Randstad Holding nv
Diemermere 25, Diemen
P.O. Box 12600, NL-1100 AP Amsterdam

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

Press release	Second quarter and half year results 2011
	Date
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	For more information
	Jan-Pieter van Winsen/Machteld Merens
	Telephone
	+31 (0)20 569 56 23

Strong growth against a challenging comparison base
revenue up 13% and net income up 36%

Key points Q2 2011

- Revenue up 13% to € 3,915.0 million; organic growth[1] per working day 11%
- Gross margin up 0.3% sequentially
- Operating expenses sequentially up 1% to € 567 million
- EBITA[2] up 24% to € 153.5 million, EBITA margin at 3.9%
- Adjusted net income[3] attributable to holders of ordinary shares € 101.1 million, up 31%
- Diluted EPS[4] € 0.59, up 31%
- Intended acquisition of SFN Group announced on July 20, 2011, expected to close late Q3

"This is the fifth consecutive quarter with double-digit growth", says Ben Noteboom, CEO of Randstad. *"Our people have done a good job, with the fastest growth in Germany, France and North America. Clients are showing a high level of interest in inhouse services, and we see excellent growth there. Worldwide, the lingering uncertainties in the economy will lead to more interest in flexible solutions, more transitions and mobility on the employment market. As an HR services provider we help our clients to adapt to change and to continue being competitive and efficient. The big news is, of course, the prospect of being able to join forces in North America with our excellent colleagues from SFN Group. This is something we all look forward to. We believe that together we will be able to offer many North American and international clients, candidates, employees and shareholders even better opportunities than we would have separately. We look forward to shaping the world of work together."*

Core data

in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	*change*	6m 2011	6m 2010	*change*
Revenue	**3,915.0**	**3,468.2**	***13%***	**7,615.0**	**6,507.2**	***17%***
Gross profit, actual	720.5	659.7	*9%*	1,391.1	1,234.7	*13%*
Operating expenses, actual	567.0	536.0	*6%*	1,128.9	1,035.6	*9%*
EBITA	153.5	123.7	*24%*	262.2	199.1	*32%*
EBITA, underlying[5]	**153.5**	**119.7**	***28%***	**262.2**	**195.1**	***34%***
Adj. net income[3] attr. to holders ordinary shares	101.1	77.2	*31%*	166.9	124.8	*34%*
Net debt	1,069.7	1,142.3				
Leverage ratio (net debt/EBITDA)	1.6	2.4				
DSO, days sales outstanding (moving average)	53.8	55.7				
Share data						
Basic EPS	0.44	0.32	*38%*	0.66	0.44	*50%*
Diluted EPS[4]	0.59	0.45	*31%*	0.97	0.73	*33%*

[1] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications
[2] operating profit before amortization/impairment acquisition-related intangible assets and goodwill
[3] before amortization and impairment acquisition-related intangible assets and goodwill and one-offs
[4] diluted EPS before amortization and impairment acquisition-related intangible assets and goodwill and one-offs
[5] in Q2, 2010 EBITA was adjusted for one-offs (net € 4 million): € 10.6 million in gross profit and € 6.6 million operating expenses

Financial performance Q2 2011

Key financials – underlying[1] in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	organic change[2]	6m 2011	6m 2010	organic change[2]
Revenue	**3,915.0**	**3,468.2**	*12%*	**7,615.0**	**6,507.2**	*14%*
Gross profit	720.5	649.1	*10%*	1,391.1	1,224.1	*11%*
Operating expenses	567.0	529.4	*6%*	1,128.9	1,029.0	*7%*
EBITA	**153.5**	**119.7**	*27%*	**262.2**	**195.1**	*32%*
Margins (in % of revenue)						
Gross margin	18.4%	18.7%		18.3%	18.8%	
Operating expenses margin	14.5%	15.3%		14.8%	15.8%	
EBITA margin	3.9%	3.5%		3.4%	3.0%	

Revenue

In Q2 2011 revenue increased by 13% to € 3,915.0 million. Organic revenue growth was 12%, or 11 % per working day. The net addition of acquisitions/disposals (primarily FujiStaff with € 118 million revenue) was 3%. Currency movements had a negative impact of 2%. Permanent placement fees increased by 14% organically, in line with the previous quarter. Perm fees made up 1.8% of revenue and 9.7% of gross profit (9.2% in Q2 2010).
Throughout the quarter double-digit growth was maintained against a strong comparison base. Organic revenue growth per working day decreased slightly from 13% in April to 10% in June, while in 2010 revenue growth improved through the quarter from 12% in April to 15% in June.
Inhouse services, mainly focused on industrial and logistical segments, continued to show high growth rates, resulting in 29% organic growth. Staffing grew by 10% organically. Growth in the administrative segment built further momentum in various regions. Professionals grew by 7% organically compared to 6% in the previous quarter.
France and North America continued to show solid organic growth of 16% and 14% respectively. Despite the strong comparison base, Germany showed organic growth of 16%. Our Dutch business grew by 7% organically in line with the previous quarter. Randstad the Netherlands performed ahead of the market. Slow demand in the public sector continued to have a significant impact on our Dutch and UK businesses.

Gross profit

In Q2 2011 gross profit amounted to € 720.5 million. Organic growth in gross profit was 10%. The gross margin was 18.4%, up from 18.1% in the previous quarter (Q2 2010: 18.7%).
The temp margin improved 0.2% sequentially, but was 0.4% below last year. The sequential increase is mainly caused by a better mix in Staffing, partly offset by continued high growth in Inhouse services. Price pressure in countries such as the Netherlands and Belgium remained, but this effect was less pronounced. The change in the French subsidy system for low wage labor had a negative effect of around 0.1% YoY. The growth in perm fees contributed 0.1% to the gross margin. Growth in perm fees was led by North America and France.

[1] in Q2, 2010 EBITA was adjusted for one-offs (net € 4 million): € 10.6 million in gross profit and € 6.6 million operating expenses
[2] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

Operating expenses

In Q2 2011 operating expenses amounted to € 567.0 million, up 7% compared to Q2 2010 and up 1% sequentially. On an organic basis operating expenses increased 6% YoY. The sequential increase is mainly caused by an increase in personnel expenses and marketing costs. Operating expenses included a gain of € 2.0 million related to the acquisition of Vedior.

Average headcount (measured by FTE) amounted to 27,450 for the quarter, up 10% YoY of which 5% is attributable to the acquisition of FujiStaff. We added 250 FTEs sequentially, predominantly in Germany, North America, France and Australia. This increase included 90 FTEs for the Professionals growth accelerator.

Productivity (measured as gross profit per FTE) was in line with last year. At the end of the quarter we operated a network of 4,183 outlets, around the same level as in the previous quarter.

EBITA

In Q2 2011 EBITA increased by 28% to € 153.5 million, with an EBITA margin of 3.9% (Q2 2010: 3.5%). Organic EBITA growth was 27%. The financial impact of the earthquake in Japan was lower than expected and as such limited for the Group. The incremental conversion rate was 47%, in line with our target.

