Q2

2nd quarter results 2015

randstad

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

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Q2: Solid execution; Europe gaining momentum

Revenue of € 4,816 million; organic growth +6.7%; gross profit up 7.2%

❯ 3

Topline accelerated in Europe (the Netherlands and France); North America stable growth

❯ 3

Gross margin up 30 bp to 18.7%; Perm fees up 13%, now 10.9% of gross profit (vs. 10.0% last year)

❯ 3

Underlying EBITA of € 215 million (+16% organically); EBITA margin up 40 bp to 4.5%; Organic L4Q ICR of 61%

❯ 4

Adjusted net income up 31% from € 116 million to € 152 million

❯ 3

DSO improved to 51.2 (from 51.9 in Q2 2014); leverage ratio of 0.7 compared to 1.3 last year

❯ 6

Global MSP spend under management up 57%, RPO revenue up 36%

❯ 3

Based on volume trends, growth in July is at least in line with Q2

❯ 12

Expected FY 2015 effective tax rate of between 26% and 28% (previous guidance 27-30%)

❯ 5

"Our solid results confirm that we are on track to deliver on our ambition, driven by the strong execution of our 29,000 colleagues across the globe", says Randstad CEO Jacques van den Broek. "Growth in Europe is accelerating and our US business continues to do well. I am proud of the market outperformance by our people in many of our operations. Furthermore, we see continued growth in permanent placements and also in managed services and recruitment process outsourcing, both part of Randstad Sourceright. Looking at the progress we have made in the past 12 months, I am confident we can do even better in the future."

Our annual report 2014 is available on www.randstad.com/annualreport.

financial performance

Core data

in millions of €, unless otherwise indicated - underlying	Q2 2015	Q2 2014	YoY change	% Org.	L4Q 2015	L4Q 2014	YoY change	% Org.
Revenue	4,815.8	4,268.1	13%	7%	18,259.2	16,878.4	8%	5%
Gross profit	902.9	786.7	15%	7%	3,393.7	3,085.1	10%	6%
Operating expenses	687.7	612.6	12%	4%	2,616.5	2,446.9	7%	3%
EBITA, underlying [1]	**215.2**	**174.1**	**24%**	**16%**	**777.2**	**638.2**	**22%**	**19%**
Integration costs	-	0.9			-	20.1		
One-offs	2.2	-			50.9	27.3		
EBITA	**213.0**	**173.2**	**23%**		**726.3**	**590.8**	**23%**	
Amortization of intangible assets [2]	34.3	36.0			147.9	154.0		
Operating profit	**178.7**	**137.2**			**578.4**	**436.8**		
Net finance costs	(4.0)	(4.0)			(50.2)	(13.4)		
Share of profit of associates	0.1	0.0			0.4	0.4		
Income before taxes	**174.8**	**133.2**	**31%**		**528.6**	**423.8**	**25%**	
Taxes on income	(44.6)	(39.1)			(147.8)	(136.9)		
Net income	**130.2**	**94.1**	**38%**		**380.8**	**286.9**	**33%**	
Adj. net income for holders of ordinary shares [3]	152.3	116.2	31%		507.0	416.3	22%	
Free cash flow	(59.4)	(82.2)	28%		472.5	323.5	46%	
Net debt	575.4	877.9						
Leverage ratio (net debt/12-month EBITDA)	0.7	1.3						
DSO (Days Sales Outstanding), moving average	51.2	51.9						
Margins (in % of revenue)								
Gross margin	18.7%	18.4%			18.6%	18.3%		
Operating expenses margin	14.3%	14.4%			14.3%	14.5%		
EBITA margin	4.5%	4.1%			4.3%	3.8%		
Share data								
Basic earnings per ordinary share (in €)	0.70	0.51	37%		2.03	1.55	31%	
Diluted earnings per ordinary share, underlying (in €) [4]	0.83	0.64	30%		2.78	2.32	20%	

1 EBITA adjusted for integration costs and one-offs.
2 Amortization and impairment of acquisition-related intangible assets and goodwill, and badwill.
3 Before amortization and impairment of acquisition-related intangible assets and goodwill, badwill, integration costs and one-offs.
4 Before amortization and impairment of acquisition-related intangible assets and goodwill, badwill, integration costs and one-offs. See table "Net income for holders of ordinary shares" on page 25.

