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

first quarter results 2010

back to growth in March

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disclaimer

Certain statements in this document comprise forecasts on Randstad Holding's future financial condition and results from operations and certain plans and goals. By their nature, such forecasts generate risk and uncertainty because they concern events in the future and depend on circumstances which then apply. Any number of factors can cause actual results and developments to deviate from those expressed in the forecasts stated here. Such factors can be, but are not limited to, general economic conditions, scarcity on the employment market, the variation in the demand for (flexible) personnel, changes in employment legislation, future currency exchange rates and interest rates, future corporate mergers, acquisitions and divestments and the speed of technical change. The forecasts speak only as at the date of this document. Quarterly figures and underlying figures are unaudited.

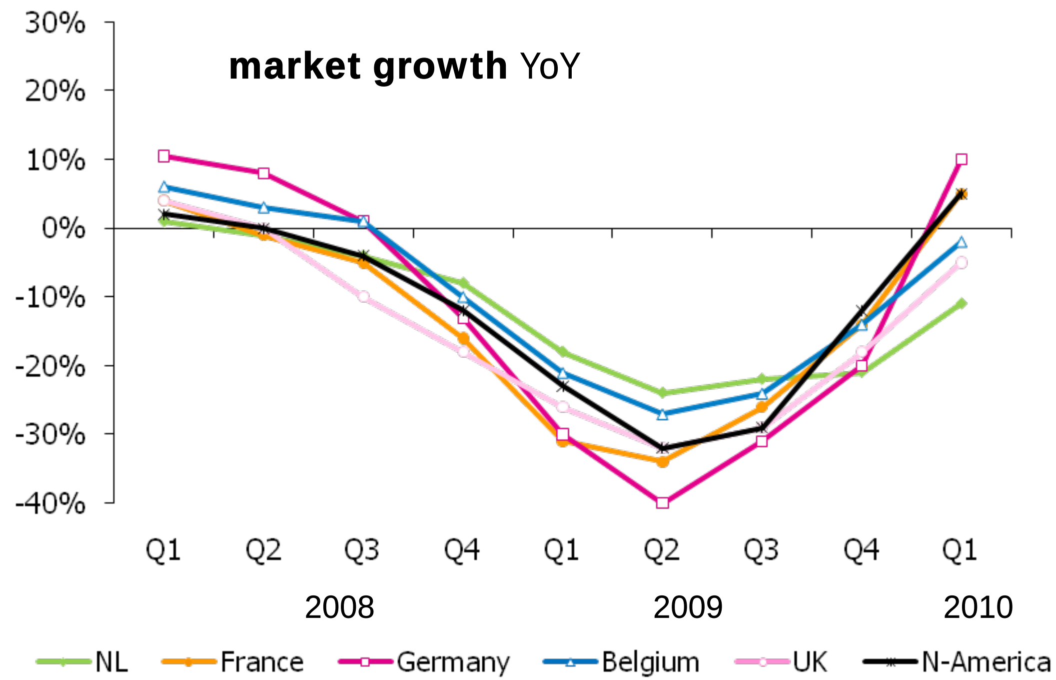
agenda

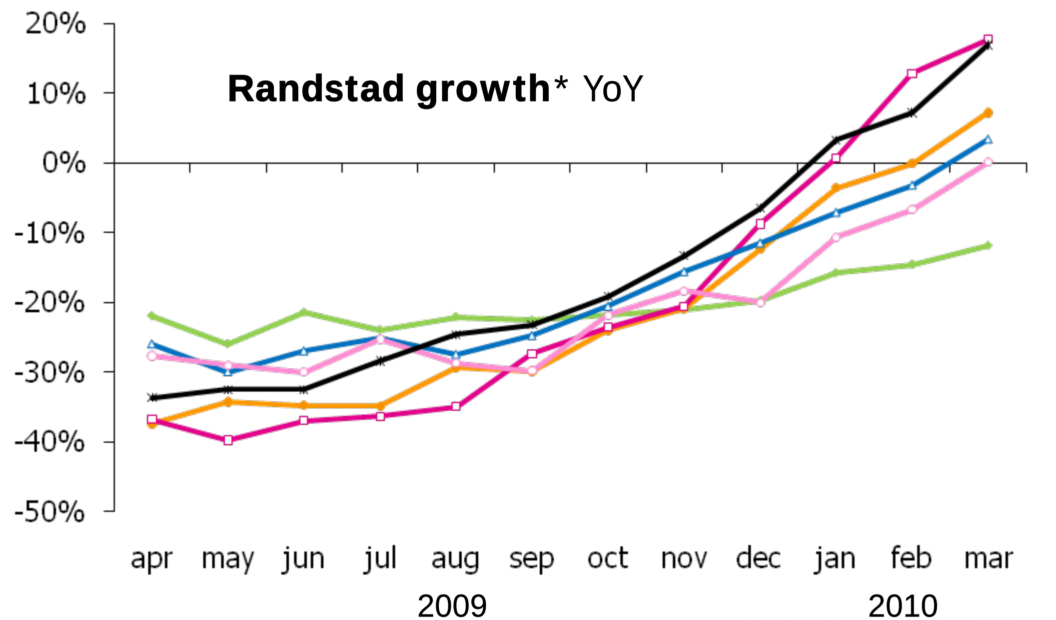
- performance
- financial results & outlook
- summary

performance

revenue development

- growth in March
- recovery is broad based
- staffing & inhouse showed growth in most regions in March
- professionals markets recovering slowly, US showed growth in March
- time lag between growth in staffing and professionals is 4 months in US