Key financials - actual

in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	*change*	6m 2011	6m 2010	*change*
EBITA	**153.5**	**123.7**	***24%***	**262.2**	**199.1**	***32%***
Amortization of intangible assets	39.1	38.6		80.2	78.7	
Operating profit	**114.4**	**85.1**	***34%***	**182.0**	**120.4**	***51%***
Net finance costs	-5.1	-8.0		-15.7	-13.6	
Share of profit/(loss) of associates	0.0	0.4		-0.1	0.6	
Income before taxes	**109.3**	**77.5**	***41%***	**166.2**	**107.4**	***55%***
Taxes on income	-33.0	-21.6		-50.2	-29.7	
Net income	**76.3**	**55.9**	***36%***	**116.0**	**77.7**	***49%***

Amortization of intangibles

Amortization of acquisition-related intangibles amounted to € 39.1 million compared to € 38.6 million in Q2 2010. Following the acquisition of FujiStaff we recognized intangible assets, such as customer relationships, and candidate databases in the balance sheet, which resulted in an amortization charge of € 4.5 million. This additional charge was offset by lower amortization charges of intangible assets, mainly related to the acquisition of Vedior.

Net finance costs

In Q2 2011 net finance costs reached € 5.1 million versus € 8.0 million in Q2 2010. Interest expenses on our net debt position amounted to € 6.2 million compared to € 5.3 million in Q1 2011 (Q2: 2010 € 7.2 million). The sequential increase is caused by somewhat higher interest rates and a higher net debt position. Our net debt position increased compared to Q1 2011 as a result of payments of dividend and holiday allowances. Net finance costs also included foreign currency effects and adjustments in the valuation of certain assets and liabilities.

Tax

The effective tax rate before amortization of acquisition-related intangibles and one-offs amounted to 31% (2010: 29%), in line with our full-year guidance of between 29% and 32%. The increase compared to last year is mainly caused by a changed geographical mix with above average tax rates in countries with the highest growth. Additionally, as our results improve the relative effect of tax-exempt income resulting from tax efficiencies in the Group decreases.

Net income and earnings per share

In Q2 2011 diluted EPS increased by 31% to € 0.59 (Q2 2010: € 0.45), following a 31% increase in adjusted net income attributable to holders of ordinary shares.

Net income and earnings per share

in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	*change*	6m 2011	6m 2010	*change*
Net income for holders ordinary shares	**74.5**	**54.0**	***38%***	**112.3**	**74.0**	***52%***
Amortization intangible assets[1]	39.1	38.6		80.2	78.7	
One-offs	-	-4.0		-	-4.0	
Tax effect on amortization[1] and one-offs	-12.5	-11.4		-25.6	-23.9	
Net income for holders ordinary shares (adj.)	**101.1**	**77.2**	***31%***	**166.9**	**124.8**	***34%***
Basic EPS	0.44	0.32	*38%*	0.66	0.44	*50%*
Diluted EPS[2]	0.59	0.45	*31%*	0.97	0.73	*33%*

Balance sheet

The moving average of DSO improved by 1.9 days to 53.8 days compared to Q2 2010 and was 0.3 day better than in the previous quarter. We remain focused on making continuous improvements in our invoicing and collection processes, while managing pressure on payment terms.

Selected balance sheet items

in € million, unless otherwise indicated (unaudited)	June 30, 2011	June 30, 2010
Operating working capital[3]	**718.8**	**682.0**
DSO, days sales outstanding	*53.8*	*55.7*
Net debt	**1,069.7**	**1,142.3**
Leverage ratio (net debt /EBITDA)	*1.6*	*2.4*

At the end of Q2 2011 net debt amounted to € 1,069.7 million compared to € 1,142.3 million at the end of Q2 2010 and € 746.5 million at the end of Q1 2011. As expected net debt increased sequentially as a result of the payment of dividend on ordinary shares and preferred shares (€ 209 million), the payment of holiday allowances in the Netherlands and Belgium (approximately € 140 million), and the seasonality in working capital requirements.
The leverage ratio (net debt end of period divided by the EBITDA of the past 12 months) was 1.6, compared to 1.2 at the end of Q1 2011 and 2.4 at the end of Q2 2011. The ratio is well within our target range of 0 to 2. The covenants of the syndicated credit facility allow a leverage ratio of up to 3.5.

[1] amortization and impairment of acquisition-related intangible assets and goodwill
[2] diluted EPS before amortization and impairment acquisition-related intangible assets and goodwill and one-offs
[3] operating working capital is trade and other receivables minus current part financial fixed assets minus trade and other payables

Cash flow analysis

in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	*change*	6m 2011	6m 2010	*change*
Cash flow from operations before working capital and tax	**173.1**	**140.6**	*23%*	**297.6**	**228.5**	*30%*
Working capital	-206.1	-193.5		-208.3	-250.3	
Income taxes (paid)/received	-56.0	-42.8		-33.3	-23.2	
Net cash flow from operating activities	**-89.0**	**-95.7**	*7%*	**56.0**	**-45.0**	*224%*
Net capital expenditures	-16.6	-10.7		-31.3	-22.4	
Financial receivables and dividend from associates	0.1	1.0		0.2	1.0	
Free cash flow	**-105.5**	**-105.4**	*0%*	**24.9**	**-66.4**	*138%*
Net acquisitions/disposals	-6.5	-8.6		-13.4	-13.7	
Issue of ordinary shares	1.5	0.6		16.9	3.4	
Net finance costs paid	-4.0	-5.8		-13.5	-8.5	
Dividend ordinary shares	-201.6	-		-201.6	-	
Dividend preferred shares	-7.2	-7.2		-7.2	-7.2	
Dividend non-controlling interests	-0.3	-		-0.3		
Translation effects and other	0.4	-19.9		23.8	-35.2	
Net (increase)/decrease net debt	**-323.2**	**-146.3**		**-170.4**	**-127.6**	

Cash flow remained strong on the back of improved operating results and tight working capital management. Free cash flow is typically negative in the second quarter. This is mainly caused by payments of holiday allowances in the Netherlands and Belgium. These payments, including taxes and social insurance charges, occur each year throughout the second quarter and amounted to approximately € 140 million. In addition, seasonality in our business causes an increase in working capital requirements as revenue in the second quarter is typically higher than in the first quarter. Income taxes paid amounted to € 56.0 million. Phasing of tax payments in France caused an extra payment of € 13 million, which was related to the previous quarter. Net capital expenditures were mainly related to investments in IT and refurbishment of offices in some regions. In Q2 2011 we paid again dividend on ordinary shares. The total dividend, including dividend on preferred shares, amounted to € 208.8 million.

Performance by geography - underlying[1]

Netherlands in € million, unaudited	Q2 2011	Q2 2010	*change*[2]	6m 2011	6m 2010	*change*[2]
Revenue	727.4	682.7	*7%*	1,428.7	1,337.0	*7%*
EBITA	47.2	38.7	*22%*	86.2	79.2	*9%*
EBITA margin	6.5%	5.7%		6.0%	5.9%	

Revenue was up 7% organically, or 3% when adjusted for working days. The growth of the Dutch staffing market was around 6%. Randstad the Netherlands performed well ahead of the market. Tempo-Team remained behind the market, while revenue at Yacht continued to decline at a single digit rate. Inhouse services continued to grow solidly with 15%. Both Tempo-Team, especially in professionals, and Yacht continued to be affected by their exposure to the public sector. Our overall exposure to the Dutch public sector remained stable compared to Q1 2011 at 13% of revenue (Q2 2010: 16%), caused by a revenue decline of 17% YoY. Revenue growth in the private sector remained strong at 11% and was predominantly driven by growth in the industrial and technical segments, while growth in the administrative segment gradually strengthened. The Dutch EBITA margin increased to 6.5% compared to 5.7% in Q2 2010.

