

1st quarter results 2014

profitable growth, strong cost control

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Randstad Holding nv
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disclaimer & definitions

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

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

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

diluted EPS is measured before amortization and impairment acquisition-related intangible assets and goodwill, badwill, integration costs and one-offs.

agenda

~ performance

~ financial results & outlook

~ Q&A

~ appendices

performance

profitable growth, strong cost control

€ million	Q1 '14	Q1 '13	% Org.	L4Q '14	L4Q '13	% Org.
revenue	3,970	3,832	+4%	16,706	16,766	0%
gross profit	717	684	+6%	3,045	3,037	+2%
<i>gross margin</i>	<i>18.1%</i>	<i>17.8%</i>		<i>18.2%</i>	<i>18.1%</i>	
operating expenses*	594	592	+1%	2,435	2,493	-/-1%
<i>opex margin</i>	<i>15.0%</i>	<i>15.5%</i>		<i>14.6%</i>	<i>14.9%</i>	
EBITA*	123	92	+38%	610	544	+14%
<i>EBITA margin*</i>	<i>3.1%</i>	<i>2.4%</i>		<i>3.7%</i>	<i>3.2%</i>	

↪ organic growth/wd up 3.6% in Q1, March at +3.5%

- strong negative FX impact of 2.7% (€ 100M), offset by USG acquisition
- perm +9% (Q4: +6%)

↪ gross margin up by 30 bps YoY

- CICE subsidies in France

↪ operating expenses* decreased sequentially by € 34M

- marketing down by € 17m vs. Q4
- savings from Belgium restructuring, phasing of bonus costs & 1% fewer FTEs

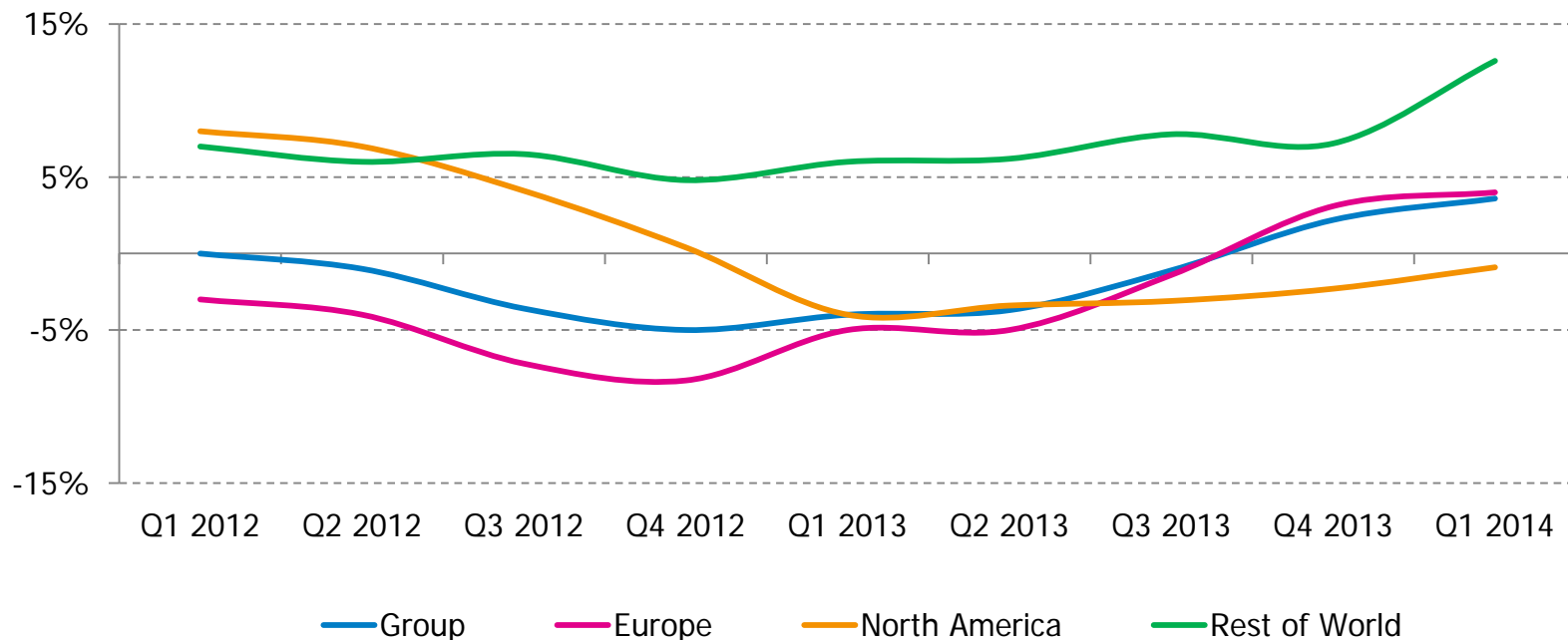
↪ EBITA* margin up to 3.1%, from 2.4% LY

- incremental conversion of 94%

* Before integration costs, restructuring costs & one-offs.

Q1 2014: continued gradual recovery

YoY Randstad growth development



- ↗ growth in Germany, Belgium, Iberia, UK, Italy, Switzerland, Austria & Poland
- ↗ US back to growth in March (+3%)
- ↗ accelerated growth in Japan and emerging markets
- ↗ growth up from +3.2% in January to +3.5% in March

North America: US back to growth in March

revenue -/-1% (Q4: -/-2%)

- adverse impact of weather in early Q1 (~70bps)

US staffing & inhouse, gross profit +6%

- improving revenue trend +1% in Q1, March +5%

- strong perm (+12%) and inhouse (+6%)

US professionals, gross profit down 4%

- revenue at -/-2% for the quarter, flat in March

- IT back to growth & finance improving

- perm up by 8% (+1% in Q4)

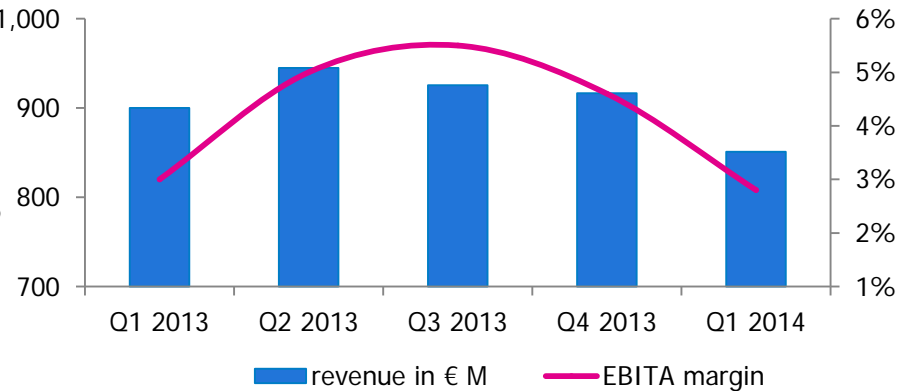
- higher medical claim costs and wage taxes