* organic growth per working day

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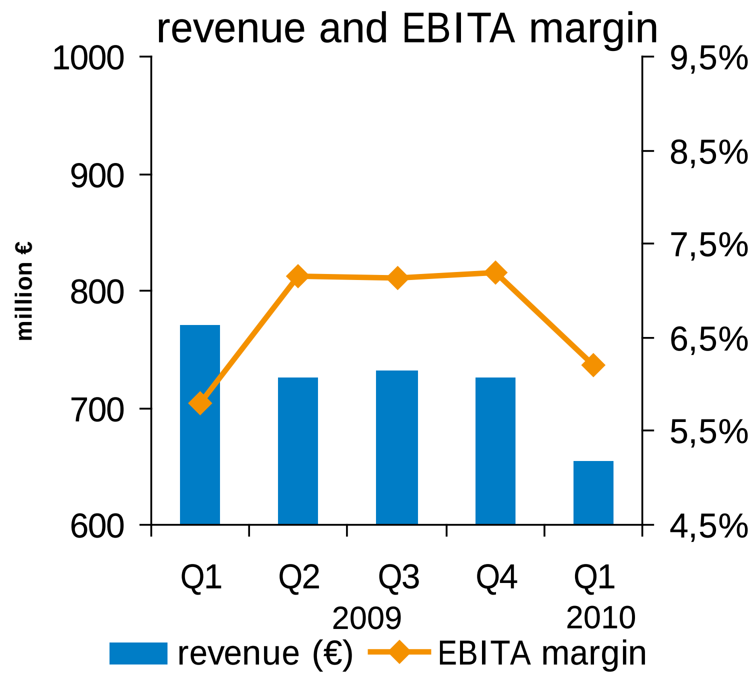
Q1 2010: back to growth in March

- revenue amounted to € 3,039 (-1% YoY organically per working day)
  - trend improving from -5% in January to +4% in March, not only due to easy comparables
  - inhouse and the industrial part of the staffing segment show clearest recovery
  - professionals segment recovers slowly
- gross margin relatively flat since Q3 2009
  - commercial pressure stabilized
  - less impact perm fees, perm fees growing in March
- operating expenses in line with previous quarter at € 500 million
  - 12% lower than in Q1 2009
  - continued streamlining where appropriate in combination with selective investments
- EBITA* reached € 75 million vs. € 49 million in Q1 2009
  - EBITA margin amounted to 2.5% vs. 1.6% in Q1 2009
  - EBITA includes € 8 million reclassification of French business tax (no effect on net profit)

* EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

the Netherlands: late cyclical pattern visible

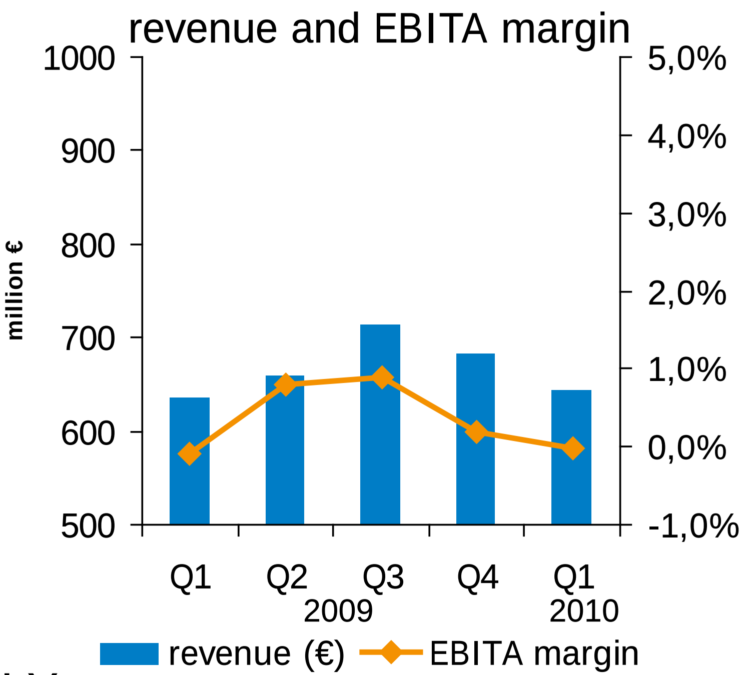
- organic revenue p/wd* -14% in Q1 2010
  - late cyclical market due to services oriented economy
  - market circumstances slowly improving
  - industrial segment showing growth in March
  - Tempo-Team & Randstad in line with market
  - Yacht (not in ABU) below market average
- gross margin sequentially flat
  - stabilization of commercial pressure
- EBITA margin 6.2% versus 5.8% LY
  - cost base well-managed
  - last year EBITA margin was 7% excluding a “charge” for accelerated termination of contracts interim professionals



* p/wd = adjusted for working days

France: improving momentum

- organic revenue p/wd +1% in Q1 2010 (vs. -19% in Q4 2009)
  - gap with market decreased to 4%
  - staffing and inhouse improved mostly in light industrial and automotive
  - permanent placement up c. 50% in March (YoY)
  - professionals segment back to growth in March
  - 3 inhouse locations added and 9 transfers
- gross margin sequentially flat
- continued focus on cost structure
  - € 2 million costs in EBITA for restructuring
- EBITA* margin flat at 0% versus -0.1% LY
- DSO improved
  - 4 days improvement YoY in Q1 (60-day payment law)



* for comparison purposes the € 8 million business tax reclassification has been excluded from French EBITA