Revenue

Organic revenue per working day grew by 6.7% in Q2, compared to 5.6% in Q1. Reported revenue was 12.8% above Q2 2014, of which FX made up 5.8%.

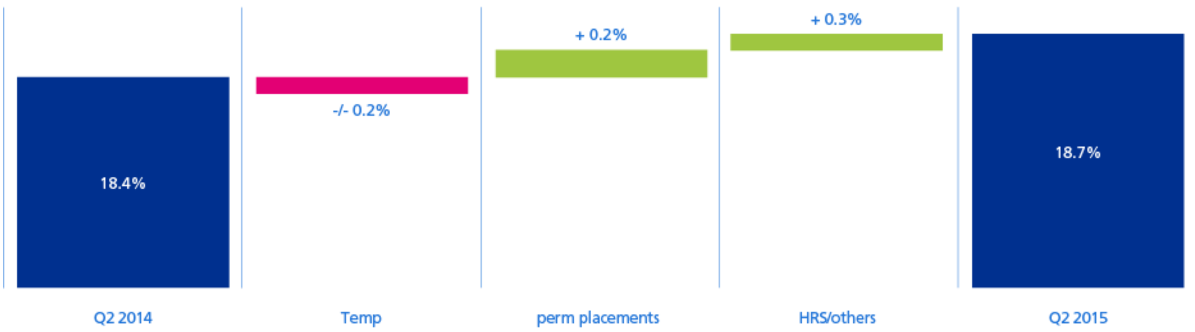
In North America, revenue per working day was up 5% (Q1 2015: up 5%). Growth remained stable through the quarter, with Professionals showing an improving trend. In Europe, revenue per working day grew by 7% (Q1 2015: up 5%), benefiting from continued acceleration in the Netherlands (up 15%) and a pick-up in France (up 4%). Topline in Germany was flat YoY, and volumes remain challenging. In the 'Rest of the world', revenue per working day was up 12% (Q1 2015: up 12%), and we continued to see progress in Australia (up 16%).

As a result of our strategic focus, perm fees grew by 13% (Q1 2015: up 16%). In North America and Europe, perm fees grew by 16% and 9% respectively. In Asia, fee growth was 20%, led by Japan and China. In Australia, perm fees grew 29%. Perm fees made up 2.1% of revenue and 10.9% of gross profit (Q2 2014: 10.0%).

Gross profit

In Q2 2015, gross profit amounted to € 902.9 million. The organic change was 7.2% (Q1 2015: 6.7%). Currency effects had a positive impact on gross profit of € 56 million compared to Q2 2014.

YoY gross margin development



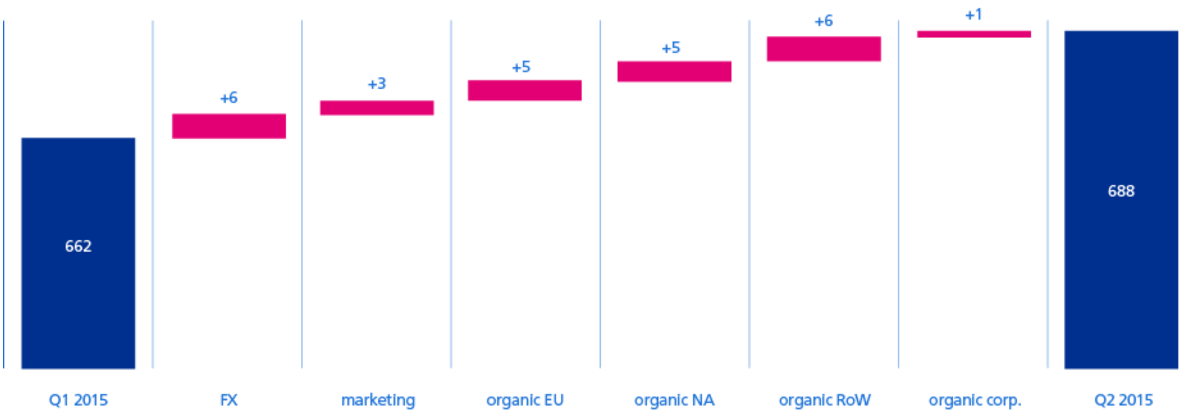
Gross margin was 18.7%, 30 bp above Q2 2014 (as shown in the graph above). Growth in perm (up 13% in Q2) had a 20 bp favorable impact, while the +30 bp impact of HRS/others (solid growth in MSP/RPO) was partially offset by the 20 bp negative impact on the gross margin of Temp (both mix and price).

