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

3rd quarter results 2011

continued growth in a challenging environment

revenue and earnings per share up 12%

Robert-Jan van de Kraats, CFO

Randstad Holding nv
October 27, 2011

disclaimer & definitions

Certain statements in this document concern prognoses about the future financial condition, risks, investment plans and the results of operations of Randstad Holding and its operating companies as well as certain plans and objectives. Obviously, such prognoses involve risks and a degree of uncertainty since they concern future events and depend on circumstances that will apply then. Many factors may contribute to the actual results and developments differing from the prognoses made in this document. These factors include, but are not limited to, general economic conditions, a shortage on the job market, changes in the demand for (flexible) personnel, changes in legislation (particularly in relation to employment, staffing and tax laws), the role of industry regulators, future currency and interest fluctuations, our ability to identify relevant risks and mitigate their impact, the availability of credit on financially acceptable terms, the successful completion of company acquisitions and their subsequent integration, successful disposals of companies and the rate of technological developments. These prognoses therefore apply only on the date on which this document was compiled. Quarterly figures and underlying figures are unaudited.

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

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

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

agenda

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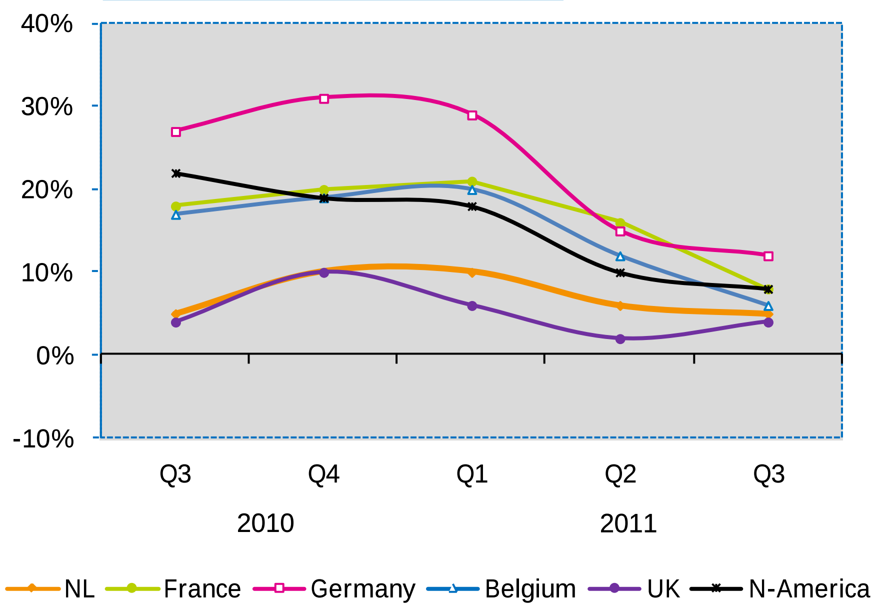
- performance
- financial results & outlook
- Q&A

performance

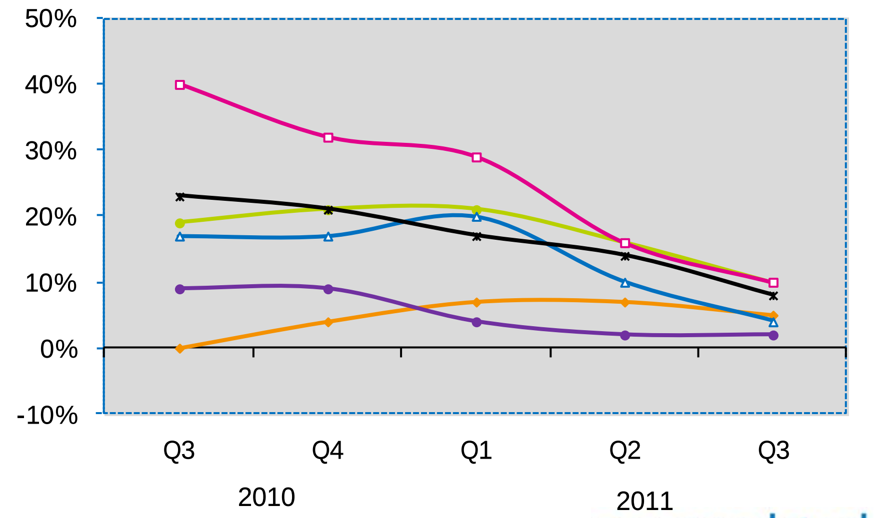
market trends

- growth in markets slowing, mainly due to stronger comparables
- seasonal trends remain intact
- industrial segments continued to be main growth drivers
- impact public sector in UK & NL seems to have stabilized

quarterly market growth (YoY)



quarterly Randstad growth* (YoY)



* organic growth

Q3 2011: slowing growth, good performance

- revenue amounted to € 4,232 million (+7% YoY organically per wd)
  - organic growth per working day moved from 9% in July to 7% in September
  - Inhouse still strong at +18% (Q2 2011: +29%)
  - Staffing up 5% (Q2 2011: 10%) against a strong comparison base in larger countries
  - Professionals stable at +7% (vs Q2 2011: +7%)
  - perm fees up 11% organically (vs Q2 2011: +14%)

- gross margin from 18.5% to 18.1% YoY, down 30 bps sequentially
  - down sequentially due to seasonality
  - SFN Group contributed 20 bps YoY
  - continued strong growth in Inhouse & changed geographic mix
  - impact French subsidy system at Group level faded