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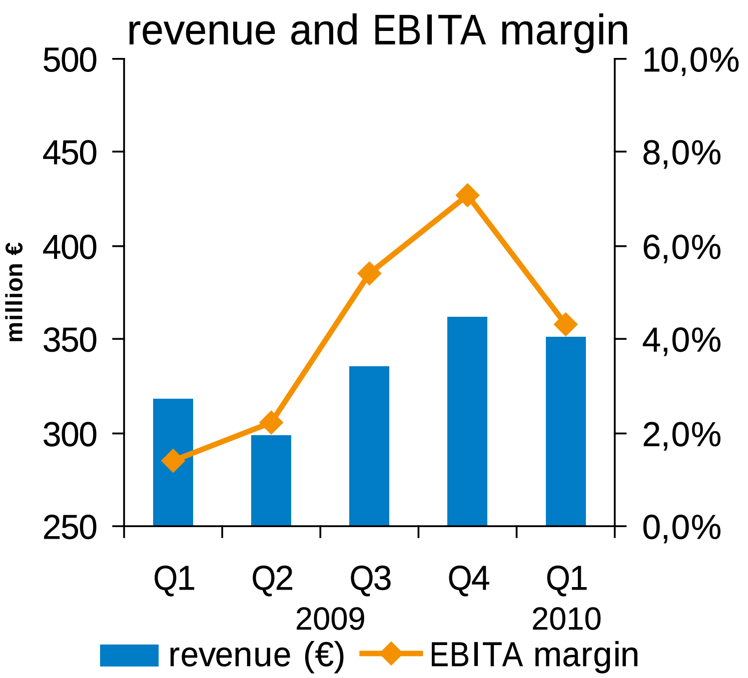
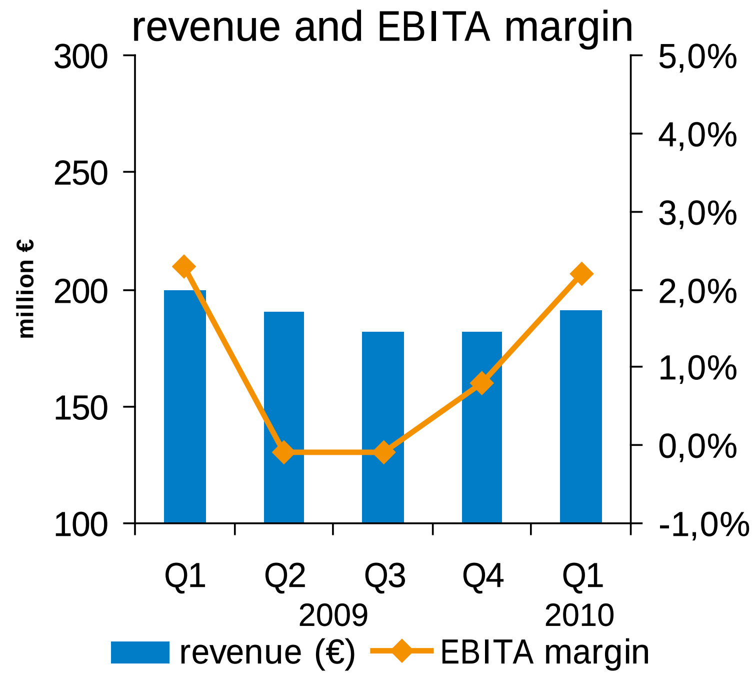
Germany: strong performance

- organic revenue p/wd +10% in Q1 2010 (vs. –18% in Q4 2009)
  - outperforming the market in Q1
  - revenue trend improved throughout the quarter
  - strong pickup across all industrial segments
- gross margin about stable
  - some commercial pressure and mix effects
  - reduced idle time vs. last year
- mixed performance professionals
  - growth accelerated in IT
  - engineering remains slow
- EBITA margin up to 4.3% (vs. 1.4% LY)
  - strong operating leverage
- new collective labour agreement in place



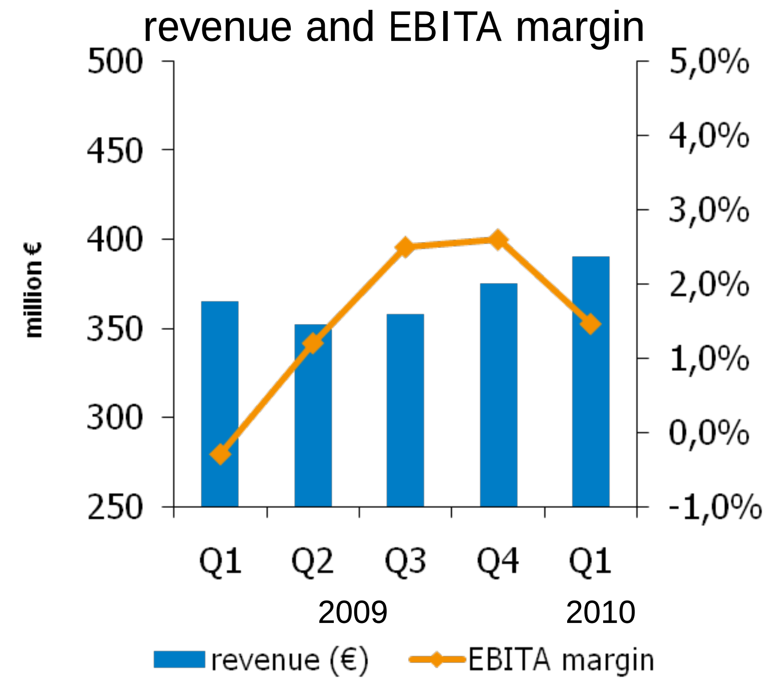
UK: strong growth inhouse and recovery in perm