Sourceright: gross profit up 8%

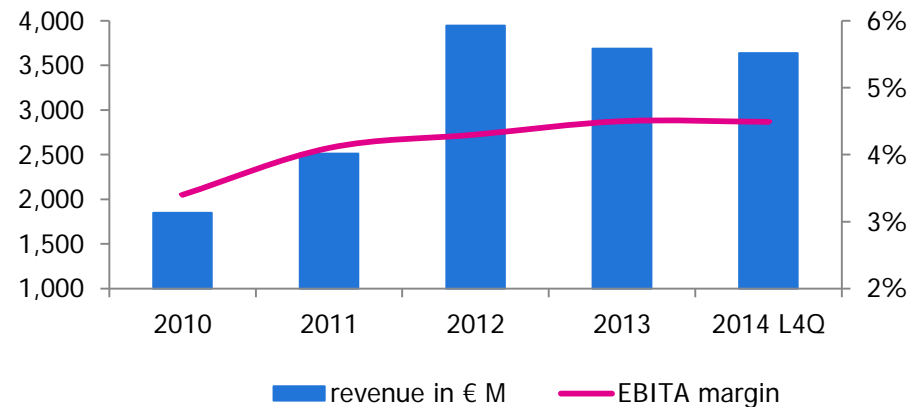
Canada: revenue -/-5%, perm +5%

EBITA margin down to 2.8% vs. 3.0% LY

performance North America - quarterly



performance North America - annually



France: improved profitability

revenue -/-2% (Q4: -/-2%)

- improving trend through the quarter
- continued growth at inhouse at +27% YoY
- good performance in SME
- professionals gradually improving to -/-7%
- perm fees down 4%

gross profit up 12% YoY

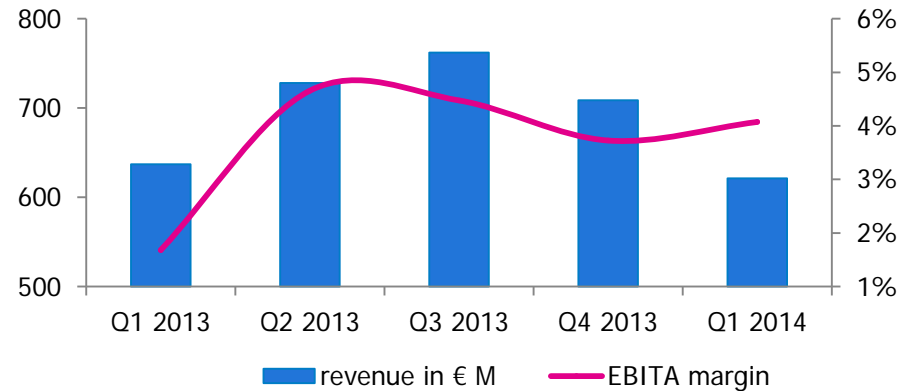
- gross margin up 200 bps, supported by CICE
- CICE rate increases from 4% to 6%
- Q1 2013: 50% of subsidies recognized

strong cost control: costs down 5% YoY

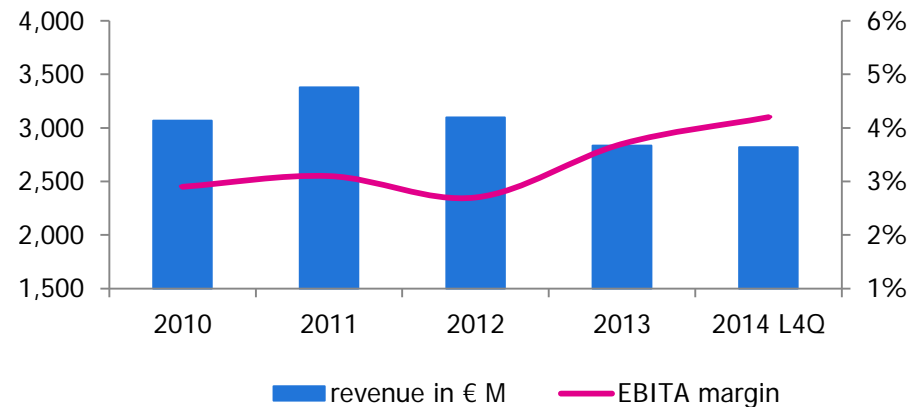
- FTEs down by 3% sequentially
- merging branches on track

EBITA margin up to 4.1% vs. 1.7% LY

performance France - quarterly



performance France - annually



the Netherlands: focus on profitable market share gains

incremental conversion ratio of 95%

revenue -/-1% (Q4: 0%)

- RNL flat YoY (Q4: +3%), against strong Q1 '13
- Tempo-Team easing rate of decline
- action plan to improve performance RNL/TT
- Yacht continued to improve through the quarter

