating companies manage the credit risk arising from operations. Credit control policies are included in our blueprints. To manage this risk, credit checks are performed up front for new customers. For high-risk customers, credit limits are put in place based on internal and/or external ratings. The risks included in trade receivables are strictly monitored on a day-to-day basis.

The Group has no significant concentrations of credit risk, as the Group has very many customers in a large number of industries and countries.

The Group has established an allowance account for impairment of trade receivables.

The Group's (excess) cash positions are invested with its preferred financial partners, which are considered to be high quality financial institutions with sound credit ratings, or in high rated liquidity funds. The Group has policies in place that limit the amount of credit exposure to any one financial institution.

5.2.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to liquidity risk is to ensure, as far as possible, that it will always have sufficient funds available to meet its liabilities when due, under both normal and stressed conditions. This risk is managed by having sufficient availability of cash and committed and uncommitted credit lines, both at Group and local level, while optimizing the short term interest results and other related expenses. Cash flow forecasts and manual and automated cash concentration techniques are used in this respect.

The Group has a € 2,700 million multi-currency syndicated revolving credit facility at its disposal. The facility agreement contains a covenant in respect of the net debt to EBITDA ratio as well as a paragraph on material adverse changes. The net debt to EBITDA ratio has a limit of 3.5 as per the contractual arrangements and is calculated over the combined pro forma results of Randstad and Vedior on an annual basis. The actual net debt to EBITDA ratio of 1.8 at December 31, 2008 is within the limits of the facility agreement.

5.2.3 Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk because it operates businesses in Asia, Australia, Europe, North and Latin America. The Group uses the euro as its reporting currency. Currencies other than the euro that are of primary importance for the Group are the US dollar, the UK pound sterling, the Australian dollar and the Canadian dollar.

The foreign currency exchange risk of the Group in respect of transactions is limited, because for the biggest part operating companies generate both revenues and expenses locally and therefore in the same currency.

All other foreign exchange transactions that mostly consist of intercompany financial flows (equity increases, dividends, intercompany loans and interests) are executed on a more or less spot basis. To limit the effect of volatility on the net debt to EBITDA ratio (which is a covenant in the financing arrangement) the Group has a policy to match the currencies in the net debt positions with the mix in the cash flow generation of the major currencies. In practice this is mostly only done for currencies that are at least 5% of the total EBITDA of the Group. The currency mix of the debt can easily be adjusted, as the € 2,700 million syndicated revolving credit facility is a multi-currency facility. Therefore the use of derivatives is in principle unnecessary.

Currency fluctuations can however affect the consolidated results, due to the translation of local results into the Group reporting currency.
Translation effects from consolidation may also impact shareholders' equity. The Group has a number of net investments in foreign subsidiaries, whose assets and liabilities are exposed to currency translation risk that is accounted for in equity. Currency exposures arising from the net assets of the Group's foreign operations are monitored and, when considered necessary, primarily controlled through borrowings denominated in the relevant foreign currencies. These borrowings can be classified as a net investment hedge; translation differences on borrowings classified as such are included directly in equity.

If during the year 2008 the euro had weakened 10% on average against the currencies mentioned above, with all other variables held constant, operating profit for the year would have been higher in the range of € 0 - € 2 million per currency. The effect on shareholders' equity would have been the same (before tax effects).

5.2.4 Interest rate risk

As the staffing industry has a natural hedge to interest rate changes (EBITDA levels usually move up and down more or less in line with interest rate levels), and since the Group is cash generating, the general policy towards interest rate risk is to keep interest rates on net debt floating as much as possible. We also believe this adds value for the shareholders in the long term, as over time the short interest rates are on average significantly lower than the longer interest rates.
Group Treasury also manages the interest risk by assessing the risk of interest rates being able to cause a breach in any financing covenant.
If the interest rate had been 1%-point higher on average, with all other variables held constant, net interest expenses for the year 2008 would have been € 12 million higher, due to the net effect of the increase of interest income on cash positions and interest expenses on floating rate borrowings.

notes to the consolidated **income statement**

(amounts in millions of €, unless otherwise indicated)

6. Revenue

Revenue by geographical area:

	2008	2007
Netherlands	3,535.5	3,217.9
France	2,651.8	650.4
Germany	1,818.2	1,627.2
Belgium/Luxembourg	1,372.0	1,072.7
Iberia	874.9	555.0
United Kingdom	768.0	268.4
Other European countries	828.9	552.1
North America	1,516.2	1,132.9
Rest of the world	672.9	120.4
	14,038.4	9,197.0

Revenue by business segment:

	2008	2007
Staffing	9,849.4	6,686.7
Inhouse services	1,856.6	1,935.2
Professionals	2,384.4	616.0
Eliminations	(52.0)	(40.9)
	14,038.4	9,197.0

Intragroup revenue

	2008	2007
Staffing	29.3	23.0
Inhouse services	10.1	7.5
Professionals	12.6	10.4
	52.0	40.9

7. Cost of services

	2008	2007
Wages, salaries, social security and pension charges	10,626.6	6,870.1
Depreciation property, plant and equipment	1.5	1.8
Amortization software	0.8	0.8
Other cost of services	437.2	294.6
	11,066.1	7,167.3

For further information on wages, salaries, social security charges and pension charges included in cost of services, refer to note 38.

8. Gross profit

Gross profit by geographical area:

	2008	2007
Netherlands	973.8	859.4
France	405.8	102.6
Germany	402.0	391.0
Belgium/Luxembourg	274.3	213.4
Iberia	134.3	97.4
United Kingdom	201.1	60.6
Other European countries	153.7	100.6
North America	307.1	197.8
Rest of the world	120.2	6.9
	2,972.3	2,029.7

Gross profit by business segment:

	2008	2007
Staffing	2,036.1	1,561.5
Inhouse services	269.6	272.0
Professionals	666.8	197.2
Eliminations	(0.2)	(1.0)
	2,972.3	2,029.7

9. Selling expenses

Selling expenses include:
- an amount of € 26.4 million (2007: € 9.5 million) related to impairment losses on trade receivables as well as other debt collection costs.

10. General and administrative expenses

General and administrative expenses include:
- foreign exchange losses in the amount of € 1.2 million (2007: € 0.5 million);
- loss on the sale of property, plant and equipment in the amount of € 0.9 million (2007: € 0.2 million profit);
- book profit on the sale of subsidiaries in the amount of € 3.8 million (2007: € 0.0 million);
- impairment charge on goodwill in the amount of € 555.8 million (2007: € 0.0 million);
- impairment charge on other intangible assets in the amount of € 29.3 million (2007: € 0.0 million).

11. Total operating expenses

Total operating expenses by nature:

	2008	2007
Personnel expenses	1,558.6	1,021.1
Depreciation property, plant and equipment	62.1	37.2
Amortization software	22.0	11.4
Impairment software	13.6	–
Advertising and marketing	129.4	104.7
Accommodation	184.5	113.9
Other	358.1	187.0
Operating expenses	2,328.3	1,475.3
Amortization acquisition-related intangible assets	107.2	14.8
Impairment acquisition-related intangible assets and goodwill	571.5	–
Total operating expenses	3,007.0	1,490.1

For further information on personnel expenses, refer to note 38.

12. Operating profit

Operating (loss)/profit by geographical area:

	2008	2007
Netherlands	194.5	290.1
France	(65.3)	34.3
Germany	93.4	117.8
Belgium/Luxembourg	67.4	66.0
Iberia	(53.7)	24.7
United Kingdom	(43.3)	(3.9)
Other European countries	12.8	19.8
North America	(43.7)	24.6
Rest of the world	(142.0)	(3.6)
Corporate	(54.8)	(30.2)
	(34.7)	539.6

12.1 Depreciation, amortization and impairment software

	2008	2007
Depreciation buildings	1.3	0.7
Depreciation computer hardware	20.8	13.0
Depreciation leasehold improvements and furniture and fixtures	41.5	25.3
Depreciation	63.6	39.0
Amortization software	22.8	12.2
Impairment software	13.6	–
Depreciation, amortization and impairment software	100.0	51.2

Depreciation is included in cost of services in the amount of € 1.5 million (2007: € 1.8 million), in selling expenses in the amount of € 28.3 million (2007: € 18.2 million) and in general and administrative expenses in the amount of € 33.8 million (2007: € 19.0 million). Amortization software is included in cost of services in the amount of € 0.8 million (2007: € 0.8 million) and in general and administrative expenses in the amount of € 22.0 million (2007: € 11.4 million); the latter also includes the impairment charge on software.

Depreciation, amortization and impairment software by geographical area:

	2008	2007
Netherlands	43.1	21.6
France	10.1	1.8
Germany	9.0	7.0
Belgium/Luxembourg	9.5	5.7
Iberia	5.4	3.6
United Kingdom	5.9	2.3
Other European countries	4.7	2.6
North America	7.4	5.9
Rest of the world	4.9	0.7
Corporate	0.0	0.0
	100.0	51.2

Depreciation, amortization and impairment software by business segment:

	2008	2007
Staffing	70.5	33.2
Inhouse services	0.8	0.7
Professionals	14.2	4.2
Facilities	14.5	13.1
	100.0	51.2

12.2 Amortization and impairment acquisition-related intangible assets and impairment goodwill

	2008	2007
Amortization acquisition-related intangible assets	107.2	14.8
Impairment acquisition-related intangible assets	15.7	–
Impairment goodwill	555.8	–
	678.7	14.8

Amortization and impairment acquisition-related intangible assets and impairment goodwill by geographical area:

	2008	2007
Netherlands	88.0	4.6
France	200.1	–
Germany	10.2	6.4
Belgium/Luxembourg	6.5	0.9
Iberia	76.3	–
United Kingdom	56.7	1.0
Other European countries	6.2	1.9
North America	87.3	0.0
Rest of the world	147.4	–
	678.7	14.8

Amortization and impairment are included in general and administrative expenses in the amount of € 678.7 million (2007: € 14.8 million). The impairment of goodwill is based on a provisional purchase price allocation.

12.3 Operating leases

In operating profit, an amount of € 229.9 million (2007: € 160.0 million) is included for operating leases.

12.4 Grants

Grants included in operating profit amount to € 15.7 million (2007: € 15.8 million), of which € 12.9 million (2007: € 14.0 million) is reported under cost of services.

13. Net finance costs

	2008	2007
Financial income		
Interest and similar income	32.3	13.6
Interest income due to passage of time:		
- held-to-maturity investments, loans and receivables	1.6	0.3
Foreign exchange gains	15.5	–
Fair value adjustment short term borrowings	4.4	–
	53.8	13.9
Financial expenses		
Interest and similar expenses on current borrowings	13.5	2.9
Interest and similar expenses on non-current borrowings	102.0	2.2
Foreign exchange losses	–	0.3
Dividend minority interests classified as liability	1.2	–
Interest expenses due to passage of time:		
- defined benefit pension plans and other employee benefits	2.6	1.5
- workers' compensation and other provisions	1.8	1.9
- non-current liabilities	4.4	–
	125.5	8.8
Dividend preferred shares	–	7.2
	125.5	16.0
Net finance costs	71.7	2.1

Financial income and expenses have been adjusted for non-cash items (such as interest receivable/payable) to arrive at financial income received (€ 26.7 million) and financial expenses paid (€ 110.8 million) in the cash flow statement.

14. Taxes on income

	2008	2007
Current tax expense	82.2	136.8
Deferred tax (income)/expense	(203.2)	17.8
(Income)/expense	(121.0)	154.6

Effects of the impairment of goodwill (€ 555.8 million) as well as effects from changes in deferred taxes (in total € 226.1 million) impact the average effective tax rate significantly. For comparative reasons the table below presents the percentages without these effects, using an income before taxes of € 453.2 million and a tax charge of € 105.1 million.

In 2008, the average effective tax rate on income before taxes is 23.2% (2007: 28.7%). The reconciliation between the income tax rate of the company's country of domicile and the weighted average applicable tax rate (weighted average of the statutory applicable tax rates on the income before taxes of the companies in the Group), and the average effective tax rate, respectively, is as follows:

	2008	2007
Income tax rate of the company's country of domicile	25.5%	25.5%
Effect of income tax rates in other (non-domestic) jurisdictions	3.5%	4.9%
Weighted average applicable tax rate	29.0%	30.4%
Tax-exempt income	(6.1)%	(1.9)%
Changes in statutory applicable tax rates and effects prior years	0.0%	2.5%
Change in provisions on deferred tax assets and other	0.3%	(2.3)%
Average effective tax rate	23.2%	28.7%

The change in the weighted average applicable tax rate in 2008 compared to 2007 is caused by a changed mix of results of subsidiaries in countries with different tax rates and is also influenced by the decrease in the statutory tax rate in Germany.

The item tax-exempt income reflects the increased tax efficiencies within the Group in 2008 in comparison to 2007.

In 2007, the item 'changes in statutory applicable tax rates and effects prior years' included the effects on the valuation of deferred taxes due to the change in the statutory applicable tax rates, mainly in Germany.

In the year 2008, the deferred tax liabilities with respect to the recapture obligation ensuing from incorporation in the Netherlands of tax losses incurred in the United States has been released for the amount of € 186.1 million, since it is considered not likely that the liability will be settled in the foreseeable future after restructurings in the Group. Together with the recognition of € 40 million in respect of deferred tax assets in relation to tax losses carry-forward in the United States, after merging the operations of Randstad and Vedior in the United States, this resulted in a tax income of € 226.1 million.

15. Net income

Net income includes:
- foreign exchange gains of € 14.3 million (2007: losses € 0.8 million);
- a book profit on the sale of subsidiaries in the amount of € 3.8 million; in 2007 a negative contribution of € 4 million to operating profit of the activities disposed of during 2007.

