4th-quarter and full-year results

2017.

randstad

human forward.

contents

Q4 & FY 2017: strong conversion of robust topline.

organic growth

+ 8.7%

underlying EBITA

€ 307 m

full year 2017 cash dividend per share

€ 2.76

topline grew 11% in Europe, 1% in North America and 10% in Rest of the world

gross margin 20.1%; pricing climate stable; perm fees up 13% (Q3 2017: 10%)

underlying EBITA of € 307 million; EBITA margin 5.1% (+30bp); underlying ICR > 50%, full year ICR of 40%

full year 2017 free cash flow up 26% to

€ 586 m

full year 2017 ROIC of 16.7%; leverage ratio of

0.9

monster: EBITA positive driven by cost optimization program; key strategic initiatives in progress

capital allocation: conditional floor dividend and optional cash returns when leverage ratio < 1.0

proposed cash dividend of € 2.76 (up 46%); regular dividend of € 2.07 and special dividend of € 0.69; record high

january 2018 organic sales growth of around

7%

"We look back on another exciting year for Randstad," says Randstad CEO Jacques van den Broek. "Our revenue rose organically by 8% in 2017, the highest level of growth since 2011 and we are proud to have outperformed in most relevant markets. We finished the year on a strong note, despite markedly tougher comparables. Our organic sales growth remained robust at 9% in Q4, while our profitability and FCF increased substantially. We aim to gain further market share, driven by our differentiating Tech & Touch strategy, lifting the barriers to entry. We are integrating technology into our everyday activities in such a way that we create experiences for our clients and candidates that are smart, personal and effective. The digital transformation we are going through as a company culminated in the launch of our new brand promise in the last quarter of 2017: Human Forward. Our financial position remains healthy, reflected by the proposal of a cash dividend of € 2.76 per ordinary share, including a special dividend of € 0.69, a record high. I feel very proud of all my colleagues and I would like to thank them and all stakeholders for an excellent 2017."

Our annual report 2017 is available on www.ir.randstad.com.

financial performance.

core data

in millions of €, unless otherwise indicated - underlying	Q4 2017	Q4 2016	yoy change	% org.	fy 2017	fy 2016	yoy change	% org.
Revenue	5,977.9	5,525.2	8%	9%	23,272.8	20,684.1	13%	8%
Gross profit	1,202.2	1,105.7	9%	8%	4,707.9	3,934.2	20%	7%
Operating expenses	895.2	838.1	7%	5%	3,642.6	2,987.5	22%	5%
EBITA, underlying[1]	307.0	267.6	15%	14%	1,065.3	946.7	13%	11%
Integration costs and one-offs	(14.7)	(36.3)			(71.6)	(54.7)		
EBITA	292.3	231.3	26%		993.7	892.0	11%	
Amortization of intangible assets[2]	(30.0)	(33.4)			(134.0)	(101.4)		
Operating profit	262.3	197.9			859.7	790.6		
Net finance costs	(2.3)	0.3			(22.5)	(3.8)		
Share of profit/(loss) of associates	0.4	(0.8)			1.2	(0.8)		
Income before taxes	260.4	197.4	32%		838.4	786.0	7%	
Taxes on income	(62.5)	(44.8)			(207.0)	(197.8)		
Net income	197.9	152.6	30%		631.4	588.2	7%	
Adj. net income for holders of ordinary shares[3]	225.3	202.7	11%		756.3	688.9	10%	
Free cash flow	385.3	212.2	82%		585.6	464.6	26%	
Net debt	1,025.7	793.4						
Leverage ratio (net debt/12-month EBITDA)	0.9	0.8						
DSO (Days Sales Outstanding), moving average	53.2	51.4						
Margins (in % of revenue)								
Gross margin	20.1%	20.0%			20.2%	19.0%		
Operating expenses margin	15.0%	15.2%			15.7%	14.4%		
EBITA margin, underlying	5.1%	4.8%			4.6%	4.6%		
Share data								
Basic earnings per ordinary share (in €)	1.06	0.82	29%		3.38	3.15	7%	
Diluted earnings per ordinary share, underlying (in €)[3]	1.22	1.10	11%		4.11	3.75	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 26.

revenue

Organic revenue per working day grew by 8.7%[1] in Q4 to € 5,978 million (Q3 2017: up 9.0%) despite a 2.4% tougher comparison base. Reported revenue was 8.2% above Q4 2016, of which M&A contributed 3.0%. FX and working days had a negative effect of 2.7% and 0.8% respectively.

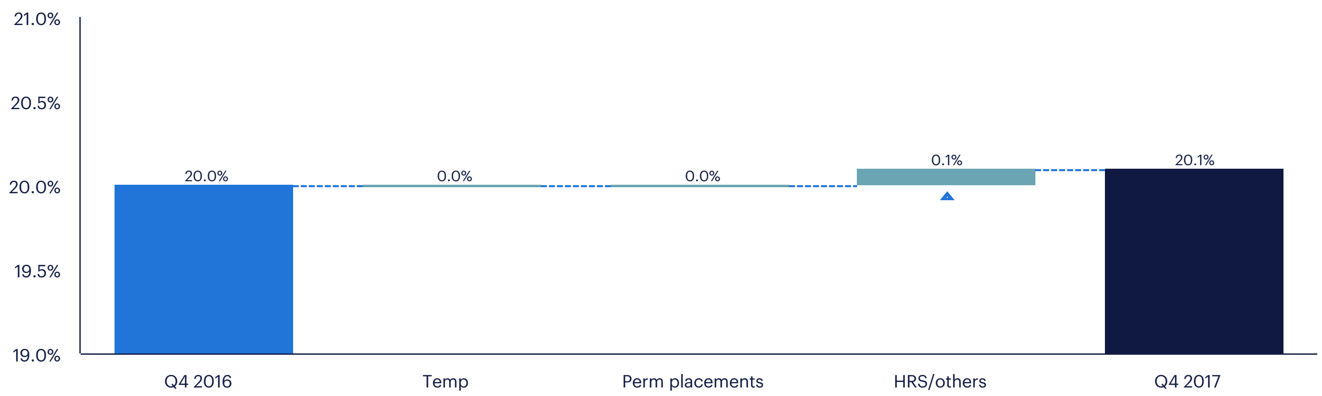
In North America, revenue per working day increased 1% (Q3 2017: flat). Growth in the US was flat, while Canada grew by 10% (Q3 2017: up 6%). In Europe, revenue per working day grew by 11% (Q3 2017: up 11%). Topline growth in France amounted to 12% (Q3 2017: up 14%) reflecting tougher comps, while the Netherlands grew by 3% (Q3 2017: up 1%). Germany was up 10% (Q3 2017: up 10%), while sales growth in Belgium improved to 10% (Q3 2017: up 9%). Italy grew by 26% (Q3 2017: up 27%) despite much tougher comps, while revenues in Iberia were up by 15% (Q3 2017: up 14%). In the 'Rest of the world' region, revenue increased 10% (Q3 2017: up 10%); Australia & New Zealand rose by 8% (Q3 2017: up 9%) and Japan increased by 9% (Q3 2016: up 6%).