gross profit up 1%

- perm up 24%

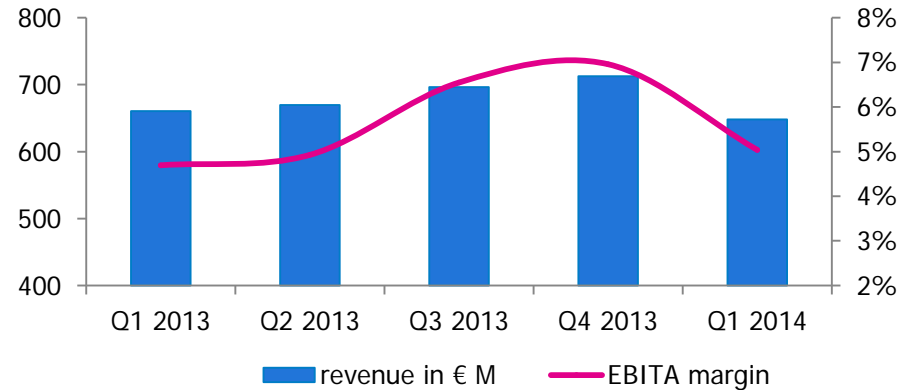
costs down 3% sequentially

- lower marketing costs
- FTEs down 3% YoY

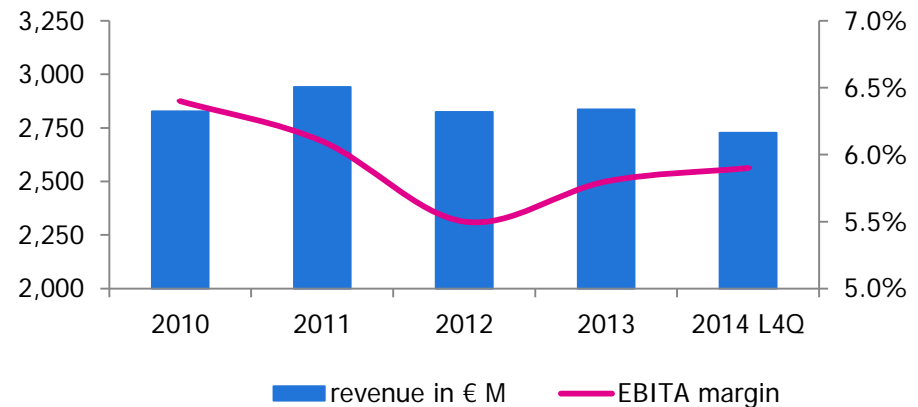
EBITA margin up to 5.0% vs. 4.7% LY

- improved mix: professionals & perm
- strong cost control

performance the Netherlands - quarterly



performance the Netherlands - annually



Germany: stable volume trend

revenue +11% (Q4: +9%)

- significant price effect (+9%), stable volumes
- good growth in IT, inhouse & Tempo-Team
- new CLA implemented in November 2013
- focus on SME, perm & delivery models

gross margin reflects CLA change

- lower sickness rate
- higher wages
- change calculation method holiday and sick pay
- good progress with price increases

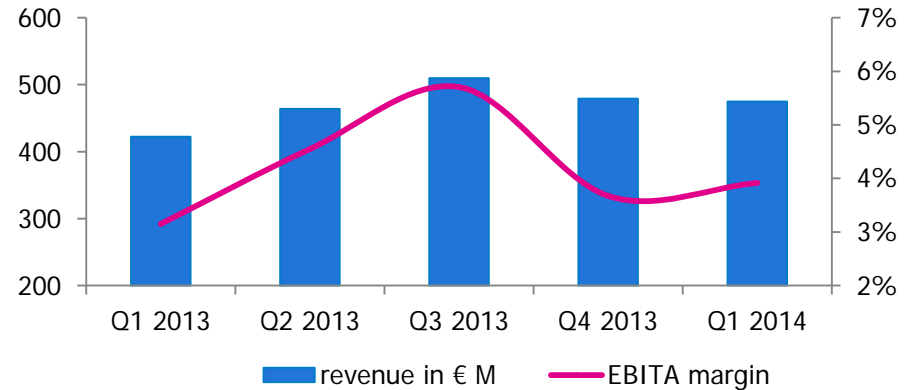
operating expenses up 5% YoY

- FTEs up 5% vs. LY, sequentially flat

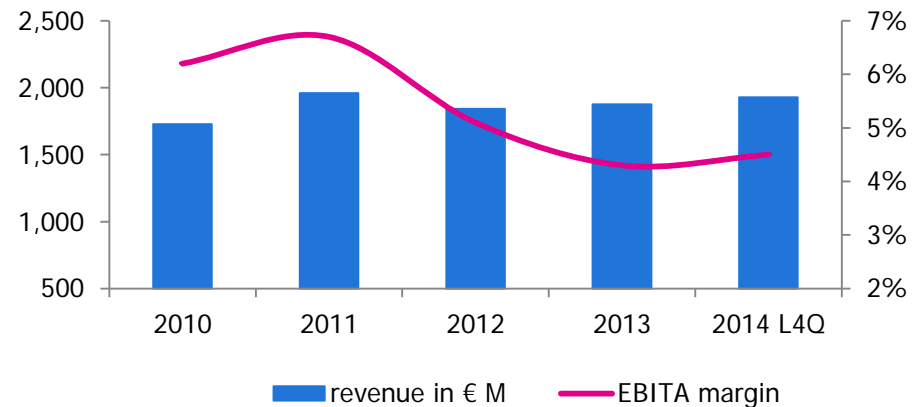
EBITA margin up to 3.9% vs. 3.1% LY

- 0.8 more working days
- incremental conversion rate of 66%

performance Germany - quarterly



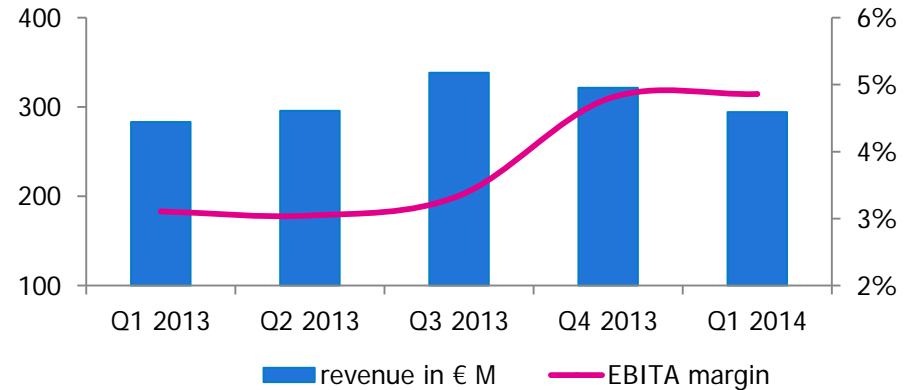
performance Germany - annually



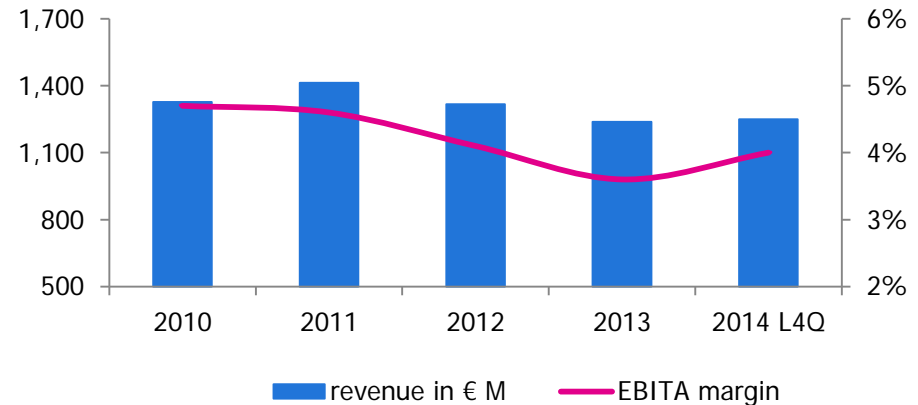
Belgium: back on track

- revenue +4% (Q4: +1%)
 - inhouse back to growth at +3% (Q4: -/-14%)
 - Randstad ahead of market in administrative
 - professionals up by +4%
- costs down 11% YoY
 - benefit of savings from restructuring plan
 - natural attrition in staff
 - limited wage inflation impact
- EBITA margin up to 4.9% vs. 3.1% LY
 - strong operating leverage