15.1 Net income, EBITA and EBITDA

	2008	2007
Net income	18.4	384.9
Taxes on income	(121.0)	154.6
Share of profit of associates	(3.8)	(2.0)
Net finance costs	71.7	2.1
Operating (loss)/profit	(34.7)	539.6
Amortization acquisition-related intangible assets	107.2	14.8
Impairment acquisition-related intangible assets and goodwill	571.5	–
Operating profit before amortization and impairment acquisition-related intangible assets and impairment goodwill (EBITA)	644.0	554.4
Depreciation	63.6	39.0
Amortization and impairment software	36.4	12.2
Operating profit before depreciation, amortization and impairments (EBITDA)	744.0	605.6

EBITA by geographical area:

	2008	2007
Netherlands	282.5	294.7
France	134.8	34.3
Germany	103.6	124.2
Belgium/Luxembourg	73.9	66.9
Iberia	22.6	24.7
United Kingdom	13.4	(2.9)
Other European countries	19.0	21.7
North America	43.6	24.6
Rest of the world	5.4	(3.6)
Corporate	(54.8)	(30.2)
	644.0	554.4

16. Earnings per ordinary share

	2008	2007
Net income		
Net income attributable to ordinary shareholders	11.0	384.9
Amortization acquisition-related intangible assets and impairment goodwill (after taxes)	641.5	10.1
Net income attributable to ordinary shareholders before amortization and impairment acquisition-related intangible assets and impairment goodwill	652.5	395.0
Numbers of ordinary shares		
Weighted average number of ordinary shares outstanding (in millions)	148.6	116.4
Dilutive effect of share-based payments (in millions)	0.3	0.4
Weighted average number of diluted ordinary shares outstanding (in millions)	148.9	116.8
Earnings per ordinary share		
Basic earnings per ordinary share (€)	0.07	3.31
Diluted earnings per ordinary share (€)	0.07	3.30
Diluted earnings per ordinary share before amortization and impairment acquisition-related intangible assets and impairment goodwill (€)	4.38	3.38

Basic earnings per ordinary share are calculated by dividing the net income attributable to the ordinary shareholders of Randstad Holding nv by the weighted average number of ordinary shares outstanding during the year, being issued ordinary share capital, adjusted for ordinary shares purchased by Randstad Holding nv and held as treasury shares.

Diluted earnings per ordinary share are calculated by adjusting the weighted average number of ordinary shares outstanding, assuming conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares arise from various share-based payment arrangements.

notes to the consolidated **balance sheet**

(amounts in millions of €, unless otherwise indicated)

17. Property, plant and equipment

Property, plant and equipment by geographical area:

	2008	2007
Netherlands	**67.8**	65.4
France	**25.4**	7.7
Germany	**12.1**	13.7
Belgium/Luxembourg	**24.4**	18.3
Iberia	**6.0**	6.1
United Kingdom	**13.5**	4.0
Other European countries	**11.0**	6.6
North America	**17.9**	12.4
Rest of the world	**12.4**	1.5
	190.5	135.7

Changes in property, plant and equipment are:

	Buildings and land	Computer hardware	Leasehold improvements, furniture and fixtures	Total
Cost	43.8	96.6	243.3	383.7
Accumulated depreciation	20.4	70.7	175.5	266.6
Book value at January 1, 2007	23.4	25.9	67.8	117.1
Book value at January 1, 2007	23.4	25.9	67.8	117.1
Acquisition of subsidiaries	–	0.3	0.3	0.6
Additions	–	19.5	41.0	60.5
Disposals	–	(0.2)	(1.9)	(2.1)
Depreciation	(0.7)	(13.0)	(25.3)	(39.0)
Translation differences	–	(0.4)	(1.0)	(1.4)
Book value at December 31, 2007	22.7	32.1	80.9	135.7
Cost	43.8	117.0	273.9	434.7
Accumulated depreciation	21.1	84.9	193.0	299.0
Book value at December 31, 2007	22.7	32.1	80.9	135.7
Book value at January 1, 2008	22.7	32.1	80.9	135.7
Acquisition of subsidiaries	4.4	20.8	54.9	80.1
Disposal of subsidiaries	–	–	(1.9)	(1.9)
Additions	1.1	15.4	41.8	58.3
Disposals	(0.1)	(2.1)	(13.8)	(16.0)
Depreciation	(1.3)	(20.8)	(41.5)	(63.6)
Translation differences	(0.6)	(0.4)	(1.1)	(2.1)
Book value at December 31, 2008	26.2	45.0	119.3	190.5
Cost	55.5	194.8	386.7	637.0
Accumulated depreciation	29.3	149.8	267.4	446.5
Book value at December 31, 2008	26.2	45.0	119.3	190.5

Based on appraisals made by independent and expert appraisers, the estimated fair value of buildings and land is € 20 to € 25 million higher than book value.

Additions property, plant and equipment by geographical area:

	2008	2007
Netherlands	17.4	23.3
France	6.6	3.8
Germany	6.1	10.3
Belgium/Luxembourg	6.2	8.1
Iberia	3.0	1.8
United Kingdom	3.8	2.6
Other European countries	7.7	4.3
North America	4.1	5.5
Rest of the world	3.4	0.8
	58.3	60.5

Additions property, plant and equipment by business segment:

	2008	2007
Staffing	38.1	39.8
Inhouse services	1.0	1.1
Professionals	14.3	8.3
Facilities	4.9	11.3
	58.3	60.5

18. Intangible assets

	2008	2007
Software	60.3	35.3
Goodwill and acquisition-related intangible assets	3,254.9	398.0
	3,315.2	433.3

Intangible assets by geographical area:

	2008	2007
Netherlands	953.7	124.4
France	682.3	0.7
Germany	268.8	209.8
Belgium/Luxembourg	199.5	15.8
Iberia	127.2	1.0
United Kingdom	438.5	23.1
Other European countries	144.7	42.4
North America	323.5	1.7
Rest of the world	177.0	14.4
	3,315.2	433.3

18.1 Software

Changes in software are:

	Developed software	Other software	Total
Cost	43.9	59.8	103.7
Accumulated amortization	19.6	50.6	70.2
Book value at January 1, 2007	24.3	9.2	33.5
Book value at January 1, 2007	24.3	9.2	33.5
Acquisition of subsidiaries	–	0.2	0.2
Additions	6.2	7.7	13.9
Disposals	0.0	0.0	0.0
Amortization	(5.5)	(6.7)	(12.2)
Translation differences	(0.1)	–	(0.1)
Book value at December 31, 2007	24.9	10.4	35.3
Cost	49.8	64.9	114.7
Accumulated amortization	24.9	54.5	79.4
Book value at December 31, 2007	24.9	10.4	35.3
Book value at January 1, 2008	24.9	10.4	35.3
Acquisition of subsidiaries	–	29.0	29.0
Disposal of subsidiaries	–	(0.1)	(0.1)
Additions	16.7	17.0	33.7
Disposals	0.0	0.0	0.0
Amortization	(8.0)	(14.8)	(22.8)
Impairment software	(13.6)	–	(13.6)
Translation differences	(0.2)	(1.0)	(1.2)
Book value at December 31, 2008	19.8	40.5	60.3
Cost	65.8	146.8	212.6
Accumulated amortization	46.0	106.3	152.3
Book value at December 31, 2008	19.8	40.5	60.3

Additions software by geographical area:

	2008	2007
Netherlands	11.5	6.6
France	4.8	0.1
Germany	3.9	3.3
Belgium/Luxembourg	7.5	1.6
Iberia	1.2	0.7
United Kingdom	0.8	0.3
Other European countries	0.7	0.5
North America	1.8	0.6
Rest of the world	1.5	0.2
	33.7	13.9

Additions software by business segment:

	2008	2007
Staffing	26.2	10.7
Inhouse services	0.0	0.1
Professionals	2.7	1.4
Facilities	4.8	1.7
	33.7	13.9

18.2 Goodwill and acquisition-related intangible assets

Changes in goodwill and acquisition-related intangible assets are:

	Goodwill	Acquisition-related intangible assets		Total
		Customer relationships	Brand names and candidate databases	
Cost	213.4	85.7	7.6	306.7
Accumulated amortization	–	11.8	4.2	16.0
Book value at January 1, 2007	213.4	73.9	3.4	290.7
Book value at January 1, 2007	213.4	73.9	3.4	290.7
Acquisition of subsidiaries	82.8	33.5	1.6	117.9
Goodwill from prior associates	1.7	–	–	1.7
Adjustments to goodwill	3.9	–	–	3.9
Amortization	–	(13.1)	(1.7)	(14.8)
Translation differences	(1.1)	(0.1)	(0.2)	(1.4)
Book value at December 31, 2007	300.7	94.2	3.1	398.0
Cost	300.7	119.2	9.0	428.9
Accumulated amortization	–	25.0	5.9	30.9
Book value at December 31, 2007	300.7	94.2	3.1	398.0
Book value at January 1, 2008	300.7	94.2	3.1	398.0
Acquisition of subsidiaries	2,588.1	897.7	88.0	3,573.8
Adjustments to goodwill	(0.7)	–	–	(0.7)
Amortization	–	(88.2)	(19.0)	(107.2)
Impairment	(555.8)	(15.7)	–	(571.5)
Translation differences	(6.5)	(22.0)	(9.0)	(37.5)
Book value at December 31, 2008	2,325.8	866.0	63.1	3,254.9
Cost	2,325.8	993.4	87.7	3,406.9
Accumulated amortization	–	127.4	24.6	152.0
Book value at December 31, 2008	2,325.8	866.0	63.1	3,254.9

Goodwill
The value at cost for goodwill includes the accumulated impairment. The goodwill in 2008 is based on a provisional purchase price allocation in accordance with IFRS 3. Subsequently, the Group makes use of the 12-month time window provided under IAS 36 'Impairment of assets' for the goodwill allocation.

Impairment testing

Determination of value in use
The realizable value of the various cash-generating units for which goodwill is capitalized, is based on value in use. The value in use is determined by means of cash flow projections based on the actual operating results and the expected future performance, which in turn is based on management's estimates and assumptions of revenue growth and developments of operating margins, assessed with external data, covering a period of, in principle, nine years (2007: five years). Cash flow projections after this period are extrapolated by means of a growth percentage of 1% (2007: 2%) throughout the Group. The nine years' period of the projections reflects an estimated full business cycle of the industry and the long-term growth potential of high growth regions before reaching maturity.

Further key assumptions in the cash flow projections are:
- annual revenue growth: on average between minus 20% and 0% for the first three years and in the range of 5% to 12.5% for the following six years;
- EBITA in the range of 2.5% to 5% of revenue;
- growth rate in revenue and EBITA percentages vary between geographical areas in limited terms and are dependent on the mix in revenue;
- the discount rate used is 10.5% after tax (the discount rate before tax is 15%).

Management did not differentiate between separate discount rates for the geographical areas because of the global potential of the Vedior acquisition. In addition, the effect of using different discount rates for different geographical area would not have a material effect.

Impairments
For 2008 and 2007, the calculation of the value in use of the various cash-generating units in comparison to the carrying amount, resulted in impairments in 2008 whereas no impairments were identified in 2007. In the course of 2008, the Group recognized an impairment charge of € 50 million in relation to an activity in the Netherlands because of a reassessment of growth ambitions and potential. In Q4 a further € 6 million impairment goodwill as well € 29 million on other intangibles was recognized. In addition, an impairment charge in the amount of € 500 million in total is recognized and is per geographical area, based on a provisional goodwill allocation:
- France € 175 million
- Iberia € 70 million
- UK € 40 million
- US € 75 million
- Rest of the world € 140 million

Sensitivity
The resulting values in use are sensitive to variations in estimates and assumptions. Variations in estimates and assumptions have the following result on the value in use calculations:
- revenue growth: a 1% point lower growth rate would result in a € 125 million additional impairment charge (2% point: € 235 million);
- EBITA: a 0.25% point lower EBITA in percentage of revenue would imply a € 160 million additional impairment charge (0.5% point: € 325 million);
- discount rate: a 0.5% point higher discount rate would result in a € 140 million higher impairment charge (1% point: € 270 million).

The variance in the amounts of additional impairments across the listed geographical areas is relatively limited, with the exception of the UK and Rest of the world. In the UK the impact is on average relatively higher, and in the Rest of the world relatively lower. Iberia is relatively less sensitive to revenue growth deviations. The geographical areas the Netherlands, Germany, Belgium/Luxembourg and other Europe are not sensitive to variances in assumptions because enough headroom is available.

Carrying amount of goodwill
The carrying amount of goodwill per operating segment is:

	2008	2007
Netherlands	800.8	73.5
France	407.1	0.5
Germany	205.6	153.0
Belgium/Luxembourg	126.6	11.2
Iberia	57.0	–
United Kingdom	318.9	18.1
Other European countries	93.9	30.1
North America	213.0	–
Rest of the world	102.9	14.3
	2,325.8	300.7

Other information goodwill and acquisition-related intangible assets

Additions goodwill and acquisition-related intangible assets due to acquisitions by geographical area:

	2008	2007
Netherlands	928.4	21.8
France	867.4	–
Germany	68.2	75.7
Belgium/Luxembourg	181.7	0.7
Iberia	202.1	–
United Kingdom	498.9	0.1
Other European countries	109.2	18.5
North America	399.3	0.2
Rest of the world	318.6	0.9
	3,573.8	117.9

Additions goodwill and acquisition-related intangible assets due to acquisitions by business segment:

	2008	2007
Staffing	2,187.2	117.8
Professionals	1,386.6	0.1
	3,573.8	117.9

18.3 Business combinations

During 2008 and 2007 the following companies were acquired:

Company	Acquired % of shares	Acquisition date	Earnout/put-call arrangements
2007			
OK Consulting gcv (Belgium)	100	January 5, 2007	Yes
Thremen BV (The Netherlands)	100	March 29, 2007	No
Talent Shanghai Co., Ltd (China)	23	April 2, 2007	No
Job One SA (Switzerland)	100	June 26, 2007	Yes
Pacific Team Ltd. (Hong Kong)	100	August 20, 2007	No
Team BS Management Holding GmbH (Germany)	100	October 1, 2007	Yes
Centrale Inkomensadministratie Nederland “CIAN” BV (The Netherlands)	100	October 1, 2007	No
2008			
Vedior N.V. (The Netherlands)	100	May 16, 2008	No
Management Angels GmbH (Germany)	100	July 1, 2008	Yes

The main activities of these companies are temporary and contract staffing, including search and selection activities. The earnout arrangements generally comprise agreements for the former shareholder(s)/manager(s) to stay for a number of years after acquisition, supplemented with certain financial parameters in respect of the acquired business; put-call arrangements generally comprise agreements with the previous owners of acquired companies that still hold a minority interest (see also note 2.23).

