Q4

randstad

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

contents

Q4: Improving momentum in Europe

Revenue of € 5,525 million; organic growth +6.6%; gross profit up 5.5% › 3	Topline growth accelerated in Europe and Rest of the world, remained positive in North America › 3	Gross margin 20.0% (excl. Monster: 18.8%, down 10bp YoY); perm fees up 4% › 4
Underlying EBITA of € 268 million; EBITA margin excl. Monster 4.9%, stable YoY › 5	Proposed all-cash dividend of € 1.89 (up 13%); record high; dividend policy fine-tuned › 5	Comfortable leverage ratio of 0.8 (vs. 0.2 last year) › 6
Monster: strategic cooperation initiated; successful offer on Ausy and BMC › 11	January organic sales growth of 5% –6% › 11	Proffice, Obiettivo Lavoro and Careo acquisitions well on track › 11

"Thanks to the effort of all our employees, Randstad enjoyed an exciting 2016, finishing the year on a strong note, with accelerating topline growth in many countries," says CEO Jacques van den Broek. "2016 was also a year of several relevant acquisitions, which will help us achieve our strategic ambitions. I would like to extend a warm welcome to our more than 5,000 new colleagues globally. We look forward to harnessing the full potential of our corporate development announced in 2016. I wish my colleagues every success in this process, and I am confident that, together, we will be able to take the next step. Our financial position remains healthy, reflected by the proposal of an all-cash dividend of € 1.89 per ordinary share, a record high."

Our Annual Report 2016 is available on www.ir.randstad.com/

financial performance

Core data

in millions of €, unless otherwise indicated - underlying	Q4 2016	Q4 2015	YoY change	% Org.	FY 2016	FY 2015	YoY change	% Org.
Revenue	5,525.2	4,995.1	11%	7%	20,684.1	19,219.2	8%	5%
Gross profit	1,105.7	943.3	17%	6%	3,934.2	3,594.5	9%	4%
Operating expenses	838.1	698.6	20%	4%	2,987.5	2,732.6	9%	3%
EBITA, underlying [1]	**267.6**	**244.7**	**9%**	**4%**	**946.7**	**861.9**	**10%**	**7%**
Integration costs	10.5	-			13.6	-		
One-offs	25.8	10.8			41.1	29.9		
EBITA	**231.3**	**233.9**	**(1)%**		**892.0**	**832.0**	**7%**	
Amortization of intangible assets [2]	33.4	27.3			101.4	127.3		
Operating profit	**197.9**	**206.6**			**790.6**	**704.7**		
Net finance (costs)/income	0.3	3.0			(3.8)	(29.1)		
Share of profit of associates	(0.8)	0.4			(0.8)	0.7		
Result on disposal of associates	-	6.1			-	6.1		
Income before taxes	**197.4**	**216.1**	**(9)%**		**786.0**	**682.4**	**15%**	
Taxes on income	(44.8)	(40.0)			(197.8)	(163.6)		
Net income	**152.6**	**176.1**	**(13)%**		**588.2**	**518.8**	**13%**	
Adjusted net income for holders of ordinary shares [3]	**202.7**	**193.1**	**5%**		**688.9**	**608.3**	**13%**	
Free cash flow	212.2	313.8	(32)%		464.6	498.8	(7)%	
Net debt	793.4	173.2						
Leverage ratio (net debt/12-month EBITDA)	0.8	0.2						
DSO (Days Sales Outstanding), moving average	51.4	50.7						
Margins (in % of revenue)								
Gross margin	20.0%	18.9%			19.0%	18.7%		
Operating expenses margin	15.2%	14.0%			14.4%	14.2%		
EBITA margin, underlying	4.8%	4.9%			4.6%	4.5%		
Share data								
Basic earnings per ordinary share (in €)	0.82	0.95	(14)%		3.15	2.79	13%	
Basic earnings per ordinary share, underlying (in €) [3]	1.11	1.06	5%		3.77	3.35	13%	
Diluted earnings per ordinary share, underlying (in €) [3]	1.10	1.05	5%		3.75	3.32	13%	
Proposed dividend per ordinary share					1.89	1.68	13%	

1 EBITA adjusted for integration costs and one-offs.
2 Amortization and impairment of acquisition-related intangible assets and goodwill.
3 Before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs. See table "Earnings per share" on page 24.

Revenue

Organic revenue per working day grew by 6.6% in Q4 to € 5,525 million (Q3 2016: up 4.2%). Reported revenue was 10.6% above Q4 2015, of which FX made up –0.3%. Working days had an adverse impact of 1.7%, while M&A contributed 6.0%.

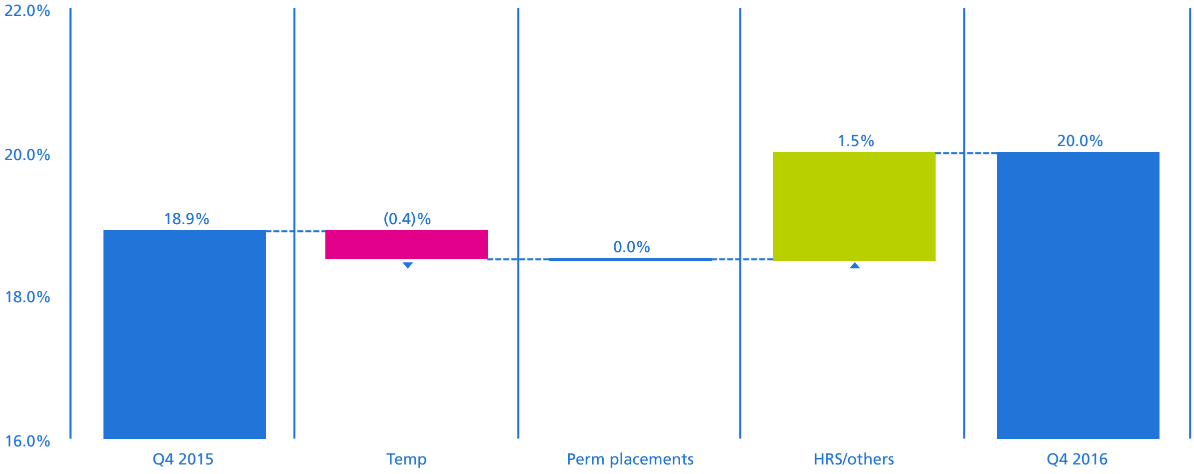
In North America, revenue per working day was stable at 1% (Q3 2016: up 1%). Growth in the US remained flat (Q3 2016: 0%), while Canada grew by 4% (Q3 2016: up 5%). In Europe, revenue per working day grew by 8% (Q3 2016: up 5%). The Netherlands grew by 2%, similar to Q3 2016, and France accelerated to 10% (Q3 2016: 5%). Germany rose by 10% (Q3 2016: 5%), while topline growth also improved markedly in Iberia, with growth of 10%, while Italy grew by 26%. In the 'Rest of the world' region, revenue per working day was up 10% (Q3 2016: up 8%). Australia/New Zealand accelerated to 12% growth and Japan increased by 5%.