France in € million, unaudited	Q2 2011	Q2 2010	*change*[1]	6m 2011	6m 2010	*change*[1]
Revenue	875.3	777.0	*16%*	1,640.9	1,421.3	*18%*
EBITA	31.4	27.4	*18%*	47.1	35.5	*38%*
EBITA margin	3.6%	3.5%		2.9%	2.5%	

Strong performance was maintained. Revenue increased organically by 16%, which was stable throughout the quarter and compared to 22% in the previous quarter. Manufacturing continued to act as a main growth driver whereas other segments, including white collar, built further momentum. Inhouse revenue grew by 71%, partly driven by ongoing transfers, enabling our branches to focus more on specialties and the SME segment. Growth in professionals remained strong, especially in IT and Engineering. Perm fees were up 38% organically and improved across all sectors. The negative impact on the French gross margin from the changes in the subsidy system regarding low wage labor was in line with expectations. Negotiations with large accounts are still ongoing, with the majority completed successfully. We expect that the full year impact from lower subsidies on the French gross margin will not exceed 0.5%. In spite of the impact from the lower subsidies, the EBITA margin increased to 3.6% compared to 3.5% in Q2 2010.

[1] in Q2, 2010 EBITA was adjusted for one-offs (net € 4 million): € 10.6 million in gross profit and € 6.6 million operating expenses
[2] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

Germany in € million, unaudited	Q2 2011	Q2 2010	*change*[1]	6m 2011	6m 2010	*change*[1]
Revenue	487.0	418.3	*16%*	938.6	769.0	*22%*
EBITA	33.2	22.6	*47%*	58.8	37.8	*56%*
EBITA margin	6.8%	5.4%		6.3%	4.9%	

Revenue growth reached 16% organically. Against a strong comparison base and a somewhat tighter labor market, growth per working day slowed from 23% in March to 8% in June, whereas revenue growth reached 46% in June 2010. Continued strong demand across all industrial segments helped to drive growth in staffing and inhouse, while growth in the administrative segment strengthened. The combined staffing and inhouse business performed in line with the market. In professionals, the IT segment showed double-digit growth, while engineering showed moderate growth. Aerospace remained difficult. The combined EBITA margin increased to 6.8%, compared to 5.4% in Q2 2010. In Q2 2011 German gross profit included specific wage cost related gains amounting to € 3.5 million, which were related to previous years.

Belgium & Luxembourg in € million, unaudited	Q2 2011	Q2 2010	*change*[1]	6m 2011	6m 2010	*change*[1]
Revenue	349.8	318.7	*10%*	684.5	598.7	*14%*
EBITA	16.5	16.5	*0%*	30.5	24.7	*23%*
EBITA margin	4.7%	5.2%		4.5%	4.1%	

Revenue increased by 10% organically, compared to 20% in the previous quarter. Randstad and Tempo-Team performed in line with the market. Inhouse services grew by 21%, while growth in the white collar segment stabilized compared to the previous quarter. Revenue from non-staffing services such as service cheques and HR Solutions showed low single digit growth. The EBITA margin came down to 4.7% (5.2% in Q2 2010) and was mainly caused by specific wage cost related items in gross profit, which amounted to € 2.0 million and were related to previous years. In spite of this effect, strong operating leverage was maintained.

United Kingdom in € million, unaudited	Q2 2011	Q2 2010	*change*[1]	6m 2011	6m 2010	*change*[1]
Revenue	191.4	195.2	*2%*	396.4	385.8	*3%*
EBITA	1.5	4.0	*-64%*	4.4	8.2	*-53%*
EBITA margin	0.8%	2.0%		1.1%	2.1%	

On an organic basis revenue increased by 2%. Our overall exposure to the public sector came down to 22% of revenue compared to 25% in Q1 2011 as demand further declined in Healtcare and public sector administration, while the decline in Education seemed to have stabilized. The decline in the public sector of 30% was partly offset by growth in private sector revenue of 14%, predominantly driven by continued strong growth in our combined staffing and inhouse business. Inhouse services maintained momentum and grew by 33%. Perm fees were 7% below last year, mainly caused by lower demand in the City oriented businesses. Based on the aforementioned mix effects, the EBITA margin amounted to 0.8%, compared to 2.0% in Q2 2010.

[1] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

Iberia in € million, unaudited	**Q2 2011**	Q2 2010	*change*[1]	**6m 2011**	6m 2010	*change*[1]
Revenue	219.3	209.6	*5%*	426.7	402.4	*6%*
EBITA	3.7	2.4	*54%*	7.3	4.9	*49%*
EBITA margin	1.7%	1.1%		1.7%	1.2%	

Revenue grew 5% organically, compared to 8% growth in the previous quarter. Economic circumstances remain challenging in this region. In Spain revenue growth continued at a low single digit rate. Staffing performed in line with last year, while Inhouse services continued to grow solidly. The Portuguese business grew by 7%. The EBITA margin increased to 1.7%, compared to 1.1% in Q2 2010.

Other European countries in € million, unaudited	**Q2 2011**	Q2 2010	*change*[1]	**6m 2011**	6m 2010	*change*[1]
Revenue	240.3	183.3	*26%*	452.4	338.8	*28%*
EBITA	7.9	3.5	*111%*	12.4	4.5	*167%*
EBITA margin	3.3%	1.9%		2.7%	1.3%	

The other European countries showed solid double-digit organic growth, with growth in perm fees of 25%. In Italy, revenue was up 31% organically, ahead of market. The Swiss business continued to show double-digit growth. Our Polish and Scandinavian businesses showed solid growth, as was Turkey. Greece continued to grow at a single digit rate. In Hungary and the Czech Republic, where we clearly benefited from our enlarged position, strong growth was maintained. For the region the EBITA margin was 3.3% compared to 1.9% in Q2 2010.

North America in € million, unaudited	**Q2 2011**	Q2 2010	*change*[1]	**6m 2011**	6m 2010	*change*[1]
Revenue	482.4	470.3	*14%*	958.5	859.9	*17%*
EBITA	20.2	14.7	*47%*	30.9	20.4	*58%*
EBITA margin	4.2%	3.1%		3.2%	2.4%	

Revenue increased by 14% organically, compared to 19% in the previous quarter. Perm fees were up 25% organically. The demand for temporary labor remained strong in the US. Our combined US staffing and inhouse business grew by 10% organically, against a strong comparison base. The revenue mix continued to improve as we gained momentum in the administrative segment as well as in permanent placements. Organic revenue growth in our US professionals businesses was 17%, up from 13% in the previous quarter and now clearly ahead of growth in our staffing and inhouse business. IT, Engineering and Life Sciences were the main growth drivers. Finance and Accounting improved, particularly in permanent placements. US managed services continued its strong performance following some new contracts and higher volumes with existing clients. Towards the end of the second quarter the rebranding of our US Professionals businesses was started. Canada showed solid performance in both staffing and professionals. The EBITA margin for the region improved to 4.2%, compared to 3.1% in Q2 2010, based on a strong operating leverage.

[1] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

Rest of World in € million, unaudited	Q2 2011	Q2 2010	change[1]	6m 2011	6m 2010	change[1]
Revenue	342.1	213.1	*8%*	688.3	394.3	*11%*
EBITA	1.8	2.5	*-183%*	6.5	3.1	*-202%*
EBITA margin	0.5%	1.2%		0.9%	0.8%	

Revenue of our combined Japanese business was broadly in line with last year. The financial impact of the earthquake turned out to be lower than expected as volumes recovered more quickly than anticipated. The integration of Randstad and FujiStaff was successfully completed by the end of the quarter, well ahead of schedule. Following the integration, the rebranding has now started. Revenue of our combined business in Australia and New Zealand was in line with previous year. Growth in Professionals remained strong and headcount was added as part of the Professionals growth accelerator. The staffing business was somewhat under pressure. India and China showed solid growth, in line with previous quarters. In Latin America, the performance of the Argentinean business further improved. Brazilian and Mexican revenues were under pressure, while Professionals in these markets maintained its momentum. For the combined region, the EBITA margin reached 0.5% compared to 1.2% in Q2 2010.