Information about acquisitions

The assets and liabilities arising from acquisitions, as well as the breakdown of the total amount of goodwill, based on a provisional purchase price allocation, are:

	2008 Total		2007 Total
	Carrying amount	Fair value	Fair value
Property, plant & equipment and software	123.3	109.1	0.8
Goodwill	1,160.1	–	–
Acquisition-related intangible assets	–	985.7	35.1
Deferred tax assets	60.0	83.6	0.3
Financial assets	49.4	48.9	–
Associates	2.9	2.9	–
Total non-current assets	1,395.7	1,230.2	36.2
Working capital	(0.1)	(43.9)	(11.4)
Borrowings	(12.7)	(12.7)	–
Deferred income tax liabilities	(16.7)	(326.4)	(9.9)
Other liabilities	(82.1)	(166.2)	–
Provisions	(27.8)	(38.6)	(0.9)
Total non-current liabilities	(139.3)	(543.9)	(10.8)
Net assets	1,256.3	642.4	14.0
Minority Interests	(3.1)	(3.1)	(0.2)
Net assets acquired	1,253.2	639.3	13.8
Plus: net value already included in associates		20.1	(1.6)
Sub-total		659.4	12.2
Goodwill		2,588.1	82.8
Total consideration		3,247.5	95.0

Goodwill is mainly attributable to the synergies expected to arise after the Group's acquisition of these companies and to the workforce of the acquired businesses.

Goodwill is based on the expected costs of these acquisitions amounting to € 3,247.5 million (2007: € 95.0 million), of which € 1,342.2 million was paid during 2008 (2007: € 91.5 million) and the remaining part, when not settled by way of the issue of shares, is included under liabilities as at December 31 of the year of acquisition.
The expected costs of all acquisitions are (to be) paid in cash, except for the acquisition of Vedior N.V., which is partly paid in shares, in the amount of € 1,417.4 million. The acquisition costs included in the total amount of goodwill of € 2,588.1 million amount to € 23.2 million.

In 2008, the acquired businesses contributed € 4,864.2 million to the Group's revenue (for acquisitions in 2007: € 148.9 million) and € 94.5 million to the Group's operating profit (for acquisitions in 2007: € 1.9 million). If these acquisitions had occurred on January 1, 2008, their contribution to Group revenue and normalized operating profit (excluding impairment) would have been approximately € 8,011 million and € 183 million respectively (for acquisitions in 2007: approximately € 240 million and € 4 million respectively).

The reconciliation of the amount of acquisition of subsidiaries in the cash flow statement is as follows:

	2008	2007
Total consideration	3,247.5	95.0
Shares purchased in preceding years	(478.9)	–
Issued shares	(1,417.4)	–
Deferred consideration	(9.0)	(3.5)
Consideration paid	1,342.2	91.5
Net debt of subsidiaries acquired, included in working capital	566.7	12.7
Consideration paid, adjusted for net debt acquired for acquisitions during the year	1,908.9	104.2
Consideration paid in respect of acquisitions in preceding years	22.5	4.4
Acquisition of subsidiaries, cash flow statement	1,931.4	108.6

Information about the disposal of subsidiaries and activities

In 2008 the Group disposed of activities in mainly the staffing segment in Portugal (a prerequisite to obtain clearance from the European Commission for the acquisition of Vedior) and Spain, with a cash consideration of € 15.6 million net. The disposed activities represented net value of assets and liabilities of € 11.8 million (2007: € 1 million and € 5 million respectively for disposals in the United States and in the Netherlands, both in staffing segment).

19. Deferred and current income taxes

19.1 Deferred income tax assets

Deferred tax assets are attributable to the following:

	2008	2007
Goodwill	98.4	113.3
Tax losses carry-forward	136.0	69.6
Temporary differences	187.6	99.6
Total deferred income tax assets	422.0	282.5

Deferred tax assets in relation to goodwill comprise the tax effects arising from goodwill that has been directly charged to shareholders' equity at acquisition date, based on (Dutch) accounting principles prevalent at that time and in accordance with the exemptions offered by IFRS 1 at the date of transition to IFRS (January 1, 2004). Deferred tax assets in relation to tax losses carry-forward comprise an amount of € 124 million (2007: € 62 million) in receivables originating from subsidiaries that showed (tax) losses in the current or preceding year. At balance sheet date, the net valuation of these deferred tax assets is determined based upon the probable recoverability, which in turn is based on management's expectations. Deferred tax assets in relation to temporary differences originate from differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The composition of deferred tax assets in relation to temporary differences is as follows:

	2008	2007
Property, plant, equipment and software	13.2	10.0
Other receivables/other payables	127.9	68.8
Provisions	46.5	20.8
	187.6	99.6

The recoverability of deferred tax assets resulting from net operating losses and timing differences is reviewed and assessed annually, using forecasts that are based on the actual operating results and the expected future performance based on management's estimates and assumptions of revenue growth and development of operating margins of the Group companies concerned, assessed with external data. Significant judgment is required. Deviations from these estimates and assumptions can affect the value of deferred tax assets and may, in that case, have a material impact on the effective tax rate. The actual outcome may differ significantly from the outcome estimated by management.

These projections are based on internal projections and strategic plans and are assessed with a number of scenarios to cover reasonable changes in the assumptions of the projections. These changes mainly relate to variations in revenue growth percentages and operating margin percentages. The deferred tax assets are only recognized to the extent that it is considered probable that future taxable profits will be available against which these deferred tax assets can be utilized.

The several scenarios give potential outcomes that deviate from the carrying amount within a range of up to € 50 million, upwards or downwards.

Certain deferred tax assets, the recoverability of which is considered not probable, are valued at nil. These comprise deferred tax assets relating to goodwill of approximately € 4 million (2007: approximately € 4 million), deferred tax assets in relation to tax losses carry-forward of approximately € 66 million (2007: approximately € 92 million) and deferred tax assets relating to other temporary differences of approximately € 27 million (2007: approximately € 26 million). The majority of the unrecognized tax losses will expire between 2022 and 2028.

The part of deferred tax assets that is expected to be recovered within one year is estimated at € 10 million (2007: € 11 million).

19.2 Deferred income tax liabilities

Deferred income tax liabilities are attributable to the following:

	2008	2007
Recapture obligations	58.5	266.3
Temporary differences	283.4	21.0
Total deferred income tax liabilities	341.9	287.3

The deferred tax liability with respect to recapture obligations ensues from incorporation in the Netherlands of tax losses incurred in Germany (2007: the United States and Germany). An amount of € 186.1 million has been released to the income statement after restructurings in the Group, since it is considered highly unlikely that these have to be paid in the future. As soon as the 'recapture obligation' is expected to materialize in the future, this will lead to a tax liability and an increase in the effective tax rate.
The deferred tax liability for temporary differences originates from differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. An amount of € 273.3 million (2007: € 17.7 million) is included in temporary differences in relation to the valuation of acquisition-related intangible assets upon acquisition.

The part of deferred tax liabilities that is expected to be settled within one year is estimated at € 68 million (2007: € 38 million).

19.3 Movements in total position taxes on income

Changes in the total position of taxes on income are:

	2008	2007
Assets/(liabilities) taxes on income		
Deferred tax assets	282.5	329.0
Current income tax receivables	20.1	6.1
Deferred tax liabilities	(287.3)	(298.9)
Current income tax payables	(57.5)	(48.4)
Value at January 1	(42.2)	(12.2)
Movements during the year		
Charged to income statement	121.0	(154.6)
Net payments	205.4	153.0
Acquisition of subsidiaries' deferred taxes	(242.8)	(9.6)
Acquisition of subsidiaries' income taxes	33.8	(0.6)
Disposal of subsidiaries' deferred taxes	(0.3)	–
Effect on deferred taxes from adjustments to acquisitions in prior years	–	1.1
Recognized in shareholders' equity	10.0	1.9
Translation gains/(losses)	21.3	(21.2)
Total movements	148.4	(30.0)
Assets/(liabilities) taxes on income		
Deferred tax assets	422.0	282.5
Current income tax receivables	67.7	20.1
Deferred tax liabilities	(341.9)	(287.3)
Current income tax payables	(41.6)	(57.5)
Value at December 31	106.2	(42.2)

20. Financial assets

	2008	2007
Held-to-maturity investments	54.7	5.9
Loans and receivables	6.7	4.3
Investment	12.6	–
	74.0	10.2

The held-to-maturity investments, loans and receivables are neither past due nor impaired. These financial assets have counterparties such as (semi-) governmental bodies or insurance companies.
The investment represents solely the 10% shareholding of € 12.6 million in a Japanese staffing company and is valued at cost, since the Group holds a put option to sell back the shares at the original purchase price. The amount paid is included in the cash flow statement under loans and receivables.
The Group does not hold any collateral as security.

Changes in held-to-maturity investments are:

	2008	2007
Value at January 1	6.2	5.4
Acquisition of subsidiaries	45.8	–
Additions	4.2	0.5
Redemptions	(1.4)	–
Interest due to passage of time	1.6	0.3
Value at December 31	56.4	6.2
Non-current portion	54.7	5.9
Current portion	1.7	0.3
Total held-to-maturity investments	56.4	6.2

Held-to-maturity investments relate to interest-free loans with an average remaining term of 13 years (2007: 13 years) and an effective interest rate of 4.8% (2007: 5.5%).
The nominal value of held-to-maturity investments amounts to € 100 million (2007: € 11 million) and represents best the maximum exposure to credit risk. The book value of held-to-maturity investments approximates the fair value as of January 1 and December 31, 2008.

Changes in loans and receivables are:

	2008	2007
Value at January 1	4.3	4.2
Acquisitions of subsidiaries	3.1	–
Additions	0.2	0.2
Redemptions	(0.8)	–
Translation losses	(0.1)	(0.1)
Value at December 31	6.7	4.3

The loans and receivables are expected to be non-current in full.

The loans and receivables do not have a fixed maturity date; the average effective interest rate is 4.0% (2007: 4.0%).
The book value of the loans and receivables approximates the fair value as of January 1 and December 31, 2008, and represents best the maximum exposure to credit risk.

21. Associates

Changes in associates are:

	2008	2007
Value at January 1	480.9	2.7
Acquisitions of subsidiaries	2.9	–
Acquisitions	–	478.9
Disposal of associates	(0.9)	–
Dividend received	(9.4)	–
Share of profit	3.8	2.0
Translation differences	0.0	0.0
Accounted for as a consolidated subsidiary	(475.3)	(2.7)
Value at December 31	2.0	480.9

As at December 31, 2008 the Group has a number of small investments in associates, amounting in total to € 2.0 million. The total assets and total liabilities of these associates amount to approximately € 16 million and € 4 million respectively, whereas our share in 2008 net income is approximately zero. The share of profit in the amount of € 3.8 million is related to our share in net income of Vedior N.V. for the period January 1 – May 16, 2008.
As at December 31, 2007 the Group had an investment in Vedior N.V., representing a holding of 15% of the shares in Vedior N.V, following the company's announcement of the public offer for the shares of Vedior N.V. This public offer was effectuated during 2008 and as of May 16, 2008 the Vedior group of companies is consolidated. The fair value of this shareholding amounted to € 450 million as at December 31, 2007.
The carrying amount of associates at December 31, 2007 included goodwill of € 0.4 billion; total assets amounted to € 3.3 billion and liabilities to € 2.4 billion as at December 31, 2007. Total revenue in 2007 amounted to € 8.4 billion and our share in net income 2007 was € 2.0 million.

As per April 2, 2007 the Group acquired an additional 23% of the shares of the associate Talent Shanghai Co., Ltd, China, resulting in a 70% interest. As of that date this company was consolidated as a subsidiary.
In the first quarter of 2007, the fair value of the net assets of Talent Shanghai Co., Ltd as of the moment the Group acquired 47% of the shares, has been adjusted, leading to a total goodwill of € 1.7 million. The goodwill included in the carrying amount of associates is reclassified to goodwill.

22. Trade and other receivables

	2008	2007
Trade receivables	2,587.4	1,419.0
Less: provision for impairment	83.5	25.4
Trade receivables, net of provision for impairment	2,503.9	1,393.6
Other receivables	261.1	144.5
Prepayments	53.7	32.0
Held-to-maturity investments	1.7	0.3
	2,820.4	1,570.4

The book value of these receivables equals the fair value.

The Group does not hold any collateral as security.

Movements in the provision for impairment of trade receivables are:

	2008	2007
Value at January 1	25.4	25.3
Acquisition of subsidiaries	54.3	0.2
Charged to income statement	18.3	6.4
Receivables written off as uncollectible	(13.7)	(6.1)
Translation differences	(0.8)	(0.4)
Value at December 31	83.5	25.4

In the provision for impairment of trade receivables an amount of € 49.6 million (2007: € 19.7 million) is included for individually-impaired receivables.

The charge to the income statement has been included in selling expenses.

Amounts charged to the provision for impairment of trade receivables are generally written off when there is no expectation of recovering additional cash.

There is no concentration of credit risk with respect to trade receivables, as the Group has very many customers in a large number of industries and countries.

The aging of trade receivables, based on invoice date, is:

	2008 amount	2008 %	2007 amount	2007 %
0-4 weeks	**1,344.2**	**52.0**	898.3	63.3
5-16 weeks	**1,082.0**	**41.8**	470.1	33.1
17-26 weeks	**65.2**	**2.5**	21.3	1.5
Not impaired	**2,491.4**		1,389.7	
Impaired	**96.0**	**3.7**	29.3	2.1
	2,587.4	**100.0**	1,419.0	100.0

The trade receivables that are neither past due nor impaired amount to € 1,830 million (2007: € 1,019 million); an amount of € 661 million (2007: € 371 million) is past due, but not impaired.

The information with regard to aging categories is – in line with internal management reporting and credit control procedures – based upon invoice date, since management considers that the risk of non-payment starts as from this date.

The impaired trade receivables are provided for excluding value-added taxes.

23. Cash and cash equivalents

	2008	2007
Time deposits	**530.5**	221.0
Cash on hand and at banks	**300.5**	163.1
	831.0	384.1

The time deposits fall due within a one-month average. The average interest rate for the time deposits is 1.9% (2007: 4.1%). All cash and cash equivalents are available on demand.

24. Total assets

Assets by business segment and geographical area include all assets with the exception of deferred tax assets, current income tax receivables and cash and cash equivalents.

	2008	2007
Total assets	**7,722.8**	3,317.2
Less:		
- deferred tax assets	**422.0**	282.5
- current income tax receivables	**67.7**	20.1
- cash and cash equivalents	**831.0**	384.1
Assets by business segment and geographical area	**6,402.1**	2,630.5

Assets by geographical area are:

	2008	2007
Netherlands	**1,734.9**	682.1
France	**1,606.9**	192.9
Germany	**656.5**	469.5
Belgium/Luxembourg	**501.9**	242.8
Iberia	**372.0**	134.5
United Kingdom	**598.8**	79.2
Other European countries	**308.1**	157.6
North America	**578.2**	136.0
Rest of the world	**320.1**	23.4
Corporate	**61.2**	527.6
Eliminations	**(336.5)**	(15.1)
	6,402.1	2,630.5

Assets by business segment:

	2008	2007
Staffing	**4,339.6**	1,589.1
Inhouse services	**219.8**	341.5
Professionals	**1,788.0**	224.2
Facilities	**58.3**	53.1
Corporate	**61.2**	527.6
Eliminations	**(64.8)**	(105.0)
	6,402.1	2,630.5

25. Shareholders' equity and dividends per share

25.1 Shareholders' equity

General
Early in 2008 the conditions of the preferred shares changed such that preferred shares classify as equity instead of as a liability; the carrying amount of € 165.8 million has been transferred from non-current liabilities to shareholders' equity. The current conditions of the preferred shares are such that the holders of the preferred shares receive

a dividend at the company's discretion, that dividend is preferred and cumulative, and that the voting rights are 1 vote per 7 preferred shares.