- organic revenue p/wd -6% in Q1 2010
- inhouse showing strong growth (YoY)
  - strong pipeline new clients
- general staffing slightly recovering
- strong recovery perm fees throughout Q1 (-13% in Q1 YoY/ +18% QoQ)
- professionals remains mixed picture
  - continued recovery in Finance, HR, Media
  - challenging market conditions remain in Engineering/Construction
  - Healthcare and Education segments face pressure
- EBITA margin about stable at 2.2%



North America: double digit growth in staffing & inhouse

- organic revenue p/wd +9% in Q1 2010 (vs. -13% in Q4 2009)
  - strong outperformance of the market
  - over 20% growth in US staffing & inhouse (YoY)
  - decline at US professionals eased, growth in March
  - Canada slightly down in Q1, growth in March
- gross margin still under pressure
  - competitive pricing & mix effects
  - negative impact SUI* charges
- continued good cost management
- EBITA margin 1.5% vs. -0.3% LY



* SUI = state unemployment insurance

Revenue development per industry segment

Q1 2010 vs Q1 2009	US	Germany	France	Netherlands*
Manufacturing	++	+	+	+
Automotive	++	++	++	-
Food	na	++	-	-
Transport	+	++	-	+
Business services	+	-	-	--
Financial services	+	-	-	-
Public administration	-	na	na	-
Health & social work	+	-	+	--

* Netherlands: based on combined revenue of Randstad and Tempo-Team

financial results & outlook

Q1 2010: financial key points (1)

- revenue growth in March
- gross margin sequentially flat since Q3
  - gross profit € 575 million, down 6% YoY
- underlying operating expenses in line with guidance of € 500 million
  - current trends give reason to maintain the network
- EBITA* reached € 75 million vs. € 49 million LY
- reclassification of € 8 million due to change in French tax law has positive effect on gross profit and EBITA
- diluted EPS up from € 0.05 in Q1 2009 to € 0.28

* EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

Q1 2010: financial key points (2)

- moving average DSO improved by 1 day to 57 days (YoY)
- increased use of working capital
- free cash flow in Q1 2010 amounts to € 39 million
- net debt improved to € 996 vs. € 1,015 in Q4 2009
  - leverage ratio at the end of Q1 2010 is 2.3 (1.8 Q1 2009, 2.5 ultimo 2009)
  - next mandatory reduction (€ 105 million) of the term loan due in May 2012

* EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill, integration costs and one-offs.

income statement Q1 2010

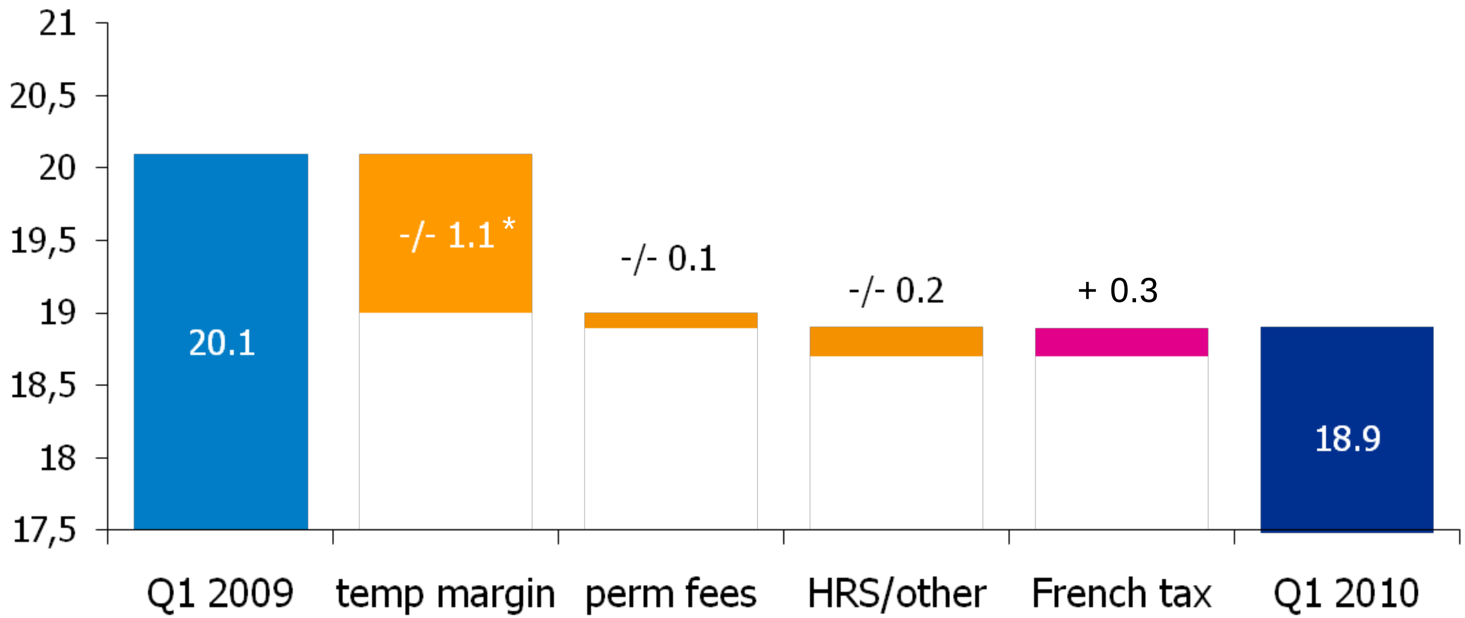
€ million	Q1 2010	Q1 2009	% change	% organic
revenue	3,039	3,056	*-1%*	*-1%*
gross profit	575	614	*-6%*	*-7%*
gross margin	*18.9%*	*20.1%*		
operating expenses*	500	565	*-12%*	*-10%*
opex as % of revenue	*16.4%*	*18.5%*		
EBITA**	75	49	*53%*	*26%*
EBITA margin	*2.5%*	*1.6%*		
amortization	-40	-40		
integration costs & one-offs	0	-55		
net finance costs	-6	-18		
income before taxes	30	-64		
tax	-8	11		
effective tax rate	*27%*	*17%*		
net income	22	-53		
adjusted net income***	48	9		
diluted EPS**	0.28	0.05		