performance Belgium - quarterly



performance Belgium - annually



UK: improving performance

revenue +5% (Q4: +7%)

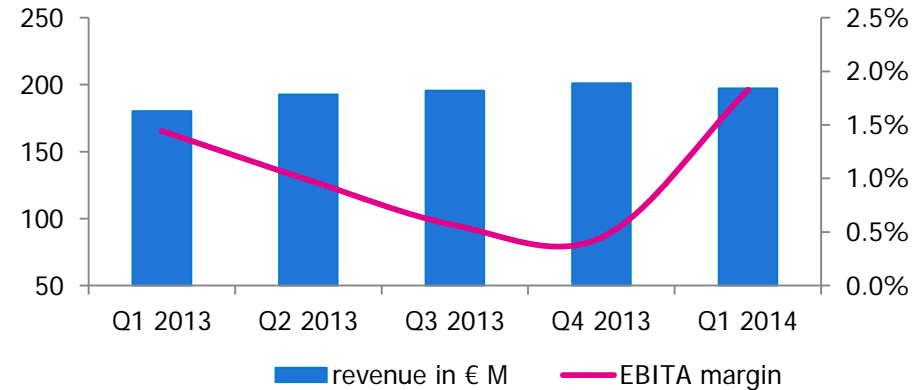
- continued growth in professionals (up 6%)
 - led by education and construction
 - slow start to the year in finance
- inhouse at +15% against a soft Q1 '13
- staffing -/-9% due to focus on client profitability
- perm fees up by 2% (Q4: +2%), March +14%

focus on further improving performance

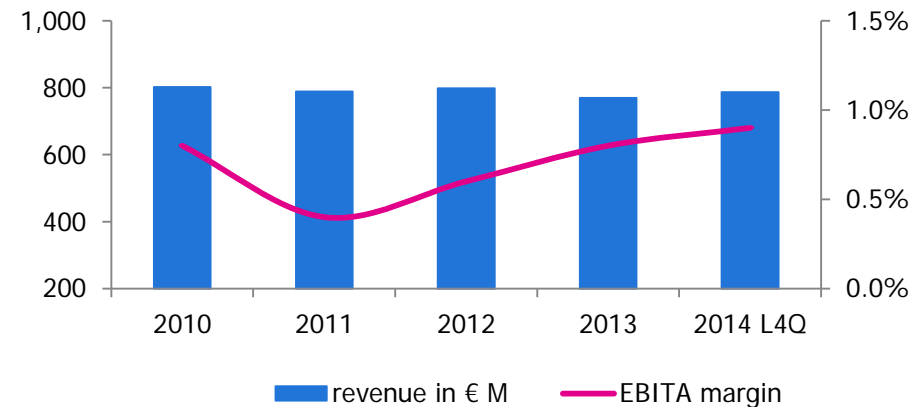
- field steering to improve performance
 - GP/FTE up by 6%
- client profitability

EBITA margin up to 1.8% vs. 1.4% LY

performance UK - quarterly



performance UK - annually



Iberia: strong performance

incremental conversion ratio of 200%

Spain

- revenue +4% (Q4: +2%)
- growth driven by logistics and manufacturing
- strong performance in professionals & perm
- integration process to be completed by end H1

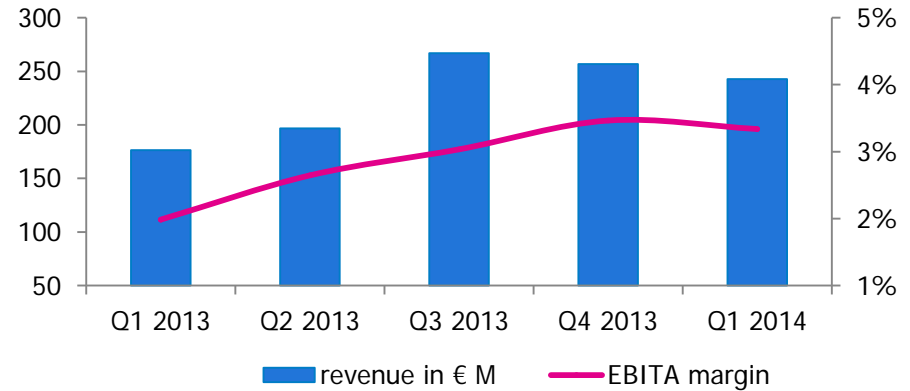
Portugal

- revenue growth stable at +8% (Q4: +8%)
- growth driven by automotive and manufacturing

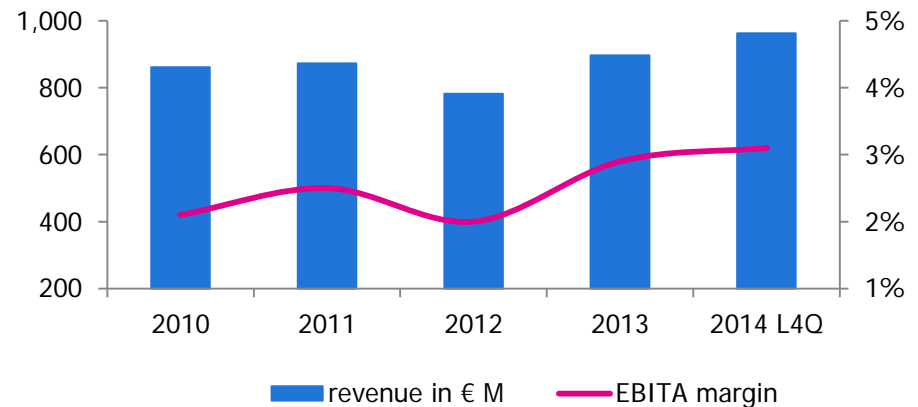
EBITA margin up to 3.3% vs. 2.0% LY

- synergies of € 1.5m, up from € 0.9m in Q4
- strong cost control maintained

performance Iberia - quarterly



performance Iberia - annually



Other European countries: strong growth

Italy

- revenue up by 14% (Q4: +7%)
- growth driven by industrial segment
- integration to be completed Q2 2014