The dividend on preferred shares is reviewed every seven years. The last review took place in November 2005 and the dividend has been set at € 0.284 per preferred share. The next review of the dividend will take place in November 2012. Only the company can propose to the Annual General Meeting of Shareholders to decide to repay the preferred shares.

Authorized and issued capital
Authorized capital is € 75 million (2007: € 50 million) and consists of 325,000,000 (2007: 200,000,000) ordinary shares with a nominal value of € 0.10, a further 75,000 type-A (2007: 50,000) preferred shares with a nominal value of € 500 and 50,000,000 type-B preferred shares with a nominal value of € 0.10.
Issued share capital consists of 169,543,025 ordinary shares (2007: 116,606,865) and 25,200,000 type-B preferred shares (2007: 25,200,000) at year-end.

Share premium
Share premium consists of € 1,850.6 million share premium on ordinary shares (2007: € 432.6 million) and € 163.3 million share premium on preferred shares (2007: € 163.3 million classified under liabilities) at year-end.

Translation reserve
The translation reserve comprises all translation differences arising from the translation of the net investment in activities in currencies other than the euro starting January 1, 2004. Such translation differences are recognized initially in this separate component of shareholders' equity and recognized in the income statement on disposal of the net investment.
The issue of ordinary shares for the acquisition of Vedior N.V. is related to the acquisition of 78.5% of the shares of Vedior N.V. as per May 16 in a mixed cash/share offering and of 6.5% of the shares of Vedior N.V. as per July 1, 2008. On July 1, 2008, based upon the Extraordinary General Meeting of Shareholders of June 26, 2008, Randstad Holding nv legally merged with Vedior N.V. At that time the remaining outstanding shares (6.5%) of Vedior were acquired.

Other information
Refer to note 6 of the company financial statements for the restrictions on the distribution of dividends and the repayment of capital.

The company has various share-based payment arrangements. Additional information with regard to these arrangements is included in note 40. Included in the income statement is an amount of € 13.5 million (2007: € 11.2 million) for share-based payments.
At year-end 2008, 2.7 million stock options and performance shares (2007: 1.8 million) are outstanding, which upon exercise will lead to the issuance of the same number of new ordinary shares.

At December 31, 2008 and 2007, the company held no treasury shares.

Additional information about shareholders' equity is included in the consolidated statement of changes in Group equity.

25.2 Dividends on ordinary and preferred shares
Dividends paid in 2008 and 2007 on ordinary shares amounted to € 146.0 million (€ 1.25 per share) and € 145.3 million (€ 1.25 per share), respectively. Dividends paid in 2008 on preferred shares amounted to € 7.2 million (2007: € 7.2 million) or € 0.284 per preferred share (2007: € 0.284 per preferred share).
At the Annual General Meeting of Shareholders to be held on March 31, 2009, it will be proposed not to pay any dividend on ordinary shares for the year 2008; for preferred shares it will be proposed to pay a dividend of € 7.2 million.

Number of outstanding ordinary and preferred shares

	2008		2007	
	Ordinary shares	Preferred shares	Ordinary shares	Preferred shares
Outstanding January 1	**116,606,865**	**25,200,000**	116,096,328	25,200,000
Issued for acquisition Vedior N.V.	**52,702,702**	**–**	–	–
From share-based payment arrangements	**233,458**	**–**	510,537	–
Outstanding at December 31	**169,543,025**	**25,200,000**	116,606,865	25,200,000

The dividend proposal has not been included as a liability in these financial statements. As of 2008 the dividend on preferred shares is no longer reported under net finance costs but forms part of the profit appropriation.

Dividends on ordinary and preferred shares during recent years are:

	Dividend related to		
	2008	2007	2006
Ordinary shares:			
- dividend paid during 2007			145.3
- dividend paid during 2008		146.0	
- dividend 2008 proposed	–		
Preferred shares:			
- dividend paid during 2007			7.2
- dividend paid during 2008		7.2	
- dividend 2008 proposed	7.2		

26. Preferred shares as a liability

Movements in preferred shares are:

	2008
Issued preferred shares	2.5
Share premium	163.3
Value at January 1	165.8
Reclassification to shareholders' equity	(165.8)
Value at December 31	–

Refer to note 25 for further information on preferred shares.

27. Borrowings

	2008	2007
Non-current borrowings comprising drawings on multi-currency syndicated revolving credit facility	2,392.8	460.0
Other non-current borrowings	9.1	–
Non-current borrowings	2,401.9	460.0
Current borrowings	70.1	68.3
Total borrowings	2,472.0	528.3

Changes in non-current borrowings are:

	2008	2007
Non-current borrowings January 1	460.0	–
Drawings	2,391.6	460.0
Acquisition of subsidiaries	12.7	
Repayments	(466.2)	–
Amortization of transaction costs	3.8	–
Translation	0.0	–
Non-current borrowings December 31	2,401.9	460.0

The company has a € 2,700 million multi-currency syndicated revolving credit facility at its disposal, consisting of a five year amortizing term senior multi-currency credit facility ('Term facility') of € 1.08 billion and a five year revolving senior multi-currency credit facility ('Revolving facility') of € 1.62 billion.

The Term facility will be repaid with semi-annual installments of € 135 million, starting from November 2009. There is no repayment schedule for the Revolving facility; this facility will mature in 2013. See note 5.2.2 for net debt to EBITDA covenant.

The total drawings are the net amount of drawings on the above mentioned facilities amounting to € 2,417.5 million and of transaction costs directly attributable to these drawings in the amount of € 27.9 million (€ 2,389.6 million) and drawings of € 2.0 million on other borrowings.

The credit facility has an interest rate that is based each time on the term of the drawings, increased with a margin above the applicable Euribor or Libor rates. This margin is variable and depends on the (senior) net debt leverage ratio. At the end of 2008, the drawings under this facility amounted to € 2,416.9 million (2007: € 460 million under previous credit facility). The average interest rates at year-end are 3.44% for drawings in euros, 1.11% for drawings in US dollars, 2.90% for drawings in UK pounds sterling, 5.49% for drawings in Australian dollars and 2.82% for drawings in Canadian dollars, for a term shorter than one month, and are also the effective interest rates because the interest rate on the credit facility fluctuates with market trends.

The non-current borrowings are mainly denominated in euros, except for US dollars (€ 235 million), UK pounds sterling (€ 48 million), Australian dollars (€ 36 million) and Canadian dollars (€ 17 million).The majority of current borrowings are denominated in euros. An amount of € 23 million is denominated in UK pounds sterling (2007:

€ 16 million) and an amount of € 15 million is denominated in Indian rupees. As per December 31, 2007 an amount of € 4 million was also denominated in US dollars.
Since the interest rate on the current borrowings fluctuates with the market, the effective interest rates are considered equal to the actual rates.
Negative pledges have been issued for the purposes of bank overdraft facilities and 'pari passu' clauses apply.
At year-end, the Group has no outstanding interest rate or currency derivatives.

The amount of committed credit facilities is € 2,700 million (2007: € 650 million).

28. Provisions

	2008	2007
Provisions for pensions	10.8	10.4
Provisions for other employee benefits	6.0	5.2
Provisions for restructuring, workers' compensation and other	157.1	72.2
	173.9	87.8
Non-current provisions	69.4	46.7
Current provisions	104.5	41.1
	173.9	87.8

The provision for pensions and other employee benefits are reported separately in 2008. The comparative figures for 2007 have been adjusted accordingly.

28.1 Provisions for pensions

The provisions for pensions relate to the following items:

	2008	2007
Defined benefit plan, corporate employees Belgium	(1.8)	(1.8)
Defined benefit plan, staffing and corporate employees Switzerland	1.8	1.2
Defined benefit plan, corporate employees Germany	9.0	8.9
Defined benefit plan, corporate employees the Netherlands	1.8	2.1
	10.8	10.4

The breakdown of the provisions for the defined benefit pension plans is:

	2008	2007
Present value of funded obligations	59.7	41.0
Present value of unfunded obligations	1.8	2.1
Total present value of obligations	61.5	43.1
Fair value of plan assets	(48.5)	(30.6)
	13.0	12.5
Unrecognized actuarial losses	(2.2)	(2.1)
Liability in the balance sheet	10.8	10.4

These provisions are considered non-current.

The amounts recognized in the income statement are:

	2008	2007
Current service costs, employer	4.4	3.3
Amortization of gains and losses	0.3	0.0
Expected return on plan assets	(2.3)	(1.4)
Charged to operating result	2.4	1.9
Interest expenses due to passage of time	2.5	1.4
Charged to income statement	4.9	3.3

The changes in the present value of the defined benefit pension plan obligations are:

	2008	2007
Value at January 1	43.1	35.2
Acquisitions of subsidiaries	20.1	3.7
Effects from adjustments to acquisitions in prior years	–	0.7
Current service costs, total	6.7	4.8
Interest expenses due to passage of time	2.5	1.4
Benefits paid	(11.1)	(1.9)
Unrecognized actuarial results, net	(2.0)	(0.5)
Translation differences	2.2	(0.3)
Value at December 31	61.5	43.1

The changes in the fair value of the plan assets with respect to defined benefit pension plans are:

	2008	2007
Value at January 1	30.6	22.9
Acquisitions of subsidiaries	11.9	2.9
Expected return on plan assets	2.3	1.4
Contributions, employees	2.3	1.5
Contributions, employers	4.5	3.6
Benefits paid	(2.9)	(1.5)
Unrecognized actuarial results, net	(2.4)	0.1
Translation differences	2.2	(0.3)
Value at December 31	48.5	30.6

The major categories of plan assets as a percentage of the fair value of total plan assets are:

	2008	2007
Cash	11.0%	0.6%
Bonds	35.4%	45.0%
Equity instruments	38.4%	45.2%
Real estate	6.0%	6.0%
Other	9.2%	3.2%
Total	100.0%	100.0%

The overall expected rate of return on plan assets is determined by considering the expected market returns available on the assets underlying the current investment policy, supported by rates of returns experienced in the respective markets.

The actual return on plan assets was - € 7.0 million (2007: € 1.6 million).
The principal actuarial assumptions used for defined benefit plans are:

	2008	2007
Discount rate	3.3 - 6.0%	2.9 - 5.6%
Expected return on plan assets	4.4 - 6.3%	4.0 - 6.3%
Expected salary increases	1.5 - 8.2%	1.5 - 6.5%
Expected pension increases	0.5 - 1.5%	0.5 - 1.5%

The average life expectancy in years of an individual retiring at the age of 65 on the balance sheet date is:

	2008	2007
Male	17.3 – 18.6	17.9 – 18.6
Female	21.2 – 22.7	21.2 – 22.7

The assumptions regarding future mortality are based on published statistics and mortality tables in each territory.

28.2 Provisions for other employee benefits

The provisions for other employee benefits relate to several termination indemnity and long service leave plans.

Changes in the provision for other employee benefits are:

	2008	2007
Value at January 1	5.2	5.1
Acquisition of subsidiaries	3.4	–
Current service costs	0.5	1.4
Interest due to passage of time	0.1	0.1
Benefits paid	(3.0)	(1.4)
Translation differences	(0.2)	0.0
Value at December 31	6.0	5.2

These provisions are considered non-current.

The average effective interest rate used in the calculation of the provision for other employment benefits amounts to 5.4% (2007: 5.3%).

The obligations regarding other employee benefits are unfunded.

28.3 Overview defined benefit obligation and plan assets

An overview for the current and prior periods for the total of defined benefit pension plans and other employee benefit plans is:

	2008	2007	2006	2005	2004
Present value of defined benefit obligation	67.5	48.3	40.3	22.0	17.2
Fair value of plan assets	48.5	30.6	22.9	17.1	13.7
Deficit	19.0	17.7	17.4	4.9	3.5

28.4 Provisions for restructuring, workers' compensation and other

Changes in provisions are:

	Restructuring	Workers' compensation	Other	Total
Non-current provisions	0.6	17.7	18.8	37.1
Current provisions	1.7	11.4	17.6	30.7
Value at January 1, 2007	2.3	29.1	36.4	67.8
Acquisition of subsidiaries	–	–	3.7	3.7
Effects of adjustments to acquisitions in prior years	–	–	5.6	5.6
Charged to income statement	6.6	23.1	2.7	32.4
Interest due to passage of time	–	1.3	0.6	1.9
Released to income statement	(0.1)	–	(7.6)	(7.7)
Withdrawals	(3.7)	(20.4)	(3.9)	(28.0)
Translation differences	(0.2)	(3.2)	(0.1)	(3.5)
Value at December 31, 2007	4.9	29.9	37.4	72.2
Non-current provisions	0.9	17.6	15.4	33.9
Current provisions	4.0	12.3	22.0	38.3
Value at December 31, 2007	4.9	29.9	37.4	72.2
Acquisition of subsidiaries	14.0	7.7	48.1	69.8
Disposal of subsidiaries	–	–	(0.2)	(0.2)
Reclassification to deferred consideration	–	–	(4.9)	(4.9)
Reclassification to goodwill	–	–	(0.7)	(0.7)
Charged to income statement	44.7	21.2	18.9	84.8
Interest due to passage of time	–	1.4	0.4	1.8
Released to income statement	–	–	(20.8)	(20.8)
Withdrawals	(16.2)	(21.7)	(8.3)	(46.2)
Translation differences	(0.6)	1.8	0.1	1.3
Value at December 31, 2008	46.8	40.3	70.0	157.1
Non-current provisions	4.3	28.6	19.7	52.6
Current provisions	42.5	11.7	50.3	104.5
Value at December 31, 2008	46.8	40.3	70.0	157.1

The restructuring provision comprises the costs of restructuring measures taken at several subsidiaries.

The effective interest rate that is used in the calculation of the provision for workers' compensation amounts to 5.0% (2007: 5.0%).

Other provisions consist primarily of provisions for claims of third parties.

The non-current part of these provisions is for the major part expected to be settled within three years after the balance sheet date.