- operating expenses amounted to € 590 million
  - adjusted for SFN, costs sequentially down € 1 million based on constant currencies

- (underlying) EBITA up 14% YoY to € 175 million
  - EBITA margin reached 4.1% (Q3 2010: 4.0%)

the Netherlands: revenue growth improved

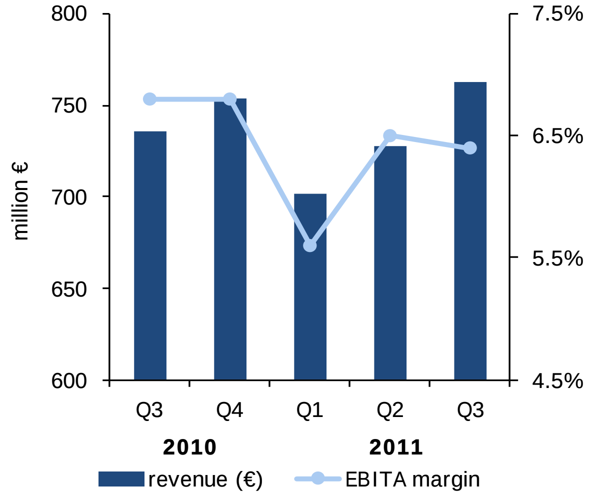
- organic revenue p/w +4% (vs + 3% in Q2)
  - Randstad continues to outperform market in Q3
  - Tempo-Team still lagging
  - revenue decline at Yacht improved to low single digit rate

- decline public sector eased
  - decline decelerated to 8% YoY (vs -17% in Q2)

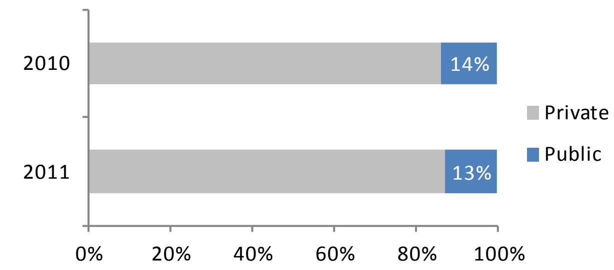
- growth private sector was +6%
  - easing growth in industrial and technical sector due to tougher comparison base
  - growth administrative segment in line with market

- EBITA margin 6.4% versus 6.8% LY
  - price pressure stable
  - lower contribution Professionals

revenue & EBITA margin



Q3: private – public sector



France: gaining market share

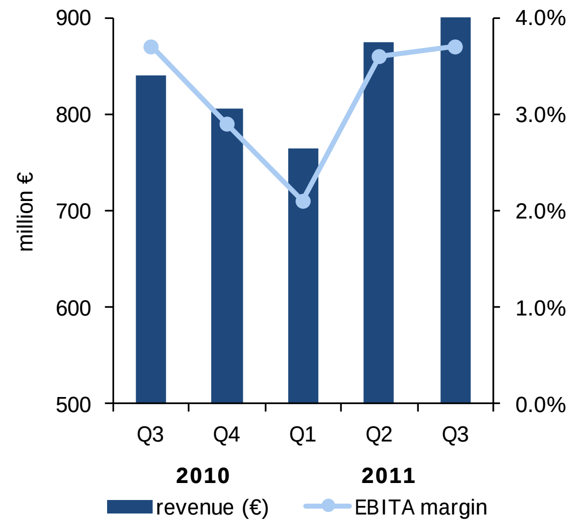
- organic revenue +9% in Q3 2011 (Q2: +16%)
  - ahead of market in Q3
  - automotive & manufacturing main drivers in Staffing
  - improved growth in Professionals
  - permanent placement up 23% YoY (Q2 2011: 38%)
  - strong growth in Inhouse, with ongoing increase new clients & transfers

- subsidies fully compensated by price adjustments

- review of client profitability may affect growth going forward

- EBITA margin amounted to 3.6% (vs 3.7% LY)
  - strong comparison base
  - investments in FTE in Inhouse & Staffing

revenue & EBITA margin



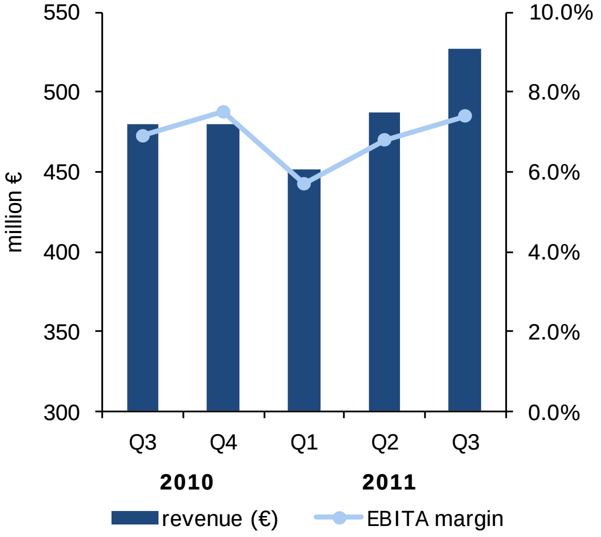
Germany: strong performance

- organic revenue +10% (Q2: +16%)
  - solid growth despite strong comparison base (Q3 '10:+40%)
  - signs of tight labor market
  - more favorable mix:
    - continued double-digit growth in Professionals
    - Staffing more geared towards higher skilled workers
  - growth slowing during the quarter to 6% in September

