Q2

2nd quarter results 2017

randstad

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

contents

Q2 2017: Europe gaining further momentum

Revenue of € 5,866 million; organic growth +9.3%; gross profit up 7.9% ❯ 3	Topline grew 11% in Europe, 1% in North America and 12% in Rest of the world ❯ 3	Gross margin 20.4%; underlying gross margin stable YoY; perm fees up 7% ❯ 3
Organic opex up 5% (Q1 2017: 7%); underlying ICR improving ❯ 4	Underlying EBITA of € 262 million; EBITA margin 4.5% (including -/- 50bp digital investments and working day impact) ❯ 4	Leverage ratio of 1.5 (vs. 0.7 last year) impacted by seasonality and M&A ❯ 6
Digital initiatives in full swing; Capital Markets Day in London on November 21, 2017 ❯ 11	Volumes in early July indicate a continuation of the Q2 trend ❯ 11	All acquisitions on track; key initiatives launched at Monster ❯ 7

"*In Q2, our organic sales growth accelerated to the highest level since 2011, driven by double-digit growth in Europe,*" says Randstad CEO Jacques van den Broek. "*Also momentum in the Rest of the world region improved versus Q1, while growth in our North American business was stable. We are satisfied with the progress of our acquisitions and remain very excited about their future contribution to the Group. Supporting people and organizations in realizing their true potential is Randstad's role in society. We are committed to go above and beyond to make our candidates and clients successful. To this end we are working hard on our digital transformation. This is showing the first good signs in margin development in our Dutch Professionals business as technology supports our consultants, as well as in our French perm business, by providing additional services through better insights based on big data*".

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

financial performance

Core data

in millions of €, unless otherwise indicated - underlying	Q2 2017	Q2 2016	YoY change	% Org.	L4Q 2017	L4Q 2016	YoY change	% Org.
Revenue	5,866.2	5,108.1	14.8%	9%	22,297.5	19,781.6	13%	7%
Gross profit	1,194.2	963.3	24%	8%	4,433.6	3,705.5	20%	6%
Operating expenses	932.0	723.6	29%	5%	3,424.7	2,803.3	22%	5%
EBITA, underlying [1]	**262.2**	**239.7**	**9%**	**7%**	**1,008.9**	**902.2**	**12%**	**7%**
Integration costs and one-offs	(12.1)	(4.3)			(77.2)	(26.0)		
EBITA	**250.1**	**235.4**	**6%**		**931.7**	**876.2**	**6%**	
Amortization of intangible assets [2]	(36.5)	(21.3)			(120.1)	(104.5)		
Operating profit	**213.6**	**214.1**			**811.6**	**771.7**		
Net finance costs	(7.9)	(4.9)			(14.6)	(2.5)		
Share of profit of associates	0.2	-			(0.4)	0.5		
Result on disposal of associates	-	-			-	6.1		
Income before taxes	**205.9**	**209.2**	**(2)%**		**796.6**	**775.8**	**3%**	
Taxes on income	(53.3)	(52.9)			(198.8)	(187.9)		
Net income	**152.6**	**156.3**	**(2)%**		**597.8**	**587.9**	**2%**	
Adj. net income for holders of ordinary shares [3]	**181.1**	**170.9**	**6%**		**724.3**	**658.9**	**10%**	
Free cash flow	(96.7)	(9.8)	N/A		434.7	574.7	(24)%	
Net debt	1,556.2	634.2						
Leverage ratio (net debt/12-month EBITDA)	1.5	0.7						
DSO (Days Sales Outstanding), moving average	52.1	50.7						
Margins (in % of revenue)								
Gross margin	20.4%	18.9%			19.9%	18.7%		
Operating expenses margin	15.9%	14.2%			15.4%	14.2%		
EBITA margin, underlying	4.5%	4.7%			4.5%	4.6%		
Share data								
Basic earnings per ordinary share (in €)	0.82	0.84	(2)%		3.21	3.15	2%	
Diluted earnings per ordinary share, underlying (in €) [4]	0.98	0.93	5%		3.94	3.58	10%	

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.
4 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 9.3% in Q2 to € 5,866 million (Q1 2017: up 6.4%). Reported revenue was 14.8% above Q2 2016, of which FX accounted for 0.2% and M&A contributed 7.5%, while working days had a negative effect of 2.2%.

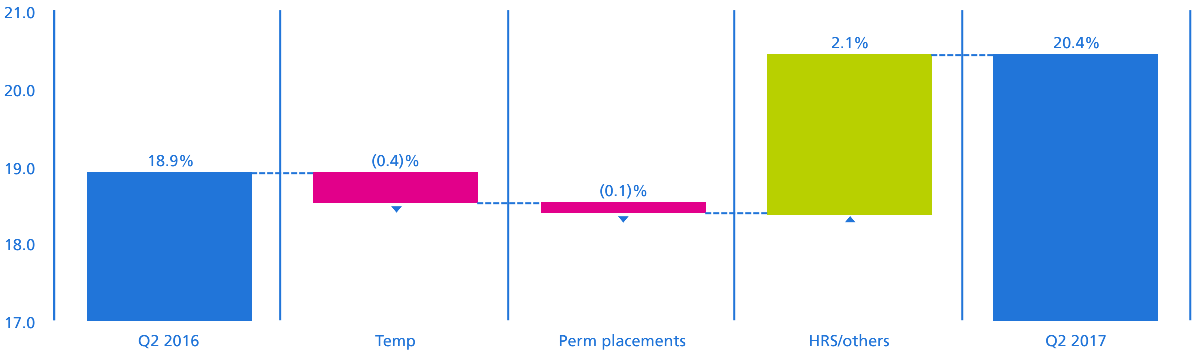
In North America, revenue per working day increased 1% (Q1 2017: up 1%). Growth in the US remained flat, while Canada grew by 9% (Q1 2017: up 6%). In Europe, revenue per working day grew by 11% (Q1 2017: 8%). Topline growth in France amounted to 14% (Q1 2017: 9%), and the Netherlands grew by 2% (Q1 2017: 1%). Germany was up 9% (Q1 2017: 9%), while sales growth in Belgium improved to 14% (Q1 2017: 10%). Italy accelerated to 29% (Q1 2017: 23%), while revenues in Iberia were up by 16% (Q1 2017: 8%). In the 'Rest of the world' region, revenue increased 12% (Q1 2017: up 9%); Australia & New Zealand rose by 14% and Japan increased by 6%.