Switzerland

- growth improved to +6% (Q4: +2%)
- strong growth at inhouse

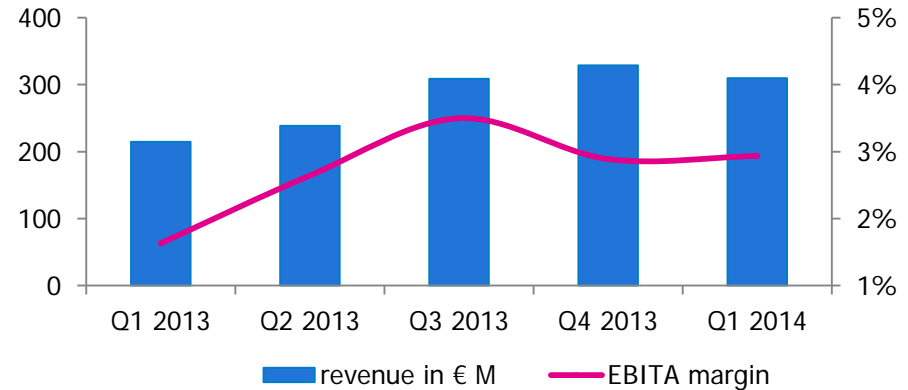
Poland

- growth remains strong at +23% (Q4: +27%)
- investing in growth; FTEs up 11% sequentially

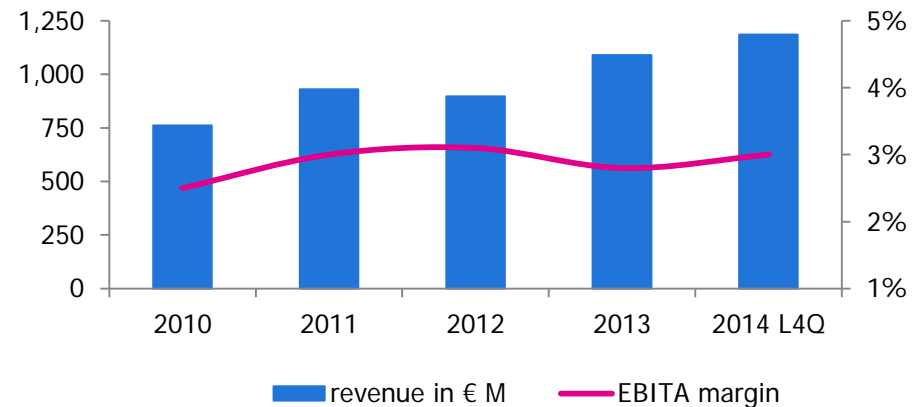
EBITA margin up to 2.9% vs. 1.6% LY

- synergies of € 1.1m
- strong operating leverage

performance ROE - quarterly

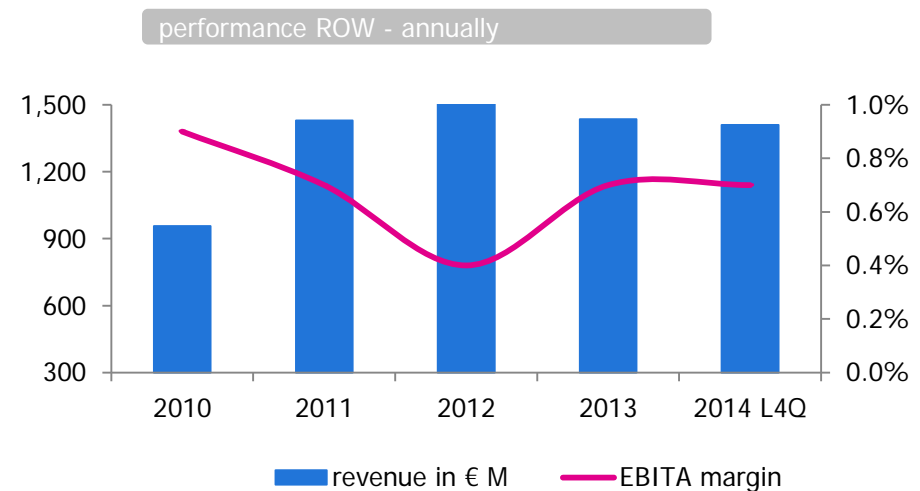
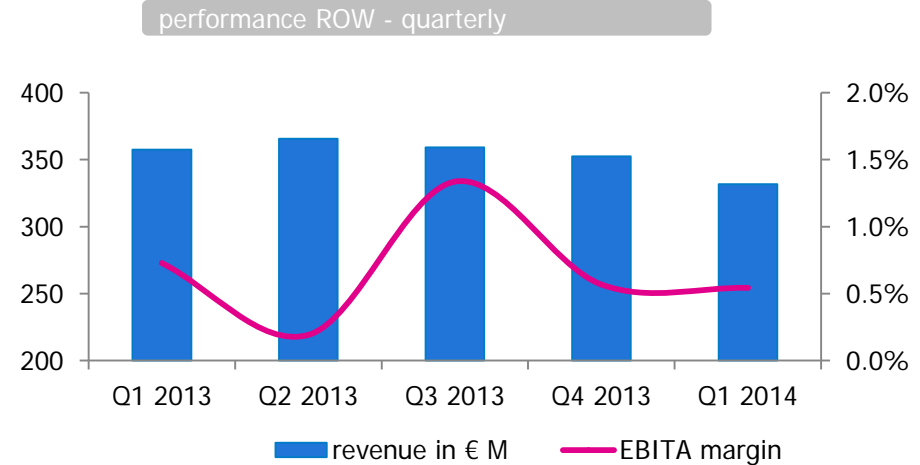


performance ROE - annually



Rest of the world: investing in profitable growth

- Japan grew by 11% YoY (Q4: +4%)
 - growth driven by logistics and retail
- Australia / New Zealand grew by 15%
 - temp strengthened further, driven by business support and industrial
 - perm still challenging
- Asia, up 13%
 - China growing 83%
 - investing in growth across region
- Latin America, up 9%
 - capturing productivity improvements from recent investments
- EBITA margin remains unsatisfactory