- Professionals up 11% (vs +15% in Q2 2011)
  - continued strong growth in IT

- EBITA margin up to 7.4% (vs. 6.9% LY)
  - strong operating leverage

revenue & EBITA margin

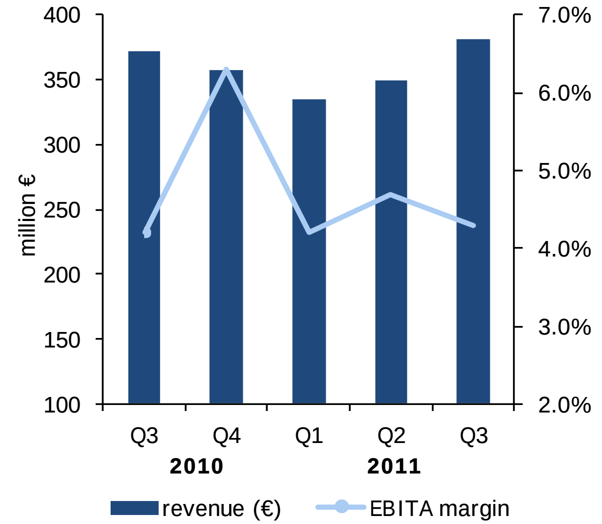


Belgium: strong operating leverage

- organic revenue +3% (Q2: +10%)
  - slightly behind market due to focus on client profitability
  - industrial segment main driver
  - ahead of market in administrative
  - Inhouse up 21% in Q3 2011 (vs +50% in Q3 2010)
  - Professionals stable at +7%

- EBITA margin to 4.3% vs. 4.2% LY
  - tight cost control maintained

revenue & EBITA margin



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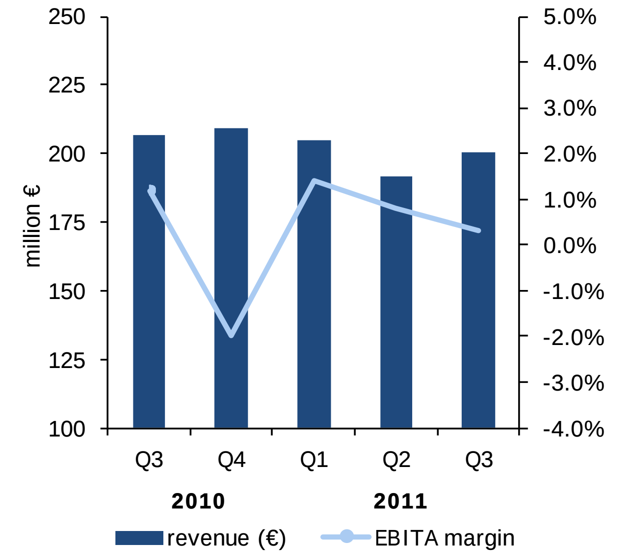
UK: challenging environment

- organic revenue +2%
  - growth stable sequentially, September +3%
  - decline public sector eased slightly to -25% (vs -30% in Q2)
  - private sector remains strong at +11% (vs +14% in Q2)
- Inhouse continued to gain market share
  - maintains high growth rate and continues to add new clients
- perm fees -/- 8% (vs -/- 7% in Q2)
  - lower demand in City-oriented businesses
- EBITA margin to 0.2% vs. 1.2% LY
  - high growth at Inhouse
  - decline at public sector related businesses
  - less contribution from perm placements

revenue & EBITA margin



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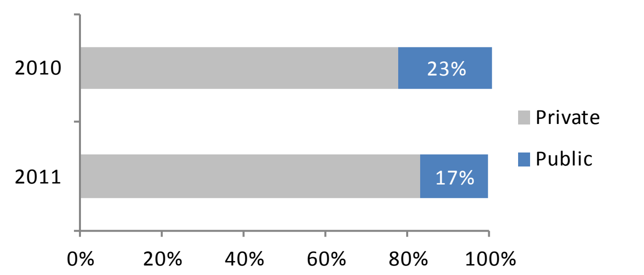


North America: strong growth Professionals

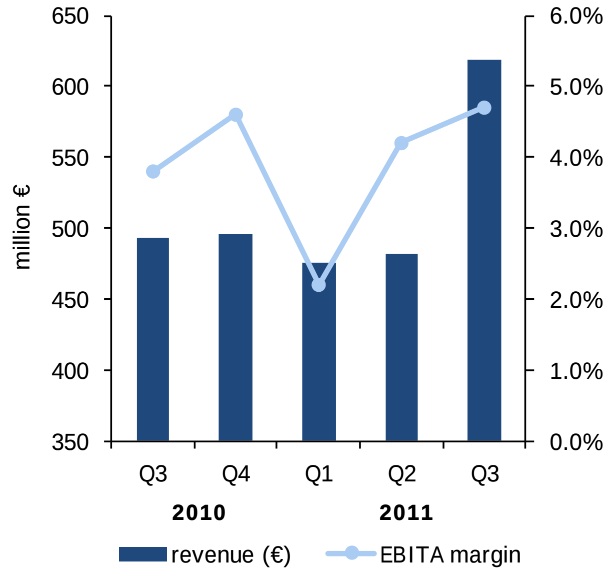
- organic revenue +10% in Q3 2011 (Q2: +14%)
  - US at market, while US Professionals strongly outperformed
  - Canada solid in staffing and professionals
  - SFN contributed € 118 million to September revenues