Perm grew by 4% (Q3 2016: up 7%), with Europe up by 11% and North America down by 3%. In the 'Rest of the world' region, perm fee growth was up 4%, led by Latam and Japan. Perm fees made up 1.8% of revenue and 9.5% of gross profit (Q4 2015: 9.7%), excluding the RPO business and Monster.

Gross profit

In Q4 2016, gross profit amounted to € 1,106 million. Organic growth per working day was 5.5% (Q3 2016: 3.3%). Currency effects had a negative impact on gross profit of € 2 million compared to Q4 2015.

YoY gross margin development

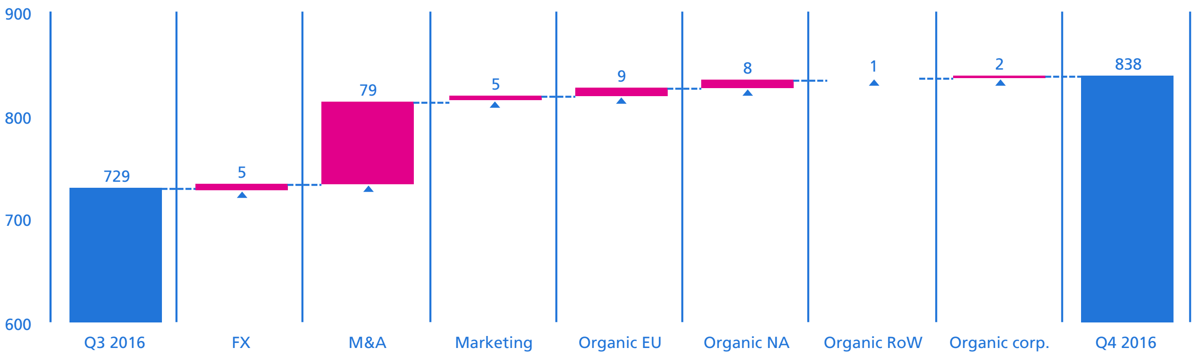


Gross margin was 20.0%, +110bp above Q4 2015 (as shown in the graph above). Temporary staffing had a negative impact of –40bp, which was due to mix and pricing effects. Permanent placements had a negligible effect on gross margin, while HRS/ others (including Monster) added +150bp.

Operating expenses

On an organic basis, operating expenses increased by € 24 million sequentially to € 838 million. This primarily related to our accelerating sales growth. Compared to last year, operating expenses were up 4% organically, while there was a € 1 million favorable FX impact.

OPEX development Q3 -> Q4



Personnel expenses were 4% higher sequentially. Average headcount (in FTE) amounted to 34,060 for the quarter, 4% higher than Q3 2016, driven by Monster.

Productivity (measured as gross profit per FTE) was 3% higher than last year on an organic basis. We operated a network of 4,752 outlets (Q3 2016: 4,737). The expansion of our Inhouse presence has continued (up 2% sequentially), more than offsetting the number of branch consolidations.

Operating expenses in Q4 2016 were adjusted for a total of € 36.3 million in restructuring (€ 15.6 million), M&A (€10.1 million), and integration costs (€ 10.5 million), mainly in North America, the Netherlands, and Germany.

EBITA
Underlying EBITA rose organically by 4.2% to € 268 million. Monster's contribution to EBITA was € 4 million. Currency effects had a negative impact of € 1 million year-on-year in Q4. The EBITA margin came in at 4.8% (4.9% excluding Monster), down 10bp versus Q4 2015. On a full-year basis, underlying EBITA margin improved from 4.5% to 4.6%. We achieved an organic incremental conversion ratio (ICR) of 41% on a full-year basis.

Amortization of intangible assets and impairment of goodwill
Amortization of acquisition-related intangible assets and impairment of goodwill amounted to € 33.4 million in the quarter. The amortization now includes Monster-related intangibles. An amount of € 9.9 million is included related to goodwill impairment of our operating segment India due to lower-than-expected revenue growth and profitability.

Net finance costs
In Q4 2016, net finance income was € 0.3 million, compared with € 3.0 million of finance income in Q4 2015. Interest expenses on our net debt position were € 4.8 million, compared to € 3.0 million in Q4 2015. In addition, a € 3.9 gain on a fair-value adjustment related to Monster liabilities was recorded. Foreign currency effects had a negative impact of € 0.9 million.

Over the full year 2016, net finance costs were € 3.8 million, compared to € 29.1 million in the prior year. Foreign currency effects had a positive € 3.8 million impact over the year, compared to a negative foreign currency effect of € 17.5 million last year.

Tax
The effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs, and one-offs amounted to 26.0% for the full year 2016 (FY 2015: 25.5%). For 2017, we expect an effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs, and one-offs of between 24% and 27%.

Net income, earnings per share
In Q4 2016, diluted underlying EPS amounted to € 1.10 (Q4 2015: € 1.05). The average number of diluted ordinary shares outstanding was virtually stable at 183.8 million versus 184.0 million in Q4 2015.

Invested capital

Our invested capital mainly comprises goodwill, net tax assets, and operating working capital.

in millions of €, unless otherwise indicated	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Goodwill and acquisition-related intangible assets [1]	3,286.3	2,808.4	2,729.9	2,735.7	2,603.3	2,596.1
Operating working capital (OWC) [2]	712.1	830.6	811.1	632.9	621.4	708.1
Net tax assets [3]	479.6	464.0	498.1	498.4	516.8	567.3
All other assets/(liabilities) [4]	456.2	399.6	364.8	13.1	293.4	257.1
Invested capital	**4,934.2**	**4,502.6**	**4,403.9**	**3,880.1**	**4,034.9**	**4,128.6**
Financed by						
Total equity	4,140.8	3,941.3	3,769.7	3,583.7	3,861.7	3,675.9
Net debt	793.4	561.3	634.2	296.4	173.2	452.7
Invested capital	**4,934.2**	**4,502.6**	**4,403.9**	**3,880.1**	**4,034.9**	**4,128.6**
Ratios						
DSO (Days Sales Outstanding), moving average	51.4	51.1	50.7	50.8	50.7	50.8
OWC as % of revenue over last 12 months	3.4%	4.1%	4.1%	3.2%	3.2%	3.8%
Leverage ratio (net debt/12-month EBITDA)	0.8	0.6	0.7	0.3	0.2	0.5
Return on invested capital [5]	15.9%	18.0%	17.9%	19.5%	18.8%	16.2%

1 Starting Q1 2016, we have slightly changed our presentation in this table. In prior years software was included in "goodwill and intangible assets". Software is now included in "All other assets/(liabilities)" resulting in "Goodwill and acquisition-related intangible assets", representing items resulting from acquisitions. Comparative amounts have been adjusted accordingly.
2 Operating working capital: Trade and other receivables minus the current part of financial fixed assets, deferred receipts from disposed Group companies and interest receivable minus trade and other payables excluding interest payable.
3 Net tax assets: Deferred income tax assets and income tax receivables less deferred income tax liabilities and income tax liabilities.
4 All other assets/(liabilities), mainly containing property, plant & equipment, software plus financial assets and associates, less provisions and employee benefit obligations and other liabilities. As per March 31, 2016 dividend payable is also included.
5 Return on invested capital: Underlying EBITA (last 12 months) less income tax paid (last 12 months) as percentage of invested capital.