Perm fees grew 7% (Q1 2017: up 11%), with Europe up 13% (Q1 2017: 16%) and North America up 3% (Q1 2017: 6%). In the 'Rest of the world' region, perm fee growth was flat (Q1 2017: 8%). Perm fees made up 9.9% of gross profit.

Gross profit

In Q2 2017, gross profit amounted to € 1,194 million. Organic growth was 7.9% (Q1 2017: 6.4%). Currency effects had a positive impact on gross profit of € 3 million compared to Q2 2016.

YoY gross margin development (%)

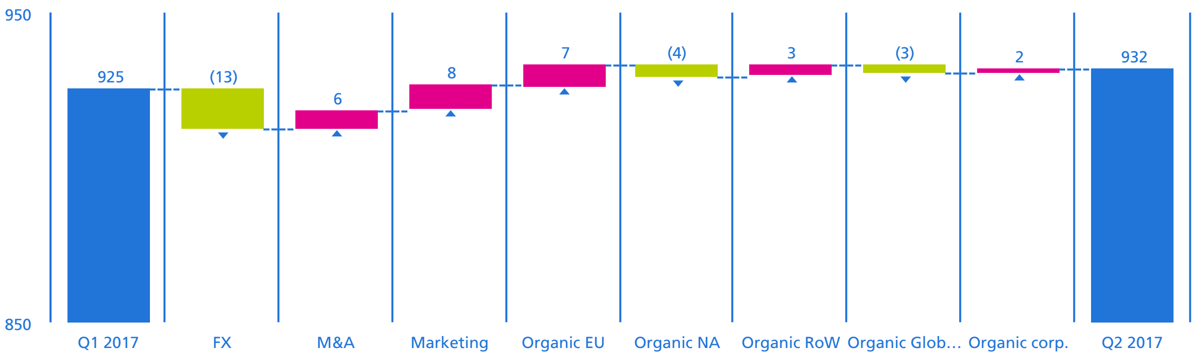


Gross margin was 20.4%, +150bp above Q2 2016 (as shown in the graph above). Temporary staffing had a negative impact of -40bp due to mix, pricing and an adverse working day effect, which is a reversal of Q1 2017. Permanent placements had a -10bp effect on gross margin, while HRS/others (including acquisitions) added +210bp.

Operating expenses

On an organic basis, operating expenses increased by € 14 million sequentially to € 932 million. This is primarily related to the previously announced extra marketing investments for Monster and investments in our organic sales growth. Compared to last year, operating expenses were up 5% (Q1 2017: 7%) organically, while there was a € 2 million adverse FX impact.

Sequential OPEX development Q1 -> Q2 in € M



Personnel expenses were flat sequentially. Average headcount (in FTE) amounted to 37,930 for the quarter, 2% higher than Q1 2017 and 20% higher YoY.

Productivity (measured as gross profit per FTE) was 4% higher YoY (Q1 2017: 2%) on an organic basis. We operated a network of 4,789 outlets (Q1 2017: 4,790).

Operating expenses in Q2 2017 were adjusted for a total of € 12 million one-offs, of which € 8 million is derived from integration expenses related to prior M&A and € 4 million comes from restructuring mainly in the Netherlands and the US. Last year's cost base was adjusted for a total of € 4 million one-off costs.

EBITA

Underlying EBITA increased organically by 7% to € 262 million, impacted by fewer working days. The quarter was also impacted by continued investments in our digital strategy including Monster (extra marketing). Currency effects were € 1 million positive YoY. EBITA margin reached 4.5%, down from 4.7% in Q2 2016. Excluding Monster and the adverse working day impact, EBITA margin was 5.0%. We achieved an organic incremental conversion ratio (ICR) of 34% over the last four quarters.

Amortization of intangible assets and impairment of goodwill

Amortization of acquisition-related intangible assets amounted to € 36.5 million in the quarter (Q2 2016: € 21.3 million). This includes the amortization on the intangibles related to acquisitions that took place in the second half of 2016 and in 2017.

Net finance costs

In Q2 2017, net finance costs were € 7.9 million, compared with € 4.9 million in Q2 2016. Interest expenses on our net debt position were € 5.4 million (Q2 2016: € 3.5 million). Foreign currency effects had a negative impact of € 2.2 million (Q2 2016: positive impact of € 0.4 million). The remaining € 0.3 million income (Q2 2016: € 1.8 million expense) relates primarily to the adjustments in the valuation of certain assets and liabilities.

Tax

The effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, integration costs, and one-offs amounted to 27.2% in the first six months (H1 2016: 26.6%), and is based on the estimated effective tax rate for the whole year 2017. For 2017, we continue to 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 Q2 2017, adjusted net income rose by 6% YoY to € 181 million. Diluted underlying EPS amounted to € 0.98 (Q2 2016: € 0.93). The average number of diluted ordinary shares outstanding remained almost stable compared to Q2 2016 (183.9 million versus 183.7 million).

Invested capital

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

in millions of €, unless otherwise indicated	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Goodwill and acquisition-related intangible assets	3,581.7	3,692.8	3,286.3	2,808.4	2,729.9
Operating working capital (OWC) [1]	982.6	752.2	712.1	830.6	811.1
Net tax assets [2]	421.4	449.4	479.6	464.0	498.1
All other assets/(liabilities) [3]	515.4	121.4	456.2	399.6	364.8
Invested capital	**5,501.1**	**5,015.8**	**4,934.2**	**4,502.6**	**4,403.9**
Financed by					
Total Equity	3,944.9	3,886.6	4,140.8	3,941.3	3,769.7
Net debt	1,556.2	1,129.2	793.4	561.3	634.2
Invested capital	**5,501.1**	**5,015.8**	**4,934.2**	**4,502.6**	**4,403.9**
Ratios					
DSO (Days Sales Outstanding), moving average	52.1	50.5	51.4	51.1	50.7
OWC as % of revenue over last 12 months	4.4%	3.5%	3.4%	4.1%	4.1%
Leverage ratio (net debt/12-month EBITDA)	1.5	1.1	0.8	0.6	0.7
Return on invested capital [4]	15.2%	16.6%	15.9%	18.0%	17.9%

1 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.
2 Net tax assets: Deferred income tax assets and income tax receivables less deferred income tax liabilities and income tax liabilities.
3 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 June 30, 2017 and June 30, 2016 dividend payable is also included.
4 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 15.2%. The main reason for the decrease year-on-year is the impact of acquisitions on our invested capital. We are strongly focused on improving the returns of acquired businesses, which should also lift the Group's ROIC going forward.