Perm fees accelerated to 13% (Q3 2017: up 10%), with Europe up 18% (Q3 2017: up 18%) and North America up 5% (Q3 2017: up 2%). In the 'Rest of the world' region, perm fee growth was 14% (Q3 2017: up 5%). Perm fees made up 8.8% of gross profit.

gross profit

In Q4 2017, gross profit amounted to € 1,202 million. Organic growth was 7.9%[2] (Q3 2017: up 7.7%). Currency effects had a negative impact on gross profit of € 31 million compared to Q4 2016.

year-on-year gross margin development (%)



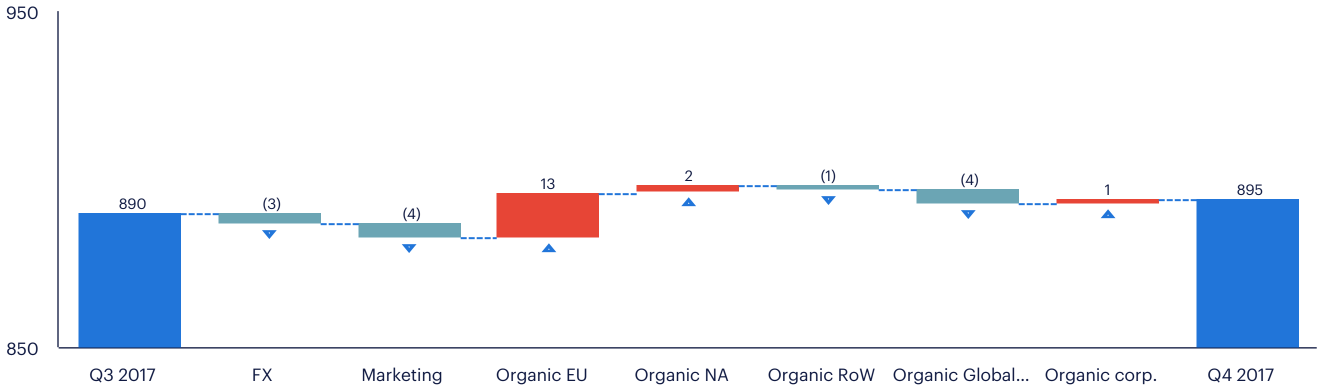
Gross margin was 20.1%, 10bp above Q4 2016 (as shown in the graph above). Temporary staffing (Q3 2017: -40bp) and permanent placements had no effect on gross margin, while HRS/others (including acquisitions) added 10bp.

operating expenses

On an organic basis, operating expenses increased by € 8 million sequentially to € 895 million. This is primarily related to investments in our organic sales growth (including digital), partially offset by the cost optimization program within Monster. Compared to last year, operating expenses were up 5% (Q3 2017: 5%) organically, while there was a € 25 million positive FX impact.

1 Including Monster as of November 1, 2017; organic growth per working day excluding Monster amounted to 9.0%
2 Excluding Monster, for comparability reasons

sequential OPEX development Q3 -> Q4 in € M



Personnel expenses were up 1% sequentially. Average headcount (in FTE) amounted to 38,380 for the quarter, flat compared to Q3 2017 and 4% higher organically YoY.

Productivity (measured as gross profit per FTE) was 3% higher YoY (Q3 2017: 3%) on an organic basis. We operated a network of 4,858 outlets (Q3 2017: 4,775).

Operating expenses in Q4 2017 were adjusted for a total of € 11 million one-offs, of which € 7 million is derived from restructuring expenses related to prior M&A (primarily Monster) and € 4 million relates to other restructuring costs. Last year's cost base was adjusted for a total of € 36 million one-off costs.

EBITA

Underlying EBITA increased organically by 14% to € 307 million. Currency effects had a € 5 million adverse impact YoY. EBITA margin reached 5.1%, up from 4.8% in Q4 2016. Excluding digital investments and the adverse working day impact, EBITA margin was 5.4%. We achieved an organic incremental conversion ratio (ICR)[3] of 40% over the last four quarters.

net finance costs

In Q4 2017, net finance costs were € 2.3 million, compared with € 0.3 million net financial income in Q4 2016. Interest expenses on our net debt position were € 4.0 million (Q4 2016: € 4.8 million). Foreign currency effects had a negative impact of € 0.9 million (Q4 2016: negative impact of € 0.9 million). The remaining € 2.6 million income (Q4 2016: € 6.0 million income) 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 26.4% for the full year 2017 (FY 2016: 26.0%). For 2018, 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 26%. This includes a positive effect of the US tax rate reduction.

net income, earnings per share

In Q4 2017, adjusted net income rose by 11% YoY to € 225 million. Diluted underlying EPS amounted to € 1.22 (Q4 2016: € 1.10). The average number of diluted ordinary shares outstanding remained almost stable compared to Q4 2016 (184.0 million versus 183.8 million).