* before impairment, integration costs and one-offs

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

*** attributable to ordinary shareholders

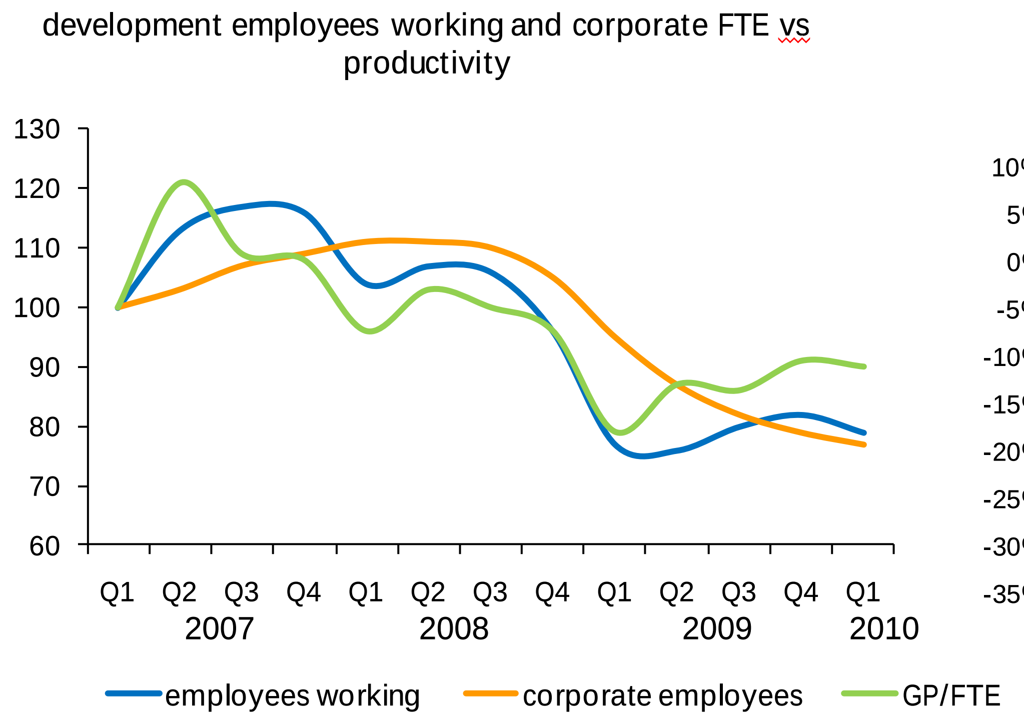
gross margin development Q1 2010

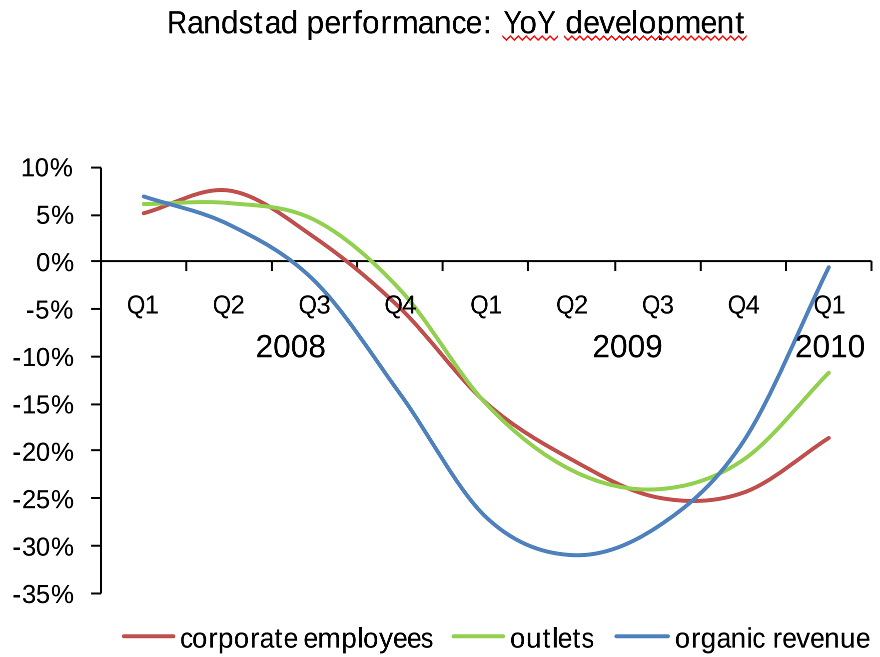


- pressure on temp margins stabilized
- negative impact perm fees fading
- perm fees declined 7% organically (YoY) vs. -/- 46% in Q4 2009
  - perm fees are now 9.2% of gross profit (9.1% Q1 2009)
- parts of Dutch HR services business sold in summer 2009
- reclassification of French business tax has a positive effect