financial results & outlook

income statement Q1 2014

€ million	Q1 2014	Q1 2013	% change	% organic
revenue	3,970	3,832	+4%	+4%
gross profit	717	684	+5%	+6%
<i>gross margin</i>	<i>18.1%</i>	<i>17.8%</i>		
operating expenses*	594	592	+0%	+1%
<i>opex as % of revenue</i>	<i>15.0%</i>	<i>15.5%</i>		
EBITA*	123	92	+34%	+38%
<i>EBITA margin*</i>	<i>3.1%</i>	<i>2.4%</i>		
integration costs & one-offs	5	3		
reported EBITA	118	89		
amortization & impairment	-/- 36	-/- 41		
net finance income/(costs)	-/- 3	-/- 6		
income before taxes	80	42		
tax	-/- 25	-/- 13		
net income	55	30		
<i>adjusted*** net income**</i>	<i>80</i>	<i>57</i>		
<i>diluted EPS***</i>	<i>0.45</i>	<i>0.33</i>		

* before integration costs and one-offs.

** attributable to holders of ordinary shares.

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

Q1 2014: financial key points

- ↻ free cash flow amounted to € 74M vs. € 42M LY
 - lower working capital requirements than LY
 - improved profitability
- ↻ leverage ratio improved to 1.1 (Q4: 1.2)
- ↻ effective tax rate* amounted to 31% (FY 2013: 32%)
 - guidance full year 2014: 31%
- ↻ diluted EPS* to € 0.45 vs. € 0.33 in Q1 2013
- ↻ dividend 2013: payment on ordinary shares of € 0.95
 - cash dividend ~€ 56M, issue 2.6M ordinary shares
 - 66.6% elected for stock dividend (2013: 61.1%)

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

segment performance, focus on delivery models

Staffing in € M	Q1 2014	Q1 2013	% organic*
revenue	2,352.4	2,333.5	0%
EBITA	74.4	48.0	53%
EBITA margin	3.2%	2.1%	

- focus on revenue quality in North America
- stable performance in Europe, with strong focus on client profitability
- perm +6%

Inhouse in € M	Q1 2014	Q1 2013	% organic*
revenue	809.9	692.5	17%
EBITA	37.5	25.4	51%
EBITA margin	4.6%	3.7%	

- transfer of clients from staffing to ensure right delivery model is offered
- good growth in UK, Germany, France & North America mainly in industrial & logistics clients

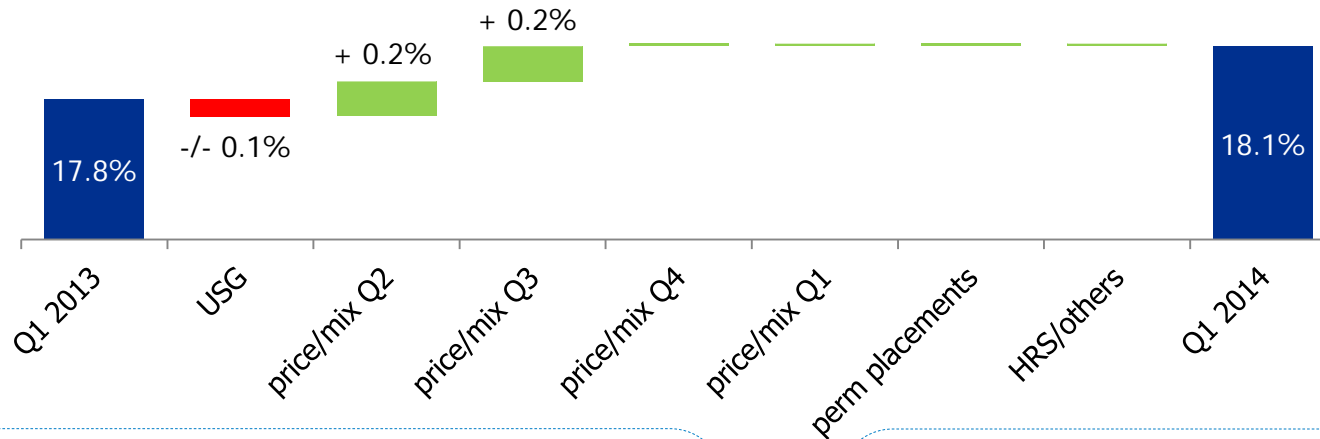
Professionals in € M	Q1 2014	Q1 2013	% organic*
revenue	807.4	806.0	3%
EBITA	25.2	29.9	-/-12%
EBITA margin	3.1%	3.7%	

- growth led by Germany, UK, Belgium, NL and Iberia
- France declined, impacted by lower demand in healthcare business
- Australia +15%, but perm challenging
- overall perm +9%

* revenue is per working day.

gross margin bridge

YoY gross margin development

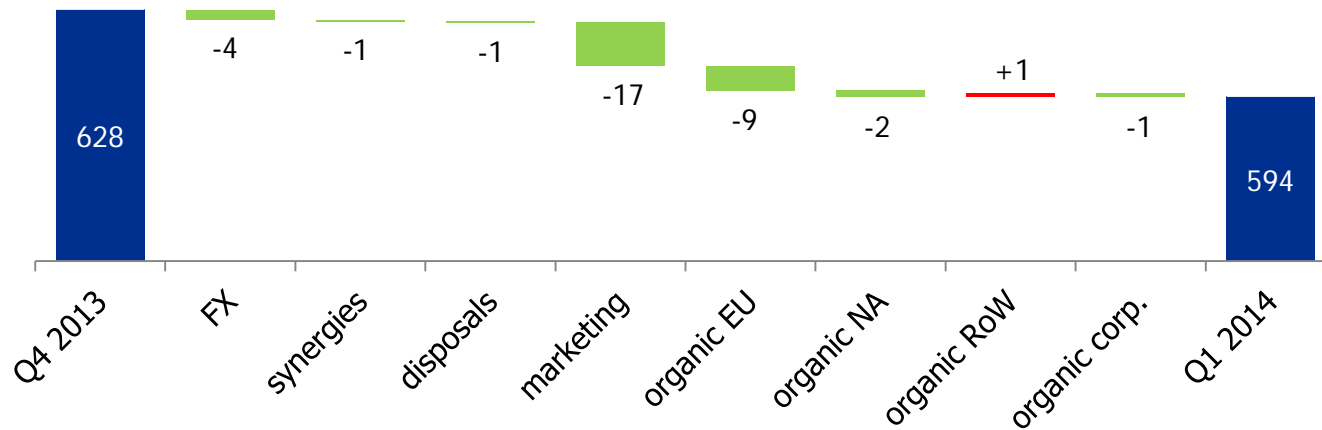


- margin expansion North America, NL
- CICE benefits in France
- continued focus on client profitability