[3] Additional EBITA year-on-year, as a % of additional gross profit year-on-year, based on organic growth.

invested capital

Our invested capital mainly comprises goodwill and acquisition-related intangibles, net tax assets, and operating working capital.

in millions of €, unless otherwise indicated	december 31, 2017	september 30, 2017	june 30, 2017	march 31, 2017	december 31, 2016	september 30, 2016
Goodwill and acquisition-related intangible assets	3,475.5	3,518.5	3,581.7	3,692.8	3,286.3	2,808.4
Operating working capital (OWC)[1]	889.4	991.4	982.6	752.2	712.1	830.6
Net tax assets[2]	356.8	403.7	421.4	449.4	479.6	464.0
All other assets/(liabilities)[3]	555.7	555.1	515.4	121.4	456.2	399.6
Invested capital	5,277.4	5,468.7	5,501.1	5,015.8	4,934.2	4,502.6
Financed by						
Total equity	4,251.7	4,079.8	3,944.9	3,886.6	4,140.8	3,941.3
Net debt	1,025.7	1,388.9	1,556.2	1,129.2	793.4	561.3
Invested capital	5,277.4	5,468.7	5,501.1	5,015.8	4,934.2	4,502.6
Ratios						
DSO (Days Sales Outstanding), moving average	53.2	52.5	52.1	50.5	51.4	51.1
OWC as % of revenue over last 12 months	3.8%	4.3%	4.4%	3.5%	3.4%	4.1%
Leverage ratio (net debt/12-month EBITDA)	0.9	1.4	1.5	1.1	0.8	0.6
Return on invested capital[4]	16.7%	15.3%	15.2%	16.6%	15.9%	18.0%

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 at March 31, 2017 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 16.7%, an improvement both year-on-year and sequentially. This was mainly driven by our operational performance and our strong focus on improving the returns of previously acquired businesses. Combined with our primarily organic growth focus, this should further lift the Group's ROIC going forward.

Operating working capital decreased sequentially to € 889 million, due to normal seasonal patterns in our business. The moving average of Days Sales Outstanding (DSO) increased to 53.2 days (Q4 2016: 51.4), primarily due to M&A and adverse mix effects (faster sales growth in countries with above average DSO).

The increase YoY in 'all other assets/liabilities' is mainly explained by the increase of the CICE receivable. The total CICE subsidy receivable is € 472 million, including the current portion of € 99 million.

At the end of Q4 2017, net debt was € 1,026 million, compared to € 793 million at the end of Q4 2016. A further analysis of the cash flow is provided in the next section. The leverage ratio was 0.9, compared to 0.8 in the previous year, impacted by M&A announced in 2016 and completed in 2017. 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 €	Q4 2017	Q4 2016	change	fy 2017	fy 2016	change
EBITA	292.3	231.3	26%	993.7	892.0	11%
Depreciation and amortization of software	20.5	20.4		86.9	74.1	
EBITDA	312.8	251.7	24%	1,080.6	966.1	12%
Working capital	95.7	36.5		(175.2)	(169.5)	
Provisions and employee benefit obligations	(4.6)	4.4		7.7	(0.2)	
Other items	46.7	(17.4)		(38.8)	(76.9)	
Income taxes	(26.9)	(30.0)		(186.2)	(159.8)	
Net cash flow from operating activities	423.7	245.2	73%	688.1	559.7	23%
Net capital expenditures	(31.6)	(31.9)		(95.7)	(94.0)	
Financial assets	(6.8)	(1.1)		(6.8)	(1.1)	
Free cash flow	385.3	212.2	82%	585.6	464.6	26%
Net (acquisitions)/disposals[1]	(4.1)	(403.2)		(462.7)	(709.0)	
Dividends from associates	-	-		1.3	-	
Issue of ordinary shares	-	0.1		1.1	0.1	
Purchase of own ordinary shares	(21.3)	(21.7)		(38.6)	(35.8)	
Dividend on ordinary shares	-	-		(346.3)	(307.2)	
Dividend on preference shares	-	-		(12.6)	(12.6)	
Net finance costs	(4.5)	(4.3)		(17.7)	(11.8)	
Translation and other effects	7.8	(15.2)		57.6	(8.5)	
Net (increase)/decrease of net debt	363.2	(232.1)		(232.3)	(620.2)	

1 including acquired non-current borrowings.

In the quarter, free cash flow was € 385 million, up 82% versus € 212 million the prior year. Over FY 2017, free cash flow was € 586 million, up 26% compared to prior-year.

Main driver for the strong increase in our quarterly and L4Q free cash flow YoY was the significant EBITA improvement and cash-in of our CICE receivable related to 2013. Our quarterly free cash flow has also been favorably impacted by a decrease in working capital, related to timing of payments.

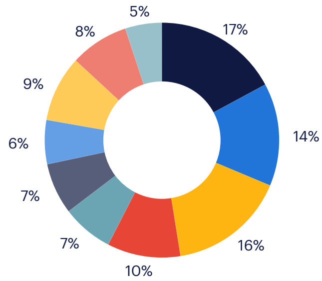
Other items include an amount of € 75 million from the Tax Credit and Competitive Employment Act (CICE) in France, and is composed of € 145 million non-cash gain (and hence a receivable) for the year 2017, and a € 70 million refund of the receivable related to the year 2013.

performance.

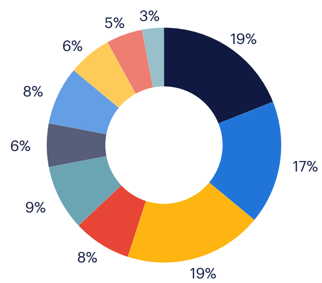
performance by geography

split by geography

Q4 2017: revenue € 5,978 million



Q4 2017: EBITA € 307 million



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

revenue in millions of €, underlying	Q4 2017	Q4 2016	change	organic Δ %[1]	fy 2017	fy 2016	change	organic Δ %[1]
North America	1,037.8	1,100.3	(6)%	1%	4,230.5	4,244.6	0%	1%
Netherlands	864.5	823.1	5%	3%	3,333.9	3,172.3	5%	2%
France	946.7	785.1	21%	12%	3,627.0	3,043.6	19%	12%
Germany	589.5	530.2	11%	10%	2,335.1	2,082.7	12%	9%
Belgium & Luxembourg	408.5	355.9	15%	10%	1,568.6	1,370.1	14%	11%
Iberia	372.3	331.7	12%	15%	1,427.4	1,275.1	12%	13%
Italy	412.4	332.0	24%	26%	1,504.1	1,006.2	49%	26%
Other European countries	567.1	518.5	9%	12%	2,151.2	1,983.5	8%	10%
Rest of the world	477.3	477.0	0%	10%	1,911.3	1,749.5	9%	10%
Global businesses	301.8	271.4	11%	7%	1,183.7	756.5	56%	11%
Revenue	5,977.9	5,525.2	8%	9%	23,272.8	20,684.1	13%	8%

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.