- US Staffing & Inhouse up 3% YoY
  - slowing growth due to strong comparison base & focus on client profitability
  - improved mix: administrative segment & perm

- US Professionals up 15% YoY
  - IT & Engineering still main drivers
  - Healthcare continues to improve
  - continued strong growth in perm

- EBITA margin 4.7% vs. 3.8% LY
  - continued strong operating leverage

revenue & EBITA margin



SFN Group: pro-forma Q3 2011

- SFN Group growth in line with Q2 2011
  - organic revenue growth amounted to -1% in Q3 2011
  - EBITA margin up to 3.8% vs 2.7% LY

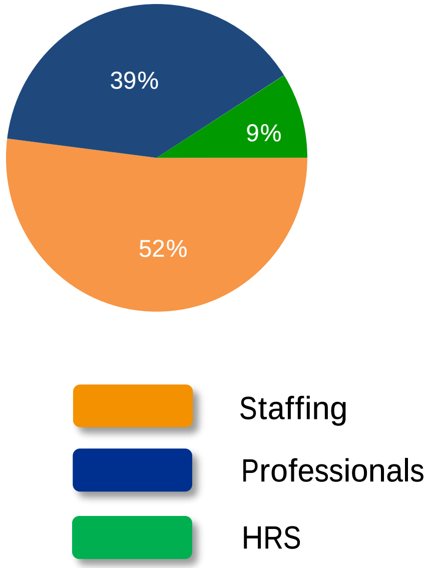
sector performance Q3 2011

- Staffing down 1% YoY
  - focus on client profitability
  - EBITA margin up to 2.1% vs 1.7% LY

- Professionals +2% YoY
  - IT & Finance main drivers
  - strong growth of perm placement fees
  - EBITA margin amounted to 5.7% vs 3.6% LY

- HRS: improved mix
  - growth impacted by ending of payroll contracts
  - strong growth in RPO & MSP businesses
  - EBITA up to 5.8% vs 4.5% LY

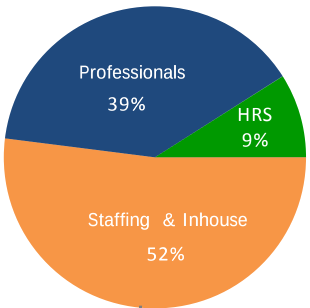
breakdown SFN Group revenues Q3 2011



strategic rationale for SFN acquisition

the combination creates the #3 in US providing scope for further growth

Combination



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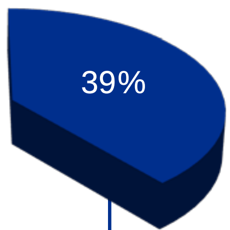
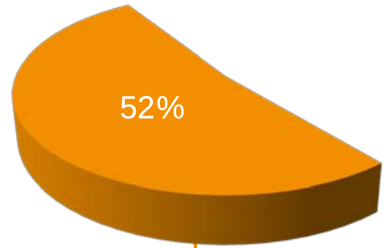
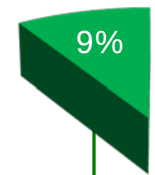
Professional Services
Share of group: 41%



Staffing Services
Share of group: 50%



HRS (incl. RPO / MSP)
Share of group: 9%



Combination:
- comparable service offerings
- enhanced geographic coverage
- reinforcement market leadership in Canada

Professional Services:
- number 2 player in IT segment
- number 3 in Finance & Accounting

Staffing Services:
- number 2 player in clerical segment
- top-5 in light industrial segment
- increased density in staffing network

HRS (incl. RPO / MSP):
- leader in RPO
- enhanced platform for growth in MSP

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update: SFN integration process & synergies

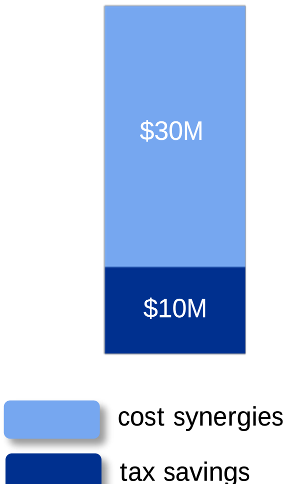
integration process

- closing transaction within 6 weeks after announcement
- consolidation results as of September 2, 2011
- integration process is on track
- integration costs in Q3 amounted to € 4.6 million

synergies

- synergy targets remain in place
- synergies of $ 0.8 million realized in September:
    - stock compensation plans
    - delisting NYSE

annual synergies



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segment performance

Staffing in € million	Q3 2011	Q3 2010*	*% organic*
revenue	2,759.4	2,521.8	*5%*
EBITA	117.1	105.0	*8%*
EBITA margin	*4.2%*	*4.2%*	

- industrial segments main drivers
- growth slowing in largest countries
- transfers to Inhouse
- focus on client profitability

Inhouse in € million	Q3 2011	Q3 2010	*% organic*
revenue	682.2	539.0	*18%*
EBITA	31.8	26.0	*15%*
EBITA margin	*4.7%*	*4.8%*	

- strong comparison base
- transfers, increase share at existing clients and addition of new clients
- strong operating leverage

Professionals in € million	Q3 2011	Q3 2010*	*% organic*
revenue	790.8	720.2	*7%*
EBITA	37.3	33.9	*1%*
EBITA margin	*4.7%*	*4.7%*	

- mainly led by IT & Engineering
- perm strong, except UK
- growth NL and UK still hampered by government exposure
- profitability in line with LY, due to lower contributions NL & UK