Return on invested capital (ROIC) reached 15.9%. The main reason for the decrease (both year-on-year and sequentially) is the impact of acquisitions on our invested capital. We are strongly focussed on improving the returns of acquired business, which should also lift the group ROIC going forward.

Operating working capital decreased sequentially to € 712 million, due to normal seasonal patterns in our business. Working capital moved to 3.4% of revenue, the increase year-on-year driven by continued business investment/growth and M&A. The moving average of Days Sales Outstanding (DSO) increased to 51.4 days (Q4 2015: 50.7), due to the higher DSO of acquired companies (mainly Obiettivo Lavoro and Monster).

The decrease of the net tax asset position compared to last year is mainly related to the use of the carry-forward amounts. Net tax assets mainly comprise deferred tax assets related to tax loss carry-forward of subsidiaries, which can be used to offset profits in future years, and differences between the valuation of assets and liabilities according to financial statements and their valuation for tax purposes.

Other assets comprise property, plant & equipment, financial assets, and associates, less provisions and other liabilities. The increase in this group of assets is mainly due to the Tax Credit and Competitive Employment Act (CICE) subsidy receivable in France, amounting to € 110 million in 2016. The total CICE subsidy receivable is € 383 million, including the current portion of € 67 million.

At the end of Q4 2016, net debt was € 793 million, compared to € 173 million at the end of Q4 2015. Further analysis of cash flow is given in the next section. The leverage ratio was 0.8, compared to 0.2 in the previous year. The syndicated credit facility allows a leverage ratio of up to 3.5, while we aim to maintain a maximum leverage ratio of 2.

Cash flow summary

in millions of €	Q4 2016	Q4 2015	change	FY 2016	FY 2015	change
EBITA	**231.3**	**233.9**	**(1)%**	**892.0**	**832.0**	**7%**
Depreciation and amortization of software	20.4	15.9		74.1	64.7	
EBITDA	**251.7**	**249.8**	**1%**	**966.1**	**896.7**	**8%**
Working capital	36.5	98.7		(169.5)	(121.9)	
Provisions and employee benefit obligations	4.4	(11.4)		(0.2)	(32.4)	
Other items	(17.4)	(14.4)		(76.9)	(71.4)	
Income taxes	(30.0)	15.6		(159.8)	(105.4)	
Net cash flow from operating activities	**245.2**	**338.3**	**(28)%**	**559.7**	**565.6**	**(1)%**
Net capital expenditures	(31.9)	(20.7)		(94.0)	(63.0)	
Financial assets	(1.1)	(3.8)		(1.1)	(3.8)	
Free cash flow	**212.2**	**313.8**	**(32)%**	**464.6**	**498.8**	**(7)%**
Net (acquisitions)/disposals of subsidiaries, activities, equity investments, associates and buy-out of non-controlling interests[1]	(403.2)	5.3		(709.0)	(83.9)	
Issue of ordinary shares	0.1	-		0.1	4.2	
Purchase of own ordinary shares	(21.7)	(34.7)		(35.8)	(58.3)	
Dividend on ordinary shares	-	-		(307.2)	(81.5)	
Dividend on preference shares	-	-		(12.6)	(12.6)	
Net finance costs	(4.3)	(9.0)		(11.8)	(9.1)	
Translation and other effects	(15.2)	4.1		(8.5)	(8.8)	
(Increase)/Decrease of net debt	**(232.1)**	**279.5**		**(620.2)**	**248.8**	

1 Including € 128.3 million non-current borrowings acquired

In the quarter, free cash flow was € 212 million, down 32% versus the prior year. Over the full year, free cash flow was € 465 million, down 7% versus the prior year.

The increase in working capital requirements is driven by M&A and the funding of our organic sales growth.

Due to a different mix in taxable profits and losses and a shift in tax deductible costs between 2016 and 2015, the cash tax rate of 2015 was relatively low compared to 2016 and also 2014. As a result of this shift, a tax refund occured in the Netherlands in Q4 2015.

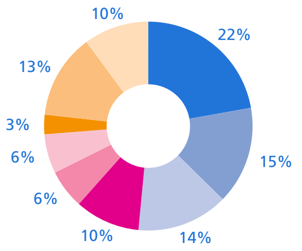
Other items include an amount resulting from the implementation of the Tax Credit and Competitive Employment Act (CICE) in France. In Q3 2017, we will receive the first cash-in of the CICE subsidy related to 2013, amounting to € 67 million.

performance

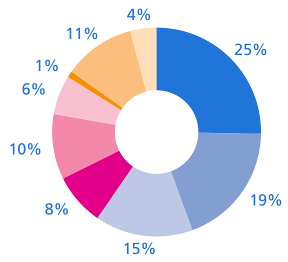
performance by geography

Split by geography

Q4 2016: revenue € 5,525.2 million



Q4 2016: EBITA € 267.6 million



North America
Netherlands
France
Germany
Belgium & Luxembourg
Iberia
United Kingdom
Other European countries
Rest of the world

Revenue by geographical area

in millions of €, underlying	Q4 2016	Q4 2015	change	organic Δ %[1]	FY 2016	FY 2015	change	organic Δ %[1]
North America	1,237.7	1,230.5	1%	1%	4,719.9	4,653.4	1%	1%
Netherlands	827.2	824.5	0%	2%	3,185.6	3,076.9	4%	3%
France	785.6	726.8	8%	10%	3,045.1	2,845.1	7%	7%
Germany	531.6	502.3	6%	10%	2,087.6	1,969.6	6%	6%
Belgium & Luxembourg	356.5	345.2	3%	5%	1,372.5	1,350.3	2%	2%
Iberia	331.7	308.3	8%	10%	1,275.1	1,193.5	7%	7%
United Kingdom	188.4	227.5	(17)%	2%	817.2	909.5	(10)%	1%
Other European countries	703.9	421.4	67%	20%	2,338.5	1,576.6	48%	13%
Rest of the world[1]	562.6	408.6	38%	10%	1,842.6	1,644.3	12%	7%
Total revenue	**5,525.2**	**4,995.1**	**11%**	**7%**	**20,684.1**	**19,219.2**	**8%**	**5%**