EBITA in millions of €, underlying	Q4 2017	EBITA margin[1]	Q4 2016	EBITA margin[1]	organic Δ%[2]	fy 2017	EBITA margin[1]	fy 2016	EBITA margin[1]	organic Δ%[2]
North America	62.1	6.0%	62.6	5.7%	6%	235.9	5.6%	239.1	5.6%	0%
Netherlands	56.9	6.6%	55.9	6.8%	-6%	201.7	6.0%	188.4	5.9%	1%
France	61.5	6.5%	43.2	5.5%	30%	221.0	6.1%	169.1	5.6%	23%
Germany	27.7	4.7%	23.7	4.5%	11%	112.4	4.8%	100.2	4.8%	6%
Belgium & Luxembourg	28.2	6.9%	27.3	7.7%	-3%	99.1	6.3%	87.5	6.4%	6%
Iberia	20.7	5.6%	18.1	5.5%	15%	73.3	5.1%	59.7	4.7%	23%
Italy	25.8	6.3%	19.0	5.7%	39%	86.4	5.7%	52.8	5.2%	38%
Other European countries	18.7	3.3%	17.4	3.3%	4%	64.0	3.0%	62.0	3.1%	6%
Rest of the world	17.5	3.7%	9.0	1.9%	117%	56.0	2.9%	37.2	2.1%	46%
Global businesses	9.1	3.0%	10.0	3.7%	60%	(2.3)	(0.2)%	19.6	2.6%	36%
Corporate	(21.2)		(18.6)			(82.2)		(68.9)		
EBITA before integration costs and one-offs[3]	307.0	5.1%	267.6	4.8%	13%	1,065.3	4.6%	946.7	4.6%	11%
Integration costs and one-offs	(14.7)		(36.3)			(71.6)		(54.7)		
EBITA	292.3		231.3			993.7		892.0		

1 EBITA in % of total revenue per segment.
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.
3 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% (Q3 2017: flat). Perm fees grew 5% (Q3 2017: 2%). In Q4 2017, revenue of our combined US businesses was flat (Q3 2017: flat). US Staffing/Inhouse Services grew by 1% (Q3 2017: up 1%). US Professionals revenue was down 1% (Q3 2017: down 2%). In Canada, revenue was up 10% (Q3 2017: up 6%), showing continued acceleration. EBITA margin for the region came in at 6.0%, compared to 5.7% last year.

netherlands

In the Netherlands, revenue was up 3% YoY (Q3 2017: up 1%). Overall perm fees were flat (Q3 2017: up 4%). Our Staffing and Inhouse Services businesses grew 2% (Q3 2017: up 2%), with growth impacted by a strong focus on client profitability. Our Professionals business was up 5% (Q3 2017: up 5%). Underlying EBITA margin in the Netherlands was 6.6% compared to 6.8% last year.

france

In France, revenue growth was 12% (Q3 2017: 14%), still ahead of the market despite markedly tougher comps. Perm fees were up 37% compared to last year (Q3 2017: up 37%). Staffing/Inhouse Services revenue grew 11% (Q3 2017: up 13%). Our Professionals business was up 18% (Q3 2017: up 19%), again driven by Expectra and healthcare. EBITA margin was 6.5%, substantially up compared to 5.5% last year.

germany

In Germany, revenue per working day was up 10% YoY (Q3 2017: up 10%). Our combined Staffing and Inhouse Services business was up 10% (Q3 2017: up 10%), while Professionals was up 11% (Q3 2017: up 11%). EBITA margin in Germany increased to 4.7%, compared to 4.5% last year, despite an adverse working day effect.

belgium & luxembourg

In Belgium & Luxembourg, revenue was up 10% (Q3 2017: up 9%), ahead of the market. Our Staffing/Inhouse Services business was up 9% (Q3 2017: up 9%), while the Professionals business was up 30% (Q3 2017: up 13%). Our EBITA margin was 6.9%, from 7.7% last year.

iberia

In Iberia, revenue increased 15% (Q3 2017: up 14%) with Staffing/Inhouse Services combined growing 15% (Q3 2017: up 14%). Spain was up 16% (Q3 2017: up 17%) while our focus on permanent placements (up 16%) continues to pay off. In Portugal, revenue improved by 12% (Q3 2017: up 6%). Overall EBITA margin was 5.6% in Q4 2017, compared to 5.5% last year.

italy

Revenue per working day in Italy grew by 26% compared to the prior year (Q3 2017: up 27%) offsetting much tougher comps. EBITA margin improved to 6.3%, from 5.7% last year. The integration of Obiettivo Lavoro continues to deliver results ahead of expectations.

other european countries

Across 'Other European countries', revenue per working day grew 12% (Q3 2017: up 13%). In the UK, revenue was up by 11% (Q3 2017: 10%), while perm fees were down by 9% (Q3 2017: down 7%). In the Nordics, sales increased by 13% on an organic basis (Q3 2017: 12%). Revenue in our Swiss business was up 20% YoY (Q3 2017: 21%). Overall EBITA margin for the 'Other European countries' region was stable at 3.3% (Q3 2017: 3.3%).

rest of the world

Overall revenue in the 'Rest of the world' region grew by 10% organically (Q3 2017: up 10%). In Japan, revenue grew 9% (Q3 2017: up 6%). Revenue in Australia/New Zealand grew 8% (Q3 2017: up 9%), while revenue in China declined by 10% YoY (Q3 2017: up 18%). Our business in India was down by 3% (Q3 2017: up 9%), while in Latin America revenue grew 27% (Q3 2017: up 19%), driven by Argentina and Brazil. Overall EBITA margin in this region was 3.7%, compared to 1.9% last year, primarily driven by a strong profitability increase in Japan.