* including country mix-effect

timely adaption cost structure, improving productivity





tax

driver / impact	effective* tax rate	cash tax rate	explanation
growth operating companies	+	+	less impact of permanent differences
growth opcos and mix effects	+	+	higher weight countries with high CIT rate
changes in corporate income tax (CIT) rates	+ or -/-	+ or -/-	dependent on direction of change
repayment € 150 m. (Dutch tax)		+	Ultimately 2012
payment regarding recapture obligation		+	tax payment NL based on German profits
timing differences		+ or -/-	dependent on changes in deferred taxes

expected tax rates (%)		effective* tax rate	cash tax rate (compared to the effective tax rate)	expected effective tax rates revised up due to change French business tax; no net impact
2009		20-22	slightly above	estimated cash tax rate is excl. €150 m. tax repayment
2010	was: 20-22	27-30	slightly above	
2011-2013	was: 24-30	31-37	in line	

* tax rate on the underlying profit before tax (before amortization acquisition related intangibles)

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consolidated balance sheet

€ million	March 31, 2010	March 31, 2009
property, plant & equipment	143	180
intangible assets	3,151	3,306
deferred tax assets	480	474
other assets	2,827	3,145
total equity	2,544	2,405
non-current liabilities	1,883	2,466
current liabilities	2,175	2,234
balance sheet total	6,602	7,105
moving average DSO (days)	57	58
net debt position	996	1,446

consolidated cash flow statement

€ million	Q1 2010	Q1 2009
cash flow from operations before OWC	108	32
release / (usage) of OWC	-/-57	204
additions of PPE	-/-5	-/-6
additions of software	-/-7	-/-7
financial receivables	-	2
dividend	-	-
disposals of PPE	1	2
free cash flow	39	228

€ million	Q1 2010
free cash flow	**39**
net (acquisition)/ disposals	-/-5
interest	-/-3
dividend	-
translation / other on borrowings	-/-12
net debt (increase) / reduction Q4 2009 –> Q1 2010	**19**

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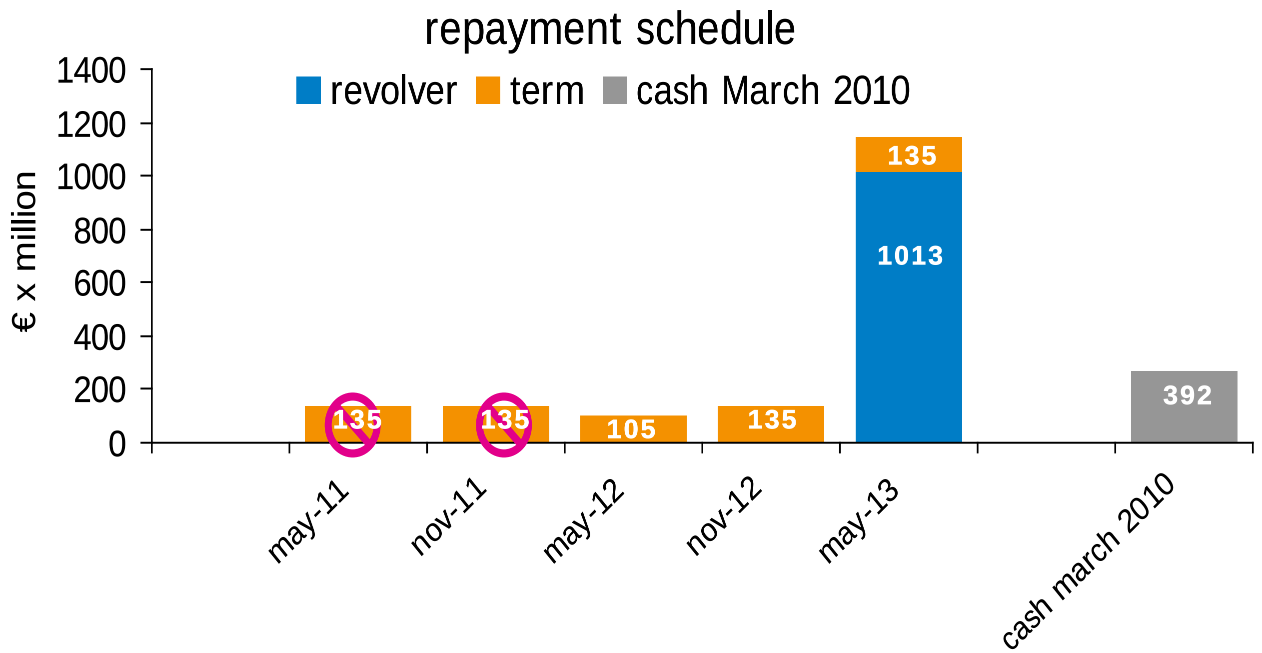
debt facilities & repayment schedule



- covenant; net debt/EBITDA* of max. 3.5
  - in Q1 2010 the net debt/EBITDA improved to 2.3
- syndicated facility reduced from € 2,295 million to € 1,995 million
- no mandatory payments before May 2012
- no refinancing before 2013
- standby securitization facility of € 125 million