1 Rest of the world includes Monster. See page 22 for more details.

EBITA by geographical area

in millions of €, underlying	Q4 2016	EBITA margin	Q4 2015	EBITA margin	organic Δ %[1]	FY 2016	EBITA margin	FY 2015	EBITA margin	organic Δ %[1]
North America	71.7	5.8%	68.8	5.6%	3%	266.1	5.6%	249.1	5.4%	6%
Netherlands	55.1	6.7%	54.9	6.7%	1%	182.2	5.7%	194.4	6.3%	(6)%
France	43.1	5.5%	37.8	5.2%	14%	168.4	5.5%	148.7	5.2%	13%
Germany	23.3	4.4%	27.9	5.6%	(15)%	100.3	4.8%	95.7	4.9%	6%
Belgium & Luxembourg	27.2	7.6%	22.6	6.5%	21%	87.5	6.4%	79.6	5.9%	10%
Iberia	18.1	5.5%	16.0	5.2%	13%	59.7	4.7%	51.4	4.3%	16%
United Kingdom	3.9	2.1%	8.3	3.6%	(41)%	20.7	2.5%	22.0	2.4%	6%
Other European countries	32.1	4.6%	18.6	4.4%	24%	93.8	4.0%	61.9	3.9%	13%
Rest of the world[2]	11.7	2.1%	6.0	1.5%	12%	36.9	2.0%	20.8	1.3%	46%
Corporate	(18.6)	-	(16.2)			(68.9)	-	(61.7)		
EBITA before integration costs and one-offs[3]	**267.6**	**4.8%**	**244.7**	**4.9%**	**4%**	**946.7**	**4.6%**	**861.9**	**4.5%**	**6.7%**
Integration costs	(10.5)		-			(13.6)		-		
One-offs	(25.8)		(10.8)			(41.1)		(29.9)		
Total EBITA	**231.3**		**233.9**			**892.0**		**832.0**		

1 Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.
2 Rest of the world includes Monster. See page 22 for more details.
3 Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill and integration costs, and one-offs.

North America

In North America, revenue growth was 1% year-on year (Q3 2016: up 1%). Perm fees were down 3% (Q3 2016: flat).

In Q4 2016, our combined US businesses were flat (Q3 2016: flat), with US Staffing/Inhouse growing by 2% (Q3 2016: up 2%). US Professionals revenue was down 4% (Q3 2016: down 3%). In Canada, revenue was up 4% (Q3 2016: up 5%), remaining ahead of the market. Underlying EBITA margin for the region increased from 5.6% last year to 5.8% in Q4 2016.

Netherlands

In the Netherlands, revenue was up 2% year-on-year (Q3 2016: up 2%). Overall perm fee growth was 13% (Q3 2016: up 26%). Our Staffing and Inhouse businesses grew 3% (Q3 2016: up 3%), with growth impacted by price pressure. Our Professionals business declined 8% (Q3 2016: down 4%). EBITA margin in the Netherlands was 6.7%, similar to last year.

France

In France, revenue growth accelerated to 10% (Q3 2016: 5%). Staffing and Inhouse revenue increased 9% (Q3 2016: up 4%). Our Professionals business accelerated to 17% (Q3 2016: 11%), driven by healthcare and Expectra. Perm fees were up 21% compared to last year (Q3 2016: up 31%). EBITA margin was 5.5%, compared to 5.2% last year.

Germany

In Germany, revenue per working day was up 10% year-on-year (Q3 2016: up 5%), ahead of the market. Our combined Staffing and Inhouse businesses were up 10% (Q3 2016: up 4%), while Professionals was up 11% (Q3 2016: up 8%). Underlying EBITA margin in Germany declined to 4.4%, compared to 5.6% last year, driven by a much lower release in holiday accruals this year, fewer working days, and a higher sickness rate.

Belgium & Luxembourg

In Belgium & Luxembourg, revenue per working day grew by 5% (Q3 2016: up 5%). Our Staffing/Inhouse business grew 5% (Q3 2016: up 5%), while the Professionals business was up 10% (Q3 2016: up 11%). EBITA margin improved to 7.6%, from 6.5% last year, supported by a higher release of social security accruals.

Iberia

In Iberia, revenue growth improved further, and was up 10% (Q3 2016: up 6%), with Staffing/Inhouse combined growing 10% (Q3 2016: up 6%). Spain was up 12% (Q3 2016: up 6%), and our focus on permanent placements in Spain (up 13%) continues to pay off. In Portugal, revenue improved by 7% (Q3 2016: up 7%). Overall underlying EBITA margin was 5.5% in Q4 2016, compared to 5.2% during the same period last year.

United Kingdom

Revenue per working day in the UK was up 2% compared to the prior year (Q3 2016: up 1%). Overall perm fee growth was down 9% in Q4 (Q3 2016: down 4%). EBITA margin declined to 2.1% from 3.6% last year, partly driven by lower accrual releases.

Other European countries

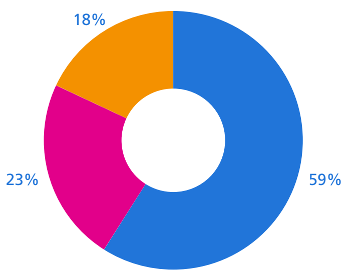
Across 'Other European countries', revenue per working day grew by 20% (Q3 2016: up 10%). Italy, Poland and Switzerland outpaced market growth. In Italy, revenue growth was 26% (Q3 2016: up 15%). In Poland, sales growth accelerated to 14% (Q3 2016: up 9%). Revenue in our Swiss business was up 23% year-on-year (Q3 2016: 12%). In the Nordics, revenue declined by 1% (Q3 2016: down 11%). Overall EBITA margin was 4.6% (Q4 2015: 4.4%).

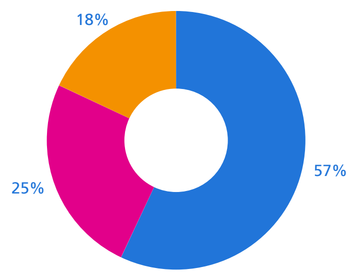
Rest of the world

Overall revenue in the 'Rest of the world' region grew 10% organically (Q3 2016: up 8%). In Japan, revenue grew by 5% (Q3 2016: up 5%). Revenue in Australia/New Zealand grew by 12% (Q3 2016: up 8%), and China accelerated to 28% growth year-on-year (Q3 2016: up 3%). Our business in India grew by 4% (Q3 2016: flat), while Latin America was stable, with growth of 20% (Q3 2016: up 22%), driven by Argentina and Brazil. Overall, EBITA margin in this region improved to 2.1%, from 1.5% last year.

performance by revenue category

Split by revenue category





Staffing · Inhouse Services · Professionals

	in millions of €, underlying	Q4 2016[1]	Q4 2015	organic Δ%[2]	FY 2016[1]	FY 2015	organic Δ%[2]
	Revenue	3,265.2	2,897.7	5%	12,065.2	11,186.4	3%
	EBITA	162.2	152.9	(4)%	566.5	514.9	0%
Staffing	EBITA margin	5.0%	5.3%		4.7%	4.6%	
	Revenue	1,253.5	1,126.4	13%	4,640.7	4,216.4	10%
	EBITA	72.9	51.6	53%	241.0	212.7	25%
Inhouse Services	EBITA margin	5.8%	4.6%		5.2%	5.0%	
	Revenue	1,006.5	971.0	3%	3,978.2	3,816.4	3%
	EBITA	51.1	56.4	(11)%	208.1	196.0	7%
Professionals	EBITA margin	5.1%	5.8%		5.2%	5.1%	

1 Monster is included in Staffing. See page 22 for more details.
2 Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

other information

Outlook
Revenue grew by 6.6% in Q4. In January, revenue grew by 5%–6%. Volumes in early February indicate a continuation of the trend.

Gross margin in Q1 2017 is expected to decline slightly year-on-year (on an organic basis).

For Q1 2017, we expect largely stable underlying operating expenses sequentially (on an organic basis).