global businesses

Overall revenue growth per working day was up by 7% YoY organically, mainly driven by Randstad Sourceright. Monster sales growth was down by 15% (Q3 2017: down 16%). Overall EBITA margin came in at 3.0% compared to 3.7% last year, reflecting continued investments related to our digital strategy including Monster. Driven by a successful cost optimization program, Monster turned slightly EBITA positive in Q4 2017. We maintain our ambition of a break-even EBITA result for Monster in 2018.

performance by revenue category

in millions of €, underlying		Q4 2017	Q4 2016[1]	organic Δ%[2]	fy 2017	fy 2016[1]	organic Δ%[2]
Staffing	Revenue	3,112.0	3,017.2	6%	12,184.0	11,400.2	6%
	EBITA	178.6	153.7	18%	622.7	547.3	11%
	EBITA margin[3]	5.7%	5.1%		5.1%	4.8%	
Inhouse Services	Revenue	1,379.5	1,208.4	18%	5,185.4	4,460.5	18%
	EBITA	68.4	68.0	3%	250.8	223.1	13%
	EBITA margin[3]	5.0%	5.6%		4.8%	5.0%	
Professionals	Revenue	1,184.6	1,028.2	6%	4,719.7	4,066.9	4%
	EBITA	72.1	54.5	12%	276.3	225.6	6%
	EBITA margin[3]	6.1%	5.3%		5.9%	5.5%	
Global Businesses	Revenue	301.8	271.4	7%[4]	1,183.7	756.5	11%
	EBITA	9.1	10.0	60%	(2.3)	19.6	36%
	EBITA margin[3]	3.0%	3.7%		(0.2)%	2.6%	

1 Comparable Q4 2016 figures have been adjusted for Staffing and Inhouse services, related to a reallocation of revenue and costs.
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.
3 EBITA in % of total revenue by revenue category.
4 Included in organic revenue growth: Monster as of November 1, 2017; for comparability reasons, organic EBITA growth is excluding Monster.

other information.

outlook

Revenue grew 8.7% in Q4 2017. In January 2018, revenue grew at around 7%. The development of volumes in early February indicates a continuation of the January growth rate.

Q1 2018 gross margin is expected to be broadly stable sequentially.

For Q1 2018, operating expenses are expected to increase sequentially.

There will be an adverse 0.5 working day impact in Q1 2018.

adjusted capital allocation strategy

We will adjust our capital allocation strategy given our primarily organically focused Tech & Touch strategy going forward, strong balance sheet and favorable FCF outlook in various economic scenarios. This amendment is twofold. First, we will change our dividend policy by implementing a conditional cash floor dividend of € 1.62 per share (based on the average DPS of 2014, 2015 and 2016). This baseline dividend level will be maintained even when the general 40-50% payout ratio is temporarily exceeded, barring (i) seriously adverse economic conditions, (ii) material strategic changes to the sector and (iii) a material deterioration in our solvency & liquidity ratios. Second, we will introduce optional additional cash returns in the event of a leverage ratio below 1.0 through (i) a special dividend (preferred) or (ii) share buybacks.

dividend proposal 2017

We will propose to our shareholders an all-time high cash dividend of € 2.76 per ordinary share for 2017, up 46% year-on-year. This consists of a regular dividend of € 2.07 (2016: € 1.89), representing a payout of 50% of the basic underlying EPS. In addition, we propose a special cash dividend of € 0.69 per ordinary share, given our year-end 2017 leverage ratio of 0.9 and our adjusted capital allocation strategy immediately applied to FY 2017.

The ex-dividend date for the regular dividend will be March 29, 2018. The number of shares entitled to the regular dividend will be determined on April 3, 2018 (record date). The payment of the regular cash dividend will take place on April 5, 2018. The payment of the special cash dividend will take place in Q3 2018, on a specific date to be determined by the Executive Board and to be announced on the Randstad website.

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

other items

As announced on October 24, 2017, we offset the dilutive effect from our annual performance share plans for senior management through share buybacks. The next allocation of shares will take place on February 13, 2018. The number of shares we purchased during the period between October 25, 2017 and February 12, 2018 was 0.7 million.

The AGM will be held on March 27, 2018 (full agenda to be published on our corporate website).

EB (re)appointments: proposal to reappoint Jacques van den Broek as member of the Executive Board, proposal to reappoint Chris Heutink as member of the Executive Board and proposal to appoint Henry Schirmer as member of the Executive Board.
SB (re)appointments: proposal to reappoint Frank Dorjee as member of the Supervisory Board and proposal to appoint Annet Aris as member of the Supervisory Board.

working days

	Q1	Q3	Q3	Q4
2018	63.5	62.1	64.1	63.4
2017	64.0	61.7	63.8	62.3
2016	62.5	63.1	64.8	62.8

financial calendar

Annual General Meeting of Shareholders	March 27, 2018
Ex-dividend date	March 29, 2018
Dividend record date	April 3, 2018
Payment of dividend	April 5, 2018
Publication of first quarter results 2018	April 24, 2018
Publication of second quarter results 2018	July 24, 2018
Publication of third quarter results 2018	October 23, 2018

analyst and press conference call

Today (February 13, 2018), at 09.00 am CET, Randstad Holding nv will be hosting an analyst conference call. The dial-in numbers are:

International: + 44 3333 000 804

Netherlands: + 31 20 709 5189

To gain access to the conference please enter the PIN: 19545030#

You can listen to the call through a real-time audio webcast. You can access the webcast and presentation at https://www.ir.randstad.com/results-and-reports/quarterly-results. 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:

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

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

Saskia Huuskes - Director Group Communications a.i.
saskia.huuskes@randstad.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.