[1] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications

Performance by revenue category - underlying[1]

Staffing in € million, unaudited	**Q2 2011**	Q2 2010[2]	*change*[3]	**6m 2011**	6m 2010	*change*[3]
Revenue	2,563.5	2,318.4	*10%*	4,963.6	4,323.3	*13%*
EBITA	104.9	84.2	*24%*	179.7	133.8	*33%*
EBITA margin	4.1%	3.6%		3.6%	3.1%	

Staffing revenue grew 10% organically, down from 16%[3] in the previous quarter mainly caused by a strong comparison base, especially in France, Germany and North America. Demand is still largely driven by industrial clients, while growth in the administrative segments gradually strengthened. The gross margin of Staffing, was up sequentially, which reflects a better mix and less pronounced effect from price pressure in some regions. The EBITA margin improved to 4.1% compared to 3.6% last year. All regions showed strong operating leverage. German gross profit included specific wage cost related gains amounting to € 3.5 million, related to previous years.

Inhouse in € million, unaudited	**Q2 2011**	Q2 2010	*change*[3]	**6m 2011**	6m 2010	*change*[3]
Revenue	631.9	455.7	*29%*	1,226.2	835.9	*34%*
EBITA	24.1	18.9	*16%*	43.7	30.4	*28%*
EBITA margin	3.8%	4.1%		3.6%	3.6%	

Inhouse services, mainly focused on industrial and logistical clients, continued to show solid growth against a strong comparison base. Organic growth reached 29% compared to 41% in the previous quarter. The transfer of clients from staffing to inhouse continued, for example in France, while we continuously added new clients as well. Strong growth was maintained in all geographies. The EBITA margin reached 3.8%. Belgian gross profit was impacted by specific wage cost related costs of € 2.0 million, which were related to previous years.

Professionals in € million, unaudited	**Q2 2011**	Q2 2010[1]	*change*[3]	**6m 2011**	6m 2010	*change*[3]
Revenue	719.6	694.1	*7%*	1,425.2	1,348.0	*7%*
EBITA	34.4	29.2	*27%*	60.7	54.1	*15%*
EBITA margin	4.8%	4.2%		4.3%	4.0%	

Professionals continued to improve gradually and grew 7% organically, compared to 6% in the previous quarter, and 4%[4] in Q4 2010. The US professionals business showed strong growth in IT and Engineering, while Finance & accounting strengthened, especially in perm. Canada performed solidly, driven by IT and engineering. Overall growth in the North American region was 17% compared to 16% in the previous quarter. Our French business grew steadily, especially in permanent placements. The UK and Dutch professionals businesses both still declined, which is mainly caused by the relatively large exposure to the public sector. In both countries, growth outside the public sector strengthened. Growth in Australia remained strong and we expect further investments to benefit from good market conditions. The EBITA margin reached 4.8% compared to 4.2% last year.

[1] in Q2, 2010 EBITA was adjusted for one-offs (net € 4 million): € 10.6 million in gross profit and € 6.6 million operating expenses
[2] As from Q1 2011 we have reclassified revenues from staffing to professionals. Among others, we now report all healthcare in professionals. This has been reflected in 2010 figures for comparison purposes. The impact in Q2 2010 on revenue is around € 45 million and around € 91 million for the 6 months ended June 30, 2010.
[3] organic growth is measured excluding the impact of currencies, acquisitions, disposals and reclassifications.
[4] On a like-for-like basis organic growth in professionals was -2% in Q2 2010, +4% in Q3 2010 and +4% in Q4 2010. For the same reason organic growth in staffing was +14% in Q2 2010, +14% in Q3 2010 and +15% in Q4 2010.

Other information

Professionals growth accelerator

In Q1 2011 we launched the Professionals growth accelerator plan. This plan is designed to benefit from improved market conditions in Professionals. In addition to regular expansion we aim to recruit over 500 consultants in various countries over the next two years based on a gradual approach and our field steering model. In Q2 2011 we added 90 FTEs and the total net investment amounted to € 0.8 million. In Q3 we will continue to hire staff and the net investment is expected to amount to around € 2 million.

M&A

In April 2011, we increased our share in our Brazilian company RHI from 51% to 100%.

The intended acquisition of SFN Group was announced on July 20, 2011. The combination enables us to become the third largest player in the highly fragmented North American HR Services industry. Further information on the intended acquisition can be found in the press release and presentation, available on www.randstad.com. We expect the tender offer to commence soon. We expect a cash outflow, related to this transaction, of around € 575 million, which includes the consideration to be paid, transaction costs and part of integration costs. Yesterday, on July 27, 2011 SFN Group released their Q2 earnings. These can be found on www.sfngroup.com.

Financing structure

As announced on July 20, 2011, Randstad has signed a commitment letter for a new syndicated credit facility. The facility has a forward start structure. As such, this facility will only become available when the current facility, which runs until May 2013, has been canceled in full. Randstad has decided to refinance early to benefit from favorable credit market circumstances and ensure financing until at least 2016. Randstad has agreed on comparable financial covenants as in the existing facility. Later this summer a general syndication process will take place. The new revolving credit facility with a minimum size of € 1,050 million will have a maturity of 5 years from signing, with the potential to extend to 7 years through the exercise of extension options on the first and second anniversary of the facility at the discretion of the banks.

Outlook

Organic revenue growth per working day was 10% in June. France and North America continued to grow with a double-digit growth rate. Organic revenue growth per working day in Q3 2010 was stable throughout the quarter at 16%. We expect to see double-digit growth in Inhouse Services, while growth in Staffing, especially in the largest countries, should continue at a single digit growth rate. The growth in Professionals is expected to strengthen further. The slow demand in the public sector continues to have impact in the Netherlands and the UK. We will support our growth by continuing to invest in people and marketing, including the rebranding in the US and Japan, and our Professionals growth accelerator plan. Overall, and partly based on seasonal patterns, we expect a limited increase in the underlying costs. The intended acquisition of SFN Group is expected to close towards the end of the third quarter. Based on that planning, SFN Group's results will not yet have a material impact on our Q3 results. Once the transaction closes in Q3, our net debt position will be impacted accordingly.

Half-year report

Key financials - underlying in € million, unless otherwise indicated (unaudited)	6m 2011	6m 2010	change	organic change
Revenue	**7,615.0**	**6,507.2**	***17%***	***14%***
Gross profit	1,391.1	1,224.1	*14%*	*11%*
Operating expenses	1,128.9	1,029.0	*10%*	*7%*
EBITA	**262.2**	**195.1**	***34%***	***32%***
Margins (in % of revenue)				
Gross margin	18.3%	18.8%		
Operating expenses margin	14.8%	15.8%		
EBITA margin	3.4%	3.0%		

Revenue

Revenue increased to € 7,615.0 million, up 17% or 14% organically. Growth eased from 22% in the first quarter to 17% in the second quarter mainly as a result of the strong comparison base. France, North America and Germany continued to show strong organic growth while growth in the Netherlands and the UK was impacted by slow demand in the public sector. Inhouse services continued to show high growth rates, while growth in Staffing slowed from 16% in the first quarter to 10% in the second quarter. Professionals, except for the UK and the Netherlands, continued to improve gradually.