Operating working capital was impacted sequentially by the normal seasonal patterns in our business. In line with previous years we paid holiday allowances in the Netherlands and Belgium. Working capital as a percentage of sales was 4.4%, up 30bp compared to last year, the increase YoY driven by continued business investment/growth, M&A and adverse mix effects. The moving average of Days Sales Outstanding (DSO) increased to 52.1 days (Q2 2016: 50.7), primarily due to M&A and adverse mix effects (faster sales growth in countries with above average DSO).

All other asset/liabilities comprise property, plant & equipment, financial assets, and associates, less provisions and other liabilities. The sequential increase is mainly explained by the timing of the dividend announcement (€ 358.9 million) in Q1 2017 and included as a liability at March 31, 2017. The increase YoY is mainly explained by the increase of the CICE receivable. The total CICE subsidy receivable is € 470 million, including the current portion of € 70 million.

At the end of Q2 2017, net debt was € 1,556 million, compared to € 634 million at the end of Q2 2016. A further analysis of the cash flow is provided in the next section. The leverage ratio was 1.5, compared to 0.7 in the previous year, impacted by seasonality and M&A. The syndicated credit facility allows a leverage ratio of up to 3.5, while we set ourselves a maximum leverage ratio of 2.

Cash flow summary

in millions of €	Q2 2017	Q2 2016	change	L4Q 2017	L4Q 2016	change
EBITA	**250.1**	**235.4**	**6%**	**931.7**	**876.2**	**6%**
Depreciation and amortization of software	24.3	16.8		87.2	64.7	
EBITDA	**274.4**	**252.2**	**9%**	**1,018.9**	**940.9**	**8%**
Working capital	(260.8)	(178.7)		(220.0)	(77.5)	
Provisions and employee benefit obligations	(0.4)	2.2		3.0	(27.7)	
Other items	(30.4)	(21.8)		(94.6)	(73.3)	
Income taxes	(57.6)	(42.5)		(170.1)	(112.5)	
Net cash flow from operating activities	**(74.8)**	**11.4**	**N/A**	**537.2**	**649.9**	**(17)%**
Net capital expenditures	(21.9)	(21.2)		(101.4)	(71.4)	
Financial assets	-	-		(1.1)	(3.8)	
Free cash flow	**(96.7)**	**(9.8)**	**N/A**	**434.7**	**574.7**	**(24)%**
Net (acquisitions)/disposals	(1.3)	(4.9)		(973.3)	(265.6)	
Dividends from associates	1.3	-		1.3	-	
Issue of ordinary shares	0.6	-		1.0	-	
Purchase of own ordinary shares	-	-		(39.0)	(48.8)	
Dividend on ordinary shares	(346.3)	(307.2)		(346.3)	(307.2)	
Dividend on preference shares	(12.6)	(12.6)		(12.6)	(12.6)	
Net finance costs	(4.1)	(3.8)		(15.5)	(13.3)	
Translation and other effects	32.1	0.5		27.7	14.0	
Net (increase)/decrease of net debt	**(427.0)**	**(337.8)**		**(922.0)**	**(58.8)**	

In the quarter, free cash flow was € -/- 97 million, versus € -/- 10 million the prior year. Over the L4Qs, free cash flow was € 435 million, down 24% compared to the prior-year L4Qs.

Main driver for the strong decrease in free cash flow YoY was the working capital investment related to our revenue growth acceleration. Our quarterly and L4Qs free cash flow has also been impacted by investments in our digital strategy (including Monster).

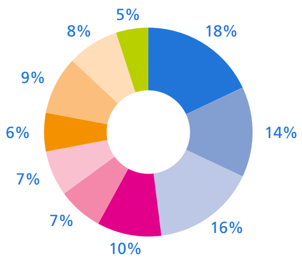
Other items include an amount of € 38.5 million resulting from the implementation of the Tax Credit and Competitive Employment Act (CICE) in France. In Q3 2017, we will receive the first cash-in, amounting to € 70 million (including the receivable from our acquired companies), related to the receivable originating from 2013.

performance

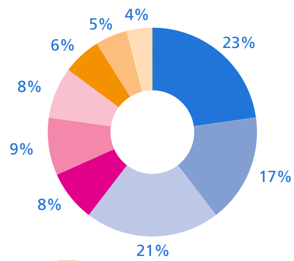
performance by geography

Split by geography

Q2 2017: revenue € 5,866 million



Q2 2017: EBITA € 262 million



- North America
- Netherlands
- France
- Other European countries
- Belgium & Luxembourg
- Italy
- Iberia
- Rest of the world
- Global Businesses
- Germany

Revenue in millions of €, underlying	Q2 2017	Q2 2016	change	organic Δ %[1]	6M 2017	6M 2016	change	organic Δ %[1]
North America	1,084.5	1,037.6	5%	1%	2,178.4	2,072.9	5%	1%
Netherlands	830.8	798.0	4%	2%	1,639.5	1,546.1	6%	1%
France	944.0	794.6	19%	14%	1,740.7	1,473.1	18%	11%
Germany	567.9	525.6	8%	9%	1,127.4	1,002.4	12%	9%
Belgium & Luxembourg	383.0	333.4	15%	14%	738.7	638.1	16%	11%
Iberia	356.5	320.0	11%	16%	680.8	609.1	12%	12%
Italy	383.8	201.4	91%	29%	714.1	371.6	92%	26%
Other European countries	529.4	514.1	3%	11%	1,043.2	971.8	7%	8%
Rest of the world	486.3	414.9	17%	12%	960.4	805.2	19%	10%
Global Businesses	300.0	168.5	78%	11%	599.8	319.3	88%	13%
Revenue	**5,866.2**	**5,108.1**	**15%**	**9%**	**11,423.0**	**9,809.6**	**16%**	**8%**