* Q3 2010 restated for transfers between staffing and professionals

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revenue development per industry segment

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

update Professionals organic growth accelerator

Q1

launch of “Professionals organic growth accelerator plan”

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

progress

Q3

- continued implementation validated Professionals concept in existing businesses
- addition of 88 FTEs, predominantly in North America, Australia, Spain and Germany
- total net investment amounted to € 1.4 million in Q3

YTD

- total addition of 178 FTE
- net YTD investments have amounted to € 2.2 million

financial results & outlook

Q3 2011: financial key points

- reported EBITA up 7% to € 164 million
  - includes integration costs and one-offs of € 10.7 mln
- effective tax rate* amounted to 31%
  - in line with guidance for 2011 between 29-32%
- diluted EPS* up 12% to € 0.66 vs. € 0.59 in Q3 2010
- moving average DSO improved by 1 day to 54 days (YoY) and stable compared to previous quarter
- net debt € 1,487 million (Q3 2010: € 947 million)
  - leverage ratio amounted to 2.0 vs 1.6 at end of Q2 2011
- free cash flow increased 12% YoY to € 194 million, driven by improved results and higher release of working capital

* before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs & one-offs

income statement Q3 2011

€ million	Q3 2011	Q3 2010	% change	% organic
revenue	4,232	3,781	*12%*	*7%*
gross profit	765	698	*10%*	*4%*
gross margin	*18.1%*	*18.5%*		
operating expenses*	590	545	*8%*	*2%*
opex as % of revenue	*13.9%*	*14.4%*		
underlying EBITA	175	153	*14%*	*8%*
underlying EBITA margin	*4.1%*	*4.0%*		
reported EBITA	**164**	**153**		
amortization	-/- 43	-/- 45		
net finance costs	-/- 7	-/- 8		
income before taxes	**114**	**100**		
tax	-/- 34	-/- 28		
net income	**80**	**72**		
adjusted net income**	114	102		
diluted EPS***	0.66	0.59		

* adjusted for one-offs and integration costs
** attributable to holders of ordinary shares
*** before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs

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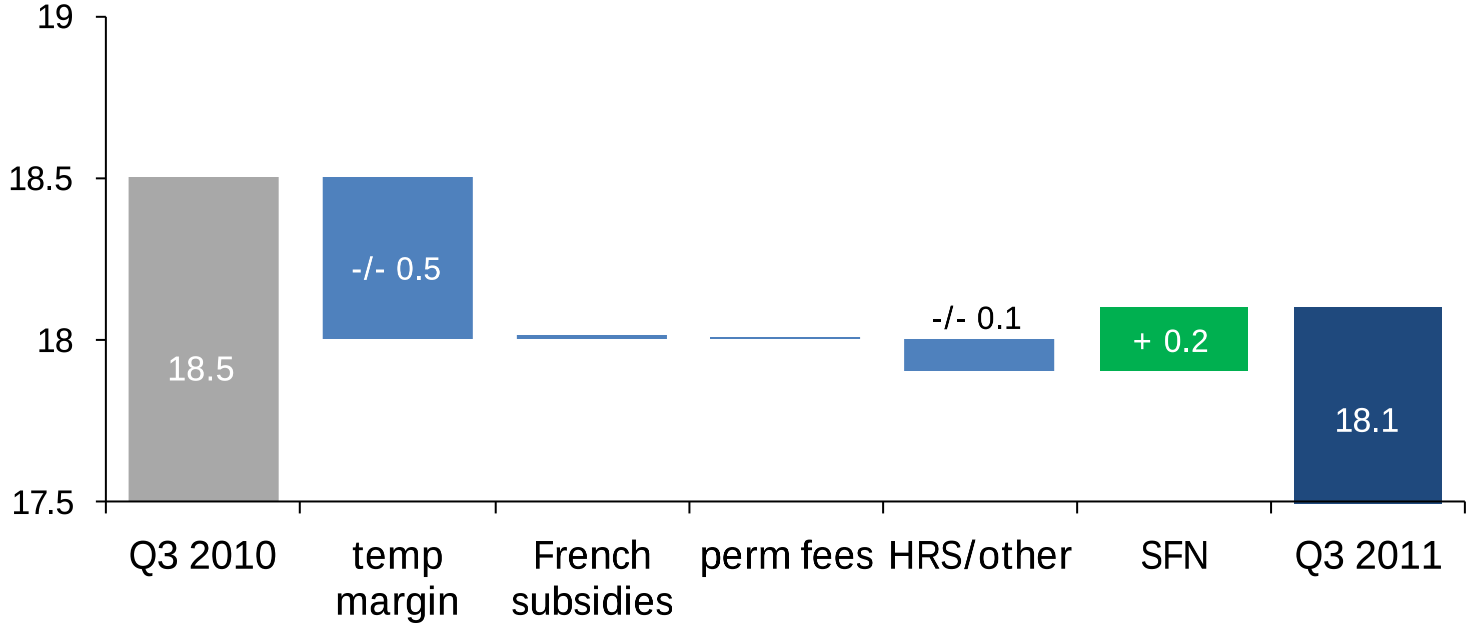
gross margin Q3 2011

gross margin development



- temp margin affected by continued high growth in Inhouse and changed geographic mix
- no impact of change in French subsidies
- perm fees increased by 11% organically (YoY)
  - perm fees are now 9.0% of gross profit (vs. 8.5% Q3 2010)
- high growth in lower margin payrolling business
- SFN contributes with a higher gross margin

selected balance sheet items

€ million	September 30, 2011	September 30, 2010
trade and other receivables	3,160	2,707
less: trade and other payables	2,418	2,111
operating working capital*	**742**	**595**
cash & cash equivalents	238	259
less: current borrowings	95	120
less: non-current borrowings	1,630	1,086
net debt	**1,487**	**947**
DSO, days sales outstanding	*54*	*55*
leverage ratio	*2.0*	*1.8*