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. We support people and organizations in realizing their true potential. 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). 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 2017, Randstad had 38,331 corporate employees and 4,858 branches and Inhouse locations in 39 countries around the world. In 2017, Randstad generated revenue of € 23.3 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/.

interim financial statements.

actuals

consolidated income statement

in millions of €, unless otherwise indicated	Q4 2017	Q4 2016	fy 2017	fy 2016
Revenue	5,977.9	5,525.2	23,272.8	20,684.1
Cost of services	4,778.1	4,419.5	18,567.3	16,749.9
Gross profit	1,199.8	1,105.7	4,705.5	3,934.2
Selling expenses	630.1	592.1	2,592.3	2,092.6
General and administrative expenses	277.4	282.3	1,119.5	949.6
Operating expenses	907.5	874.4	3,711.8	3,042.2
Amortization and impairment of acquisition-related intangible assets and goodwill	30.0	33.4	134.0	101.4
Total operating expenses	937.5	907.8	3,845.8	3,143.6
Operating profit	262.3	197.9	859.7	790.6
Net finance (costs) / income	(2.3)	0.3	(22.5)	(3.8)
Share of profit/(loss) of associates	0.4	(0.8)	1.2	(0.8)
Income before taxes	260.4	197.4	838.4	786.0
Taxes on income	(62.5)	(44.8)	(207.0)	(197.8)
Net income	197.9	152.6	631.4	588.2
Net income attributable to:				
Holders of ordinary shares Randstad Holding nv	194.6	149.3	618.8	575.4
Holders of preference shares Randstad Holding nv	3.2	3.2	12.6	12.6
Equity holders	197.8	152.5	631.4	588.0
Non-controlling interests	0.1	0.1	0.0	0.2
Net income	197.9	152.6	631.4	588.2
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):				
Basic earnings per share	1.06	0.82	3.38	3.15
Diluted earnings per share	1.06	0.81	3.36	3.13
Basic earnings per share, underlying	1.23	1.11	4.13	3.77
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs and one-offs	1.22	1.10	4.11	3.75

information by geographical area and revenue category

revenue by geographical area

in millions of €	Q4 2017	Q4 2016	fy 2017	fy 2016
North America	1,037.8	1,100.3	4,230.5	4,244.6
Netherlands	865.3	825.7	3,336.9	3,176.8
France	946.9	785.2	3,627.7	3,044.0
Germany	589.5	530.2	2,335.2	2,082.7
Belgium & Luxembourg	409.0	356.4	1,570.3	1,371.5
Iberia	372.3	331.7	1,427.4	1,275.1
Italy	412.4	332.0	1,504.1	1,006.2
Other European countries	568.9	520.1	2,158.2	1,989.6
Rest of the world	477.6	477.0	1,912.0	1,749.5
Global Businesses	304.8	272.9	1,194.9	761.7
Elimination of revenue[1]	(6.6)	(6.3)	(24.4)	(17.6)
Revenue	5,977.9	5,525.2	23,272.8	20,684.1

1 Relates to intercompany revenue between segments

EBITA by geographical area

in millions of €	Q4 2017	Q4 2016	fy 2017	fy 2016
North America	62.1	62.8	231.2	239.1
Netherlands	49.7	53.1	190.5	186.2
France	59.6	40.1	213.9	165.0
Germany	27.5	18.2	112.2	93.8
Belgium & Luxembourg	28.2	27.7	99.1	87.9
Iberia	20.7	18.1	73.3	59.6
Italy	25.8	16.3	82.7	47.7
Other European countries	18.7	12.5	60.8	52.9
Rest of the world	17.8	8.4	52.9	35.3
Global Businesses	3.4	(3.8)	(40.7)	1.0
Corporate	(21.2)	(22.1)	(82.2)	(76.5)
EBITA[1]	292.3	231.3	993.7	892.0

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

revenue by revenue category

in millions of €	Q4 2017	Q4 2016	fy 2017	fy 2016
Staffing	3,115.6	3,022.0	12,197.2	11,412.6
Inhouse	1,379.5	1,208.4	5,185.4	4,460.5
Professionals	1,184.6	1,028.2	4,719.7	4,066.9
Global businesses	304.8	272.9	1,194.9	761.7
Elimination of revenue[1]	(6.6)	(6.3)	(24.4)	(17.6)
Revenue	5,977.9	5,525.2	23,272.8	20,684.1

1 Relates to intercompany revenue between segments

EBITA by revenue category

in millions of €	Q4 2017	Q4 2016	fy 2017	fy 2016
Staffing	176.7	137.3	607.4	523.7
Inhouse	67.8	67.1	248.4	221.9
Professionals	65.6	52.8	260.8	221.9
Global businesses	3.4	(3.8)	(40.7)	1.0
Corporate	(21.2)	(22.1)	(82.2)	(76.5)
EBITA[1]	292.3	231.3	993.7	892.0

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

consolidated balance sheet

in millions of €	december 31, 2017	december 31, 2016
assets		
Property, plant and equipment	154.3	165.3
Intangible assets	3,555.6	3,353.5
Deferred income tax assets	437.9	520.2
Financial assets and associates	529.6	454.7
Non-current assets	4,677.4	4,493.7
Trade and other receivables	4,680.0	4,174.2
Income tax receivables	79.2	72.2
Cash and cash equivalents	326.3	385.8
Current assets	5,085.5	4,632.2
Total assets	9,762.9	9,125.9
equity and liabilities		
Issued capital	25.9	25.8
Share premium	2,284.3	2,270.7
Reserves	1,940.8	1,843.6
Shareholders' equity	4,251.0	4,140.1
Non-controlling interests	0.7	0.7
Total equity	4,251.7	4,140.8
Borrowings	639.5	699.2
Deferred income tax liabilities	44.1	42.2
Provisions and employee benefit obligations	186.1	194.4
Other liabilities	10.6	12.6
Non-current liabilities	880.3	948.4
Borrowings	712.5	480.0
Trade and other payables	3,694.3	3,397.5
Income tax liabilities	116.2	70.6
Provisions and employee benefit obligations	85.5	81.9
Other liabilities	22.4	6.7
Current liabilities	4,630.9	4,036.7
Liabilities	5,511.2	4,985.1
Total equity and liabilities	9,762.9	9,125.9