- perm fees were 10.0% of GP (flat to LY)
 - organic growth of 9% YoY
 - negative impact FX

operating expenses bridge

sequential OPEX development in € M



- beneficial FX impact
- USG synergies
- reduced marketing and bonus costs

- completion of Belgium restructuring
- strong cost control maintained
- investment in emerging markets

net debt down by € 216M

leverage ratio at 1.1 and improved working capital management

€ million	March 31, 2014	March 31, 2013
goodwill and intangible assets	2,627	2,908
operating working capital	474	563
net tax assets	482	359
dividend payable	0	-/-222
other assets and liabilities	73	5
invested capital	3,656	3,613
equity	2,942	2,683
net debt	714	930
invested capital	3,656	3,613
<i>DSO, Days Sales Outstanding</i>	<i>51.8</i>	<i>52.0</i>
<i>working capital as % of revenue</i>	<i>2.8%</i>	<i>3.4%</i>
<i>leverage ratio</i>	<i>1.1</i>	<i>1.5</i>
<i>return on invested capital*</i>	<i>13.7%</i>	<i>11.2%</i>

* based on underlying EBITA less income taxes paid.

free cash flow to € 74M

€ million	Q1 '14	Q1 '13	L4Q '14	L4Q '13
EBITDA	135	106	626	530
(release)/addition of OWC	-/- 22	-/- 33	89	80
income taxes paid	-/- 10	-/- 16	-/- 240	-/- 138
provisions	-/- 2	-/- 8	-/- 44	20
net additions in PPE and software	-/- 12	-/- 3	-/- 53	-/- 52
other items	-/- 15	-/- 8	-/- 46	9
financial receivables	-	4	-/- 7	2
free cash flow	74	42	325	451
net acquisitions/disposals/buyouts	-/- 1		-/- 16	
net issue/purchase of ordinary shares	-/- 24		-/- 19	
issue of preference shares c	-		-/- 2	
net finance costs paid	-/- 2		-/- 18	
dividend paid	-		-/- 91	
translation effects and other items	-		38	
net debt decrease	47		217	

outlook Q2

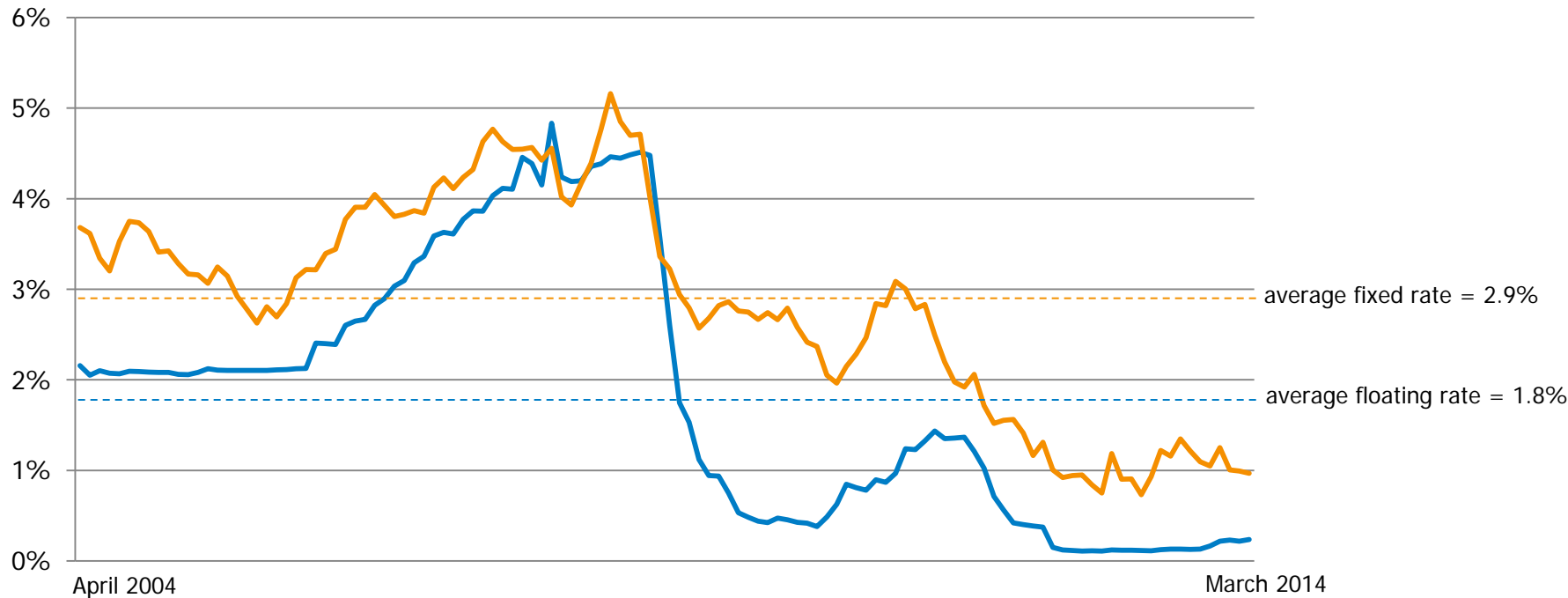
- ↻ organic revenue/wd grew by 3.6% in Q1 2014, while it was 3.5% in March
 - gradual improvement throughout Q1 2014
 - significant FX impact
- ↻ gradual recovery continues but we do not see an acceleration of growth yet
 - intensify our focus on activity-based field steering across all countries
- ↻ same number of working days as last year
- ↻ seasonally higher gross margin in Q2 vs. Q1
- ↻ cost base will increase sequentially;
 - normal seasonal increase in marketing costs
 - limited investment in headcount in selected markets
 - synergies relating to USG gradually materializing through H1 2014
 - aiming for incremental conversion of around 70%