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

consolidated cash flow statement

€ million	Q3 2011	Q3 2010
cash flow from operations before OWC*	124	128
usage of OWC	86	62
net additions in PPE and software	-/- 17	-/- 17
financial receivables	-	-
disposals of PPE	-	-
free cash flow	**194**	**173**

€ million	Q3 2011
free cash flow	**194**
net (acquisition)/disposals	-/- 549
issue ordinary shares	-
net finance costs paid	-/- 7
dividend	-
translation effects & others	-/-55
net debt increase Q2 2011 –> Q3 2011	**-/- 417**

* after taxes

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outlook

- organic growth per working day decreased to 7% in September
  - gradual slowdown in growth continued into Q4
  - focus on client profitability may impact growth going forward

- underlying OPEX expected to remain in line with Q3

- SFN will be fully consolidated in Q4
  - integration costs in Q4 expected to be similar to Q3

- leverage ratio expected to be below 2.0x by the end of Q4

save the dates: Randstad analyst & investor days

analyst & investor days 2011

dates: 1 & 2 December
venue: Group HQ (Diemen)

Q&A

appendices

drivers effective tax rate

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

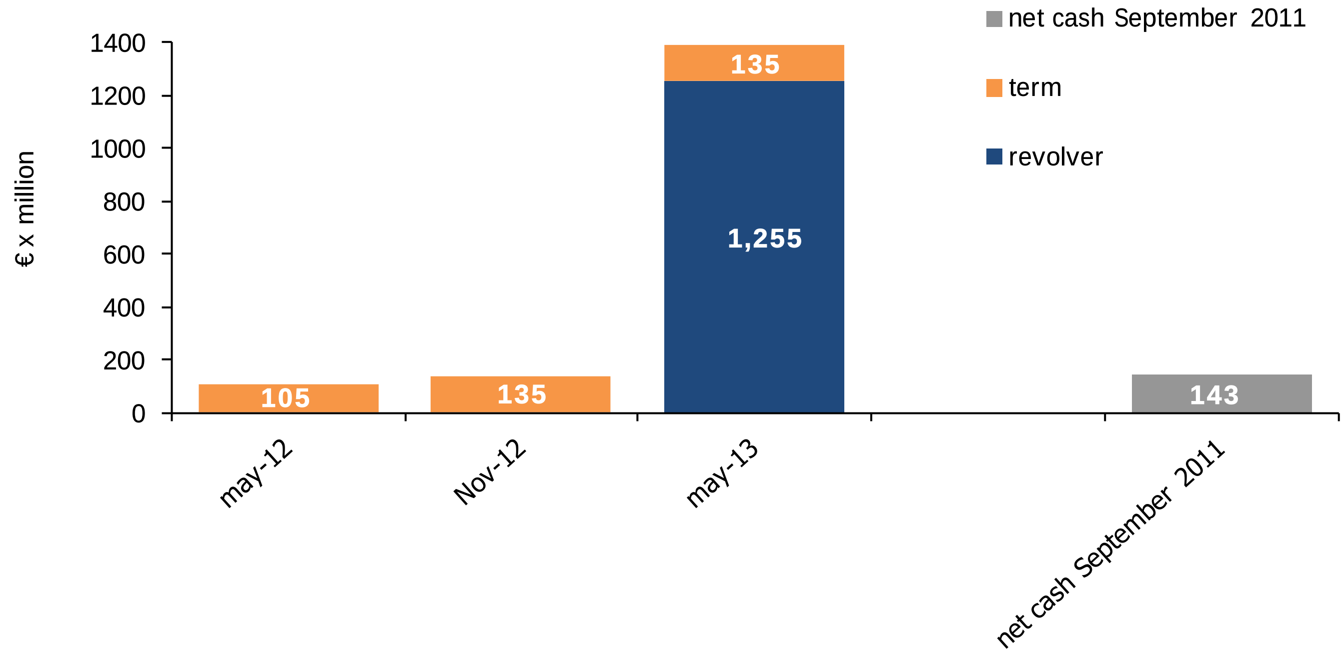
- change in geographical mix: high growth in countries with above average tax rates
- as our results improve, the relative effect of the tax planning measures decreases

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

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

debt facilities & repayment schedule existing facility

repayment schedule (excluding current borrowings)