29. Other non-current liabilities

Other non-current liabilities mainly include liabilities with respect to put options from minority shareholders and a small part for deferred considerations from business combinations.

Changes in other non-current liabilities are:

	2008	2007
Value at January 1	–	–
Acquisition of subsidiaries	182.3	–
Reclassification from provisions	4.9	–
Paid for minority interest acquired	(16.8)	–
Released for majority interests sold	(1.9)	–
Translation	(7.6)	–
Interest due to passage of time	4.4	–
Value at December 31	165.3	–
Non-current portion	124.1	–
Current portion	41.2	–
Total other liabilities	165.3	–

30. Trade and other payables

	2008	2007
Trade payables	161.1	68.5
Other taxes and social security premiums	833.8	422.9
Pension contributions	36.2	20.5
Dividend on type-B preferred shares	–	7.2
Wages, salaries and other personnel costs	781.0	519.9
Other accruals	314.9	120.4
Deferred income	21.4	8.7
	2,148.4	1,168.1

31. Total liabilities

Liabilities by geographical area consist of provisions and trade and other payables.

	2008	2007
Liabilities	5,301.9	2,294.8
Less:		
- preferred shares	–	165.8
- borrowings	2,472.0	528.3
- deferred income tax liabilities	341.9	287.3
- current income tax liabilities	41.6	57.5
Liabilities by geographical area	2,446.4	1,255.9

Liabilities by geographical area:

	2008	2007
Netherlands	444.6	422.4
France	742.4	133.7
Germany	259.6	244.7
Belgium/Luxembourg	224.5	164.1
Iberia	99.3	64.1
United Kingdom	89.9	29.7
Other European countries	134.7	101.7
North America	150.0	71.1
Rest of the world	77.7	11.0
Corporate	560.2	28.5
Eliminations	(336.5)	(15.1)
	2,446.4	1,255.9

32. Maturities of financial liabilities

The expected contractual maturities of financial liabilities, including interest payments and dividend on preferred shares (2007), are:

December 31, 2008	carrying amount	0-90 days	91-365 days	2-5 years	more than 5 years
Non-current borrowings [1]	2,401.9	2,406.4	–	–	–
Current borrowings [2]	70.1	70.1	–	–	–
Trade and other payables [3]	2,085.8	1,558.5	527.3	–	–
Other non-current liabilities [4]	165.3	8.0	35.2	45.6	105.6
	4,723.1	4,043.0	562.5	45.6	105.6

December 31, 2007	carrying amount	0-90 days	91-365 days	2-5 years	more than 5 years
Preferred shares [5]	165.8	–	7.2	28.8	7.2 p.a.
Non-current borrowings [1]	460.0	462.1	–	–	–
Current borrowings [2]	68.3	68.3	–	–	–
Trade and other payables [3]	1,152.2	901.2	251.0	–	–
	1,846.3	1,431.6	258.2	28.8	–

1 Drawings on the syndicated loan contractually mature in January 2008 (see note 27); most likely to be extended by new drawings.
2 No interest included, since current borrowings are considered repayable upon demand.
3 Excluding deferred income (2008 and 2007), short-term part other non-current liabilities (2008) and dividend preferred shares (2007).
4 Other non-current liabilities based upon the estimated maturities, due to the nature of put options.
5 As per note 25 only to be repaid upon proposal of the company to the Annual General Meeting of Shareholders. In this scheme, no repayment is considered as per December 31, 2007. Dividend is stated based on the current annual amount as per December 31, 2007. As per December 31, 2007 the preferred shares were classified as non-current liabilities, whereas as per December 31, 2008 as equity.

33. Operating working capital

	2008	2007
Working capital	**1,354.5**	639.6
Adjusted for:		
- cash and cash equivalents	**(831.0)**	(384.1)
- current income tax receivables	**(67.7)**	(20.1)
- current income tax liabilities	**41.6**	57.5
- dividend on type-B preferred shares	**–**	7.2
- current borrowings	**70.1**	68.3
- current provisions	**104.5**	41.1
Operating working capital	**672.0**	409.5

Operating working capital by geographical area:

	2008	2007
Netherlands	**239.9**	103.3
France	**134.6**	47.2
Germany	**136.9**	11.7
Belgium/Luxembourg	**37.1**	46.9
Iberia	**140.2**	65.0
United Kingdom	**92.6**	22.8
Other European countries	**33.6**	16.0
North America	**128.4**	82.1
Rest of the world	**54.8**	(3.0)
Corporate	**(326.1)**	17.5
	672.0	409.5

34. Net cash and borrowings

	2008	2007
Non-current borrowings	**(2,401.9)**	(460.0)
Current borrowings	**(70.1)**	(68.3)
Total borrowings	**(2,472.0)**	(528.3)
Cash and cash equivalents	**831.0**	384.1
Net debt	**(1,641.0)**	(144.2)

35. Commitments

	2008	2007
Commitments, less than 1 year	**216**	150
Commitments, more than 1 year, less than 5 years	**350**	240
Commitments, more than 5 years	**109**	60
	675	450

Commitments comprise, almost exclusively, lease contracts for branches and lease contracts for IT equipment and automobiles.

No guarantees have been issued other than those in relation to commitments from rent and leases, and those in relation to liabilities that are included in the balance sheet.

36. Auditors' fees

The following auditors' fees were expensed in the income statement in the reporting period:

	2008	2007
Audit of the financial statements [1]	**4.2**	2.1
Audit of the financial statements by other audit firms	**1.0**	0.1
Subtotal for audit of the financial statements [2]	**5.2**	2.2
Other audit procedures [1]	**0.5**	0.1
Tax services [1]	**0.4**	0.1
Other non-audit services [1]	**0.9**	0.4
Total	**7.0**	2.8

1 The fees listed above relate to the procedures applied to the company and its consolidated Group entities by PricewaterhouseCoopers as the external auditor referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Wta), as well as by the PricewaterhouseCoopers network.
2 Including the audit fees with respect to the local statutory financial statements

notes to the consolidated **cash flow statement**

37. Notes to the consolidated cash flow statement

The majority of the items in the consolidated cash flow statement are cross-referenced to the relevant notes to the consolidated income statement and balance sheet on an individual basis. For the remainder of the material items, the reconciliation between amounts as included in the consolidated cash flow statement and related amounts in the income statement and balance sheet is shown below.

37.1 Cash

Cash includes cash, cash equivalents and current borrowings, for the purposes of the cash flow statement:

	2008	2007
Cash and cash equivalents	831.0	384.1
Current borrowings	(70.1)	(68.3)
	760.9	315.8

37.2 Trade and other receivables (excluding short-term part held-to-maturity investments)

	2008	2007
Balance as at January 1	1,570.1	1,442.6
Acquisition of subsidiaries	1,807.2	24.2
Disposal of subsidiaries	(18.4)	–
Translation losses and other	(59.3)	(16.7)
Cash flow statement	(480.9)	120.0
Balance as at December 31	2,818.7	1,570.1

37.3 Trade and other payables (excluding dividend preferred shares (2007) and short-term part other non-current liabilities (2008))

	2008	2007
Balance as at January 1	1,160.9	1,088.5
Acquisition of subsidiaries	1,268.2	17.8
Effects from adjustments to acquisitions in prior years	–	(1.3)
Disposal of subsidiaries	(9.6)	–
Translation gains and other	(26.6)	(7.1)
Cash flow statement	(285.7)	63.0
Balance as at December 31	2,107.2	1,160.9

37.4 Provisions

	2008	2007
Balance as at January 1	87.8	82.5
Acquisition of subsidiaries	75.8	4.5
Effects from adjustments to acquisitions in prior years and reclassifications	(5.6)	6.3
Disposal of subsidiaries	(0.2)	–
Interest due to passage of time	4.4	3.4
Translation losses/(gains) and other	1.1	(3.5)
Cash flow statement	10.6	(5.4)
Balance as at December 31	173.9	87.8

37.5 Free cash flow

Free cash flow comprises net cash from operating and investing activities, excluding the acquisition and disposal of subsidiaries and associates:

	2008	2007
Net cash flow from operating activities	754.1	401.4
Net cash flow from investing activities	(1,996.3)	(660.5)
	(1,242.2)	(259.1)
Acquisition of subsidiaries and associates	1,931.4	587.5
Disposal of subsidiaries and associates	(16.5)	–
Free cash flow	672.7	328.4

notes to **personnel expenses** and **employee numbers**

38. Wages and salaries, social security charges and pension charges

Wages, salaries, social security charges and pension charges are included in cost of services for staffing employees and in personnel expenses for corporate employees. The details for cost of services and personnel expenses, as well as the totals for wages, salaries, social security charges and pension charges are as follows:

38.1 Cost of services

Cost of services include the expenses of staffing employees:

	2008	2007
Wages and salaries	8,604.7	5,695.3
Social security charges	1,919.5	1,112.0
Pension charges – defined contribution plans	101.3	62.2
Pension charges – defined benefit plans	1.1	0.6
Wages, salaries, social security and pension charges	10,626.6	6,870.1
Other cost of services	439.5	297.2
	11,066.1	7,167.3

38.2 Personnel expenses

Personnel expenses of corporate employees are included in total operating expenses and amount to:

	2008	2007
Wages and salaries	1,162.3	737.0
Social security charges	176.3	107.2
Pension charges – defined contribution plans	29.4	21.4
Pension charges – defined benefit plans	1.3	1.3
Share-based payments	13.5	11.2
Wages, salaries, social security and pension charges	1,382.8	878.1
Other personnel expenses	175.8	143.0
	1,558.6	1,021.1

38.3 Wages and salaries, social security charges and pension charges

Total wages and salaries, social security charges and pension charges included in operating profit are:

	2008	2007
Wages and salaries	9,767.0	6,432.3
Social security charges	2,095.8	1,219.2
Pension charges – defined contribution plans	130.7	83.6
Pension charges – defined benefit plans	2.4	1.9
Share-based payments	13.5	11.2
	12,009.4	7,748.2

39. Employee numbers (average)

	2008	2007
Staffing employees	555,600	369,200
Corporate employees	28,230	17,570
	583,830	386,770

Employee numbers by geographical area:

	Staffing		Corporate	
	2008	2007	2008	2007
Netherlands	115,300	111,500	7,160	6,290
France	97,300	19,400	3,420	780
Germany	53,100	50,900	3,180	2,810
Belgium/Luxembourg	42,900	35,400	2,150	1,610
Iberia	49,100	28,500	1,780	1,260
United Kingdom	20,100	9,100	2,200	710
Other European countries	33,500	23,500	1,950	1,230
North America	52,600	49,000	3,310	2,180
Rest of the world	91,700	41,900	2,930	590
Corporate	–	–	150	110
	555,600	369,200	28,230	17,570

Employee numbers by business segments:

	Staffing		Corporate	
	2008	2007	2008	2007
Staffing	431,200	291,000	19,150	13,600
Inhouse services	70,100	72,400	2,080	2,010
Professionals	54,300	5,800	6,370	1,400
Facilities	–	–	480	450
Corporate	–	–	150	110
	555,600	369,200	28,230	17,570

notes to **share-based payments**

40. Share-based payments

Within the Group a number of share-based payment arrangements are in effect: stock option plans and performance share plans for executive board members and senior management, and a share purchase plan for all corporate employees. Share-based payment arrangements of the Vedior Group, acquired in 2008, were settled before the acquisition.
The number of options and shares to be granted under the plans of the Randstad Group for the executive board and senior management may not lead to a dilution per year of more than 1% of issued ordinary shares. For more details, please refer to pages 59-62 of the summary of the remuneration report in this annual report.

40.1 Stock option plans

Executive board stock option plan
The executive board stock option plan was implemented in 2001; during 2007 the last grants based on these plans were realized. The options have an exercise price that is not lower than the share price at granting date. The options granted until 2003 had a term of five full years, while the options granted as from 2004 have a term of seven years. The options are exercisable as from three years after granting, without performance conditions or other restrictions. If a board member resigns from the Group within three years after granting, a reduction mechanism on potential profits on options is in place.

Senior management stock option plan
From 2003 until 2007, options were granted annually to a limited group of senior management. The exercise price, term and other conditions are identical to the executive board stock option plan.

Executive board performance stock option plan
From 2007, conditional performance stock options are granted annually to the executive board members; the options have an exercise price that is not lower than the share price at granting date. The options have a term of seven years, and are exercisable as from three years after granting. The number of options that will vest depends on the company's 'total shareholder return' (TSR) performance compared with a peer group of ten companies measured over a three-year period starting on January 1 of the year of granting the options. If a board member resigns from the Group within the three-year vesting period, the options will be forfeited.

The plans are equity-settled. The fair value of share-based payments is determined per the date of each grant. For stock options this is based on a binomial valuation model, and for performance stock options it is based on a combination of a Monte Carlo simulation model and a Black & Scholes valuation model. The following parameters are used:

	2008	2007
Share price at grant date	€ 26.39	€ 57.40
Average exercise price	€ 26.39	€ 57.40
Option life	7 years	7 years
Expected volatility[1]	33%	30%
Dividend yield	2%	2%
Risk-free interest rate	4.5%	4.2%
Vesting of stock options	–	25% after first, 25% after second and 50% after third year
Vesting of performance stock options[2]	December 31, 2010	December 31, 2009
Options are exercisable as from	3 years after grant date	3 years after grant date
Exercise multiple	2	2
Attrition rates	2.5% in first and 3.5% in the following years	2.5% in first and 3.5% in the following years

1 Expected volatility is measured at the standard deviation of expected share price return of daily share prices.
2 Vesting of performance stock options is based on the company's relative TSR performance.

The fair value of the stock options and the performance stock options is charged to the income statement over the vesting period.
At each balance sheet date the assumed attrition is reassessed; any adjustment is charged to the income statement. On exercise of options, the company issues new shares.

The details are:

Year of grant	Life in years	Number of participants	Number of options (x 1,000) January 1, 2008	Granted	Lapsed	Exercised	December 31, 2008	Exercisable	Share price (in €)	Exercise price (in €)	Fair value at grant date (x € 1,000)	Expenses (x € 1,000) 2008	2007
2003	5	98	41	–	17	24	–	–	9.10	9.51	1,420	–	–
2004	7	114	186	–	–	4	182	182	20.90	22.64	3,018	–	150
2005	7	145	478	–	19	–	459	459	28.70	28.87	3,878	216	780
2006	7	201	361	–	14	–	347	–	53.70	53.70	5,961	1,139	2,240
2007	7	200	446	–	21	–	425	–	57.40	57.40	7,882	2,690	2,546
2008	7	6	–	172	–	–	172	–	26.39	26.39	1,638	533	–
Total			1,512	172	71	28	1,585	641				4,578	5,716

40.2 Performance share plans

Executive board performance share plans
According to the performance share plan 2004-2007 the executive board could earn a bonus, paid in shares. The plan had three plan years; the last tranche vested mid-2007.