consolidated statement of cash flows

in millions of €	Q4 2017	Q4 2016	fy 2017	fy 2016
Operating profit	262.3	197.9	859.7	790.6
Amortization and impairment of acquisition-related intangible assets and goodwill	30.0	33.4	134.0	101.4
EBITA	292.3	231.3	993.7	892.0
Depreciation of property, plant and equipment	13.4	13.7	54.5	50.0
Amortization of software	7.1	6.7	32.4	24.1
EBITDA	312.8	251.7	1,080.6	966.1
Provisions and employee benefit obligations	(4.6)	4.4	7.7	(0.2)
Share-based compensations	7.4	7.7	32.5	31.3
Loss on disposals of property, plant and equipment	0.6	0.1	1.0	0.2
Loss on disposals of activities	-	(0.2)	-	0.0
Other items	38.7	(25.0)	(72.3)	(108.4)
Cash flow from operations before operating working capital and income taxes	354.9	238.7	1,049.5	889.0
Trade and other receivables	33.0	(106.5)	(447.9)	(366.4)
Trade and other payables	62.7	143.0	272.7	196.9
Operating working capital	95.7	36.5	(175.2)	(169.5)
Income taxes	(26.9)	(30.0)	(186.2)	(159.8)
Net cash flow from operating activities	423.7	245.2	688.1	559.7
Additions in property, plant and equipment	(18.4)	(21.7)	(58.7)	(62.3)
Additions in software	(14.2)	(12.2)	(48.6)	(34.9)
Disposals of property, plant and equipment	1.0	2.0	11.6	3.2
Acquisition of subsidiaries, associates and equity investments	(4.1)	(275.1)	(356.2)	(581.4)
Loans and receivables	(6.8)	(1.1)	(6.8)	(1.1)
Dividends from associates	-	-	1.3	-
Disposals of activities	-	0.2	-	0.7
Net cash flow from investing activities	(42.5)	(307.9)	(457.4)	(675.8)
Issue of new ordinary shares	-	0.1	1.1	0.1
Purchase of own ordinary shares	(21.3)	(21.7)	(38.6)	(35.8)
(Net repayments of) / net drawings on non-current borrowings	(6.1)	(223.6)	(143.1)	465.5
Net financing	(27.4)	(245.2)	(180.6)	429.8
Net finance costs	(4.5)	(4.3)	(17.7)	(11.8)
Dividend on ordinary shares	-	-	(346.3)	(307.2)
Dividend on preference shares	-	-	(12.6)	(12.6)
Net reimbursement to financiers	(4.5)	(4.3)	(376.6)	(331.6)
Net cash flow from financing activities	(31.9)	(249.5)	(557.2)	98.2
Net increase/(decrease) in cash, cash equivalents, and current borrowings	349.3	(312.2)	(326.5)	(17.9)
Cash, cash equivalents, and current borrowings at beginning of period	(735.1)	253.0	(52.8)	(48.6)
Net movement	349.3	(312.2)	(326.5)	(17.9)
Translation and currency (losses)/gains	(0.4)	6.4	(6.9)	13.7
Cash, cash equivalents, and current borrowings at end of period	(386.2)	(52.8)	(386.2)	(52.8)
Free cash flow	385.3	212.2	585.6	464.6

consolidated statement of comprehensive income

in millions of €	october 1 - december 31, 2017			october 1 - december 31, 2016		
	shareholders' equity	non-controlling interests	total equity	shareholders' equity	non-controlling interests	total equity
Net income for the period	197.8	0.1	197.9	152.5	0.1	152.6
Fair value adjustment equity investments	0.8	-	0.8	-	-	-
Translation differences	(30.5)	0.0	(30.5)	67.5	0.0	67.5
Remeasurements from defined benefit pension plans	17.6	-	17.6	(6.5)	-	(6.5)
Total comprehensive income	185.7	0.1	185.8	213.5	0.1	213.6

in millions of €	january 1 - december 31, 2017			january 1 - december 31, 2016		
	Shareholders' equity	Non-controlling interests	Total equity	Shareholders' equity	Non-controlling interests	Total equity
Net income for the period	631.4	0.0	631.4	588.0	0.2	588.2
Fair value adjustment equity investments	0.8	-	0.8	0.3	-	0.3
Translation differences	(182.8)	0.0	(182.8)	16.2	0.0	16.2
Remeasurements from defined benefit pension plans	17.6	-	17.6	(6.5)	-	(6.5)
Total comprehensive income	467.0	0.0	467.0	598.0	0.2	598.2

consolidated statement of changes in equity

in millions of €	october 1 -december 31, 2017 shareholders' equity	non-controlling interests	total equity	october 1 -december 31, 2016 shareholders' equity	non-controlling interests	total equity
Value at October 1	4,079.2	0.6	4,079.8	3,940.6	0.7	3,941.3
Comprehensive income	185.7	0.1	185.8	213.5	0.1	213.6
Share-based compensations	7.4	-	7.4	7.7	-	7.7
Issue of ordinary shares	-	-	-	0.1	-	0.1
Purchase of own ordinary shares	(21.3)	-	(21.3)	(21.7)	-	(21.7)
Acquisition/Disposal of non-controlling interests	-	-	-	(0.1)	(0.1)	(0.2)
Value at December 31	4,251.0	0.7	4,251.7	4,140.1	0.7	4,140.8

in millions of €	january 1 - december 31, 2017 shareholders' equity	non-controlling interests	total equity	january 1 - december 31, 2016 shareholders' equity	non-controlling interests	total equity
Value at January 1	4,140.1	0.7	4,140.8	3,861.7	-	3,861.7
Comprehensive income	467.0	0.0	467.0	598.0	0.2	598.2
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)
Share-based compensations	32.5	-	32.5	31.3	-	31.3
Tax on share-based compensations	7.8	-	7.8	4.7	-	4.7
Issue of ordinary shares	1.1	-	1.1	0.1	-	0.1
Purchase of own ordinary shares	(38.6)	-	(38.6)	(35.8)	-	(35.8)
Acquisition/Disposal of non-controlling interests	-	-	-	(0.1)	0.5	0.4
Value at December 31	4,251.0	0.7	4,251.7	4,140.1	0.7	4,140.8

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, 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, 2017.

The consolidated financial statements of the Group as at and for the year ended December 31, 2017 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 twelve-month period ended December 31, 2017 is 24.7% (2016: 25.1%).

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. Italy is reported as a separate segment due to increasing size and the UK is included 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. EBITA margin per segment is expressed in total revenue per segment.