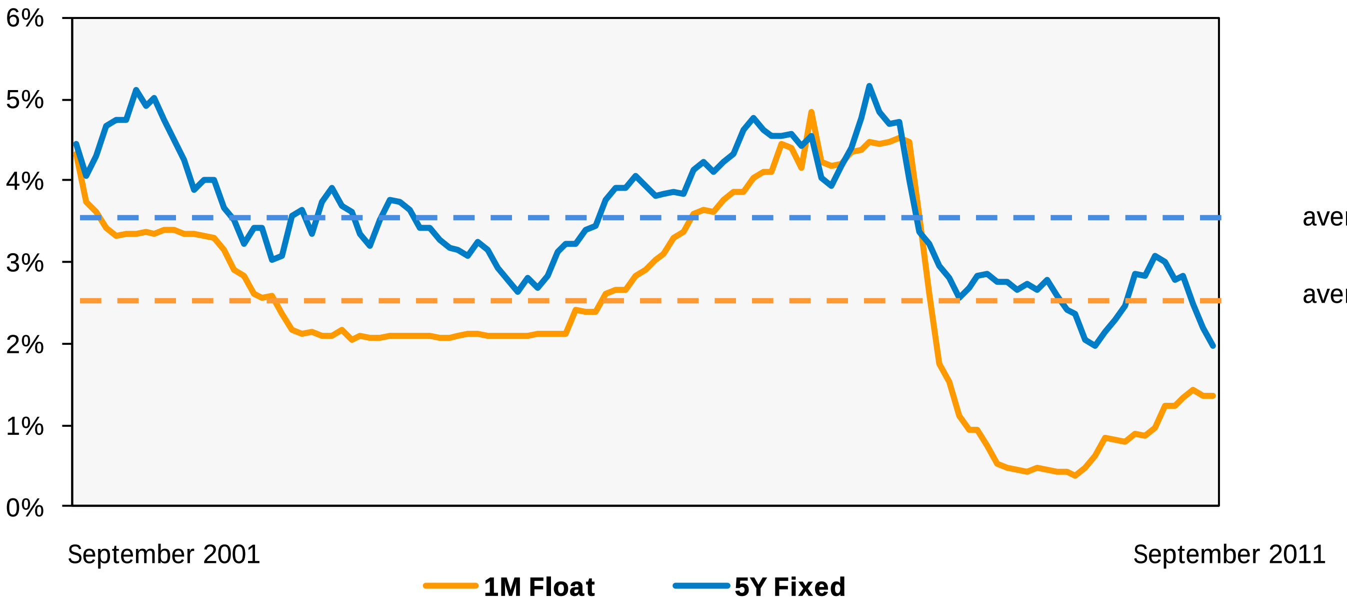


- covenant; net debt/EBITDA* of max. 3.5
  - at the end of Q3 2011 the net debt/EBITDA ratio was 2.0
- syndicated credit facility amounts to € 1,995 million
- new facility (€ 1,3 billion) becomes available as of May 2013

* EBITDA; 12 months rolling back

financing: fixed vs. floating interest rates

10 year historical interest rates comparison 1M vs 5Y



average fixed rate = 3.6%

average floating rate = 2.6%

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

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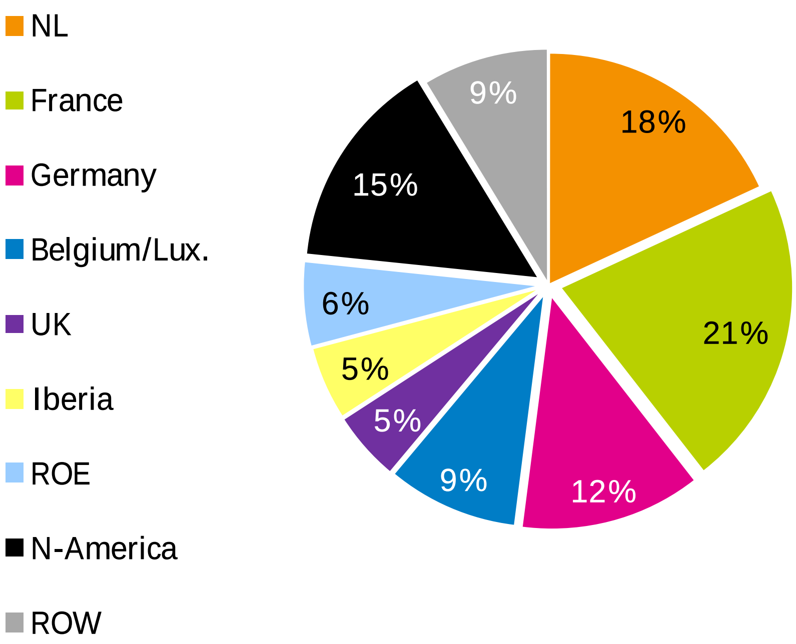
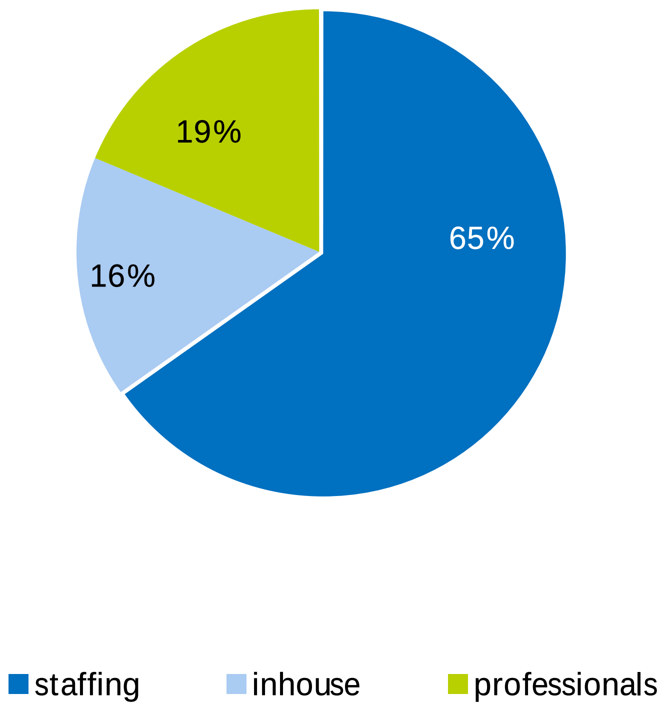
revenue split Q3 2011