Operating expenses

Underlying operating expenses increased sequentially by € 26.0 million to € 687.7 million (3.2% organically). Compared to last year, operating expenses were up 4.3% organically. There was a € 45 million FX impact YoY.

OPEX development Q1 → Q2

In millions of €



Personnel expenses increased 2.7% sequentially as a result of investments in headcount in countries or segments where growth continued, and due to annual wage increases. Average headcount (in FTE) amounted to 29,260 for the quarter, 1% higher than in Q1 2015 and 2% higher YoY. In North America and Europe the sequential headcount increases were 3% and 1% respectively.

Productivity (measured as gross profit per FTE) was 5.3% higher than last year (Q1 2015: 4.9%) on an organic basis. We operated a network of 4,416 outlets (Q1 2015: 4,411). Although the expansion of our Inhouse presence has continued (up 5% sequentially), there is an offsetting number of branch consolidations, which has kept the total number of outlets flat sequentially.

Operating expenses in Q2 2015 were adjusted for € 3.8 million in restructuring costs in Germany. This was offset by a gain of € 1.6 million on the divestment of our Care business in Australia. Last year's cost base was adjusted for a total of € 0.9 million in integration costs.

EBITA

Underlying EBITA increased organically by 16% to € 215.2 million. Currency effects had a positive impact of € 11 million YoY. The EBITA margin reached 4.5%, up from 4.1% in Q2 2014. On an annualized basis (L4Qs), the underlying EBITA margin improved from 3.8% to 4.3%. We achieved an organic incremental conversion ratio (ICR) of 61% over the last four quarters.

Amortization of intangible assets, impairment of goodwill, and badwill

Amortization of acquisition-related intangible assets amounted to € 34.3 million, in line with the level of previous quarters.

Net finance costs

In Q2 2015, net finance costs reached € 4.0 million, in line with Q2 2014. Interest expenses on our net debt position were € 3.5 million, compared to € 4.4 million in Q2 2014. Foreign currency effects had a negative impact of € 0.3 million.

Over the L4Qs, net finance costs have been € 50.2 million, compared to € 13.4 million in the prior period. The YoY increase is due to higher foreign currency effects, which had a negative impact of € 35.1 million over the L4Qs, compared to a currency gain of € 7.1 million last year.

Tax

The effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, badwill, integration costs, and one-offs amounted to 27.1% in the first six months, and is based on the estimated effective tax rate for the whole year 2015 (FY 2014: 30.4%). For 2015, we expect an effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, badwill, integration costs, and one-offs of between 26% and 28% (previous guidance: 27-30%).

Net income, earnings per share

In Q2 2015, diluted underlying EPS amounted to € 0.83 (Q2 2014: € 0.64). Stock dividend and the exercise of stock options increased the average number of diluted ordinary shares outstanding by 1.3% compared to Q2 2014 (from 181.1 million to 183.4 million).

Invested capital

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

in millions of €, unless otherwise indicated	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Goodwill and intangible assets	2,592.1	2,653.5	2,597.5	2,616.7	2,608.6	2,627.2
Operating working capital [1]	762.1	590.3	487.7	601.4	669.9	476.6
Net tax assets [2]	597.4	594.0	527.1	513.8	486.8	481.9
Other assets/(liabilities) [3]	176.8	139.0	122.8	136.6	109.0	70.7
Invested capital	**4,128.4**	**3,976.8**	**3,735.1**	**3,868.5**	**3,874.3**	**3,656.4**
Financed by						
Equity	3,553.0	3,551.8	3,313.1	3,207.7	2,996.4	2,942.4
Net debt	575.4	425.0	422.0	660.8	877.9	714.0
Invested capital	**4,128.4**	**3,976.8**	**3,735.1**	**3,868.5**	**3,874.3**	**3,656.4**
Ratios						
DSO (Days Sales Outstanding), moving average	51.2	51.5	51.7	52.0	51.9	51.8
Working capital as % of revenue over last 12 months	4.2%	3.3%	2.8%	3.5%	4.0%	2.8%
Leverage ratio (net debt/12-month EBITDA)	0.7	0.5	0.5	0.9	1.3	1.1
Return on invested capital [4]	15.1%	14.9%	15.8%	14.0%	13.3%	13.7%