As from 2007, conditional performance shares are granted annually to the members of the executive board. The plan has a term of three years. The number of shares that will vest depends on the company's TSR performance compared to a peer group of ten companies measured over a three-year period starting on January 1 of the year of grant.
In 2007 a one-time additional grant was made; these shares vest in three tranches (33.3% after one year, 33.3% after two years and the remaining 33.3% after three years).
The number of shares to vest per tranche depends on the company's TSR performance. If a board member resigns from the Group within the three-year vesting period, the shares yet to be vested will be forfeited.

Senior management performance share plan
As from 2007 conditional performance shares are granted annually to a limited group of senior managers. The terms and conditions are identical to the executive board conditional performance share plan, with the addition that the number of shares that will vest not only depends on the company's TSR performance, but also on the personal performance of each participating manager during the vesting periods.
Performance shares were granted to a small group of senior management in mid-2008; the plan has a term of two years. The number of shares that will vest depends mainly on personal performance conditions related to the integration of Randstad and former-Vedior group companies and synergies to be achieved; performance is measured over a two-year period, starting July 1, 2008.

The plans are equity-settled. The fair value of the performance shares is based on a Monte Carlo simulation model; the following parameters are used:

Parameters	Performance share plans 2008	Performance share plan 2007	Performance share plan 2004-2007
Share price at grant reference date	January 1, 2008: € 27.02 July 1, 2008: € 22.20	January 1, 2007: € 52.40	July 1, 2004: € 22.30
Expected volatility based on historical prices over the three-year period to the valuation date	30% - 35%	30%	50%
Expected dividends	2%	2%	2%
Risk-free interest rate (yield on Dutch Government bonds	4.5%	4.2%	3.1%
Expected forfeiture	2.5% – 3.5%	2.5% – 3.5%	0%

Volatility of the shares of the peer companies as well as the pair-wise correlation between all 10 shares, estimated on the basis of historical daily prices over three years.
Estimated dividends of the other peer companies, based on current and past dividends.

related-party transactions

At each balance sheet date the non-market conditions (attrition and personal performance) are reassessed; any adjustment is charged to the income statement. On final allocation, the company issues new shares.

The details are:

Year of grant	Life in years	Number of participants	Number of shares (x 1,000) at target: January 1, 2008	Granted	Lapsed	Vested in February, 2008	December 31, 2008	Fair value at grant date (x € 1,000)	Expenses (x € 1,000): 2008	2007
2004	3	4	–	–	–	–	–	2,340	–	110
2007	3	270	251	–	18	16	217	13,538	3,638	5,374
2008	3	305	–	601	–	–	601	14,285	4,414	–
2008	2	125	–	288	–	–	288	4,143	911	–
Total			251	889	18	16	1,106		8,963	5,484

The first of three tranches of the additional grant of performance shares 2007 vested early 2008 based on the TSR performance over the period January 1, 2005 – December 31, 2007; the performance resulted in vesting of 24,421 shares (share price: € 26.30) compared to an on target award of 15,929 shares.

40.3 Share purchase plan corporate employees
Under the share purchase plan, participating corporate employees may purchase shares from Stichting Randstad Optiefonds twice a year. The maximum amount to be spent within the plan is set annually at 5% of the participant's fixed annual salary. If employees retain the purchased shares for a period of six months (under the condition that they are still an employee of the Group), they receive a bonus equal to a fixed percentage of the number of shares purchased. The bonus is expensed by the company per granting date (2008: € 1.0 million; 2007: € 1.6 million). Due to the short vesting period of six months, the fair value of the bonus shares granted to participating employees is fixed at the share price at balance sheet date or date of award, respectively.

41. Related-party transactions

41.1 Remuneration of the members of the executive board
The totals of the remuneration of the members of the executive board included in the income statement are as follows:

x € 1,000	Fixed compensation: Base salary 2008	2007	Pension charge 2008	2007	Variable remuneration: Short-term cash bonus 2008	2007	Share-based payments 2008	2007	Other benefits 2008	2007	Total 2008	2007
B.J. Noteboom	**796**	758	**230**	202	**478**	652	**972**	1,061	**15**	11	**2,491**	2,684
R.-J. van de Kraats	**565**	539	**163**	142	**339**	463	**686**	754	**7**	36	**1,760**	1,934
J.W. van den Broek	**497**	473	**142**	125	**298**	421	**603**	662	**32**	25	**1,572**	1,706
L.J.M.V. Lindelauf	**497**	473	**142**	125	**298**	416	**603**	665	**59**	13	**1,599**	1,692
G.A. Netland	**268**	–	**76**	–	**154**	–	**150**	–	**6**	–	**654**	–
B. Wilkinson	**241**	–	**75**	–	**91**	–	**150**	–	**29**	–	**586**	–
Total	**2,864**	2,243	**828**	594	**1,658**	1,952	**3,164**	3,142	**148**	85	**8,662**	8,016

The executive board members G. A. Netland and B. Wilkinson were appointed as per May 16, 2008; the amounts mentioned above relate to the period in 2008 as from that date. The total remuneration is partly paid in euros and partly in US dollars for Mr. G.A. Netland (€ 409,000 and $ 358,000 respectively) and partly in UK pounds sterling for Mr. B. Wilkinson (€ 318,000 and £ 212,000 respectively).

In the income statement 2008 and 2007, no expenses have been included for former members of the executive board. The expenses for performance shares and stock options refer to the fair value of share-based payments charged to the income statement for the year 2008 and 2007, respectively.
The numbers of stock options and performance shares outstanding in the financial year are as follows:

Stock options	Year of Granting	Option price (in €)	January 1, 2008	Granted in 2008	Exercised in 2008	Share price at exercise	December 31, 2008	Exercise period ends in
Stock options (based on performance previous years):								
B.J. Noteboom	2005	28.70	32,320				32,320	May 2012
	2006	53.70	22,471				22,471	May 2013
	2007	57.40	23,124				23,124	May 2014
L.J.M.V. Lindelauf	2005	28.70	22,155				22,155	May 2012
	2006	53.70	13,616				13,616	May 2013
	2007	57.40	14,012				14,012	May 2014
R.J. van de Kraats	2005	28.70	24,170				24,170	May 2012
	2006	53.70	15,500				15,500	May 2013
	2007	57.40	15,950				15,950	May 2014
J.W. van den Broek	2005	28.70	22,155				22,155	May 2012
	2006	53.70	13,616				13,616	May 2013
	2007	57.40	14,012				14,012	May 2014
Performance stock options (adjusted plan from 2007 and onward):								
B.J. Noteboom	2007	57.40	16,215				16,215	May 2014
	2008		–	42,082			42,082	February 2015
L.J.M.V. Lindelauf	2007	57.40	10,115				10,115	May 2014
	2008		–	26,248			26,248	February 2015
R.J. van de Kraats	2007	57.40	11,514				11,514	May 2014
	2008		–	29,880			29,880	February 2015
J.W. van den Broek	2007	57.40	10,115				10,115	May 2014
	2008		–	26,248			26,248	February 2015
G.A. Netland	2008		–	24,000			24,000	February 2015
B. Wilkinson	2008		–	24,000			24,000	February 2015
Total			281,060	172,458	–		453,518	

Performance shares	Year of award		January 1, 2008	On target award in 2008	Vested in February 2008	December 31, 2008	Final allocation in
B.J. Noteboom	2007		5,979			5,979	February 2010
	2007	Additional	11,959		3,986	7,973	February 2008- 2010
	2008		–	15,547		15,547	February 2011
L.J.M.V. Lindelauf	2007		3,730			3,730	February 2010
	2007	Additional	7,459		2,486	4,973	February 2008- 2010
	2008		–	9,697		9,697	February 2011
R.J. van de Kraats	2007		4,246			4,246	February 2010
	2007	Additional	8,491		2,830	5,661	February 2008- 2010
	2008		–	11,039		11,039	February 2011
J.W. van den Broek	2007		3,730			3,730	February 2010
	2007	Additional	7,459		2,486	4,973	February 2008- 2010
	2008		–	9,697		9,697	February 2011
G.A. Netland	2008		–	9,000		9,000	February 2011
B. Wilkinson	2008		–	9,000		9,000	February 2011
Total			53,053	63,980	11,788	105,245	

For the conditions and criteria on the granting and exercise of stock options and performance shares please refer to note 40. The first of three tranches of the additional grant of performance shares 2007 vested early 2008 based on the TSR performance over the period January 1, 2005 – December 31, 2007; the performance resulted in 150% vesting or 17,682 shares (share price: € 26.30) compared to the on target award of 11,788.

As per December 31, 2008 and 2007, no stock options granted to former members of the executive board are outstanding.

The number of ordinary shares in Randstad Holding nv held by the members of the executive board per December 31, 2008 was as follows:

			Locked-up	
	Total[1]	Free shares	number	until
B.J. Noteboom	42,885	27,532	11,922	July 2009
			3,431	February 2010
R.J van de Kraats	33,191	22,289	8,465	July 2009
			2,437	February 2010
J.W. van den Broek	34,245	24,668	7,436	July 2009
			2,141	February 2010
L.J.M.V. Lindelauf	27,770	18,193	7,436	July 2009
			2,141	February 2010
G.A. Netland	2,721	2,721	–	–
B. Wilkinson	51,626	51,626	–	–

1 In addition, Mr. Lindelauf holds 123 share depository receipts and Mr. Van den Broek holds 26 share depository receipts.

41.2 Remuneration of the members of the supervisory board

The amounts of the remuneration of the members of the supervisory board included in the income statement are as follows:

	2008	2007
F.W. Fröhlich	**103,000**	103,000
F.J.D. Goldschmeding	**73,000**	73,000
H.M.E.V Giscard d'Estaing[1]	**37,500**	–
B.C. Hodson[1]	**37,500**	–
J.C.M. Hovers	**69,000**	69,000
G. Kampouri Monnas	**65,000**	65,000
W.A.F.G. Vermeend	**65,000**	65,000
L.M. van Wijk	**65,000**	65,000
R. Zwartendijk	**65,000**	65,000
Total	**580,000**	505,000

1 The supervisory board members Mr. H.M.E.V Giscard d'Estaing and Ms. B.C. Hodson were appointed effective May 16, 2008. Their remuneration relates to the period as from that date.

In addition Jan Hovers receives a remuneration of € 12,000 annually as member of the supervisory board of the Dutch sub holding Randstad Groep Nederland bv.
Mr. H.M.E.V. Giscard d'Estaing holds 451 ordinary shares in Randstad Holding nv per December 31, 2008.

41.3 Other related-party transactions

One member of the supervisory board has an interest in a legal entity, which, based on the *'Wet melding zeggenschap 2006'* ('Major Holdings in Listed Companies Act 2006'), is registered as a shareholder in Randstad Holding nv in the 30-40% category. The same member is a member of the board of management of Stichting Randstad Optiefonds.

There were no transactions with this related party, other than the rental of a ship, Clipper *Stad Amsterdam*, for promotional activities at approximately € 1.7 million rent annually (2007: € 1.6 million).

In 1988, the founder of Randstad established Stichting Randstad Optiefonds to provide options to corporate employees of the Group. Up to 2003, options were granted to these employees. The options were granted on (depository receipts for) ordinary shares, available in the foundation; exercise does not affect the number of shares issued by the company, nor has the company any obligation in relation to these options. Per December 31, 2008, virtually no options are outstanding; in total, employees of the Randstad Group hold 0.5 million depository receipts for shares. The board of management of the foundation consists of three members, of which two are fully independent from the Group; the chairman of the foundation is the founder of Randstad.

overview of **major subsidiaries**

42. Overview of major subsidiaries

Europe

Randstad Nederland bv	Amsterdam
Randstad Uitzendbureau bv	Amsterdam
Tempo-Team Group bv	Amsterdam
Tempo-Team Uitzendbureau bv	Amsterdam
Tempo-Team Werknet bv	Amsterdam
Otter-Westelaken Groep bv	Veghel
Yacht bv	Amsterdam
Randstad Belgium nv	Brussels
Randstad Professionals nv	Brussels
Tempo-Team nv	Brussels
Randstad Interim sa	Luxembourg
Randstad AS	Copenhagen
Randstad Deutschland GmbH & Co KG	Eschborn
VediorBis S.A.S.	Saint-Denis
Randstad Intérim SASU	Paris
Randstad Inhouse Services SASU	Paris
Yacht France sa	Paris
Randstad Schweiz AG	Zürich
Randstad Empleo, Empresa De Trabajo Temporal S.A. Sociedad Unipersonal	Madrid
Select Recursos Humanos, Empresa de Trabalho Temporario S.A.	Lisbon
Randstad Employment Bureau Ltd	Newbury
Martin Ward Anderson Ltd	Windsor
Beresford Blake Thomas Ltd.	London
Hill McGlynn & Associates Ltd	Southampton
Select Education Plc	St. Albans
Randstad Italia SPA	Milan
Randstad Polska Sp.z o.o.	Warsaw
Randstad AB	Stockholm
Randstad Hungary Kft	Budapest
Randsta Hellas AE	Athens
Randstad Work Solutions Istihdam ve Insan Kaynaldary ltd Sirketi	Istanbul

North America

Randstad North America LP	Atlanta
Randstad Inhouse Services LP	Atlanta
Randstad Professionals US LP	Boston
Randstad Intérim Inc.	Montreal
Sapphire Technologies Canada, Inc.	Toronto
Reliance Resources Group Canada Inc.	Toronto

Latin America

Sesa International SA (Argentina)	Rosario
Top Personnel S.A. DE CV	Mexico City

Asia Pacific

Randstad Pty Ltd.	Sydney
Link Recruitment Group Pty Ltd.	Melbourne
Clinical One Pty Ltd.	Melbourne
Randstad Consulting Shanghai Company Ltd	Shanghai
Talent Shanghai Co., Ltd (70%)	Shanghai
Ma Foi Management Consultants Ltd	Chennai
Team HR Limited	Delhi
Emmay HR Services Pvt. Ltd	Mumbai
Randstad Japan Ltd	Tokyo
Frontier Construction and Partners Co. Ltd.	Tokyo
Hughes Castell (HK) Ltd.	Hongkong