* EBITDA; 12 months rolling back, before integration costs and one-offs

managing through the cycle

growth phase

- market share gains
- productivity mgt through unit steering
- incremental conversion ratio ≥ 50%
- EBITA target 5-6%
- prepare for EBITA not below 4%

decline phase

- market share gains
- productivity mgt through unit steering
- recovery ratio ≥ 50%
- in normal down-turn EBITA not below 4%

stabilization phase

- market share gains
- productivity levels allow for growth, but no excessive overcapacity
- in normal downturn return to 5-6% EBITA target ASAP
- in abnormal downturn return to 4% EBITA ASAP

growth phase

- market share gains
- productivity mgt through unit steering
- incremental conversion ratio ≥ 50%
- EBITA target 5-6%
- prepare for EBITA not below 4%

outlook

- April better than March
- positive trend expected to proceed during Q2 2010
  - growth in all inhouse businesses, mainly due to manufacturing and logistics
  - staffing on the rebound in most regions
  - professionals recovers slowly, however showing growth in some regions in March
  - perm fees showing growth again
  - late cyclical Dutch market still behind
- gross margin sequentially stable
- cost base expected to be slightly up
  - selective investments in people and marketing in areas with of growth
  - preserving network and commercial power in areas where revenue is still negative

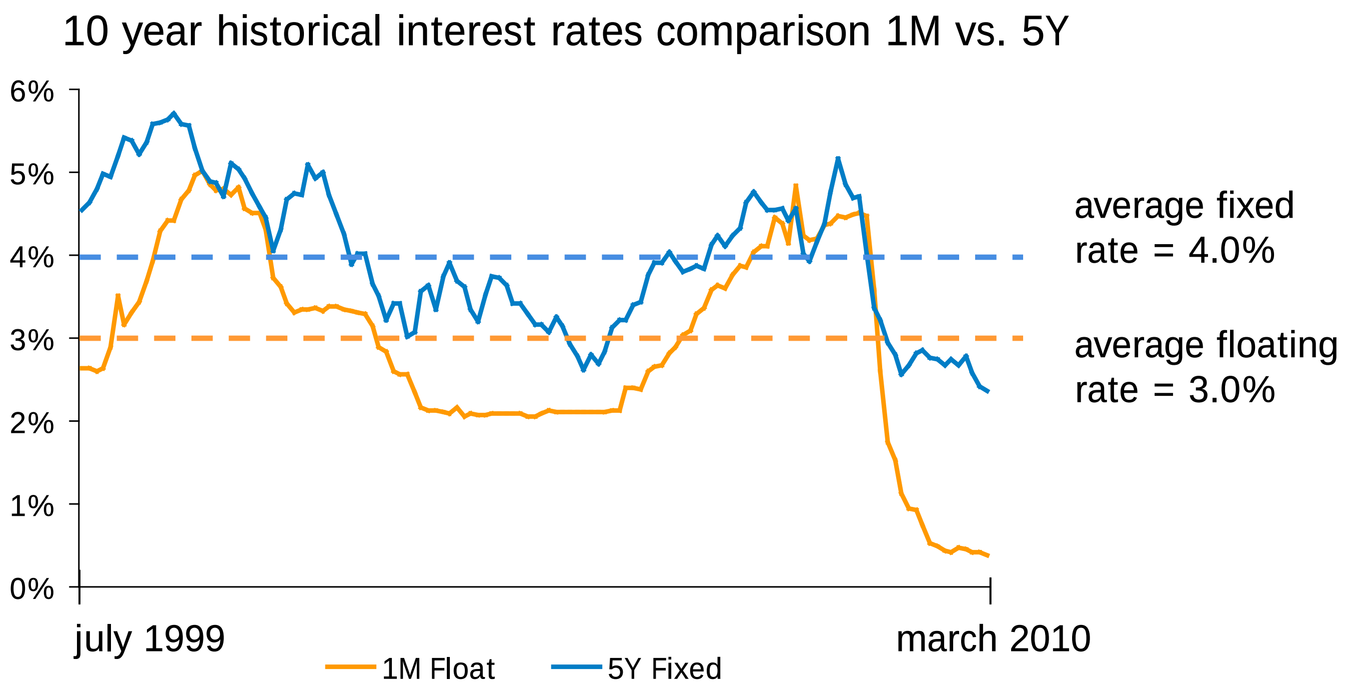
summary

- growth is back in March
- recovery is broad based
  - mainly visible in inhouse and industrial part of staffing
  - professionals segment shows slow recovery, growth visible in some regions at the end of Q1
- gross margin sequentially flat
  - commercial pressure eases, less impact perm fees
- maintaining good cost control across the board
- EBITA margin improves by 90 bps to 2.5% in Q1 (YoY)
- continued focus on:
  - cost management
  - leverage ratio
  - productivity; usage overcapacity
  - marketing campaigns & market share
  - DSO

Q&A

appendices

financing: fixed vs. floating interest rates



- we use floating interest rates as a natural hedge
  - spread above Euribor of 50-115 bps.
- decoupling of Euribor and money market in 2008 due to banking crisis
- trend normalizing again since Q4 2008