1 Operating working capital: Trade and other receivables minus the current part of financial fixed assets, deferred receipts from disposed group companies and interest receivable minus trade and other payables excluding interest payable.
2 Net tax assets: Deferred income tax assets and income tax receivables less deferred income tax liabilities and income tax liabilities.
3 All other assets/(liabilities), mainly containing property, plant & equipment plus financial assets and associates, less provisions and employee benefit obligations and other liabilities.
4 Return on invested capital: Underlying EBITA (last 12 months) less income tax paid (last 12 months) as percentage of invested capital.

Operating working capital increased sequentially to € 762 million, which is in line with normal seasonal patterns in our business. In line with previous years, we paid holiday allowances in the Netherlands and Belgium in Q2. Working capital increased to 4.2% of revenue, with business investment/growth driving the increase. The moving average of Days Sales Outstanding (DSO) improved to 51.2 days (Q2 2014: 51.9), driven by efforts for further improvements in our invoicing and collection processes.

The increase of the net tax asset position compared to last year is mainly related to currency effects on the carry-forward amounts. Net tax assets mainly comprise of deferred tax assets related to tax loss carry-forward of subsidiaries, which can be used to offset profits in future years, and differences between the valuation of assets and liabilities according to the financial statements and their valuation for tax purposes.

Other assets comprise property, plant and equipment, financial assets, and associates, less provisions and other liabilities. The increase in this group of assets is mainly due to the Tax Credit and Competitive Employment Act (CICE) subsidy receivable in France.

At the end of Q2 2015, net debt was € 575 million, compared to € 878 million at the end of Q2 2014. Further analysis of cash flow is given in the next section. The leverage ratio was 0.7 compared to 1.3 a year ago. The documentation of the syndicated credit facility allows a leverage ratio of up to 3.5, while we aim to maintain a maximum leverage ratio of 2.

Cash flow summary

in millions of €	Q2 2015	Q2 2014	change	L4Q 2015	L4Q 2014	change
EBITA	**213.0**	**173.2**	**23%**	**726.3**	**590.8**	**23%**
Depreciation and amortization of software	16.3	15.8		65.5	65.9	
EBITDA	**229.3**	**189.0**	**21%**	**791.8**	**656.7**	**21%**
Working capital	(191.9)	(186.8)		(33.1)	91.0	
Provisions and employee benefit obligations	(9.4)	(6.1)		5.3	(52.9)	
Other items	(21.0)	(18.8)		(69.7)	(48.9)	
Income taxes	(52.9)	(43.6)		(152.6)	(254.9)	
Net cash flow from operating activities	**(45.9)**	**(66.3)**	**31%**	**541.7**	**391.0**	**39%**
Net capital expenditures	(13.5)	(15.9)		(62.7)	(60.6)	
Financial assets	-	-		(6.5)	(6.9)	
Free cash flow	**(59.4)**	**(82.2)**	**28%**	**472.5**	**323.5**	**46%**
Net (acquisitions)/disposals	0.4	(0.4)		(3.3)	(0.1)	
Issue of ordinary shares	2.1	-		4.2	6.3	
Purchase of own ordinary shares	-	-		(23.6)	(25.7)	
Dividend on ordinary shares	(81.5)	(56.0)		(81.5)	(56.0)	
Dividend on preference shares	(12.6)	(12.1)		(12.6)	(12.1)	
Net finance costs	(1.3)	(7.0)		(22.2)	(15.9)	
Translation and other effects	1.9	(6.2)		(31.0)	15.1	
Net (increase)/decrease of net debt	**(150.4)**	**(163.9)**		**302.5**	**235.1**	

On an annualized basis (L4Q), free cash flow was € 472.5 million, up 46% versus the prior period. In the quarter, free cash flow was impacted by seasonally higher working capital requirements.