There will be a 1.5 favorable working day impact in Q1, as Easter falls in April this year, whereas last year it fell in March.

M&A update and outlook
On November 1, 2016, Randstad announced the completion of the Monster Worldwide acquisition, which was consolidated as of November 1, 2016. Following thorough analysis, we estimate annual tax and cost synergies combined of around € 23 million.

On December 16, 2016, Randstad announced its intention to acquire professional staffing company BMC in the Netherlands for an Enterprise Value of € 65 million. On January 12, 2017, Randstad completed the acquisition of BMC, which will be consolidated as of that date.

On January 25, 2017, Randstad France announced it had gained control of Ausy through a successful cash tender offer. Ausy has become an operational subsidiary of the Randstad Group as of January 31, 2017.

Following our acquisition path in 2016, we will now first focus on harnessing the full potential of these deals. We therefore expect M&A activity to be limited in 2017.

Dividend proposal 2016 and adjustment of dividend policy
We finished 2016 with a solid leverage ratio of 0.8, and our business sustained growth throughout the year, while also further improving our profitability. We will therefore propose to our shareholders an all-cash dividend of € 1.89 per ordinary share (2015: € 1.68), based on a payout ratio of 50% of the basic underlying EPS. The ex-dividend date will be on April 3, 2017. The number of shares entitled to dividend will be determined on April 4, 2017 (record date). The payment of cash dividend will take place on April 7, 2017.

We will also propose a dividend payment on preference shares B and C of € 12.6 million.

We aim to amend our dividend policy going forward:

- leverage ratio < 1.0x: all-cash dividend
- leverage ratio between 1.0x - 2.0x: optional dividend (cash or stock)
- leverage ratio between 2.0x - 2.5x: optional dividend with premium on stock dividend
- leverage ratio > 2.5x: stock dividend

We will continue to aim at a flexible payout ratio of 40% to 50% of net profit, adjusted for amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs, provided that our financial position allows for it.

New segment reporting as of Q1 2017
Starting in Q1 2017, Randstad will adjust its segment reporting by geography and revenue category. Globally managed operations will be categorized in the new division 'Global Businesses', which will include Randstad Sourceright, RiseSmart, twago and Monster. By geography, Italy has become a stand-alone reporting line following its increased size, while the UK will become part of 'Other European countries'. Full-year and quarterly figures for 2016 will be restated to conform to the new segment reporting structure. The corresponding tables will be published on our website as of February 14, 2017 (afternoon).

Other items
As previously announced, we intend to offset the dilutive effect from our performance share plans for senior management through share buybacks. The next allocation of shares will take place on February 14, 2017. Based on our TSR performance, the number of shares to be allocated will be 1.1 million. In line with previous statements, we purchased 0.8 million shares in the period between October 26, 2016 and February 13, 2017. As stated before, we intend to neutralize the impact of the additional 0.3 million share dilution in 2017, after February 14 (when we publish our FY 2016 results).

The AGM will be held on March 30, 2017 (full agenda to be published on our corporate website).

Working days

	Q1	Q2	Q3	Q4
2017	64.0	61.7	63.8	62.3
2016	62.5	63.1	64.8	62.8
2015	62.4	61.6	65.0	63.9

Financial calendar

Annual General Meeting of Shareholders	March 30, 2017
Ex-dividend date	April 3, 2017
Dividend record date	April 4, 2017
Payment of dividend	April 7, 2017
Publication of first quarter results 2017	April 25, 2017
Publication of second quarter results 2017	July 25, 2017
Publication of third quarter results 2017	October 24, 2017
Publication of fourth quarter and annual results 2017	February 13, 2018

Analyst and press conference call

Today (February 14, 2017), at 09.00 am CET, Randstad Holding nv will be hosting an analyst conference call. The dial-in numbers are:

International: + 44 (0)20 3059 8125

Netherlands: + 31 (0)20 794 67 21

Please quote 'Randstad' to gain access to the conference. You can listen to the call through a real-time audio webcast. You can access the webcast and presentation at http://www.ir.randstad.com/results-and-events-center. A replay of the presentation and the Q&A will be available on our website by the end of the day.

For further information please contact:

Randstad Holding nv Investor Relations

David Tailleur - Director Investor Relations
david.tailleur@randstadholding.com or (mobile) +31 (0)6 12 46 21 33

Husayn Hirji - Investor Relations Officer
husayn.hirji@randstadholding.com or (mobile) +31 (0)6 10 41 73 43

Randstad Holding nv Press

Saskia Huuskes - Director Group Communications a.i.
saskia.huuskes@randstadholding.com or (mobile) +31 (0)6 13 22 51 36

Disclaimer

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 personnel (including flexible personnel), achievement of cost savings, changes in the business mix, 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. The quarterly results as presented in this press release are unaudited.

About Randstad

The Randstad Group is a global leader in the HR services industry and specialized in solutions in the field of flexible work and human resources services. Our services range from regular temporary Staffing and permanent placements to Inhouse Services, Professionals, and HR Solutions (including Recruitment Process Outsourcing, Managed Services Programs, and outplacement). By combining our human touch with technology-driven solutions and tools, we aim to offer both clients and candidates the best tools and solutions for increased efficiency and engagement, connecting more people to more jobs. Randstad has top-three positions in Argentina, Belgium & Luxembourg, Canada, Chile, France, Germany, Greece, India, Italy, Mexico, the Netherlands, Poland, Portugal, Spain, Sweden, Switzerland, the UK, and the United States, and major positions in Australia and Japan. At year-end 2016, Randstad had 36,524 corporate employees and 4,752 branches and Inhouse locations in 39 countries around the world. In 2016, Randstad generated revenue of € 20.7 billion. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. Randstad Holding nv is listed on the NYSE Euronext Amsterdam, where options for stocks in Randstad are also traded. For more information, see www.randstad.com.

interim financial statements

contents

actuals

Consolidated income statement

in millions of €, unless otherwise indicated	Q4 2016	Q4 2015	FY 2016	FY 2015
Revenue	**5,525.2**	**4,995.1**	**20,684.1**	**19,219.2**
Cost of services	4,419.5	4,051.8	16,749.9	15,624.7
Gross profit	**1,105.7**	**943.3**	**3,934.2**	**3,594.5**
Selling expenses	592.1	484.5	2,092.6	1,922.4
General and administrative expenses	282.3	224.9	949.6	840.1
Operating expenses	**874.4**	**709.4**	**3,042.2**	**2,762.5**
Amortization and impairment of acquisition-related intangible assets and goodwill	33.4	27.3	101.4	127.3
Total operating expenses	**907.8**	**736.7**	**3,143.6**	**2,889.8**
Operating profit	**197.9**	**206.6**	**790.6**	**704.7**
Net finance income/(costs)	0.3	3.0	(3.8)	(29.1)
Share of profit and result on disposal of associates	(0.8)	6.5	(0.8)	6.8
Income before taxes	**197.4**	**216.1**	**786.0**	**682.4**
Taxes on income	(44.8)	(40.0)	(197.8)	(163.6)
Net income	**152.6**	**176.1**	**588.2**	**518.8**
Net income attributable to:				
Holders of ordinary shares Randstad Holding nv	149.3	172.9	575.4	506.2
Holders of preference shares Randstad Holding nv	3.2	3.2	12.6	12.6
Equity holders	**152.5**	**176.1**	**588.0**	**518.8**
Non-controlling interests	0.1	0.0	0.2	0.0
Net income	**152.6**	**176.1**	**588.2**	**518.8**
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):				
Basic earnings per share	0.82	0.95	3.15	2.79
Basic earnings per ordinary share, underlying (in €)	1.11	1.06	3.77	3.35
Diluted earnings per share	0.81	0.94	3.13	2.76
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs	1.10	1.05	3.75	3.32