Q&A

appendices

financing: fixed vs. floating interest rates

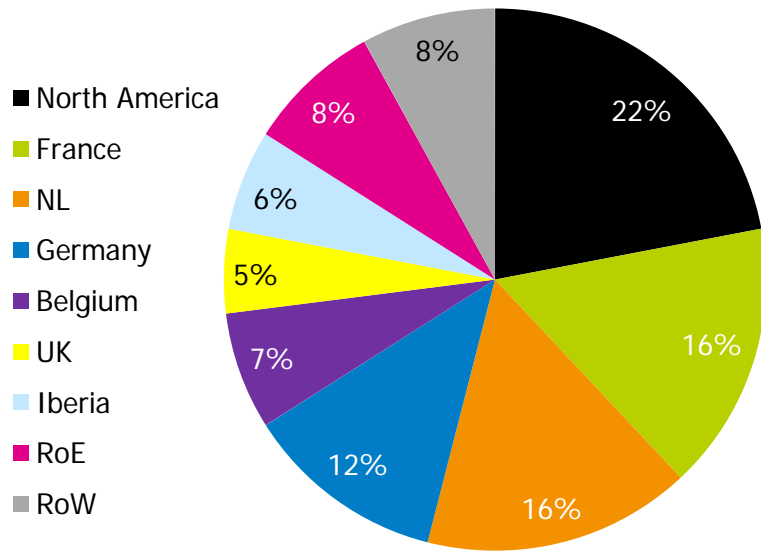
10 year historic interest rates comparison 1M vs. 5Y



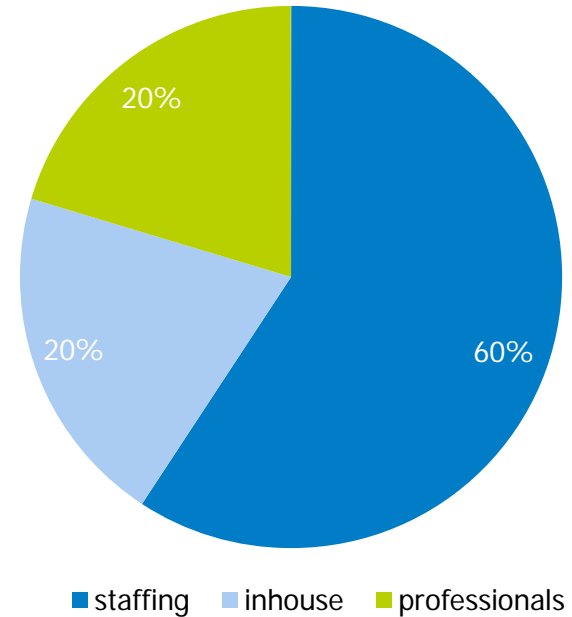
we use floating interest rates as a natural hedge
- spread above Euribor of 50-115 bps

revenue split Q1 2014

geographical area

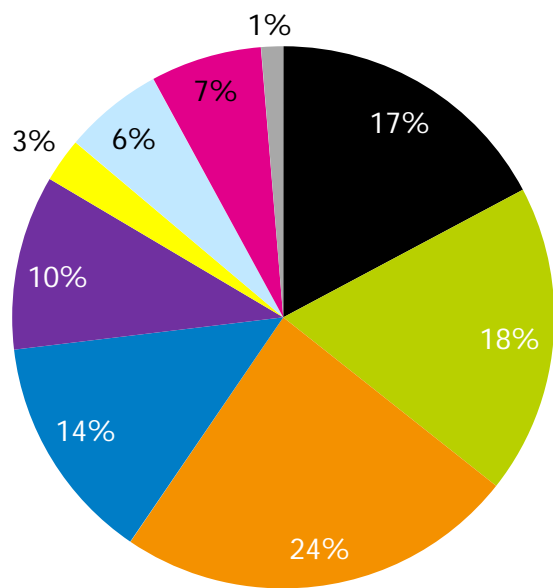


revenue categories

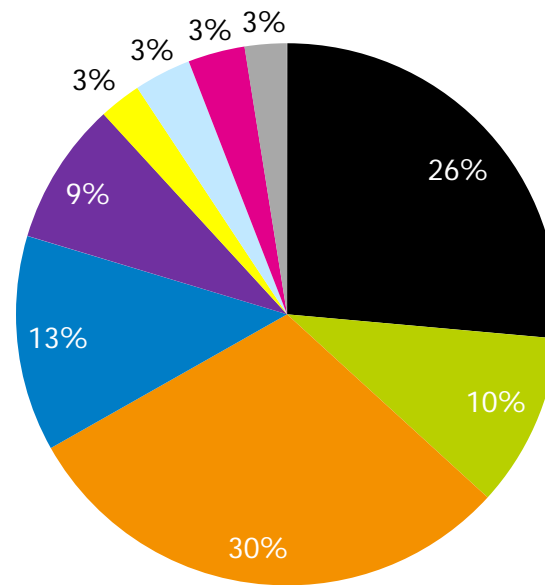


EBITA breakdown by geography

Q1 2014



Q1 2013



- North America
- France
- NL
- Germany
- Belgium
- UK
- Iberia
- RoE
- RoW

outlets* by region

end of period	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
North America	1,075	1,055	1,067	1,060	1,053
France	794	791	849	863	866
the Netherlands	675	672	662	679	688
Germany	550	557	553	547	539
Belgium/Lux	314	307	319	321	320
United Kingdom	142	147	155	155	160
Iberia	283	405	416	252	253
Rest of Europe	380	435	428	338	338
Rest of World	216	218	223	225	232
total	4,429	4,587	4,672	4,440	4,449

* branches and inhouse locations.

corporate staff by region

average	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
North America	6,230	6,320	6,260	6,230	6,160
France	3,370	3,480	3,630	3,620	3,630
the Netherlands	4,240	4,260	4,300	4,270	4,360
Germany	2,610	2,620	2,520	2,480	2,500
Belgium/Lux	1,700	1,800	1,840	1,770	1,890
United Kingdom	1,520	1,530	1,490	1,500	1,550
Iberia	1,490	1,530	1,570	1,230	1,240
Rest of Europe	2,360	2,260	2,240	1,750	1,730
Rest of World	4,570	4,530	4,440	4,390	4,430
Corporate	190	180	180	180	180
total	28,280	28,510	28,470	27,420	27,670

staffing employees by region

average	Q1 2014	Q1 2013
North America	99,600	100,300
France	67,000	69,900
the Netherlands	72,300	79,700
Germany	45,700	45,500
Belgium/Lux	37,000	36,300
United Kingdom	18,400	18,200
Iberia	52,400	47,900
Rest of Europe	52,300	41,200
Rest of World	110,800	109,800
total	555,500	548,800