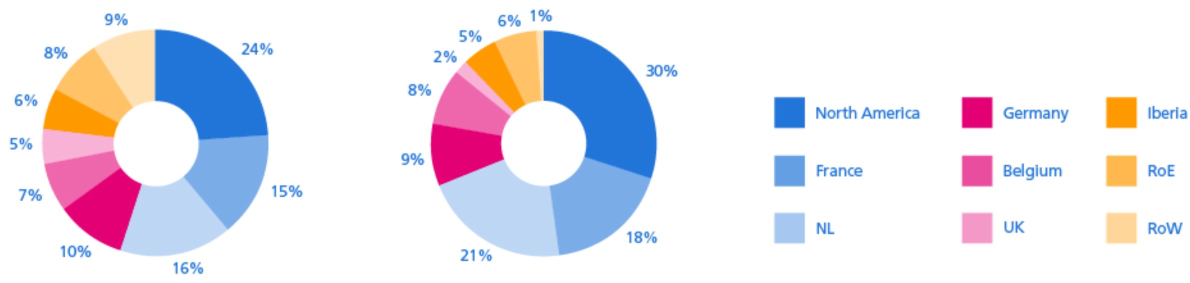
Provisions and employee benefit obligations saw a year-on-year L4Q cash flow increase of € 5.3 million, primarily related to the net increase in provisions for restructuring in 2015 and net withdrawals from provisions in 2014. Other items include an amount resulting from the implementation of the Tax Credit and Competitive Employment Act (CICE) in France. Based on this law and our tax position, we will receive the tax credits as from 2017.

performance by geography

Split by geography

Q2 2015: revenue € 4,815.8 million

Q2 2015: EBITA € 215.2 million



Revenue by geographical area

in millions of €, underlying	Q2 2015	Q2 2014	change	organic Δ %[1]	L4Q 2015	L4Q 2014	change	organic Δ %[1]
North America	1,173.4	910.9	29%	5%	4,252.2	3,603.7	18%	6%
France	746.1	719.3	4%	4%	2,751.2	2,811.2	(2)%	(2)%
Netherlands	751.2	677.8	11%	15%	2,931.2	2,734.9	7%	8%
Germany	479.9	479.4	0%	0%	1,934.8	1,943.6	(0)%	(1)%
Belgium & Luxembourg	328.9	311.0	6%	6%	1,320.4	1,264.8	4%	4%
Iberia	294.8	270.5	9%	8%	1,138.4	1,037.1	10%	9%
United Kingdom	230.3	203.8	13%	0%	875.4	797.5	10%	0%
Other European countries	390.8	342.1	14%	9%	1,462.8	1,289.4	13%	12%
Rest of the world	420.4	353.3	19%	12%	1,592.8	1,396.2	14%	13%
Total revenue	**4,815.8**	**4,268.1**	**13%**	**7%**	**18,259.2**	**16,878.4**	**8%**	**5%**

EBITA by geographical area

in millions of €, underlying	Q2 2015	EBITA margin	Q2 2014	EBITA margin	organic Δ %[1]	L4Q 2015	EBITA margin	L4Q 2014	EBITA margin	organic Δ %[1]
North America	68.8	5.9%	45.9	5.0%	23%	216.8	5.1%	162.2	4.5%	21%
France	41.9	5.6%	39.0	5.4%	7%	148.8	5.4%	124.8	4.4%	19%
Netherlands	49.1	6.5%	40.9	6.0%	20%	188.5	6.4%	168.8	6.2%	12%
Germany	22.2	4.6%	23.0	4.8%	(3)%	82.0	4.2%	88.3	4.5%	(7)%
Belgium & Luxembourg	17.9	5.4%	16.3	5.2%	10%	70.8	5.4%	57.3	4.5%	24%
Iberia	11.1	3.8%	7.9	2.9%	41%	47.3	4.2%	33.0	3.2%	43%
United Kingdom	4.5	2.0%	3.7	1.8%	4%	16.0	1.8%	9.3	1.2%	57%
Other European countries	13.0	3.3%	12.0	3.5%	7%	55.5	3.8%	41.4	3.2%	34%
Rest of the world	2.6	0.6%	0.1	0.0%	557%	14.3	0.9%	8.7	0.6%	112%
Corporate	(15.9)		(14.7)			(62.8)		(55.6)		
EBITA before integration costs and one-offs[2]	**215.2**	**4.5%**	**174.1**	**4.1%**	**16%**	**777.2**	**4.3%**	**638.2**	**3.8%**	**19%**
Integration costs	-		(0.9)			-		(20.1)		
One-offs	(2.2)		-			(50.9)		(27.3)		
Total EBITA	**213.0**		**173.2**			**726.3**		**590.8**		