EBITA in millions of €, underlying	Q2 2017	EBITA margin	Q2 2016	EBITA margin	organic Δ %[1]	6M 2017	EBITA margin	6M 2016	EBITA margin	organic Δ %[1]
North America	66.3	6.1%	62.9	6.1%	2%	111.3	5.1%	106.4	5.1%	1%
Netherlands	48.6	5.8%	45.9	5.8%	2%	92.5	5.6%	83.9	5.4%	4%
France	60.0	6.4%	47.2	5.9%	26%	103.1	5.9%	79.6	5.4%	24%
Germany	24.0	4.2%	26.3	5.0%	(13)%	46.7	4.1%	44.1	4.4%	(2)%
Belgium & Luxembourg	25.0	6.5%	20.9	6.3%	12%	45.3	6.1%	37.9	5.9%	12%
Iberia	18.1	5.1%	14.3	4.5%	27%	31.7	4.7%	25.7	4.2%	23%
Italy	22.1	5.8%	10.5	5.2%	18%	38.5	5.4%	18.6	5.0%	32%
Other European countries	13.7	2.6%	17.2	3.3%	(19)%	27.2	2.6%	27.1	2.8%	6%
Rest of the world	12.7	2.6%	9.2	2.2%	19%	22.7	2.4%	14.8	1.8%	26%
Global Businesses	(7.0)	(2.3)%	4.1	2.4%	10%	(7.8)	(1.3)%	5.2	1.6%	28%
Corporate	(21.3)		(18.8)	-		(40.4)		(34.7)		
EBITA before integration costs and one-offs[2]	**262.2**	**4.5%**	**239.7**	**4.7%**	**7%**	**470.8**	**4.1%**	**408.6**	**4.2%**	**11%**
Integration costs and one-offs	(12.1)		(4.3)			(30.0)		(7.5)		
EBITA	**250.1**		**235.4**			**440.8**		**401.1**		

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 Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs.

North America

In North America, revenue growth was 1% (Q1 2017: up 1%). Perm fees grew 3% (Q1 2017: 6%). In Q2 2017, revenue of our combined US businesses was flat (Q1 2017: flat). US Staffing/Inhouse grew by 2% (Q1 2017: up 2%). US Professionals revenue was down 2% (Q1 2017: down 2%). In Canada, revenue was up 9% (Q1 2017: up 6%), showing continued acceleration. EBITA margin for the region came in at 6.1%, stable versus Q2 2016.

Netherlands

In the Netherlands, revenue was up 2% YoY (Q1 2017: up 1%). Overall perm fees were up 4% (Q1 2017: up 45%). Our Staffing and Inhouse businesses improved to 3% (Q1 2017: up 2%), with growth impacted by price pressure. Our Professionals business was flat in revenues (Q1 2017: down 3%), while profitability improved markedly YoY. Underlying EBITA margin in the Netherlands was 5.8%, flat YoY.

France

In France, revenue growth was 14% (Q1 2017: 9%), ahead of the market. Perm fees were up 43% compared to last year (Q1 2017: up 37%). Staffing and Inhouse revenue increased 13% (Q1 2017: up 8%). Our Professionals business was up 19% (Q1 2017: up 17%), again driven by Expectra and healthcare. EBITA margin was 6.4%, up from 5.9% last year.

Germany

In Germany, revenue per working day was up 9% YoY (Q1 2017: up 9%). Our combined Staffing and Inhouse business was up 8% (Q1 2017: up 8%), while Professionals was up 13% (Q1 2017: up 11%). EBITA margin in Germany declined to 4.2%, compared to 5.0% last year, reflecting an adverse working day effect.

Belgium & Luxembourg

In Belgium & Luxembourg, revenue was up 14% (Q1 2017: up 10%), ahead of the market. Our Staffing/Inhouse business was up 14% (Q1 2017: up 10%), while the Professionals business was up 10% (Q1 2017: up 11%). Our EBITA margin moved up to 6.5%, from 6.3% last year.

Iberia

In Iberia, revenue increased 16% (Q1 2017: up 8%) with Staffing/Inhouse combined growing 16% (Q1 2017: up 8%) and professionals up 8%. Spain was up 19% (Q1 2017: up 9%) while our focus on permanent placements up 15% (Q1 2017: up 24%) continues to pay off. In Portugal, revenue improved by 8% (Q1 2017: up 6%). Overall EBITA margin was 5.1% in Q2 2017, compared to 4.5% in the same period last year.

Italy

Revenue per working day in Italy (pro forma, including Obiettivo Lavoro) grew by 29% compared to the prior year (Q1 2017: up 23%). EBITA margin improved to 5.8%, from 5.2% last year (or 4.8% pro forma). The integration of Obiettivo Lavoro is progressing well and ahead of expectations.

Other European countries

Across 'Other European countries', revenue per working day grew 11% (Q1 2017: up 5%). In the UK, revenue was up by 2% (Q1 2017: down 4%), while perm fees were up by 3% (Q1 2017: down 6%). In the Nordics, sales increased by 11% on an organic basis (Q1 2017: 4%) while the Proffice integration is well on track. Revenue in our Swiss business was up 22% year-on-year (Q1 2017:

21%). In Poland, revenue growth accelerated to 12% (Q1 2017: up 9%). Overall EBITA margin for the 'Other European countries' region declined to 2.6% (Q2 2016: 3.3%), driven by an adverse working day impact in the Nordics.

Rest of the world

Overall revenue in the 'Rest of the world' region accelerated to 12% growth organically (Q1 2017: up 9%). In Japan, revenue grew 6% (Q1 2017: up 7%). Revenue in Australia/New Zealand grew 14% (Q1 2017: up 12%), while revenue in China grew 10% YoY (Q1 2017: up 17%). Our business in India grew by 11% (Q1 2017: up 2%), while in Latin America revenue grew 21% (Q1 2017: up 12%), driven by Argentina and Chile. Overall EBITA margin in this region was 2.6%, compared to 2.2% last year.

Global Businesses

Overall revenue growth per working day was up by 11% YoY organically, mainly driven by Randstad Sourceright. Monster sales growth was down by 16%, in line with Q1 2017. Overall EBITA margin came in at -2.3% compared to 2.4% last year, reflecting continued investments related to our digital strategy including Monster (extra marketing).

performance by revenue category

in millions of €, underlying		Q2 2017	Q2 2016	organic Δ% [1]	6M 2017	6M 2016	organic Δ% [1]
	Revenue	3,080.4	2,813.0	7%	5,966.3	5,373.1	5%
	EBITA	155.0	136.4	6%	270.5	231.9	10%
Staffing	EBITA margin	5.0%	4.8%		4.5%	4.3%	
	Revenue	1,285.6	1,096.0	20%	2,478.3	2,097.8	18%
	EBITA	62.7	54.7	13%	112.7	95.9	17%
Inhouse Services	EBITA margin	4.9%	5.0%		4.5%	4.6%	
	Revenue	1,200.2	1,030.6	4%	2,378.6	2,019.4	4%
	EBITA	72.8	63.3	4%	135.8	110.3	6%
Professionals	EBITA margin	6.1%	6.1%		5.7%	5.5%	
	Revenue	300.0	168.5	11%	599.8	319.3	13%
	EBITA	(7.0)	4.1	10%	(7.8)	5.2	28%
Global Businesses	EBITA margin	(2.3)%	2.4%		(1.3)%	1.6%	

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.

other information

Outlook

Revenue grew 9.3% in Q2 2017. In June, revenue grew at a similar pace. The development of volumes in early July indicate a continuation of the Q2 growth rate.