Information by geographical area and revenue category

Revenue by geographical area

in millions of €	Q4 2016	Q4 2015	FY 2016	FY 2015
North America	1,237.7	1,230.5	4,719.9	4,653.4
Netherlands	827.2	824.5	3,185.6	3,076.9
France	785.6	726.8	3,045.1	2,845.1
Germany	531.6	502.3	2,087.6	1,969.6
Belgium & Luxembourg	356.5	345.2	1,372.5	1,350.3
Iberia	331.7	308.3	1,275.1	1,193.5
United Kingdom	188.4	227.5	817.2	909.5
Other European countries	703.9	421.4	2,338.5	1,576.6
Rest of the world	562.6	408.6	1,842.6	1,644.3
Total revenue	**5,525.2**	**4,995.1**	**20,684.1**	**19,219.2**

EBITA by geographical area

in millions of €	Q4 2016	Q4 2015	FY 2016	FY 2015
North America	70.3	65.2	259.9	239.1
Netherlands	51.0	54.9	178.7	185.2
France	40.0	37.8	164.3	148.7
Germany	17.8	24.8	93.6	88.8
Belgium & Luxembourg	27.7	21.6	88.0	78.6
Iberia	18.1	15.8	59.6	49.9
United Kingdom	3.3	7.7	19.5	21.4
Other European countries	31.7	18.4	90.6	61.7
Rest of the world	4.0	5.1	27.9	21.5
Corporate	(22.1)	(17.4)	(76.5)	(62.9)
EBITA before integration costs [1]	**241.8**	**233.9**	**905.6**	**832.0**
Integration costs	(10.5)	-	(13.6)	-
Total EBITA	**231.3**	**233.9**	**892.0**	**832.0**

1 Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill and integration costs

Revenue by revenue category

in millions of €	Q4 2016	Q4 2015	FY 2016	FY 2015
Staffing	3,265.2	2,897.7	12,065.2	11,186.4
Inhouse Services	1,253.5	1,126.4	4,640.7	4,216.4
Professionals	1,006.5	971.0	3,978.2	3,816.4
Total revenue	**5,525.2**	**4,995.1**	**20,684.1**	**19,219.2**

EBITA by revenue category

in millions of €	Q4 2016	Q4 2015	FY 2016	FY 2015
Staffing	140.9	145.3	536.2	505.0
Inhouse Services	72.4	51.5	240.2	212.6
Professionals	50.6	54.5	205.7	177.3
Corporate	(22.1)	(17.4)	(76.5)	(62.9)
EBITA before integration costs [1]	**241.8**	**233.9**	**905.6**	**832.0**
Integration costs	(10.5)	-	(13.6)	-
Total EBITA	**231.3**	**233.9**	**892.0**	**832.0**

1 Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill and integration costs

Consolidated balance sheet

in millions of €	December 31, 2016	December 31, 2015
ASSETS		
Property, plant and equipment	165.3	124.9
Intangible assets	3,353.5	2,649.1
Deferred income tax assets	520.2	531.5
Financial assets and associates	454.7	376.1
Non-current assets	**4,493.7**	**3,681.6**
Trade and other receivables	4,174.2	3,435.7
Income tax receivables	72.2	58.0
Cash and cash equivalents	385.8	133.5
Current assets	**4,632.2**	**3,627.2**
TOTAL ASSETS	**9,125.9**	**7,308.8**
EQUITY AND LIABILITIES		
Issued capital	25.8	25.8
Share premium	2,270.7	2,270.5
Reserves	1,843.6	1,565.4
Shareholders' equity	**4,140.1**	**3,861.7**
Non-controlling interests	0.7	0.0
Total equity	**4,140.8**	**3,861.7**
Borrowings	699.2	124.6
Deferred income tax liabilities	42.2	35.9
Provisions and employee benefit obligations	194.4	166.5
Other liabilities	12.6	14.5
Non-current liabilities	**948.4**	**341.5**
Borrowings	480.0	182.1
Trade and other payables	3,397.5	2,811.9
Income tax liabilities	70.6	36.8
Provisions and employee benefit obligations	81.9	67.8
Other liabilities	6.7	7.0
Current liabilities	**4,036.7**	**3,105.6**
Liabilities	**4,985.1**	**3,447.1**
TOTAL EQUITY AND LIABILITIES	**9,125.9**	**7,308.8**

Consolidated statement of cash flows

in millions of €	Q4 2016	Q4 2015	FY 2016	FY 2015
Operating profit	**197.9**	**206.6**	**790.6**	**704.7**
Amortization and impairment of acquisition-related intangible assets and goodwill	33.4	27.3	101.4	127.3
EBITA	**231.3**	**233.9**	**892.0**	**832.0**
Depreciation of property, plant and equipment	13.7	11.5	50.0	45.5
Amortization of software	6.7	4.4	24.1	19.2
EBITDA	**251.7**	**249.8**	**966.1**	**896.7**
Provisions and employee benefit obligations	4.4	(11.4)	(0.2)	(32.4)
Share-based compensations	7.7	6.8	31.3	29.1
Loss on disposals of property, plant and equipment	0.1	0.0	0.2	0.3
Gain on disposals of activities	(0.2)	-	0.0	(1.6)
Other non-cash items	(25.0)	(21.2)	(108.4)	(99.2)
Cash flow from operations before operating working capital and income taxes	**238.7**	**224.0**	**889.0**	**792.9**
Trade and other receivables	(106.5)	62.1	(366.4)	(270.6)
Trade and other payables	143.0	36.6	196.9	148.7
Operating working capital	**36.5**	**98.7**	**(169.5)**	**(121.9)**
Income taxes	(30.0)	15.6	(159.8)	(105.4)
Net cash flow from operating activities	**245.2**	**338.3**	**559.7**	**565.6**
Additions in property, plant and equipment	(21.7)	(12.3)	(62.3)	(42.0)
Additions in software	(12.2)	(8.9)	(34.9)	(25.2)
Disposals of property, plant and equipment	2.0	0.5	3.2	4.2
Financial assets	(1.1)	(3.8)	(1.1)	(3.8)
Acquisition of subsidiaries, equity investments and associates	(275.1)	(3.2)	(581.4)	(96.4)
Disposals of activities and associates	0.2	8.5	0.7	12.5
Net cash flow from investing activities	**(307.9)**	**(19.2)**	**(675.8)**	**(150.7)**
Issue of new ordinary shares	0.1	-	0.1	4.2
Purchase of own ordinary shares	(21.7)	(34.7)	(35.8)	(58.3)
(Net repayments of)/ net drawings on non-current borrowings	(223.6)	(234.0)	465.5	(212.1)
Net financing	**(245.2)**	**(268.7)**	**429.8**	**(266.2)**
Net finance costs	(4.3)	(9.0)	(11.8)	(9.1)
Dividend on ordinary shares	-	-	(307.2)	(81.5)
Dividend on preference shares	-	-	(12.6)	(12.6)
Net reimbursement to financiers	**(4.3)**	**(9.0)**	**(331.6)**	**(103.2)**
Net cash flow from financing activities	**(249.5)**	**(277.7)**	**98.2**	**(369.4)**
Net (decrease)/increase in cash, cash equivalents, and current borrowings	**(312.2)**	**41.4**	**(17.9)**	**45.5**
Cash, cash equivalents, and current borrowings at beginning of period	**253.0**	**(98.9)**	**(48.6)**	**(107.0)**
Net movement	(312.2)	41.4	(17.9)	45.5
Translation and currency gains	6.4	8.9	13.7	12.9
Cash, cash equivalents, and current borrowings at end of period	**(52.8)**	**(48.6)**	**(52.8)**	**(48.6)**
Free cash flow	**212.2**	**313.8**	**464.6**	**498.8**