1 Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

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

North America

In North America, organic revenue growth per working day was 5% above last year (Q1 2015: up 5%). Reported revenue was 29% above Q2 2014. Gross profit growth in the quarter was 10% (Q1 2015: up 10%), partially driven by 16% growth in perm fees (Q1 2015: up 8%).

In Q2 2015, our combined US businesses grew 6% (Q1 2015: up 6%), with US Staffing/Inhouse growing by 7% (Q1 2015: up 8%). Our US Professionals business improved in the quarter, with gross profit up 8%, driven by our finance and improving IT segments, while revenue was up 2% (Q1 2015: down 1%).

In Canada, revenue declined 2% (Q1 2015: up 1%), ahead of a challenging market.

Randstad Sourceright North America reported 25% net fee growth (Q1 2015: up 19%). Spend under management within MSP was up 49% due to expansion of existing programs and significant new customer wins.

EBITA margin for the region increased from 5.0% to 5.9%. The underlying profitability improved across all businesses.

France

In France, revenue grew by 4% (Q1 2015: 0%), ahead of the market. Staffing and Inhouse revenue increased 4% (Q1 2015: down 1%). Our Professionals business was up 2%, driven by healthcare. Perm fees were up 6% compared to last year (Q1 2015: up 15%). Our EBITA margin increased to 5.6%, compared to 5.4% last year.

Netherlands

In the Netherlands, revenue per working day grew by 15% compared to last year (Q1 2015: up 10%). Overall perm fee growth was 21% (Q1 2015: up 21%). Our combined Staffing businesses (Randstad and Tempo-Team) grew 15% (Q1 2015: up 8%), in line with the market. Our Professionals business (Yacht) was up 12% (Q1 2015: up 19%). Dutch EBITA margin came in at 6.5%, compared to 6.0% last year.

Germany

In Germany, revenue per working day was flat YoY (Q1 2015: down 3%). Volume decline has been offset by a positive price effect of 4%, resulting from the CLA-related price increases. Our combined Staffing and Inhouse business was marginally positive (Q1 2015: down 2%) while Professionals was down 2% (Q1 2015: down 7%). Gross profit was down 1% in the quarter (Q1 2015: down 6%). Underlying EBITA margin in Germany reached 4.6%, compared to 4.8% last year (which benefitted from some favorable payroll-related items). In the quarter, a € 3.8 million restructuring charge was taken in Germany.

Belgium & Luxembourg

In Belgium & Luxembourg, revenue per working day was up 6% (Q1 2015: up 7%), driven by our Staffing/Inhouse business, which grew 7% (Q1 2015: up 6%). The Professionals business was down 3% (Q1 2015: up 13%). Overall gross profit increased 5% (Q1 2015: up 9%). EBITA margin moved up to 5.4% from 5.2% last year.

Iberia

In Iberia, revenue grew 8% (Q1 2015: up 12%), with gross profit growth of 11% (Q1 2015: up 12%). Spain was up 14% (Q1 2015: up 16%), with Staffing/Inhouse combined growing 14% (Q1 2015: up 15%). In addition, our focus on permanent placements (up 22%) and Professionals (up 54%) continues to pay off. In Portugal, revenue declined by 3% (Q1 2015: up 4%), as a result of our focus on client profitability. Overall EBITA margin for Iberia improved to 3.8% in Q2 2015, up from 2.9% in the same period last year.

United Kingdom

Revenue per working day in the UK was flat compared to the prior year (Q1 2015: up 3%), while gross profit was up 5% (Q1 2015: up 5%), emphasizing continued focus on both profitable growth and perm placements. Overall perm fees grew by 5% year-on-year (Q1 2015: up 15%). Construction/Engineering again experienced double-digit growth. EBITA margin improved to 2.0% (Q2 2014: 1.8%).