Q3 gross margin is expected to be slightly down sequentially.

For Q3, operating expenses are expected to be lower sequentially on an organic basis. This is related to seasonality and Monster cost management.

There will be an adverse 1 working day impact in Q3 2017.

M&A activity will be limited in the coming quarters.

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

Publication of third quarter results 2017	October 24, 2017
Capital Markets Day 2017	November 21, 2017
Publication of fourth quarter and annual results 2017	February 13, 2018

Analyst and press conference call

Today (July 25, 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.

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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.

Randstad profile

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 yearend 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 https://www.randstad.com.

half-year report

Key financials

in millions of €, unless otherwise indicated - underlying	6M 2017	6M 2016	change
Revenue	11,423.0	9,809.6	16%
Gross profit	2,328.1	1,828.7	27%
Operating expenses	1,857.3	1,420.1	31%
Underlying EBITA	**470.8**	**408.6**	**15%**
Margins (in % of revenue)			
Gross margin	20.4%	18.6%	
Operating expenses margin	16.3%	14.5%	
Underlying EBITA margin	4.1%	4.2%	

Revenue

Revenue increased to € 11,423 million, up 7.8% per working day. Revenue per working day was up 6.4% in the first quarter and 9.3% in the second quarter.

Gross profit

Gross margin reached 20.4%. In North America, gross margin continued to increase. Across Europe and in the 'Rest of the world' region, price/mix effects continued to have a small negative impact on our temp gross margin. Permanent placements had a broadly neutral impact on gross margin.

Operating expenses

Operating expenses increased by 6% organically. The reported increase in our cost base mainly stems from investments in our accelerating topline growth and digital strategy. Overall headcount is up compared to the prior year, primarily due to prior acquisitions.

EBITA

Underlying EBITA increased to € 471 million. EBITA margin declined slightly from 4.2% LY to 4.1%, reflecting investments in our long-term digital strategy (including Monster). We achieved an organic incremental conversion ratio over the last 6 months of 35%.

Key financials, actual

in millions of €, unless otherwise indicated	6M 2017	6M 2016	change
Underlying EBITA	**470.8**	**408.6**	**15%**
Integration costs and one-offs	(30.0)	(7.5)	
EBITA	**440.8**	**401.1**	**10%**
Amortization of intangible assets	(70.4)	(51.7)	
Operating profit	**370.4**	**349.4**	
Net finance (costs)/income	(10.5)	0.3	
Share of profit of associates	0.4	-	
Income before taxes	**360.3**	**349.7**	**3%**
Taxes on income	(91.9)	(90.9)	
Net income	**268.4**	**258.8**	**4%**

Amortization of acquisition-related intangible assets

Amortization of acquisition-related intangible assets increased to € 70.4 million, compared to € 51.7 million for the first six months of 2016. This includes the amortization on the intangibles related to acquisitions that took place in the second half of 2016 and in 2017.

Net finance income/(costs)

Net finance costs amounted to € 10.5 million, compared to € 0.3 million net finance income in the first half of 2016. Interest expenses on our net debt position were € 10.1 million, compared to € 6.3 million in the first half of 2016. Currency effects resulted in an expense of € 1.1 million (H1 2016: gain of € 5.4 million). Adjustments in the valuation of certain assets and liabilities caused most of the remaining effect to the amount of € 0.7 million income (H1 2016 € 1.2 million income).

Net income

Adjusted net income attributable to holders of ordinary shares amounted to € 329.1 million, compared to € 293.7 million in the first six months of 2016. As a result, diluted underlying EPS increased from € 1.60 to € 1.79.

Cash flow

In the first six months of 2017, free cash flow amounted to € 22.8 million compared to € 52.7 million in H1 2016. The decrease is mainly caused by investments in our accelerating topline growth in Q2, while DSO (moving average) increased to 52.1 days (compared to 50.7 days last year) due to prior acquisitions and adverse mix effects.

cash flow summary

in millions of €	6M 2017	6M 2016	change
EBITA	**440.8**	**401.1**	**10%**
Depreciation and amortization of software	45.7	32.6	
EBITDA	**486.5**	**433.7**	**12%**
Working capital	(256.9)	(206.4)	
Provisions and employee benefit obligations	(1.5)	(4.7)	
Other items	(56.1)	(38.4)	
Income taxes	(106.7)	(96.4)	
Net cash flow from operating activities	**65.3**	**87.8**	**(26)%**
Net capital expenditures	(42.5)	(35.1)	
Free cash flow	**22.8**	**52.7**	**57%**
Net (acquisitions)/disposals [1]	(445.5)	(181.2)	
Dividends from associates	1.3	-	
Issue of ordinary shares	0.9	-	
Purchase of own ordinary shares	(17.3)	(14.1)	
Dividend on ordinary shares	(346.3)	(307.2)	
Dividend on preference shares	(12.6)	(12.6)	
Net finance costs	(8.5)	(4.8)	
Translation and other effects	42.4	6.2	
Net increase of net debt	**(762.8)**	**(461.0)**	

1 Including acquired non-current borrowings (€ 106.5 million)

We acquired Ausy in Q1, a company based in Paris, France. Further investments were made through the Randstad Innovation Fund.

In H1 2017, we purchased another 323,000 ordinary shares, to cover for the major part, the allocation of shares under the performance share plans for senior management.

Risk profile

With regard to risks and opportunities, reference is made to our 2016 annual report (pages 80 to 88). The key risks and opportunities did not change materially in H1 2017. The risks identified represent the key challenges we currently face, and we expect them to be applicable in the second half of 2017. We continue to closely monitor the key risks and opportunities, and will respond appropriately to any emerging risk.

We have a wide geographical coverage, which spreads our exposure across mature and emerging markets, which are experiencing different economic conditions. Since it remains difficult to predict future economic developments, we focus on responding to actual performance in each of our local markets. Our business model, processes and weekly indicators help to ensure that we are flexible enough to respond to these economic conditions. To protect our working capital positions, we keep the cash levels in our countries to a minimum.

More information on how we manage performance can be found on pages 59-78 of our 2016 annual report.