Other subsidiaries

Randstad Groep Nederland bv	Amsterdam
E-bridge bv	Amsterdam
I-bridge bv	Amsterdam
Diemermere Beheer bv	Amsterdam
Randstad Financial Services nv	Brussels
Randstad Finance GmbH	Zurich

A list of all subsidiaries has been filed at the Chamber of Commerce in Amsterdam (Kamer van Koophandel, Amsterdam). Randstad Holding nv has, directly or indirectly, a 100% interest in all subsidiaries (by way of legal ownership of the shares or by way of economic (put-call arrangements) ownership of the shares for a limited number of companies), unless otherwise stated.

company **income statement** and **balance sheet** at December 31

Income statement

in millions of €	note	2008		2007	
Income from subsidiaries after taxes	2		73.0		401.2
Other income after taxes			(54.8)		(16.3)
Net income			**18.2**		**384.9**

Balance sheet

in millions of €	note	2008		2007	
Assets					
Subsidiaries	2	4,888.3		1,030.8	
Associates	3	–		480.9	
Non-current assets			**4,888.3**		**1,511.7**
Trade and other receivables	4	417.9		170.7	
Income tax receivables		4.6		31.7	
Cash and cash equivalents	5	3.7		3.7	
Current assets			**426.2**		**206.1**
Total assets			**5,314.5**		**1,717.8**
Equity and liabilities					
Issued capital	6	19.5		11.7	
Share premium	6	2,013.9		432.6	
Reserves	6	383.5		577.3	
Shareholders' equity			**2,416.9**		**1,021.6**
Preferred shares	7	–		165.8	
Deferred tax liabilities		–		2.5	
Borrowings	8	2,392.8		460.0	
Non-current liabilities		**2,392.8**		**628.3**	
Trade and other payables	9	500.6		22.6	
Borrowings	8	4.2		45.3	
Current liabilities		**504.8**		**67.9**	
Total liabilities			**2,897.6**		**696.2**
Total equity and liabilities			**5,314.5**		**1,717.8**

notes to the **company financial statements**

1. Accounting policies for the company financial statements

The company financial statements of Randstad Holding nv are prepared in accordance with the legal requirements of Part 9, Book 2 of the Dutch Civil Code. The company made use of the possibility based on article 362, paragraph 8, Part 9, Book 2 of the Dutch Civil Code, to prepare company financial statements based on the accounting policies used for the consolidated financial statements.
The subsidiaries are stated at net value of assets and liabilities, based upon accounting policies used in the consolidated financial statements.
A summary of the significant accounting policies, as well as a summary of the critical accounting estimates and judgments are included in notes 2 and 4 of the notes to the consolidated financial statements.

With respect to the company income statement of Randstad Holding nv, the company makes use of the exception provided for in Article 402, Part 9, Book 2 of the Dutch Civil Code.

2. Subsidiaries

The net value of assets and liabilities of subsidiaries includes allocated goodwill of Vedior N.V. for an amount of € 2,073.5 million and is presented in the balance sheet as follows:

	2008	2007
Net asset value of subsidiaries	4,883.3	1,030.8

In 2008 and 2007, no provisions are included in the net value of subsidiaries. Provisions on subsidiaries would have represented the sum of equities of subsidiaries that show a negative equity, determined in accordance with the accounting policies of the Group, taking impairment of loans into account.

Changes in the net value of assets and liabilities of subsidiaries are:

	2008	2007
Value at January 1	1,030.8	891.5
Additions	4,151.9	–
Capital contributions	1,796.3	7.4
Net income	73.0	401.2
Dividend	(809.7)	(238.5)
Disposals	(1,314.6)	–
Share-based payments, subsidiaries	8.2	(1.2)
Translation differences	(47.6)	(29.6)
Value at December 31	4,888.3	1,030.8

The amounts in capital contributions and disposals are mainly due to restructurings in the Group after the acquisition of Vedior N.V.
See note 42 of the notes to the consolidated financial statements for an overview of major subsidiaries.

3. Associates

Changes in associates are:

	2008	2007
Value at January 1	480.9	–
Acquisitions	–	478.9
Dividend received	(9.4)	–
Share of profit	3.8	2.0
Accounted for as subsidiary	(475.3)	–
Value at December 31	–	480.9

See note 21 of the notes to the consolidated financial statements.

4. Trade and other receivables

	2008	2007
Receivables from subsidiaries	417.6	155.6
Other receivables	0.3	15.1
	417.9	170.7

5. Cash and cash equivalents

Cash includes bank balances of € 3.7 million (2007: € 3.7 million).

6. Shareholders' equity

Additional information in respect of shareholders' equity is included in the consolidated statement of changes in Group equity and in note 25 of the notes to the consolidated balance sheet.
Equity includes an amount of € 94.8 million negative in respect of a legal reserve for currency translations (2007: € 37.5 million negative) and includes further a legal reserve of € 19.8 million (2007: € 24.9 million) for the capitalized costs of development of software of subsidiaries. As of December 31, 2007, it included a legal reserve of € 2.0 million for the share in profit of associates as well.

7. Preferred shares

See note 25 of the notes to the consolidated balance sheet.

8. Borrowings

	2008	2007
Non-current borrowings comprising drawings on multi-currency syndicated revolving credit facility	**2,392.8**	460.0
Current borrowings	**4.2**	45.3
Total borrowings	**2,397.0**	505.3

Changes in non-current borrowings are:

	2008	2007
Value at January 1	**460.0**	–
Drawings	**2,389.6**	460.0
Repayments	**(460.0)**	–
Amortization of transaction costs	**3.8**	–
Translation differences	**(0.6)**	–
Value at December 31	**2,392.8**	460.0

Additional information in respect of non-current borrowings is included in note 27 of the consolidated balance sheet.

9. Trade and other payables

	2008	2007
Trade payables	**1.1**	0.5
Payables to subsidiaries	**481.4**	1.7
Other taxes and social security premiums	**3.5**	1.1
Pension contributions	**0.1**	–
Dividend on type-B preferred shares	**–**	7.2
Wages, salaries and other personnel costs	**5.6**	4.6
Accruals and deferred income	**8.9**	7.5
	500.6	22.6

10. Employee numbers (average)

In 2008, the company employed an average of 115 employees (2007: 110).

11. Remuneration

Refer to note 41 of the notes to the consolidated financial statements.

12. Related parties

All companies within the Group are considered to be related parties.
See also note 41 and 42 of the notes to the consolidated financial statements.

13. Guarantees and commitments not included in the balance sheet

	2008	2007
Guarantees on behalf of subsidiaries	**3.4**	3.0

The company bears joint and several liability for drawings by subsidiaries under the multi-currency syndicated revolving credit facility and under bank overdraft and guarantees facilities, in the amount of € 555 million (2007: € 157 million).

The company's commitments for the period shorter than one year amount to € 0.9 million (2007: € 0.8 million) and for the period between one to five years € 0.8 million (2007: € 0.8 million) in respect of lease contracts for automobiles.

The company is part of fiscal unities for corporate income taxes, as well as for value-added taxes. As a consequence, the company bears joint and several liability for the debts in respect of corporate income taxes and value-added taxes of the fiscal unities. The company settles corporate income taxes, based on the results before taxes of the subsidiaries belonging to the fiscal unity.

The company has declared itself jointly and severally liable for a limited number of its Dutch subsidiary companies, serving as sub-holding companies.

Diemen, February 25, 2009

The executive board

B.J. Noteboom (chairman)
R.J. van de Kraats (vice-chairman)
J.W. van den Broek
L.J.M.V. Lindelauf
G.A. Netland
B. Wilkinson

The supervisory board

F.W. Fröhlich (chairman)
F.J.D. Goldschmeding (vice-chairman)
H.M.E.V. Giscard d'Estaing
B.C. Hodson
J.C.M. Hovers
G. Kampouri Monnas
W.A.F.G. Vermeend
L.M. van Wijk
R. Zwartendijk

other **information**

Events after balance sheet date

Subsequent to the date of the balance sheet, no events – material to the Group as a whole – occurred that require disclosure in this note.

Provisions of the articles of association concerning profit appropriation

The following is a summary of the most important stipulations of article 28 of the Articles of Association concerning profit appropriation.

Subsection 1. Any such amounts from the profits as will be fixed by the executive board with the approval of the supervisory board will be allocated to reserves. As far as possible, from the remaining profits (hereinafter also called the total profits):

a. A dividend will first be distributed to the holders of preference A shares on the amount paid on said shares, of which the percentage will be equal to the average of the statutory interest – in the event of a change in the meantime to the respective percentages – during the financial year for which the distribution is made. This percentage will be increased by a surcharge fixed by the executive board subject to the approval of the supervisory board amounting to a maximum of three percent (3%). If, in any year, the profit distribution on preference A shares cannot be made or can only be made partially, the overdue dividend on the shares will be distributed in the subsequent years before any other dividend distribution is made.

b.1 A dividend will subsequently be distributed per series to holders of preference B shares (equal to the basic percentage to be mentioned under b.2) of the sum of the nominal amount and the amount in share premium which was paid upon the first issue of the shares of said series, which percentage will be increased upon said issue by a surcharge, fixed by the executive board subject to approval of the supervisory board, of a maximum of one hundred and seventy-five base points. If the share premium reserve has not shown the same balance for the whole financial year, the dividend shall be calculated on the time-weighted average balance for that financial year.

b.2 The basic percentage referred to under b.1 will be the arithmetic average of the effective yield on the government bonds issued by the Kingdom of the Netherlands with a (remaining) term of six to seven years. For the first time on the date that the preference B shares (of a series) have been outstanding for seven years, and subsequently each period of seven years after this, the basic percentage of the preference B shares (of the series concerned) will be adjusted to the yield then effective of the state loans referred to in the above-mentioned provisions.

b.3 The executive board is authorized, subject to the approval of the supervisory board, to resolve that dividend on the preference B shares of any series shall not be distributed but reserved instead in order to be distributed at a later date following a resolution to this effect by the executive board, subject to the approval of the supervisory board.

b.4 If and insofar as the profit is not sufficient to fully make the distribution referred to hereinbefore on preference B shares, the executive board may resolve subject to the approval of the supervisory board to make these distributions from the freely distributable reserves, with the exception of the share premium reserves referred to in Article 4, paragraph 4 under b.

b 5. If and insofar as in any financial year no distribution can be made or it is resolved not to make a distribution on preference B shares, from the profit realized in the subsequent years after allocation to reserves and reduction of the amounts accruing to holders of preference A shares in accordance with the provisions in paragraph 1 subparagraph a of Article 28, following a resolution to that effect by the executive board subject to the approval of the supervisory board, such distribution will be made to the holders of preference B shares or reserved that the deficit will have been fully made good before the provisions laid down hereinbefore can be applied.

b.6 If preference B shares have been issued in the course of any financial year, the dividend on the shares concerned for said financial year will be reduced proportionately until the first day of issue.

Subsection 2. The balance then remaining will be available to the General Meeting, subject to the proviso that (i) no distribution will be made as long as not all the profit distributions have been made in accordance with paragraph 1 under b.1, b.4 and b.5 above of this Article 28 and the reserves are distributed on preference B shares as referred to in paragraph 1 under b.3 in conjunction with paragraph 6 of this Article 28 and (ii) no further distribution will be made on preference shares, nor will any amounts be reserved for this purpose.

Subsection 4. Subject to the approval of the supervisory board, the executive board may pass a resolution for distribution of an interim dividend, to be deducted from the dividend expected for the financial year concerned, if the requirement of the preceding paragraph has been fulfilled, as will be evident from an interim specification of equity and all the distributions on preference B shares have been made. Said specification of equity will relate to the position of the equity at the earliest on the first day of the third month prior to the month in which the resolution for distribution will be announced. It will be drawn up with due observance of the valuation methods deemed acceptable in society. The specification of equity will include the amounts to be allocated to the reserves by virtue of the law. It will be signed by the members of the executive board. In the event that the signature(s) of one or more of them should be lacking, the reason thereof will be stated. The company will deposit the specification of equity at the office of the Trade Register within eight days after the date on which the resolution for distribution will be announced. A resolution for distribution of an interim dividend may be limited to a distribution of an interim dividend exclusively to shareholders of a particular class, without prejudice to the rights of shareholders of other classes.

Subsection 5. Subject to the approval of the supervisory board, the General Meeting may pass a resolution that the distribution of dividend will not be made, or will not entirely be made, in cash, but entirely or partly in the form of shares in the company.

Subsection 6. Resolutions for the complete or partial cancellation of reserves as stated in paragraph 1 of this Article may only be passed by the General Meeting on a proposal of the executive board approved by the supervisory board, with the exception of distributions from reserved dividend on preference B shares, which shall be resolved upon by the executive board subject to the approval of the supervisory board. Resolutions of the General Meeting for the complete or partial cancellation of a share premium reserve as stated in Article 4, paragraph 4b. will require the prior approval of the meeting of holders of shares of the class and series concerned, without prejudice to the provisions in Article 4, paragraph 5, under b.1. Only holders of ordinary shares will be entitled to distributions deducted from allocations to reserves other than those mentioned in the preceding sentence. However, without prejudice to the amounts that would accrue to holders of preference B shares in accordance with the provisions in Article 28, paragraph 1b.4. and Article 34, paragraph 4.

Proposed profit appropriation

Pursuant to Article 28 of the Articles of Association, it is proposed that out of the net income 2008 for equity holders amounting to € 18.2 million a dividend of € 7.2 million be paid on the type-B preferred shares and that no dividend be paid on the ordinary shares. It is proposed that € 11.0 million be added to retained earnings.

Auditor's report

To the General Meeting of Shareholders of Randstad Holding nv

Report on the financial statements

We have audited the accompanying financial statements 2008 of Randstad Holding nv, Amsterdam as set out on pages 72-121. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated income statement 2008, the consolidated balance sheet at December 31, 2008, the consolidated statement of changes in Group equity 2008 and the consolidated cash flow statement 2008, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company income statement 2008, the company balance sheet at December 31, 2008 and the notes.

The executive board's responsibility

The executive board of the company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the report from the executive board in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Randstad Holding nv as at December 31, 2008, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Randstad Holding nv as at December 31, 2008, and of its result in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the report from the executive board is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, February 25, 2009
PricewaterhouseCoopers Accountants N.V.