Consolidated statement of comprehensive income

in millions of €	October 1 - December 31, 2016 Shareholders' equity	Non-controlling interests	Total equity	October 1 - December 31, 2015 Shareholders' equity	Non-controlling interests	Total equity
Net income for the period	152.5	0.1	152.6	176.1	0.0	176.1
Translation differences	67.5	0.0	67.5	37.6	0.0	37.6
Fair value adjustments equity investments	-	-	-	0.6	-	0.6
Remeasurements from defined benefit pension plans	(6.5)	-	(6.5)	(0.6)	-	(0.6)
Total comprehensive income	**213.5**	**0.1**	**213.6**	**213.7**	**0.0**	**213.7**

in millions of €	January 1 - December 31, 2016 Shareholders' equity	Non-controlling interests	Total equity	January 1 - December 31, 2015 Shareholders' equity	Non-controlling interests	Total equity
Net income for the period	588.0	0.2	588.2	518.8	0.0	518.8
Translation differences	16.2	0.0	16.2	149.5	0.0	149.5
Fair value adjustments equity investments	0.3	-	0.3	0.6	-	0.6
Remeasurements from defined benefit pension plans	(6.5)	-	(6.5)	(0.6)	-	(0.6)
Total comprehensive income	**598.0**	**0.2**	**598.2**	**668.3**	**0.0**	**668.3**

Consolidated statement of changes in equity

in millions of €	October 1 - December 31, 2016 Shareholders' equity	Non-controlling interests	Total equity	October 1 - December 31, 2015 Shareholders' equity	Non-controlling interests	Total equity
Value at October 1	**3,940.6**	**0.7**	**3,941.3**	**3,675.9**	**0.0**	**3,675.9**
Comprehensive income	**213.5**	**0.1**	**213.6**	**213.7**	**0.0**	**213.7**
Share-based compensations	7.7	-	7.7	6.8	-	6.8
Issue of ordinary shares	0.1	-	0.1	-	-	-
Purchase of own ordinary shares	(21.7)	-	(21.7)	(34.7)	-	(34.7)
Acquisition/Disposal of non-controlling interests	(0.1)	(0.1)	(0.2)	-	-	-
Value at December 31	**4,140.1**	**0.7**	**4,140.8**	**3,861.7**	**0.0**	**3,861.7**

in millions of €	January 1 - December 31, 2016			January 1 - December 31, 2015		
	Shareholders' equity	Non-controlling interests	Total equity	Shareholders' equity	Non-controlling interests	Total equity
Value at January 1	**3,861.7**	**0.0**	**3,861.7**	**3,313.1**	**0.0**	**3,313.1**
Comprehensive income	**598.0**	**0.2**	**598.2**	**668.3**	**0.0**	**668.3**
Cash dividend on ordinary shares	(307.2)	-	(307.2)	(81.5)	-	(81.5)
Dividend on preference shares	(12.6)	-	(12.6)	(12.6)	-	(12.6)
Share-based compensations	31.3	-	31.3	29.1	-	29.1
Tax on share-based compensations	4.7	-	4.7	(0.6)	-	(0.6)
Issue of ordinary shares	0.1	-	0.1	4.2	-	4.2
Purchase of own ordinary shares	(35.8)	-	(35.8)	(58.3)	-	(58.3)
Acquisition/Disposal of non-controlling interests	(0.1)	0.5	0.4	-	-	-
Value at December 31	**4,140.1**	**0.7**	**4,140.8**	**3,861.7**	**0.0**	**3,861.7**

notes to the consolidated interim financial statements

Reporting entity
Randstad Holding nv is a public limited liability company incorporated and domiciled in the Netherlands and listed on Euronext Amsterdam.

The consolidated interim financial statements of Randstad Holding nv as at and for the three- and twelve-month period ended December 31, 2016 include the company and its subsidiaries (together called 'the Group').

Significant accounting policies
These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (hereinafter: IFRS).

The accounting policies applied by the Group in these consolidated interim financial statements are unchanged from those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2015.

Basis of presentation
These consolidated interim financial statements have been condensed and prepared in accordance with (IFRS) IAS 34 'Interim Financial Reporting'; they do not include all the information required for full (i.e., annual) financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2016.

The consolidated financial statements of the Group as at and for the year ended December 31, 2016 are available upon request at the Company's office or on www.randstad.com.

Estimates
The preparation of consolidated interim 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, income, and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgments, estimates, and assumptions are the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2015.

Seasonality
The Group's activities are affected by seasonal patterns. The volume of transactions throughout the year fluctuates per quarter, depending on demand as well as on variations in items such as the number of working days, public holidays and holiday periods. The Group usually generates its strongest revenue and profits in the second half of the year, while the cash flow in the second quarter is usually negative due to the timing of payments of holiday allowances and dividend; cash flow tends to be strongest in the second half of the year.

Effective tax rate
The effective tax rate for the twelve-month period ended on December 31, 2016 is 25.1% (2015: 24.0%).

Acquisition of Group companies, equity investments and associates
The cash outflow for acquisitions and equity investments amounted to €275.1 million (Q4, 2015: € 3 million); this amount does not include the non-current borrowings from the Monster acquisition.

On November 1, 2016, the Group acquired Monster Worldwide Inc, a company based in the US to accelerate the Group's digital HR strategy, for a consideration of € 270.4 million; including non-current borrowings the consideration adds to € 398.7 million.

The remainder of € 4.7 million consists of an amount of € 4.2 million, that relates to equity investments by the Randstad Innovation Fund, € 0.3 million to associates and a € 0.2 buyout of minority interests.

The acquisition of Monster in Q4, 2016 contributed € 82.2 million to the Group's revenue and € 3.5 million (excluding acquisition-related one-offs and integration costs) to the Group's EBITA in Q4. If this acquisition had occurred on January 1, 2016, the contribution to revenue would have been higher by approximately € 450 million; the contribution to EBITA is estimated to be around zero.