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

acquisition of group companies, equity investments and associates

The cash outflow for acquisitions in Q4 amounted to € 4.1 million (Q4, 2016: € 275.1 million, not including the non-current borrowings acquired). The cash outflow related to € 3.4 million for our acquisition of eSolve AG (Germany) and for € 0.7 million for equity investments/associates.

eSolve – effectively acquired December 31, 2017 – did not contribute to the Group's revenue and EBITA in 2017. If this acquisition had occurred on January 1, 2017, the contribution to revenue would have been approximately € 17 million; the contribution to EBITA is estimated to be around € 2 million.

The net assets acquired in the acquisition in Q4, based on a provisional purchase price allocation, was € 12.7 million. Based on an estimated consideration of € 25.1 million, the goodwill is calculated at € 12.4 million. Taking into account that Randstad acquired € 4.6 million net cash and out of total consideration an amount of € 17.1 million has been deferred for payment, the net cash out flow in 2017 amounted to € 3.4 million.

in millions of €, unless otherwise indicated	fy 2017
Property, plant & equipment and software	5.3
Acquisition-related intangible assets	208.8
Deferred tax assets	18.7
Associates	16.2
Total non-current assets	249.0
Working capital	123.3
Non-current borrowings	106.5
Deferred income tax liabilities	63.1
Provisions, employee benefit obligations and other liabilities	23.3
Total non-current liabilities	192.9
Net assets acquired	179.4
Goodwill	256.3
Consideration	435.7
Net (cash) acquired, included in working capital	(71.2)
Non-current borrowings acquired	106.5
Net debt/(cash) acquired	35.3
Consideration, adjusted for net debt acquired	471.0
Deferred compensation	(27.4)
	443.6
Consideration paid, adjusted for net debt acquired	11.1
	454.7
Deduct: Non-current borrowings acquired	(106.5)
Acquisition of subsidiaries	348.2
Equity investments/associates	8.0
Statement of cash flows	356.2

disposal of group companies

In Q4, 2017 and in the year 2017, the Group did not dispose of any businesses, while cash-inflow from disposal of businesses in Q4, 2016 amounted to € 0.2 million (2016: € 0.7 million).

shareholders’ equity

issued number of ordinary shares

	2017	2016
January 1	183,023,267	183,019,235
Share-based compensations	240,778	4,032
December 30	183,264,045	183,023,267

As at December 31, 2017, the Group held 424,598 treasury shares (December 31, 2016: 595,141). The average number of (diluted) ordinary shares outstanding has been adjusted for these treasury shares.

As at December 31, 2017 and December 31, 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	Q4 2017	Q4 2016	fy 2017	fy 2016
Net income	197.9	152.6	631.4	588.2
Results of non-controlling interests	0.1	0.1	0.0	0.2
Net income attributable to holders of preference shares	3.2	3.2	12.6	12.6
Net income attributable to holders of ordinary shares	194.6	149.3	618.8	575.4
Amortization of intangible assets[1]	30.0	33.4	134.0	101.4
Integration costs and one-offs	14.7	36.3	71.6	54.7
Tax effect on amortization, integration costs, and one-offs	(14.0)	(16.3)	(68.1)	(42.6)
Adjusted net income for holders of ordinary shares	225.3	202.7	756.3	688.9
Average number of ordinary shares outstanding	183.1	182.6	183.1	182.7
Average number of diluted ordinary shares outstanding	184.0	183.8	184.0	183.8
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):				
Basic earnings per share	1.06	0.82	3.38	3.15
Diluted earnings per share	1.06	0.81	3.36	3.13
Basic earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs[2]	1.23	1.11	4.13	3.77
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, integration costs, and one-offs[3]	1.22	1.10	4.11	3.75

1 Amortization and impairment of acquisition-related intangible assets and goodwill.
2 Basis for dividend policy
3 Diluted EPS underlying

net debt position
The net debt position as at December 31, 2017 (€ 1,025.7 million) was € 232.3 million higher compared to the net debt position as at December 31, 2016 (€ 793.4 million).

This is mainly due to the payment of dividends in Q2 2017 and net acquisitions (mainly in Q1, 2017), while a positive free cash flow (€ 585.6 million) partly compensated for these outflows.

As at December 31, 2017, the Group had a € 1,850 million committed multi-currency syndicated revolving credit facility at its disposal (2016: € 1,920 million), which matures in July 2022 (2016: July 2021). In 2017 the Group renewed its multi-currency syndicated revolving credit facility. The facility agreement contains a covenant with respect to the net debt to EBITDA ratio (leverage ratio), as well as a paragraph on material adverse changes; the net debt to EBITDA ratio has a limit of 3.5, and is calculated based on the results of the Group on a 12-month basis. In certain cases, Randstad is allowed to report a leverage ratio of 4.25x EBITDA for a limited period of time. Drawings on this credit facility at December 31, 2017 amounted to € 489.5 million.

The Group recently issued a privately placed German promissory note ('Schuldschein'), and successfully raised € 150 million, with a maximum three-year tenor. This promissory note ultimately matures in December 2020, and bears an interest that is based on 6-month Euribor (with a floor of zero) increased by a fixed margin of 0.45% per annum, payable in June and December of each year. Covenants are fully aligned with the committed multi-currency syndicated revolving credit facility.

breakdown of operating expenses

in millions of €	Q4 2017	Q4 2016	fy 2017	fy 2016
Personnel expenses	667.7	641.9	2,717.0	2,278.8
Other operating expenses	239.8	232.5	994.8	763.4
Operating expenses	907.5	874.4	3,711.8	3,042.2

french competitive employment act ('CICE')
Included in the consolidated balance sheet under 'financial assets and associates' is an amount of € 373.6 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 € 98.7 million (December 31, 2016: € 67.4 million) is included in 'Trade and other receivables' representing the current part of the CICE receivable.

The CICE receivable related to the credits from the year 2013 has been refunded in Q4, 2017 (€ 70.2 million).

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, 2017.

events after balance sheet date

On January 31, 2018 Monster Worldwide, Inc. announced that it has signed an agreement to sell its Asian Pacific businesses. The transaction was closed on February 8, 2018 . The consideration received amounted to approximately € 10 million.