Gross profit

The gross margin reached 18.3%, which is 0.5% below last year. The temp margin declined by 0.5% YoY, of which 0.2% was related to the change in the French subsidy system for low wage labor. As our inhouse business continued to grow faster than Staffing and Professionals the temp margin remained under pressure. Price pressure in the Netherlands and Belgium became less pronounced in the second quarter. The growth in permanent placements had no impact in the mix, whereas other mix changes had a negative impact of 0.1%.

Operating expenses

Operating expenses increased 7% organically to € 1,128.9 million. Operating expenses increased 1% sequentially, of which the majority was caused by the consolidation of FujiStaff since October 2010. Average headcount (measured by FTE) increased by 10% YoY as we continue to make use of overcapacity in our network, while adding staff in countries like France, Germany and US where the recovery started first. Productivity (measured as gross profit per FTE) was up 2%.

EBITA

Based on strong operating leverage, EBITA grew by 32% to € 262.2 million. The EBITA margin amounted to 3.4% compared to 3.0% over the first six months of 2010.

Amortization of acquisition-related intangible assets

Amortization of acquisition-related intangible assets increased to € 80.2 million compared to € 78.7 million over the first six months of 2010. Following the acquisition of FujiStaff we recognized intangible assets which resulted in an amortization charge of around € 9 million. This was offset by lower amortization charges of intangible assets which are mainly related to the acquisition of Vedior.

Net finance costs

Net finance costs amounted to € 15.7 million compared to € 13.6 million in the first half year of 2010. Interest expenses on our net debt position were € 11.5 million compared to € 14.0 million in HY 1 2010. The improvement is largely based on the significant net debt reduction in the past few quarters. Besides this, net finance costs included more items. The remaining net increase of around € 5 million mainly resulted from foreign currency effects and adjustments in the valuation of certain assets and liabilities.

Taxes on income

The effective tax rate before amortization of acquisition-related intangible assets amounted to 31%, compared to 29% in the first half year of 2010. The increase is caused by a different geographical mix and a relative smaller impact from tax-exempt income.

Net income

Adjusted net income attributable to holders of ordinary shares amounted to € 166.9 million, compared to € 124.8 million in the first six months of 2010. As a result diluted EPS increased by 33% to € 0.97 (HY 1 2010: € 0.73).

Cash flow

In the first six months of 2011, free cash flow amounted to € 24.9 million compared to € 66.4 million negative in HY 1 2010. Cash flow remained strong on the back of improved operational results and tight working capital management. The moving average DSO improved by 1.9 days compared to June 2010.

Balance sheet

As of June 30, 2011 net debt amounted to € 1,069.7 million compared to € 1,142.3 million by the end of June 2010. In Q2 2011 we paid again dividend on ordinary shares. The total dividend paid, including dividend on preferred shares, amounted to € 208.8 million. The leverage ratio by the end of June 2011 amounted to 1.6 compared to 2.4 by the end of June 2010. The ratio is well within our targeted range of between 0 and 2. The covenants of the syndicated credit facility allow a leverage ratio of up to 3.5.

Risk profile

With regard to risks and opportunities, reference is made to our 2010 Annual Report (pages 56 – 61). The key risks and opportunities have not materially changed in H1 2011. They represent the key challenges we currently face and we expect them to be applicable over the full course of H2 2011. We continue to monitor the key risks and opportunities closely and manage our response if new risks may emerge and current risks change. Randstad announced the intended acquisition of SFN Group on July 20, 2011. The integration process will be built on the valuable experiences gained during recent integrations in order to mitigate related integration risks. The acquisition will be financed from existing credit facilities and the leverage ratio is expected to remain below 2.0 by the end of the year. Randstad also announced it has signed a commitment letter for a new syndicated revolving credit facility. This facility becomes available when the existing facility, which runs until May 2013, has been canceled in full.

Auditors' involvement

The consolidated interim financial statements and 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 our knowledge:

- The 2011 consolidated interim financial statements as at June 30, 2011 and for the six months ended at June 30, 2011 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 profit or loss of Randstad Holding nv and its consolidated Group companies taken as a whole; and
- This Interim Directors' Report 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 28, 2011

The executive board,

Ben Noteboom (chairman and CEO)	Leo Lindelauf
Robert-Jan van de Kraats (vice-chairman and CFO)	Greg Netland
Jacques van den Broek	Brian Wilkinson

Financial calendar

Publication third quarter results 2011	October 27, 2011
Analyst & Investor Days	December 1 and 2, 2011
Publication fourth quarter and annual results 2011	February 16, 2012
Publication first quarter results 2012	April 26, 2012

Press conference and analyst meeting

Today, at 10.00 CET Randstad Holding will host a press conference at the head office in Diemen. At 13.00 CET Randstad Holding will host an analyst meeting & conference call. The dial-in number is +31 (0) 20 717 68 86 or +44 (0)145 255 5566 for international participants. The confirmation code is: 81563450. You can watch the analyst conference through real-time video webcast. A replay of the presentation and the Q & A will also be available on our website as of today 18.00 CET. The link is: http://www.ir.randstad.com/presentations.cfm

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 (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.

Randstad profile

Randstad specializes in solutions in the field of flexible work and human resources services. Our services range from regular temporary staffing and permanent placement to inhouse, professionals, search & selection, and HR Solutions. The Randstad Group is one of the leading HR services providers in the world with top three positions in Argentina, Belgium & Luxembourg, Canada, Chile, France, Germany, Greece, India, Mexico, the Netherlands, Poland, Portugal, Spain, Switzerland, and the UK, as well as major positions in Australia, Japan and the United States. End 2010 Randstad had approximately 26,000 corporate employees and close to 4,200 branches and inhouse locations in 43 countries around the world.
Randstad generated a revenue of € 14.2 billion in 2010. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. Randstad Holding nv is listed on the NYSE Euronext Amsterdam, where options for stocks in Randstad are also traded.
For more information see www.randstad.com

Interim financial statements

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Underlying[1] performance

Consolidated income statement

in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	*change*	6m 2011	6m 2010	*change*
Revenue	**3,915.0**	**3,468.2**	*13%*	**7,615.0**	**6,507.2**	*17%*
Cost of services	3,194.5	2,819.1		6,223.9	5,283.1	
Gross Profit	**720.5**	**649.1**	*11%*	**1,391.1**	**1,224.1**	*14%*
Selling expenses	392.8	360.2		777.8	704.1	
General and administrative expenses	174.2	169.2		351.1	324.9	
Operating expenses	**567.0**	**529.4**	*7%*	**1,128.9**	**1,029.0**	*10%*
EBITA[2]	**153.5**	**119.7**	*28%*	**262.2**	**195.1**	*34%*
Margins (in % of revenue)						
Gross margin	18.4%	18.7%		18.3%	18.8%	
EBITDA margin	4.4%	4.1%		4.0%	3.7%	
EBITA margin	3.9%	3.5%		3.4%	3.0%	

[1] in Q2, 2010 EBITA was adjusted for one-offs (net € 4 million): € 10.6 million in gross profit and € 6.6 million operating expenses
[2] EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill and one-offs