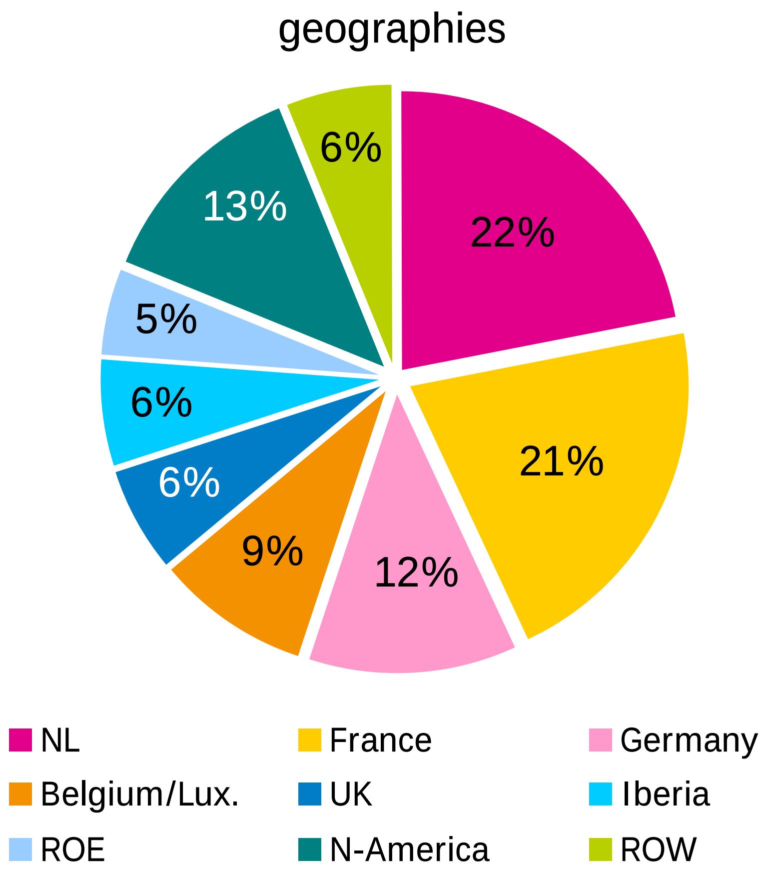
geographic performance

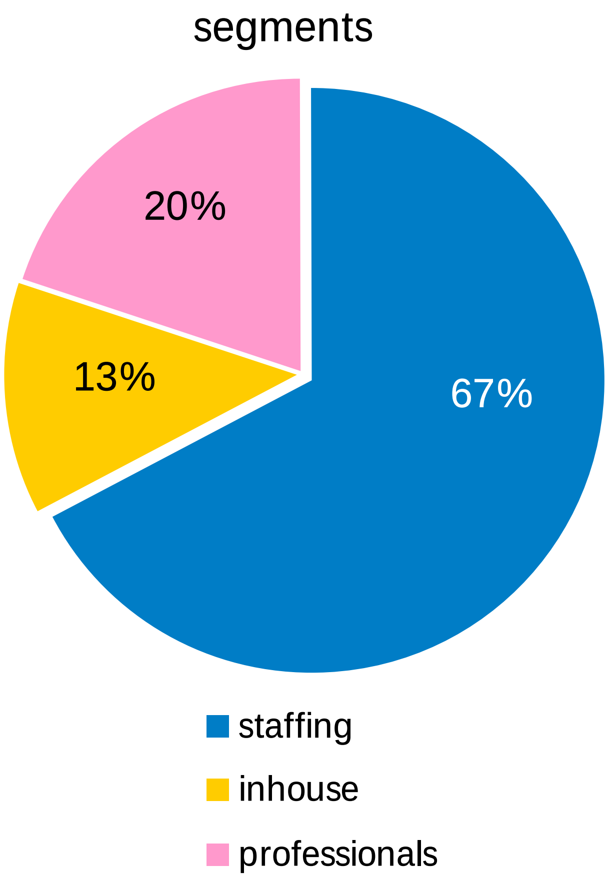
€ million	Q1 2010	Q1 2009	organic growth
revenue:			
the Netherlands	654	771	*-14%*
France	644	636	*1%*
Germany	351	318	*10%*
Belgium/Luxembourg	280	286	*-2%*
United Kingdom	191	200	*-6%*
Iberia	193	180	*7%*
North America	390	365	*9%*
EBITA margin:			
the Netherlands	*6.2%*	*5.8%*	
France	*0.0%*	*-0.1%*	
Germany	*4.3%*	*1.4%*	
Belgium/Luxembourg	*2.9%*	*3.3%*	
United Kingdom	*2.2%*	*2.3%*	
Iberia	*1.3%*	*0.3%*	
North America	*1.5%*	*-0.3%*	

segment performance

€ million	Q1 2010	Q1 2009	organic growth
revenue:			
staffing	2,051	2,071	*-2%*
inhouse services	380	294	*30%*
professionals	608	692	*-11%*

revenue split Q1 2010





outlets* by country

end of period	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
the Netherlands	726	754	761	786	830
France	966	988	993	988	1,060
Germany	433	428	431	436	493
Belgium/Lux	392	329	332	331	342
United Kingdom	289	292	294	301	368
Iberia	261	265	266	274	282
Other Europe	340	340	341	349	366
North America	477	494	504	513	563
Rest of world	229	239	259	354	368
total	**4,113**	**4,129**	**4,181**	**4,332**	**4,672**

* branches and inhouse locations

corporate employees by country

average	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
the Netherlands	5,260	5,610	5,870	6,210	6,780
France	3,870	4,000	4,270	4,390	4,570
Germany	2,370	2,320	2,290	2,330	2,710
Belgium / Lux.	2,020	2,050	2,010	1,970	2,140
United Kingdom	2,040	2,110	2,230	2,470	2,710
Iberia	1,470	1,500	1,530	1,610	1,690
Other Europe	1,460	1,460	1,480	1,710	1,910
North America	2,780	2,870	2,960	3,120	3,530
Rest of world	3,480	3,510	3,680	3,960	4,340
Holding	150	150	150	160	160
total	**24,900**	**25,580**	**26,470**	**27,930**	**30,540**

staffing employees by country

averages	Q1 2010	Q1 2009
the Netherlands	79,700	96,400
France	73,800	73,400
Germany	42,300	34,800
Belgium / Lux.	37,500	38,200
United Kingdom	23,100	21,200
Iberia	46,700	44,000
Other Europe	28,600	27,300
North America	47,900	40,800
Rest of world	82,500	76,000
total	**462,100**	**452,100**