Auditors' involvement
The consolidated interim financial statements and the Interim Directors' Report have not been audited or reviewed by an external auditor.

Conclusion
In conjunction with the EU Transparency Directive as incorporated in the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), the Executive Board declares that, to the best of its knowledge:

- The consolidated interim financial statements as at June 30, 2017 and for the six months ending at June 30, 2017 have been prepared in accordance with IFRS (IAS 34) as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and results of Randstad Holding nv and its consolidated Group companies taken as a whole; and

- This Interim Directors’ Report (as set out on pp. 1-14) gives a fair review of the information required pursuant to section 5:25d (8)/(9) of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*).

Diemen, the Netherlands, July 25, 2017

The Executive Board,

Jacques van den Broek (Chairman and CEO)

Robert Jan van de Kraats (Vice-chairman and CFO)

François Béharel

Linda Galipeau

Chris Heutink

interim financial statements

contents

actuals

Consolidated income statement

in millions of €, unless otherwise indicated	Q2 2017	Q2 2016	6M 2017	6M 2016
Revenue	**5,866.2**	**5,108.1**	**11,423.0**	**9,809.6**
Cost of services	4,672.0	4,144.8	9,094.9	7,980.9
Gross profit	**1,194.2**	**963.3**	**2,328.1**	**1,828.7**
Selling expenses	653.0	506.7	1,313.0	991.9
General and administrative expenses	291.1	221.2	574.3	435.7
Operating expenses	**944.1**	**727.9**	**1,887.3**	**1,427.6**
Amortization and impairment of acquisition-related intangible assets and goodwill	36.5	21.3	70.4	51.7
Total operating expenses	**980.6**	**749.2**	**1,957.7**	**1,479.3**
Operating profit	**213.6**	**214.1**	**370.4**	**349.4**
Net finance (costs) / income	(7.9)	(4.9)	(10.5)	0.3
Share of profit of associates	0.2	-	0.4	-
Income before taxes	**205.9**	**209.2**	**360.3**	**349.7**
Taxes on income	(53.3)	(52.9)	(91.9)	(90.9)
Net income	**152.6**	**156.3**	**268.4**	**258.8**
Net income attributable to:				
Holders of ordinary shares Randstad Holding nv	149.4	153.1	262.1	252.5
Holders of preference shares Randstad Holding nv	3.2	3.2	6.3	6.3
Equity holders	**152.6**	**156.3**	**268.4**	**258.8**
Non-controlling interests	0.0	0.0	0.0	0.0
Net income	**152.6**	**156.3**	**268.4**	**258.8**
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):				
Basic earnings per share	0.82	0.84	1.43	1.38
Diluted earnings per share	0.81	0.83	1.43	1.38
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs	0.98	0.93	1.79	1.60

Information by geographical area and revenue category

Revenue by geographical area

in millions of €	Q2 2017	Q2 2016	6M 2017	6M 2016
North America	1,084.5	1,037.6	2,178.4	2,072.9
Netherlands	831.5	798.1	1,641.0	1,546.9
France	944.2	794.7	1,741.1	1,473.3
Germany	567.9	525.6	1,127.4	1,002.4
Belgium & Luxembourg	383.5	333.8	739.5	638.6
Iberia	356.5	320.0	680.8	609.1
Italy	383.8	201.4	714.1	371.6
Other European countries	531.2	515.5	1,046.7	974.5
Rest of the world	486.5	414.9	960.7	805.2
Global Businesses	302.8	169.9	605.0	321.9
Elimination of revenue [1]	(6.2)	(3.4)	(11.7)	(6.8)
Revenue	**5,866.2**	**5,108.1**	**11,423.0**	**9,809.6**

1 Relates to intercompany revenue between segments

EBITA by geographical area

in millions of €	Q2 2017	Q2 2016	6M 2017	6M 2016
North America	64.4	62.7	109.4	106.2
Netherlands	46.3	46.5	88.7	84.5
France	58.5	46.5	100.0	78.9
Germany	24.0	26.3	46.7	44.1
Belgium & Luxembourg	25.0	20.9	45.3	37.9
Iberia	18.1	14.3	31.7	25.7
Italy	20.0	10.5	34.8	18.6
Other European countries	13.8	15.4	24.1	24.0
Rest of the world	9.6	8.3	19.3	13.9
Global Businesses	(8.3)	2.8	(18.8)	2.0
Corporate	(21.3)	(18.8)	(40.4)	(34.7)
EBITA [1]	**250.1**	**235.4**	**440.8**	**401.1**

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

Revenue by revenue category

in millions of €	Q2 2017	Q2 2016	6M 2017	6M 2016
Staffing	3,083.8	2,815.0	5,972.8	5,377.3
Inhouse	1,285.6	1,096.0	2,478.3	2,097.8
Professionals	1,200.2	1,030.6	2,378.6	2,019.4
Global businesses	302.8	169.9	605.0	321.9
Elimination of revenue [1]	(6.2)	(3.4)	(11.7)	(6.8)
Revenue	**5,866.2**	**5,108.1**	**11,423.0**	**9,809.6**

1 Relates to intercompany revenue between segments

EBITA by revenue category

in millions of €	Q2 2017	Q2 2016	6M 2017	6M 2016
Staffing	149.8	134.6	260.4	228.8
Inhouse	61.1	54.4	111.0	95.6
Professionals	68.8	62.4	128.6	109.4
Global businesses	(8.3)	2.8	(18.8)	2.0
Corporate	(21.3)	(18.8)	(40.4)	(34.7)
EBITA [1]	**250.1**	**235.4**	**440.8**	**401.1**