The assets and liabilities, as well as the breakdown of the total amount of goodwill related to the acquisitions in Q4, based on a provisional purchase price allocation, are specified below:

in millions of €, unless otherwise indicated	Q4 2016	FY 2016
Property, plant & equipment and software	32.1	39.7
Acquisition-related intangible assets	215.4	329.3
Deferred tax assets	13.2	24.4
Associates	19.1	19.1
Total non-current assets	**279.8**	**412.5**
Working capital	(96.5)	(69.4)
Non-current Borrowings	128.3	128.3
Provisions and employee benefit obligations	22.8	26.8
Deferred income tax liabilities	-	32.7
Provisions, employee benefit obligations and other liabilities	-	0.9
Total non-current liabilities	**151.1**	**188.7**
Non-controlling interest [1]	- 0.2	0.4
Net assets acquired	**32.4**	**154.0**
Goodwill	254.2	441.2
Consideration[1]	**286.6**	**595.2**
Net (cash) acquired, included in working capital	(16.0)	(20.8)
Non-current borrowings acquired	128.3	128.3
Net debt/(cash) acquired	**112.3**	**107.5**
Consideration for 100% of shares, adjusted for net debt acquired	**398.9**	**702.7**
Deferred for remaining shares	-	(2.6)
Consideration paid, adjusted for net debt acquired	**398.9**	**700.1**
Equity investments/Associates	4.5	9.6
Deduct: Non-current borrowings acquired	(128.3)	(128.3)
Statement of cash flows	**275.1**	**581.4**

1 € 0.2 million relates to a buy-out of a non-controlling interest from prior acquisitions.

For the year 2016, the cash outflow for acquisitions, equity investments and associates amounted to € 581.4 million; includinig non-current borrowings acquired (€ 128.3 million) from the Monster acquisition, acquisition of subsidiaries adds to an amount of € 709.7 million

Disposal of subsidiaries

In Q4 2016, we had € 0.2 million cash inflow from disposed businesses (Q4 2015: € 8.5 million). The cash inflow for the full year 2016 amounts to € 0.7 million (FY 2015: € 12.5 million), and relates to the sale of some non-core businesses.

Shareholders' equity

Issued number of ordinary shares

	2016	2015
January 1	183,019,235	180,109,671
Stock dividend	-	2,728,720
Share-based compensations	4,032	180,844
December 31	**183,023,267**	**183,019,235**

As at December 31, 2016, the Group held 595,141 treasury shares (December 31, 2015: 896,335). The average number of (diluted) ordinary shares outstanding has been adjusted for these treasury shares.

As at December 31, 2016 and December 31, 2015, the number of issued preference shares was 25,200,000 (type B) and 50,130,352 (type C).

Earnings per share

in millions of €, unless otherwise indicated	Q4 2016	Q4 2015	FY 2016	FY 2015
Net income	**152.6**	**176.1**	**588.2**	**518.8**
Results of non-controlling interests	0.1	0.0	0.2	0.0
Net income attributable to holders of preference shares	3.2	3.2	12.6	12.6
Net income attributable to holders of ordinary shares	**149.3**	**172.9**	**575.4**	**506.2**
Amortization of intangible assets [1]	33.4	27.3	101.4	127.3
Integration costs and one-offs [2]	36.3	4.7	54.7	23.8
Tax effect on amortization, integration costs, and one-offs	(16.3)	(11.8)	(42.6)	(49.0)
Net income for holders of ordinary shares (adjusted)	**202.7**	**193.1**	**688.9**	**608.3**
Average number of ordinary shares outstanding	182.6	182.4	182.7	181.7
Average number of diluted ordinary shares outstanding	183.8	184.0	183.8	183.3
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):				
Basic earnings per share	0.82	0.95	3.15	2.79
Diluted earnings per share	0.81	0.94	3.13	2.76
Basic earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs [3]	1.11	1.06	3.77	3.35
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs [4]	1.10	1.05	3.75	3.32

1 Amortization and impairment of acquisition-related intangible assets and goodwill.
2 Integration costs and one-offs. (2015 includes € 29.9 million expenses in operating profit and € 6.1 million profit on disposal of associates).
3 Basis for dividend policy.
4 Diluted EPS, underlying.

Net debt position

The net debt position as at December 31, 2016 (€ 793.4 million) was € 620.2 million higher compared to the net debt position as at December 31, 2015 (€ 173.2 million). This is mainly due to 2016 positive free cash flow of € 464.6 million, whereas negative cash flows from net acquisitions, dividends and net purchase of ordinary shares was € 936.2 million.

Breakdown of operating expenses

in millions of €	Q4 2016	Q4 2015	FY 2016	FY 2015
Personnel expenses	641.9	535.5	2,278.8	2,100.3
Other operating expenses	232.5	173.9	763.4	662.2
Operating expenses	**874.4**	**709.4**	**3,042.2**	**2,762.5**

Depreciation, amortization and impairment of property, plant and equipment, and software

in millions of €	Q4 2016	Q4 2015	FY 2016	FY 2015
Depreciation of property, plant and equipment	13.7	11.5	50.0	45.5
Amortization of software	6.7	4.4	24.1	19.2
Total depreciation and amortization	**20.4**	**15.9**	**74.1**	**64.7**

French Competitive Employment Act ('CICE')

Included in the consolidated balance sheet under 'financial assets and associates' is an amount of € 315.4 million (December 31, 2015: € 272.1 million) relating to the non-current part of a receivable arising from tax credits under the French Competitive

Employment Act ('CICE'). An amount of € 67.4 million is included in 'Trade and other receivables' as at December 31, 2016, representing the current part of the 'CICE' receivable.

Total comprehensive income

Apart from net income for the period, total comprehensive income comprises translation differences and related tax effects that may be reclassified to the income statement in a future reporting period, as well as actuarial losses on the remeasurements of post-employment benefit obligations and related tax effects that will not be reclassified to the income statement in a future reporting period. Also included is a fair-value adjustment on equity investments (in YTD figures), which may be reclassified to the income statement in a future period.

Related-party transactions

There are no material changes in the nature, scope, and (relative) scale in this reporting period compared to last year. More information is included in notes 22, 23 and 24 to the consolidated financial statements as at and for the year ended December 31, 2016.

Commitments

There are no material changes in the nature and scope of commitments compared to last year, except for the effect of recent acquisitions that have an increasing impact on the number of commitments. More information is included in note 27 to the consolidated financial statements as at and for the year ended December 31, 2016.

Events after balance sheet date

Subsequent to the date of the balance sheet, the Group acquired 100% of the shares of Sageco (Australia) and BMC (the Netherlands). Sageco is active in the outplacement business and BMC is active in the Professionals segment. The preliminary purchase prices are € 1.2 million and € 67 million respectively.

On January 25, 2017, Randstad France announced it had gained control of Ausy through a successful cash tender offer. Ausy has become an operational subsidiary of the Randstad Group as of January 31, 2017. The Ausy Group is active in the Professionals segment (IT services and engineering).

Preliminary purchase price allocations will take place in the first quarter of 2017.