Underlying[1] performance

Information by geographical area in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	change	organic change[2]	EBITA margin '11	EBITA margin '10
Revenue						
Netherlands	727.4	682.7	7%	7%		
France	875.3	777.0	13%	16%		
Germany	487.0	418.3	16%	16%		
Belgium & Luxembourg	349.8	318.7	10%	10%		
United Kingdom	191.4	195.2	-2%	2%		
Iberia	219.3	209.6	5%	5%		
Other European countries	240.3	183.3	31%	26%		
North America	482.4	470.3	3%	14%		
Rest of the world	342.1	213.1	61%	8%		
Total revenue	**3,915.0**	**3,468.2**	**13%**	**12%**		
EBITA [3]						
Netherlands	47.2	38.7	22%	22%	6.5%	5.7%
France	31.4	27.4	15%	18%	3.6%	3.5%
Germany	33.2	22.6	47%	47%	6.8%	5.4%
Belgium & Luxembourg	16.5	16.5	0%	0%	4.7%	5.2%
United Kingdom	1.5	4.0	-63%	-64%	0.8%	2.0%
Iberia	3.7	2.4	54%	54%	1.7%	1.1%
Other European countries	7.9	3.5	126%	111%	3.3%	1.9%
North America	20.2	14.7	37%	47%	4.2%	3.1%
Rest of the world	1.8	2.5	-28%	-183%	0.5%	1.2%
Corporate	-9.9	-12.6				
Total EBITA	**153.5**	**119.7**	**28%**	**27%**	**3.9%**	**3.5%**

[1] in Q2, 2010 EBITA was adjusted for one-offs (net € 4 million): € 10.6 million in gross profit and € 6.6 million operating expenses
[2] Organic change is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications
[3] EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill and one-offs

Underlying[1] performance

Information by geographical area

in € million, unless otherwise indicated (unaudited)	6m 2011	6m 2010	change	organic change[2]	EBITA margin '11	EBITA margin '10
Revenue						
Netherlands	1,428.7	1,337.0	7%	7%		
France	1,640.9	1,421.3	15%	18%		
Germany	938.6	769.0	22%	22%		
Belgium & Luxembourg	684.5	598.7	14%	14%		
United Kingdom	396.4	385.8	3%	3%		
Iberia	426.7	402.4	6%	6%		
Other European countries	452.4	338.8	34%	28%		
North America	958.5	859.9	11%	17%		
Rest of the world	688.3	394.3	75%	11%		
Total revenue	**7,615.0**	**6,507.2**	**17%**	**14%**		
EBITA [3]						
Netherlands	86.2	79.2	9%	9%	6.0%	5.9%
France	47.1	35.5	33%	38%	2.9%	2.5%
Germany	58.8	37.8	56%	56%	6.3%	4.9%
Belgium & Luxembourg	30.5	24.7	23%	23%	4.5%	4.1%
United Kingdom	4.4	8.2	-46%	-53%	1.1%	2.1%
Iberia	7.3	4.9	49%	49%	1.7%	1.2%
Other European countries	12.4	4.5	176%	167%	2.7%	1.3%
North America	30.9	20.4	51%	58%	3.2%	2.4%
Rest of the world	6.5	3.1	110%	-202%	0.9%	0.8%
Corporate	-21.9	-23.2				
Total EBITA	**262.2**	**195.1**	**34%**	**32%**	**3.4%**	**3.0%**

[1] in Q2, 2010 EBITA was adjusted for one-offs (net € 4 million): € 10.6 million in gross profit and € 6.6 million operating expenses
[2] Organic change is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications
[3] EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill and one-offs

Underlying[1] performance

Information by revenue category in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010[2]	change	organic change[3]	EBITA margin '11	EBITA margin '10
Revenue						
Staffing	2,563.5	2,318.4	11%	10%		
Inhouse services	631.9	455.7	39%	29%		
Professionals	719.6	694.1	4%	7%		
Total revenue	**3,915.0**	**3,468.2**	**13%**	**12%**		
EBITA[4]						
Staffing	104.9	84.2	25%	24%	4.1%	3.6%
Inhouse services	24.1	18.9	28%	16%	3.8%	4.1%
Professionals	34.4	29.2	18%	27%	4.8%	4.2%
Corporate	-9.9	-12.6				
Total EBITA	**153.5**	**119.7**	**28%**	**27%**	**3.9%**	**3.5%**

Information by revenue category in € million, unless otherwise indicated (unaudited)	6m 2011	6m 2010[2]	change	organic change[3]	EBITA margin '11	EBITA margin '10
Revenue						
Staffing	4,963.6	4,323.3	15%	13%		
Inhouse services	1,226.2	835.9	47%	34%		
Professionals	1,425.2	1,348.0	6%	7%		
Total revenue	**7,615.0**	**6,507.2**	**17%**	**14%**		
EBITA[4]						
Staffing	179.7	133.8	34%	33%	3.6%	3.1%
Inhouse services	43.7	30.4	44%	28%	3.6%	3.6%
Professionals	60.7	54.1	12%	15%	4.3%	4.0%
Corporate	-21.9	-23.2				
Total EBITA	**262.2**	**195.1**	**34%**	**32%**	**3.4%**	**3.0%**

[1] in Q2, 2010 EBITA was adjusted for one-offs (net € 4 million): € 10.6 million in gross profit and € 6.6 million operating expenses
[2] To further harmonize reporting we have reviewed our portfolio and candidate profiles. Among others, we now report all healthcare in professionals. This has been reflected in 2010 figures for comparison purposes. The impact in Q2 2010 on revenue is around € 45 million and around € 91 million for the 6 months ended June 30, 2010.
[3] Organic change is measured excluding the impact of currency effects, acquisitions, disposals and reclassifications
[4] EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill and one-offs

Consolidated income statement

in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	change	6m 2011	6m 2010	change
Revenue	**3,915.0**	**3,468.2**	*13%*	**7,615.0**	**6,507.2**	*17%*
Cost of services	3,194.5	2,808.5		6,223.9	5,272.5	
Gross Profit	**720.5**	**659.7**	*9%*	**1,391.1**	**1,234.7**	*13%*
Selling expenses	392.8	363.2		777.8	707.1	
General and administrative expenses	174.2	172.8		351.1	328.5	
Operating expenses	**567.0**	**536.0**	*6%*	**1,128.9**	**1,035.6**	*9%*
Amortization and impairment acquisition-related intangible assets and goodwill	39.1	38.6		80.2	78.7	
Total operating expenses	**606.1**	**574.6**	*5%*	**1,209.1**	**1,114.3**	*9%*
Operating profit	**114.4**	**85.1**	*34%*	**182.0**	**120.4**	*51%*
Net finance costs	-5.1	-8.0		-15.7	-13.6	
Share of profit/(loss) of associates	0.0	0.4		-0.1	0.6	
Income before taxes	**109.3**	**77.5**	*41%*	**166.2**	**107.4**	*55%*
Taxes on income	-33.0	-21.6		-50.2	-29.7	
Net income	**76.3**	**55.9**	*36%*	**116.0**	**77.7**	*49%*
Net income attributable to:						
Holders of ordinary shares Randstad Holding nv	74.5	54.0		112.3	74.0	
Holders of preferred shares Randstad Holding nv	1.8	1.8		3.6	3.6	
Equity holders	**76.3**	**55.8**		**115.9**	**77.6**	
Non-controlling interests	0.0	0.1		0.1	0.1	
Net income	**76.3**	**55.9**		**116.0**	**77.7**	
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):						
- Basic earnings per share	0.44	0.32		0.66	0.44	
- Diluted earnings per share	0.43	0.31		0.65	0.43	
- Diluted earnings per share before amortization and impairment acquisition-related intangible assets and goodwill and one-offs	0.59	0.45		0.97	0.73	
Margins (in % of revenue)						
Gross margin	18.4%	19.0%		18.3%	19.0%	
EBITDA margin	4.4%	4.2%		4.0%	3.7%	
EBITA margin	3.9%	3.6%		3.4%	3.1%	
Operating margin	2.9%	2.5%		2.4%	1.9%	
Net income margin	1.9%	1.6%		1.5%	1.2%	