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

Consolidated balance sheet

in millions of €	June 30, 2017	December 31, 2016	June 30, 2016
ASSETS			
Property, plant and equipment	154.2	165.3	124.2
Intangible assets	3,655.2	3,353.5	2,784.9
Deferred income tax assets	473.9	520.2	520.5
Financial assets and associates	547.3	454.7	434.5
Non-current assets	**4,830.6**	**4,493.7**	**3,864.1**
Trade and other receivables	4,566.2	4,174.2	3,691.8
Income tax receivables	70.3	72.2	80.1
Cash and cash equivalents	328.2	385.8	300.5
Current assets	**4,964.7**	**4,632.2**	**4,072.4**
TOTAL ASSETS	**9,795.3**	**9,125.9**	**7,936.5**
EQUITY AND LIABILITIES			
Issued capital	25.9	25.8	25.8
Share premium	2,284.0	2,270.7	2,270.5
Reserves	1,634.3	1,843.6	1,473.2
Shareholders' equity	**3,944.2**	**4,140.1**	**3,769.5**
Non-controlling interests	0.7	0.7	0.2
Total equity	**3,944.9**	**4,140.8**	**3,769.7**
Borrowings	995.0	699.2	551.4
Deferred income tax liabilities	54.6	42.2	56.4
Provisions and employee benefit obligations	213.4	194.4	162.2
Other liabilities	14.0	12.6	11.6
Non-current liabilities	**1,277.0**	**948.4**	**781.6**
Borrowings	889.4	480.0	383.3
Trade and other payables	3,516.3	3,397.5	2,878.6
Income tax liabilities	68.2	70.6	46.1
Provisions and employee benefit obligations	83.4	81.9	68.1
Other liabilities	16.1	6.7	9.1
Current liabilities	**4,573.4**	**4,036.7**	**3,385.2**
Liabilities	**5,850.4**	**4,985.1**	**4,166.8**
TOTAL EQUITY AND LIABILITIES	**9,795.3**	**9,125.9**	**7,936.5**

Consolidated statement of cash flows

in millions of €	Q2 2017	Q2 2016	6M 2017	6M 2016
Operating profit	**213.6**	**214.1**	**370.4**	**349.4**
Amortization and impairment of acquisition-related intangible assets and goodwill	36.5	21.3	70.4	51.7
EBITA	**250.1**	**235.4**	**440.8**	**401.1**
Depreciation of property, plant and equipment	13.8	10.9	27.9	21.6
Amortization of software	10.5	5.9	17.8	11.0
EBITDA	**274.4**	**252.2**	**486.5**	**433.7**
Provisions and employee benefit obligations	(0.4)	2.2	(1.5)	(4.7)
Share-based compensations	8.1	7.5	16.0	15.9
Loss on disposals of property, plant and equipment	0.0	0.0	0.1	0.0
Loss on disposals of activities	-	0.2	-	0.2
Other non-cash items	(38.5)	(29.5)	(72.2)	(54.5)
Cash flow from operations before operating working capital and income taxes	**243.6**	**232.6**	**428.9**	**390.6**
Trade and other receivables	(290.6)	(230.8)	(309.5)	(170.4)
Trade and other payables	29.8	52.1	52.6	(36.0)
Operating working capital	**(260.8)**	**(178.7)**	**(256.9)**	**(206.4)**
Income taxes	(57.6)	(42.5)	(106.7)	(96.4)
Net cash flow from operating activities	**(74.8)**	**11.4**	**65.3**	**87.8**
Additions in property, plant and equipment	(9.2)	(12.6)	(23.0)	(21.5)
Additions in software	(13.1)	(9.3)	(25.5)	(14.8)
Disposals of property, plant and equipment	0.4	0.7	6.0	1.2
Acquisition of subsidiaries, associates and equity investments	(1.3)	(5.4)	(339.0)	(181.7)
Dividends from associates	1.3	-	1.3	-
Disposals of activities	-	0.5	-	0.5
Net cash flow from investing activities	**(21.9)**	**(26.1)**	**(380.2)**	**(216.3)**
Issue of new ordinary shares	0.6	-	0.9	-
Purchase of own ordinary shares	-	-	(17.3)	(14.1)
(Net repayments of) / net drawings on non-current borrowings	(219.7)	246.8	189.3	427.2
Net financing	**(219.1)**	**246.8**	**172.9**	**413.1**
Net finance costs	(4.1)	(3.8)	(8.5)	(4.8)
Dividend on ordinary shares	(346.3)	(307.2)	(346.3)	(307.2)
Dividend on preference shares	(12.6)	(12.6)	(12.6)	(12.6)
Net reimbursement to financiers	**(363.0)**	**(323.6)**	**(367.4)**	**(324.6)**
Net cash flow from financing activities	**(582.1)**	**(76.8)**	**(194.5)**	**88.5**
Net (decrease) / increase in cash, cash equivalents, and current borrowings	**(678.8)**	**(91.5)**	**(509.4)**	**(40.0)**
Cash, cash equivalents, and current borrowings at beginning of period	**120.5**	**0.3**	**(52.8)**	**(48.6)**
Net movement	(678.8)	(91.5)	(509.4)	(40.0)
Translation and currency (losses)/gains	(2.9)	8.4	1.0	5.8
Cash, cash equivalents, and current borrowings at end of period	**(561.2)**	**(82.8)**	**(561.2)**	**(82.8)**
Free cash flow	**(96.7)**	**(9.8)**	**22.8**	**52.7**

Consolidated statement of comprehensive income

in millions of €	April 1 - June 30, 2017 Shareholders' equity	April 1 - June 30, 2017 Non-controlling interests	April 1 - June 30, 2017 Total equity	April 1 - June 30, 2016 Shareholders' equity	April 1 - June 30, 2016 Non-controlling interests	April 1 - June 30, 2016 Total equity
Net income for the period	152.6	0.0	152.6	156.3	0.0	156.3
Translation differences	(103.0)	0.0	(103.0)	22.2	0.0	22.2
Total comprehensive income	**49.6**	**0.0**	**49.6**	**178.5**	**0.0**	**178.5**

in millions of €	January 1 - June 30, 2017 Shareholders' equity	January 1 - June 30, 2017 Non-controlling interests	January 1 - June 30, 2017 Total equity	January 1 - June 30, 2016 Shareholders' equity	January 1 - June 30, 2016 Non-controlling interests	January 1 - June 30, 2016 Total equity
Net income for the period	268.4	0.0	268.4	258.8	0.0	258.8
Translation differences	(112.8)	0.0	(112.8)	(37.7)	0.1	(37.6)
Total comprehensive income	**155.6**	**0.0**	**155.6**	**221.1**	**0.1**	**221.2**