geographical area

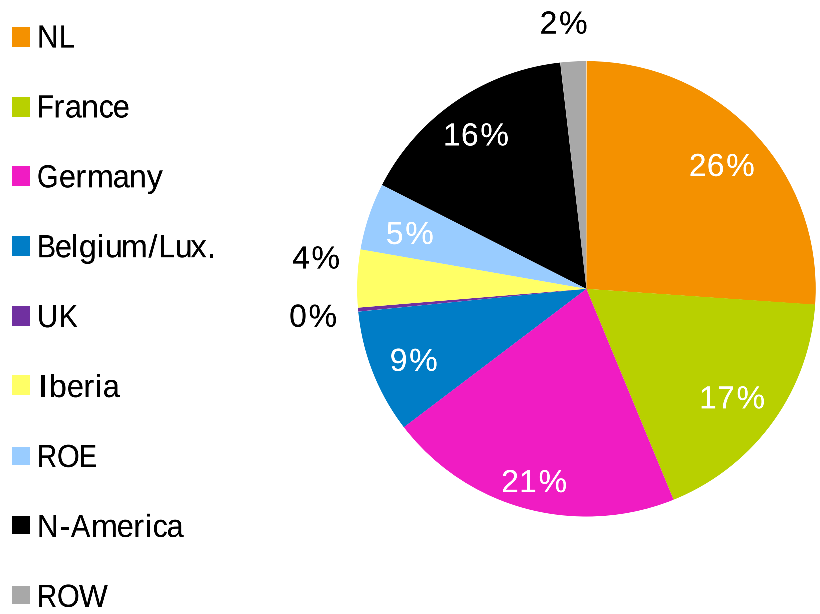


sectors

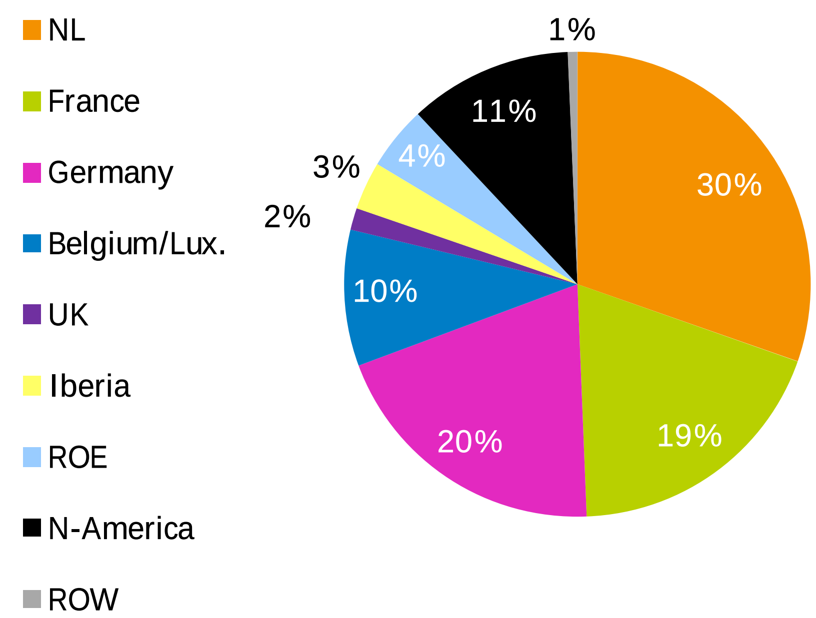


EBITA breakdown by geography

Q3 2011



Q3 2010



outlets* by country

end of period	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
the Netherlands	734	739	746	733	739
France	896	889	896	905	896
Germany	555	530	516	503	475
Belgium/Lux	363	367	367	374	387
United Kingdom	283	275	278	289	297
Iberia	278	272	268	257	266
Other Europe	332	330	322	316	351
North America	1,090	485	487	500	486
Rest of world	253	296	305	318	218
total	**4,784**	**4,183**	**4,185**	**4,195**	**4,115**

* branches and inhouse locations

corporate employees by country

average	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
the Netherlands	5,220	5,170	5,190	5,280	5,300
France	4,000	3,910	3,870	3,920	3,940
Germany	3,020	2,940	2,880	2,890	2,740
Belgium/Lux.	2,180	2,110	2,080	2,130	2,150
United Kingdom	1,930	1,960	1,990	2,060	2,050
Iberia	1,500	1,460	1,450	1,450	1,470
Other Europe	1,830	1,790	1,730	1,690	1,570
North America	4,310	3,070	3,010	3,030	2,940
Rest of world	4,900	4,870	4,850	4,360	3,540
Holding	180	170	160	150	150
total	**29,070**	**27,450**	**27,210**	**26,960**	**25,850**

staffing employees by country

averages	Q3 2011	Q3 2010
the Netherlands	89,000	87,800
France	97,300	93,300
Germany	58,000	56,400
Belgium/Lux.	51,700	51,000
United Kingdom	23,700	22,400
Iberia	52,200	52,700
Other Europe	40,700	35,700
North America	67,800	55,700
Rest of world	106,800	87,300
total	**587,200**	**542,300**