Information by geographical area

in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	6m 2011	6m 2010
Revenue				
Netherlands	727.4	682.7	1,428.7	1,337.0
France	875.3	777.0	1,640.9	1,421.3
Germany	487.0	418.3	938.6	769.0
Belgium & Luxembourg	349.8	318.7	684.5	598.7
United Kingdom	191.4	195.2	396.4	385.8
Iberia	219.3	209.6	426.7	402.4
Other European countries	240.3	183.3	452.4	338.8
North America	482.4	470.3	958.5	859.9
Rest of the world	342.1	213.1	688.3	394.3
Total revenue	**3,915.0**	**3,468.2**	**7,615.0**	**6,507.2**
EBITA [1]				
Netherlands	47.2	46.7	86.2	87.2
France	31.4	25.8	47.1	33.9
Germany	33.2	22.6	58.8	37.8
Belgium & Luxembourg	16.5	15.2	30.5	23.4
United Kingdom	1.5	2.9	4.4	7.1
Iberia	3.7	2.4	7.3	4.9
Other European countries	7.9	3.5	12.4	4.5
North America	20.2	14.7	30.9	20.4
Rest of the world	1.8	2.5	6.5	3.1
Corporate	-9.9	-12.6	-21.9	-23.2
Total EBITA	**153.5**	**123.7**	**262.2**	**199.1**

[1] EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill

Information by revenue category

in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010[1]	6m 2011	6m 2010[1]
Revenue				
Staffing	2,563.5	2,318.4	4,963.6	4,323.3
Inhouse services	631.9	455.7	1,226.2	835.9
Professionals	719.6	694.1	1,425.2	1,348.0
Total revenue	**3,915.0**	**3,468.2**	**7,615.0**	**6,507.2**
EBITA[2]				
Staffing	104.9	93.0	179.7	142.6
Inhouse services	24.1	18.9	43.7	30.4
Professionals	34.4	24.4	60.7	49.3
Corporate	-9.9	-12.6	-21.9	-23.2
Total EBITA	**153.5**	**123.7**	**262.2**	**199.1**

[1] To further harmonize reporting we have reviewed our portfolio and candidate profiles. Among others, we now report all healthcare in professionals. This has been reflected in 2010 figures for comparison purposes. The impact in Q2 2010 on revenue is around € 45 million and around € 91 million for the 6 months ended June 30, 2010.
[2] EBITA: operating profit before amortization and impairment acquisition-related intangible assets and goodwill

Consolidated balance sheet

in € million, unless otherwise indicated (unaudited)	June 30, 2011	December 31, 2010	June 30, 2010
ASSETS			
Property, plant and equipment	148.7	155.6	138.8
Intangible assets	3,025.2	3,162.1	3,173.5
Deferred income tax assets	480.0	520.4	502.8
Financial assets and associates	76.0	75.5	91.2
Non-current assets	**3,729.9**	**3,913.6**	**3,906.3**
Trade and other receivables	2,847.6	2,788.3	2,606.1
Income tax receivables	50.4	51.7	54.4
Cash and cash equivalents	250.2	285.3	250.0
Current assets	**3,148.2**	**3,125.3**	**2,910.5**
TOTAL ASSETS	**6,878.1**	**7,038.9**	**6,816.8**
EQUITY AND LIABILITIES			
Issued capital	19.6	19.5	19.5
Share premium	2,067.2	2,031.3	2,020.6
Reserves	642.6	800.0	641.5
Shareholders' equity	**2,729.4**	**2,850.8**	**2,681.6**
Non-controlling interests	0.5	1.6	1.8
Equity	**2,729.9**	**2,852.4**	**2,683.4**
Borrowings	1,225.0	1,108.5	1,200.8
Deferred income tax liabilities	404.8	444.4	457.7
Employee benefit obligations and provisions	79.1	79.0	81.6
Other liabilities	53.4	56.8	71.6
Non-current liabilities	**1,762.3**	**1,688.7**	**1,811.7**
Borrowings	94.9	76.1	191.5
Trade and other payables	2,127.1	2,261.0	1,922.9
Income tax liabilities	66.1	37.4	60.6
Provisions	62.3	76.5	94.5
Other liabilities	35.5	46.8	52.2
Current liabilities	**2,385.9**	**2,497.8**	**2,321.7**
Liabilities	**4,148.2**	**4,168.5**	**4,133.4**
TOTAL EQUITY AND LIABILITIES	**6,878.1**	**7,038.9**	**6,816.8**

Consolidated statement of cash flows

in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	6m 2011	6m 2010
Operating profit	**114.4**	**85.1**	**182.0**	**120.4**
Depreciation property, plant and equipment	12.9	13.9	26.4	28.0
Amortization software	6.5	7.6	13.1	14.8
Amortization and impairment acquisition-related intangible assets	39.1	38.6	80.2	78.7
Gain on disposal of activities	-	0.0	0.0	0.0
Share-based payments	5.3	3.9	8.8	5.9
Provisions and employee benefit obligations	-5.1	-8.6	-12.3	-19.5
Loss/(Gain) on disposals of property, plant and equipment	0.0	0.1	-0.6	0.2
Cash flow from operations before operating working capital and income taxes	**173.1**	**140.6**	**297.6**	**228.5**
Trade and other receivables	-150.5	-253.4	-102.0	-266.1
Trade and other payables	-55.6	59.9	-106.3	15.8
Operating working capital	**-206.1**	**-193.5**	**-208.3**	**-250.3**
Income taxes paid	-56.0	-42.8	-33.3	-23.2
Net cash flow from operating activities	**-89.0**	**-95.7**	**56.0**	**-45.0**
Additions in property, plant and equipment	-13.5	-8.3	-25.0	-13.6
Additions in software	-4.4	-3.2	-9.4	-10.2
Acquisition of subsidiaries and associates/ buy-outs	-6.5	-9.0	-15.3	-14.0
Financial receivables	0.1	0.4	0.2	0.4
Dividend received from associates	0.0	0.6	0.0	0.6
Disposals of property, plant and equipment	1.3	0.8	3.1	1.4
Disposal of activities	-	0.4	1.9	0.3
Net cash flow from investing activities	**-23.0**	**-18.3**	**-44.5**	**-35.1**
Issue of ordinary shares	1.5	0.6	16.9	3.4
Net drawings on / (net repayments of) non-current borrowings	294.3	-86.8	142.1	-80.1
Net financing	**295.8**	**-86.2**	**159.0**	**-76.7**
Net finance costs paid	-4.0	-5.8	-13.5	-8.5
Dividend paid on ordinary shares	-201.6	-	-201.6	-
Dividend paid on preferred shares B	-7.2	-7.2	-7.2	-7.2
Dividend paid to non-controlling interests	-0.3	-	-0.3	-
Net reimbursements to financiers	**-213.1**	**-13.0**	**-222.6**	**-15.7**
Net cash flow from financing activities	**82.7**	**-99.2**	**-63.6**	**-92.4**
Net decrease in cash, cash equivalents and current borrowings	**-29.3**	**-213.2**	**-52.1**	**-172.5**
Cash, cash equivalents and current borrowings, at begin of period	**184.5**	**270.8**	**209.2**	**229.5**
Net decrease in cash, cash equivalents and current borrowings	-29.3	-213.2	-52.1	-172.5
Translation gains/(losses)	0.1	0.9	-1.8	1.5
Cash, cash equivalents and current borrowings, at end of period	**155.3**	**58.5**	**155.3**	**58.5**
Free cash flow	**-105.5**	**-105.4**	**24.9**	**-66.4**