Consolidated statement of changes in equity

in millions of €	April 1 - June 30, 2017 Shareholders' equity	April 1 - June 30, 2017 Non-controlling interests	April 1 - June 30, 2017 Total equity	April 1 - June 30, 2016 Shareholders' equity	April 1 - June 30, 2016 Non-controlling interests	April 1 - June 30, 2016 Total equity
Value at April 1	**3,885.9**	**0.7**	**3,886.6**	**3,583.5**	**0.2**	**3,583.7**
Comprehensive income	**49.6**	**0.0**	**49.6**	**178.5**	**0.0**	**178.5**
Share-based compensations	8.1	-	8.1	7.5	-	7.5
Issue of ordinary shares	0.6	-	0.6	-	-	-
Value at June 30	**3,944.2**	**0.7**	**3,944.9**	**3,769.5**	**0.2**	**3,769.7**

in millions of €	January 1 - June 30, 2017 Shareholders' equity	January 1 - June 30, 2017 Non-controlling interests	January 1 - June 30, 2017 Total equity	January 1 - June 30, 2016 Shareholders' equity	January 1 - June 30, 2016 Non-controlling interests	January 1 - June 30, 2016 Total equity
Value at January 1	**4,140.1**	**0.7**	**4,140.8**	**3,861.7**	**0.0**	**3,861.7**
Comprehensive income	**155.6**	**0.0**	**155.6**	**221.1**	**0.1**	**221.2**
Cash dividend on ordinary shares	(346.3)	-	(346.3)	(307.2)	-	(307.2)
Dividend on preference shares	(12.6)	-	(12.6)	(12.6)	-	(12.6)
Acquisition	-	-	-	-	0.1	0.1
Share-based compensations	16.0	-	16.0	15.9	-	15.9
Tax on share-based compensations	7.8	-	7.8	4.7	-	4.7
Issue of ordinary shares	0.9	-	0.9	-	-	-
Purchase of own ordinary shares	(17.3)	-	(17.3)	(14.1)	-	(14.1)
Value at June 30	**3,944.2**	**0.7**	**3,944.9**	**3,769.5**	**0.2**	**3,769.7**

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 six-month period ended June 30, 2017 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, 2016.

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, 2016.

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 six-month period ended June 30, 2017 is 25.5% (H1 2016: 26.0%), and is based on the estimated tax rate for the whole year 2017 (FY 2016: 26.0%).

New Segmentation
As a result of acquisitions and changes in the governance and managerial reporting structure of the Group, the external (primary) segmentation (of results) has changed as of Q1 2017; comparative figures for prior periods have been adjusted accordingly for presentation purposes.

Main changes are the creation of one segment called Global Businesses consisting of Monster, Randstad Sourceright, RiseSmart and twago. Reporting of Italy as a separate segment due to increasing size and inclusion of the UK in the segment 'Other European countries' due to limited size.

Ausy is included in the existing geographies mainly being France, Belgium & Luxembourg, Germany and North America.

External (secondary) segmentation on revenue categories now also shows Global Businesses next to Staffing, Inhouse Services and Professionals; comparative figures for prior periods have been adjusted accordingly for presentation purposes.

As a result of this new external segmentation, revenues between segments appear in our tables.

Acquisition of Group companies and equity investments

The cash outflow for acquisitions of Group companies (€ 0.2 million payment in respect of an acquisition in preceding years) and equity investments/associates (€ 1.1 million) amounts to € 1.3 million (Q2 2016: € 5.4 million).

During the quarter, the Group finalized the purchase price allocation relating to the acquisitions of Careo (Japan) and OL (Obiettivo Lavoro in Italy), resulting in a minor adjustment of € 1.3 million added to goodwill. The amount involved is neither considered material in relation to the total consideration nor to the total goodwill of the two acquisitions.

During the quarter, the purchase consideration of our acquisition BMC in Q1 2017 has been finalized in line with the share purchase agreement. This resulted in an increase of the consideration of € 1.6 million, which is added to goodwill.

Disposal of Group companies

In Q2 2017 and YTD Q2 2017, we had no disposal of Group companies (2016: € 0.5 million for Q2 and YTD Q2, 2016).

Shareholders' equity

Issued number of ordinary shares

	2017	2016
January 1	183,023,267	183,019,235
Share-based payments	234,778	-
June 30	**183,258,045**	**183,019,235**

As at June 30, 2017, the Group held 10,000 treasury shares (June 30, 2016: 156,023), compared to 595,141 as at December 31, 2016 (December 31, 2015: 896,335). The average number of (diluted) ordinary shares outstanding has been adjusted for these treasury shares.

As at June 30, 2017, December 31, 2016, and June 30, 2016, 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 indictated	Q2 2017	Q2 2016	6M 2017	6M 2016
Net income	**152.6**	**156.3**	**268.4**	**258.8**
Results of non-controlling interests	0.0	0.0	0.0	0.0
Net income attributable to holders of preference shares	3.2	3.2	6.3	6.3
Net income attributable to holders of ordinary shares	**149.4**	**153.1**	**262.1**	**252.5**
Amortization of intangible assets [1]	36.5	21.3	70.4	51.7
Integration costs and one-offs	12.1	4.3	30.0	7.5
Tax effect on amortization, integration costs, and one-offs	(16.9)	(7.8)	(33.4)	(18.0)
Adjusted net income for holders of ordinary shares	**181.1**	**170.9**	**329.1**	**293.7**
Average number of ordinary shares outstanding	183.2	182.9	183.0	182.6
Average number of diluted ordinary shares outstanding	183.9	183.7	183.7	183.5
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):				
Basic earnings per share	0.82	0.84	1.43	1.38
Diluted earnings per share	0.81	0.83	1.43	1.38
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs [2]	0.98	0.93	1.79	1.60

1 Amortization and impairment of acquisition-related intangible assets and goodwill.
2 Diluted EPS underlying

Net debt position

The net debt position as at June 30, 2017 (€ 1,556.2 million) was € 762.8 million higher compared to the net debt position as at December 31, 2016 (€ 793.4 million).

This is mainly due to payment of dividends in Q2 2017 and net acquisitions in mainly Q1 2017, while a positive free cash flow YTD 2017 compensated these outflows to a certain extent.

Breakdown of operating expenses

in millions of €	Q2 2017	Q2 2016	6M 2017	6M 2016
Personnel expenses	687.7	551.9	1,382.9	1,082.4
Other operating expenses	256.4	176.0	504.4	345.2
Operating expenses	**944.1**	**727.9**	**1,887.3**	**1,427.6**

French Competitive Employment Act ('CICE')

Included in the consolidated balance sheet under 'financial assets and associates' is an amount of € 399.6 million (December 31, 2016: € 315.4 million) relating to the non-current part of a receivable arising from tax credits under the French Competitive Employment Act ('CICE'). An amount of € 70.2 million (December 31, 2016: € 67.4 million) is included in 'Trade and other receivables' representing the current part of the CICE receivable.

Total comprehensive income

Apart from net income for the period, total comprehensive income solely comprises translation differences and related tax effects that may be reclassified to the income statement in a future reporting 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 increasing effect on the amounts for commitments due to acquired companies. 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, no events material to the Group as a whole occurred that require disclosure in this note.