Other European countries

Across 'Other European countries', revenue per working day grew by 9% (Q1 2015: up 12%). This was supported by 16% growth in Italy (Q1 2015: up 12%). In Poland, revenue growth was 2% (Q1 2015: up 16%), impacted by increasing candidate scarcity and a tough comparison base. Revenue growth in our Swiss business slowed to 2%, ahead of a difficult market (Q1 2015: up 9%). In the Nordics, revenue grew by 7% (Q1 2015: up 7%). EBITA margin for the 'Other European countries' reached 3.3% (Q2 2014: 3.5%).

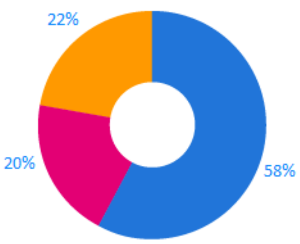
Rest of the world

Overall revenue in the 'Rest of the world' region grew by 12% organically (Q1 2015: up 12%). In Japan, revenue grew by 6% (Q1 2015: up 2%). Revenue in Australia grew by 16% (Q1 2015: up 21%) and China grew by 20% (Q1 2015: up 11%). Our business in India continued to pick up, growing by 14% (Q1 2015: up 10%), whilst Latin America grew by 16% (Q1 2015: up 18%), driven by Argentina and Chile. Overall, EBITA margin in these regions improved to 0.6%, from 0.0% last year, impacted by investments in growth.

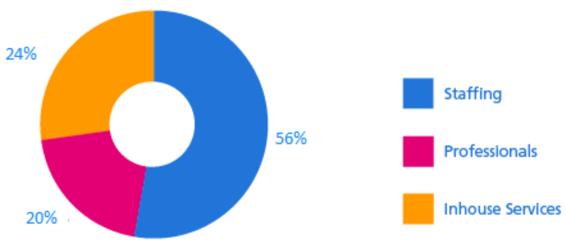
performance by revenue category

Split by revenue category

Q2 2015: revenue € 4,815.8 million



Q2 2015: EBITA € 215.2 million



Staffing

in millions of €, underlying	Q2 2015	Q2 2014	organic Δ% [1]	L4Q 2015	L4Q 2014	organic Δ% [1]
Revenue	2,800.3	2,524.9	6%	10,696.2	10,103.9	4%
EBITA	129.0	102.6	25%	455.5	387.0	18%
EBITA margin	4.6%	4.1%		4.3%	3.8%	

1 Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

Inhouse Services

in millions of €, underlying	Q2 2015	Q2 2014	organic Δ% [1]	L4Q 2015	L4Q 2014	organic Δ% [1]
Revenue	1,055.9	896.6	12%	3,916.3	3,461.3	10%
EBITA	56.0	45.9	16%	209.1	173.8	14%
EBITA margin	5.3%	5.1%		5.3%	5.0%	

1 Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

Professionals

in millions of €, underlying	Q2 2015	Q2 2014	organic Δ% [1]	L4Q 2015	L4Q 2014	organic Δ% [1]
Revenue	959.6	846.6	3%	3,646.7	3,313.2	4%
EBITA	46.1	40.3	2%	175.4	133.0	25%
EBITA margin	4.8%	4.8%		4.8%	4.0%	

1 Organic change is measured excluding the impact of currencies, acquisitions, disposals, and reclassifications. For revenue, the organic change has been adjusted for the number of working days.

other information

Outlook
Revenue grew by 6.7% in Q2, and in June it was up more than 6%. Based on volume trends, the growth in July, so far, appears to be at least in line with the quarter average. For Q3 we continue to expect a significant YoY FX impact at the current levels.

Sequentially, there should be a slight seasonal drop in gross margin in Q3, as usual, due to more holiday work.

Operating expenses for Q3 are expected to be modestly up sequentially (on an organic basis), while the FX impact should be negligible.

There is no significant working day impact in Q3.

Expected FY 2015 effective tax rate before amortization and impairment of acquisition-related intangibles and goodwill, badwill, integration costs, and one-offs is now between 26% and 28% (from 27% - 30%).

Randstad Innovation Fund
Randstad Innovation Fund's latest investments were in Brazen & Checkster, its fifth and sixth investments respectively.