P.R. Baart RA

quarterly summary **income statement 2008**

unaudited

Amounts in millions of €, unless otherwise indicated	First quarter	Second quarter	Third quarter	Fourth quarter	Year 2008
Revenue	**2,235.3**	**3,376.0**	**4,468.1**	**3,959.0**	**14,038.4**
Cost of services	1,755.2	2,654.6	3,532.1	3,124.2	11,066.1
Gross profit	**480.1**	**721.4**	**936.0**	**834.8**	**2,972.3**
Selling expenses	262.2	381.4	479.3	480.0	1,602.9
General and administrative expenses	114.4	169.0	213.5	228.5	725.4
Amortization and impairment acquisition-related intangible assets and impairment goodwill	4.3	22.3	90.5	561.6	678.7
Total operating expenses	380.9	572.7	783.3	1,270.1	3,007.0
Operating profit/(loss)	**99.2**	**148.7**	**152.7**	**(435.3)**	**(34.7)**
Net finance costs	2.5[1]	16.6	33.6	19.0	71.7
Share of profit of associates	4.0	(0.2)	0.2	(0.2)	3.8
Income before taxes	100.7	131.9	119.3	(454.5)	(102.6)
Taxes on income	(25.6)	(35.7)	(40.8)	223.1	121.0
Net income	**75.1**	**96.2**	**78.5**	**(231.4)**	**18.4**

Calculation earnings per ordinary share

Net income for ordinary shareholders	73.2	94.1	76.7	(233.0)	11.0
Amortization and impairment acquisition-related intangible assets and impairment goodwill (after taxes)	3.1	15.4	77.9	545.1	641.5
Net income for ordinary shareholders before amortization and impairment acquisition-related intangible assets and impairment goodwill	76.3	109.5	154.6	312.1	652.5
Integration costs (after taxes)	–	15.7	12.8	16.2	44.7
One-offs (after taxes)	–	–	(12.8)	(206.8)	(219.6)
Net income for ordinary shareholders before amortization and impairment acquisition-related intangible assets, impairment goodwill, integration costs and one-offs	76.3	125.2	154.6	121.5	477.6
Basic earnings (€)	0.63	0.68	0.45	(1.37)	0.07
Diluted earnings (€)	0.63	0.68	0.45	(1.37)	0.07
Diluted earnings before amortization and impairment acquisition-related intangible assets and impairment goodwill (€)	0.65	0.79	0.91	1.84	4.38
Diluted earnings before amortization and impairment acquisition-related intangible assets, impairment goodwill, integration costs and one-offs (€)	0.65	0.90	0.91	0.72	3.21
Average number of ordinary shares outstanding (in millions)	116.7	138.6	169.4	169.5	148.6
Average number of diluted ordinary shares outstanding (in millions)	117.0	138.8	169.6	169.7	148.9

1 Adjusted for dividend on preferred shares (€ 1.8 million); following a change in the Articles of Association, preferred shares are accounted for as equity.

ten years of Randstad

The figures are based upon IFRS since 2004. Comparative figures for other years are not adjusted.

	IFRS		
Amounts in millions of €, unless otherwise indicated	**2008**	2007	2006
Revenue	**14,038.4**	9,197.0	8,186.1
As % of previous year	**152.6%**	112.3%	123.3%
Gross profit	**2,972.3**	2,029.7	1,730.6
EBITDA	**744.0**	605.6	484.2
EBITA	**644.0**	554.4	436.1
Operating (loss)/profit	**(34.7)**	539.6	423.6
Net income before amortization and impairment acquisition-related intangible assets and amortization/impairment goodwill [1]	**652.5**	395.0	368.9
As % of previous year	**165.2%**	107.1%	148.1%
Net income [2]	**18.4**	384.9	360.3
As % of previous year	**4.8%**	106.8%	148.9%
Net cash flow from operations	**754.1**	401.4	409.6
Free cash flow	**672.7**	328.4	350.0
Depreciation property, plant and equipment and amortization/impairment software	**100.0**	51.2	48.1
Investments in property, plant and equipment and software	**92.0**	74.4	61.8
Amortization and impairment acquisition-related intangible assets and goodwill	**678.7**	14.8	12.5
Shareholders' equity	**2,416.9**	1,021.6	790.3
(Net debt)/net cash	**(1,641.0)**	(144.2)	250.3
Operating working capital	**672.0**	409.5	354.5
Average number of staffing employees	**555,600**	369,200	312,300
Average number of corporate employees	**28,230**	17,570	15,380
Number of branches, year-end	**4,146**	1,889	1,827
Number of inhouse locations, year-end	**1,087**	997	843
Market capitalization, year-end	**2,466.9**	3,150.7	6,083.4
Number of ordinary shares outstanding (average in millions)	**148.6**	116.4	115.8
Closing price (in €)	**14.55**	27.02	52.40
Ratios in % of revenue			
Gross profit	**21.2%**	22.1%	21.1%
EBITDA	**5.3%**	6.6%	5.9%
EBITA	**4.6%**	6.0%	5.3%
Operating profit	**(0.2)%**	5.9%	5.2%
Net income before amortization and impairment acquisition-related intangibles and amortization/impairment goodwill	**4.6%**	4.3%	4.5%
Net income	**0.1%**	4.2%	4.4%
Basic earnings per ordinary share (€)	**0.07**	3.31	3.11
Diluted earnings per ordinary share (€) [1]	**0.07**	3.30	3.10
Diluted earnings per ordinary share before amortization and impairment acquisition-related intangible assets and amortization/ impairment goodwill (€) [1]	**4.38**	3.38	3.17
Dividend per ordinary share (€)	**–**	1.25	1.25
Payout per ordinary share in % [1]	**–**	38	40

1 For the years 2000 and 2001 excluding extraordinary income after taxes (2000: € 55.4 million, 2001: € 13.0 million).
2 For the years 2005, 2006 and 2007, net income includes dividend on preferred shares as financial expenses under net finance costs.

2005	2004	2003	2002	2001	2000	1999
6,638.5	5,764.2	5,257.4	5,443.8	5,818.4	6,168.1	5,565.4
115.2%	109.6%	96.6%	93.6%	94.3%	110.8%	131.8%
1,405.2	1,218.2	1,088.9	1,193.4	1,339.4	1,482.8	1,308.7
339.2	267.8	174.2	166.2	175.7	304.5	350.0
299.1	226.4	120.8	100.1	103.8	250.6	304.3
290.9	225.6	118.2	98.3	102.6	250.6	304.3
249.1	203.3	79.6	58.6	48.3	151.8	207.0
122.5%	255.4%	135.8%	121.3%	31.8%	73.3%	136.0%
241.9	202.7	77.1	56.8	60.1	207.2	207.0
119.3%	262.9%	135.7%	94.5%	29.0%	100.1%	136.0%
238.2	264.7	223.6	196.4	197.5	116.0	293.2
180.3	230.3	231.4	224.4	107.4	13.5	226.6
40.1	41.4	53.4	66.1	62.8	53.9	45.7
62.0	43.8	34.7	30.0	113.4	113.3	58.2
8.2	0.8	2.6	1.8	1.2	–	–
536.2	507.1	353.8	334.5	350.0	359.2	410.8
206.0	149.0	(18.3)	(207.5)	(405.3)	(538.2)	(159.8)
398.7	303.0	248.0	311.8	381.0	464.0	273.7
254,400	224,600	202,500	207,800	217,800	244,500	241,000
13,430	12,260	12,280	13,040	14,500	15,570	12,900
1,708	1,633	1,600	1,685	1,769	2,042	1,755
703	687	642	582	489	–	–
4,243.9	3,347.2	2,223.4	988.5	1,727.3	1,809.4	5,526.6
115.4	115.3	115.3	115.4	115.6	115.6	115.6
36.69	28.95	19.23	8.55	14.94	15.65	47.80
21.2%	21.1%	20.7%	21.9%	23.0%	24.0%	23.5%
5.1%	4.6%	3.3%	3.1%	3.0%	4.9%	6.3%
4.5%	3.9%	2.3%	1.8%	1.8%	4.1%	5.5%
4.4%	3.9%	2.2%	1.8%	1.8%	4.1%	5.5%
3.8%	3.5%	1.5%	1.1%	0.8%	2.5%	3.7%
3.6%	3.5%	1.5%	1.0%	1.0%	3.4%	3.7%
2.10	1.68	0.59	0.42	0.45	1.72	1.72
2.09	1.68	0.59	0.42	0.34	1.24	1.72
2.15	1.68	0.62	0.43	0.34	1.24	–
0.84	0.66	0.25	0.17	0.14	0.50	0.69
40	39	42	40	41	40	40

key people

(situation as of February, 2009)

holding

Fred van Haasteren, EVP Group public affairs and chairman of the board of Randstad Groep Nederland

Frans Cornelis, MD Group marketing & communications
Lucile de Godoy, MD Group human resources
James King, MD Group legal
Margriet Koldijk, MD Group international account management
Cor Versteeg, MD Group business concept development

Jos Huijbregts, MD Group control, strategy and M&A
Hans van der Kroon, MD Group tax
John van de Luijtgaarden, MD Group accounting
Hans Wanders, MD Group CIO & shared services Netherlands

Robbin Brugman, MD Group professional concepts
David van Gelder, senior advisor Eastern Europe

major operating companies

France

Randstad Vediorbis
François Béharel, managing director Vediorbis
Frédéric Noyer, managing director Randstad

The Netherlands

Randstad
Chris Heutink, managing director

Tempo-Team
Peter Hulsbos, managing director

Yacht
Jan Hendrik Ockels, managing director

Funktie Mediair Group
Ronald Simons, managing director

Mailprofs
Theo Das, managing director

Otter-Westelaken
Gerard de Kock, managing director

Rekenmeesters
Hans Peddemors, managing director

Germany

Randstad staffing and professionals
Eckard Gatzke, managing director

Gulp
Michael Moser, managing director

Team BS Management
Dirk Schmidt, managing director

Yacht/Teccon
Ralf Gust, managing director

United Kingdom

Randstad staffing
Diane Martyn, managing director

Professionals
Fred van der Tang, managing director IT and finance

Abraxas
Godfrey Morrell, managing director

Beresford Blake Thomas
Peter Reynolds, managing director

Digby Morgan
John Maxted, managing director

Hill McGlynn
Mark Bull, managing director

Joslin Rowe
Tara Ricks, managing director associates
Nabila Sadiq, managing director temporaries

Major Players
Jack Gratton, managing director

Mandeville
David Riley, managing director

Martin Ward Anderson
Richard Wright, managing director

Pareto Law
Jonathan Fitchew, managing director
Andrew Sawer, managing director

Select Education
Peter Flannery, managing director

Belgium/Luxembourg

Randstad and Tempo-Team Belgium & Luxembourg
Herman Nijns, managing director

Tempo-Team Belgium
Corné Verbraak, managing director

Tempo-Team Luxembourg
Marios Paras, managing director

Iberia

Spain
Jan Hein Bax, managing director

Portugal
Mário Costa, managing director

Other European countries

Randstad Denmark and Sweden
Jeroen Tiel, managing director

Randstad Italy
Marco Ceresa, managing director

Nordics & Eastern Europe
Paul van de Kerkhof, managing director

Randstad Poland, Czech Republic and Slovakia
Kees Stroomer, managing director

Randstad Switzerland
Simone Nijsen, managing director

North America

Randstad Staffing
Linda Galipeau, president

Professionals
Dan Foley, president

GMS
John Piazza, president

Accountants Inc.
Jack Unroe, executive vice president

B2B Workforce
B. Elster, managing director

Delta & Clinical One
Jeff Stomberg, president

Locum Medical
Daniel Groth, co-president
Daniel Burg, co-president

Sapphire
Bob Dickey, president

Think Resources, Inc.
Richard Zambacca, executive vice president

Randstad Canada
Terry Power, managing director

Sapphire Technologies Canada
Sergio Mateus, managing director

Rest of the world

Latin America
John Meeks, country manager

Vedior Mexico
Alejandro Alvarez Blanco, managing director

Sesa International Argentina
Omar Avila, managing director

Randstad Asia Pacific
Debbie Loveridge, managing director

Link Recruitment Australia
Chris Malin, managing director

Ma Foi India
K.P. Rajan, managing director

Randstad Japan and China
Marcel Wiggers, managing director

history

Vedior			Randstad
ASB is the first temporary staffing company to be founded in the Netherlands	1949		
		1960	Uitzendbureau Amstelveen founded in the Netherlands.
		1964	The company takes a new name: Randstad Uitzendbureau
The name Vedior is established as a staffing services brand in the Netherlands	1969		
First steps towards an international network through offices in Belgium and Germany	1970	1970	Randstad now has 32 branches in four countries
The Vroom & Dreesmann Group, later rebranded as Vendex International, takes over Vedior	1980		
		1983	Staffing agency Tempo-Team acquired
		1985	Randstad celebrates its silver jubilee; 257 branches in four countries
		1987	Company name changes to Randstad Holding nv
		1990	Randstad shares are listed on the Amsterdam Stock Exchange
The Vroom & Dreesmann Group acquires ASB	1994		
Vendex acquires Bis S.A (founded in 1954), doubling Vedior's staffing services business	1996	1996	Randstad deploys 16,000 staffing employees at the Olympic Games in Atlanta
After being spun-off from Vendex, Vedior shares listed on the Amsterdam Stock Exchange	1997		
		1998	Randstad founder and president and CEO Frits Goldschmeding retires
Vedior acquires UK-based Select Appointments (founded in 1980) with operations in 25 international markets	1999	1998 1999	International network doubled through acquisitions in US, Germany and Spain
Vedior promoted to the AEX index	2005		
A seven-year period of 50 acquisitions completed; Vedior's international network expanded from 28 to 50 countries	2007	2007	Randstad, now present in 20 countries, is promoted to the AEX index

2008 **The two pioneering companies become one. Randstad becomes the second-largest HR services provider in the world**

financial **calender**

Annual General Meeting of Shareholders
March 31, 2009

Publication Q1 2009 results (pre-market)
April 24, 2009

Analyst conference call Q1 2009 results
April 24, 2009

Publication Q2 2009 results (pre-market)
July 29, 2009

Press conference and analyst presentation
Q2 2009 results
July 29, 2009

Publication Q3 2009 results (pre-market)
October 28, 2009

Analyst conference call Q3 2009 results
October 28, 2009

Publication Q4 2009 and annual results 2009
(pre-market)
February 18, 2010

Press conference and analyst presentation
annual results 2009
February 18, 2010

Annual General Meeting of Shareholders
March 31, 2010

colophon

design concept
Design Bridge

design and dtp
Hellemink Digital Design

photography
Vincent Kruijt (theme)
Arie Versluis (boards)

text
Tim Oake/C&F Report Amsterdam bv
Randstad Holding nv

printing
Joh. Enschedé Amsterdam

print management
Sorgdrager production &
communication support

paper
MultiArt Silk FSC

FSC
Mixed Sources
Product group from well-managed
forests and other controlled sources
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