Consolidated statement of comprehensive income

In € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	6m 2011	6m 2010
Net income for the period	**76.3**	**55.9**	**116.0**	**77.7**
Other comprehensive income				
- translation differences	-11.3	79.1	-50.8	111.1
- other	-0.2	-	-0.3	-
Total comprehensive income	**64.8**	**135.0**	**64.9**	**188.8**
Attributable to:				
- equity holders of Randstad Holding nv	64.7	134.8	64.8	188.5
- non-controlling interests	0.1	0.2	0.1	0.3

Consolidated statement of changes in equity – three months period ended

In € million, unless otherwise indicated (unaudited)	June 30, 2011 Shareholders' equity	June 30, 2011 Non-controlling interests	June 30, 2011 Total equity	June 30, 2010 Shareholders' equity	June 30, 2010 Non-controlling interest	June 30, 2010 Total equity
Value at April 1	**2,661.0**	**1.6**	**2,662.6**	**2,542.3**	**1.6**	**2,543.9**
Total comprehensive income	64.7	0.1	64.8	134.8	0.2	135.0
Share-based payments	5.3	-	5.3	3.9	-	3.9
Issue of ordinary shares	1.5	-	1.5	0.6	-	0.6
Acquisition of non-controlling interests	-3.1	-0.9	-4.0	-	-	-
Dividend non-controlling interests	-	-0.3	-0.3	-	-	-
Value at June 30	**2,729.4**	**0.5**	**2,729.9**	**2,681.6**	**1.8**	**2,683.4**

Consolidated statement of changes in equity – six months period ended

In € million, unless otherwise indicated (unaudited)	June 30, 2011 Shareholders' equity	June 30, 2011 Non-controlling interests	June 30, 2011 Total equity	June 30, 2010 Shareholders' equity	June 30, 2010 Non-controlling interest	June 30, 2010 Total equity
Value at December 31	**2,850.8**	**1.6**	**2,852.4**	**2,491.0**	**1.5**	**2,492.5**
Total comprehensive income	64.8	0.1	64.9	188.5	0.3	188.8
Dividend on ordinary shares	-201.6	-	-201.6	-	-	-
Dividend preferred shares	-7.2	-	-7.2	-7.2	-	-7.2
Share-based payments	8.8	-	8.8	5.9	-	5.9
Issue of ordinary shares	16.9	-	16.9	3.4	-	3.4
Acquisition of non-controlling interests	-3.1	-0.9	-4.0	-	-	-
Dividend non-controlling interests	-	-0.3	-0.3	-	-	-
Value at June 30	**2,729.4**	**0.5**	**2,729.9**	**2,681.6**	**1.8**	**2,683.4**

Breakdown operating expenses

In € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	6m 2011	6m 2010
Personnel expenses	404.7	376.7	805.5	730.3
Other operating expenses	162.3	159.3	323.4	305.3
Operating expenses	**567.0**	**536.0**	**1,128.9**	**1,035.6**

Depreciation and amortization software

In € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	6m 2011	6m 2010
Depreciation property plant and equipment	12.9	13.9	26.4	28.0
Amortization software	6.5	7.6	13.1	14.8
Total depreciation and amortization software	**19.4**	**21.5**	**39.5**	**42.8**

Earnings per ordinary share

In € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	6m 2011	6m 2010
Net income for holders of ordinary shares	**74.5**	**54.0**	**112.3**	**74.0**
Amortization and impairment acquisition-related intangible assets and goodwill	39.1	38.6	80.2	78.7
One-offs	-	-4.0	-	-4.0
Tax effect on amortization and impairment intangible assets and goodwill and one-offs	-12.5	-11.4	-25.6	-23.9
Net income for holders of ordinary shares before amortization and impairment acquisition-related intangible assets and goodwill and one-offs	**101.1**	**77.2**	**166.9**	**124.8**
Basic EPS (€)	0.44	0.32	0.66	0.44
Diluted EPS (€)	0.43	0.31	0.65	0.43
Diluted EPS before amortization and impairment intangible assets and goodwill and one-offs (€)	0.59	0.45	0.97	0.73
Outstanding ordinary shares, in million shares				
Avg. number of ordinary shares outstanding	170.9	169.7	170.7	169.7
Avg. number of diluted ordinary shares outstanding	172.3	171.7	172.2	171.7

Core data balance sheet

In € million, unless otherwise indicated (unaudited)	June 30, 2011	June 30, 2010
Operating working capital[1]	**718.8**	**682.0**
Cash and cash equivalents	250.2	250.0
Less: current borrowings	-94.9	-191.5
Net cash position (cash flow statement)	**155.3**	**58.5**
Less: Non-current borrowings	-1,225.0	-1,200.8
Net debt	**-1,069.7**	**-1,142.3**

[1] operating working capital is trade and other receivables minus current part financial fixed assets minus trade and other payables

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 six months' period ended June 30, 2011 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 (hereafter: IFRS).
The accounting policies applied by the Group in these consolidated interim financial statements are unchanged compared to those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2010.

Basis of presentation

These consolidated interim financial statements are condensed and prepared in accordance with (IFRS) IAS 34 'Interim Financial Reporting'; they do not include all of the information required for full (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, 2010.

The consolidated financial statements of the Group as at and for the year ended December 31, 2010 are available upon request at the Company's office or at www.ir.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, were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2010.

Seasonality

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

Effective tax rate

The effective tax rate for the six months' period ended June 30, 2011 is 30.2% and is based on the estimated effective tax rate for the whole year 2011. Compared to the whole year 2010 (28.1%), the effective tax rate (before tax one-offs) is higher, which is mainly due to changes in the relative mix of results and a relatively lower share of tax-exempt income items.

Acquisition of Group companies and buy-out of non-controlling interests

The total cash out for acquisitions YTD Q2 2011 is € 15.3 million (Q2 only: € 6.5 million), which is related to the increase of our shareholding in our Brazilian company RHI from 51% to 100% (Q2) and to arrangements with regard to acquired group companies in preceding years (Q1 and Q2). As these companies were already consolidated in full in 2010, no additional contribution to revenue and operating profit resulted from these acquisitions in 2011.

Disposal of Group companies

In Q1 2011 the Group disposed of a small business in Hong Kong leading to a cash inflow of € 1.9 million.

Shareholders' equity

The issued number of ordinary shares increased as follows:

Number of issued shares as at December 31, 2010	170,048,755
Share-based payments arrangements	900,309
Number of issued shares as at June 30, 2011	170,948,794

Net debt position

The net debt position as of June 30, 2011 (€ 1,069.7 million) is € 170.4 million higher compared to December 31, 2010 (€ 899.3 million), which is influenced by the payment of dividend in Q2 (€ 208.8 million) and seasonality in cash flows.

Related-party transactions

There are no material changes in the nature, scope and (relative) scale in this reporting period compared to the disclosures in note 41 and 42 of the consolidated financial statements as at and for the year ended December 31, 2010.

Commitments

There are no material changes in the nature and scope compared to the disclosures in note 33 of the consolidated financial statements as at and for the year ended December 31, 2010.

Reconciliation actual-underlying results

in € million, unless otherwise indicated (unaudited)	Q2 2011	Q2 2010	6m 2011	6m 2010
Gross profit underlying	720.5	**649.1**	1,391.1	**1,224.1**
One-offs	-	10.6	-	10.6
Gross profit actual	720.5	**659.7**	1,391.1	**1,234.7**
EBITA underlying	153.5	119.7	262.2	195.1
One-offs	-	4.0	-	4.0
EBITA actual	153.5	**123.7**	262.2	**199.1**

Events after balance sheet date

On July 20, 2011 the Group announced the intended acquisition of SFN Group Inc, USA, through a cash tender offer on the outstanding shares of SFN Group.