The Brazen platform allows organizations to schedule and host chat-based online meet-ups and events to engage a wide variety of audiences. More than 150 customers, including Raytheon, Amtrak and Gannett, are using the Brazen platform to engage existing employees and attract and hire new talent. Brazen's software-as-a-service platform allows companies to create engagement and interaction among people who do not yet know each other, thus strengthening fragmented communities.

Checkster strengthens RIF's portfolio of technology companies around talent management. Checkster's primary solution is a web-based reference tool that leverages new science of collective intelligence to improve talent decisions and quality of hire. Checkster's suite of Automated Reference, Interview and 360 Checkups provides valuable insights and efficient processes. Its use of data and its consistent methodology help companies to make better hiring decisions.

Working days

	Q1	Q2	Q3	Q4
2015	62.4	61.6	65.0	63.9
2014	62.4	61.8	64.8	63.5
2013	62.3	62.1	65.0	63.4

Financial calendar

Publication of third quarter results 2015	October 29, 2015
Capital Markets Day 2015 (London)	November 17, 2015
Publication of fourth quarter and annual results 2015	February 18, 2016
Annual General Meeting of Shareholders	March 31, 2016
Publication of first quarter results 2016	April 26, 2016

Analyst and press conference call
Today, at 10.00 am CET, Randstad Holding nv will host an analyst conference call. The dial-in number is +31 20 794 67 21, or +44 20 3059 8125 for international participants. Please quote "Randstad" to gain access to the conference. You can listen to the call through a real-time audio webcast. You can access the webcast and presentation at http://www.ir.randstad.com/reports-and-presenations/quarterly-results.aspx. A replay of the presentation and the Q&A will be available on our website by the end of the day.

Disclaimer
Certain statements in this document concern prognoses about the future financial condition, risks, investment plans and the results of operations of Randstad Holding and its operating companies, as well as certain plans and objectives. Obviously, such prognoses involve risks and a degree of uncertainty, since they concern future events and depend on circumstances that will apply then. Many factors may contribute to the actual results and developments differing from the prognoses made in this document. These factors include, but are not limited to, general economic conditions, a shortage on the job market, changes in the demand for personnel (including flexible personnel), achievement of cost savings, changes in the business mix, changes in legislation

(particularly in relation to employment, staffing and tax laws), the role of industry regulators, future currency and interest fluctuations, our ability to identify relevant risks and mitigate their impact, the availability of credit on financially acceptable terms, the successful completion of company acquisitions and their subsequent integration, successful disposals of companies, and the rate of technological developments. These prognoses therefore apply only on the date on which this document was compiled. The quarterly results as presented in this press release are unaudited.

Randstad profile

Randstad specializes in solutions in the field of flexible work and human resources services. Our services range from regular temporary staffing and permanent placements 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, the UK, and the United States, as well as major positions in Australia and Japan. In 2014, Randstad had approximately 29,120 corporate employees and around 4,411 branches and Inhouse locations in 39 countries around the world. Randstad generated revenue of € 17.25 billion in 2014. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. Randstad Holding nv is listed on the Euronext Amsterdam, where options for stocks in Randstad are also traded. For more information, see www.randstad.com.

half-year report

Key financials

in millions of €, unless otherwise indicated - underlying	6M 2015	6M 2014	change
Revenue	9,247.2	8,237.8	12%
Gross profit	1,717.7	1,504.0	14%
Operating expenses	1,349.4	1,206.9	12%
Underlying EBITA	**368.3**	**297.1**	**24%**
Margins (in % of revenue)			
Gross margin	18.6%	18.3%	
Operating expenses margin	14.6%	14.7%	
EBITA margin	4.0%	3.6%	

Revenue

Revenue increased to € 9,247.2 million, up 6.2% per working day. Revenue per working day was up by 5.6% in the first quarter and by 6.7% in the second quarter.

Gross profit

Gross margin reached 18.6%, which was 30 bp above last year. In North America, gross margin continued to increase. Across Europe and in the 'Rest of the world' region, price/mix effects continued to have a small negative impact on our Temp gross margin. Permanent placements had a small positive impact on gross margin.

Operating expenses

Operating expenses increased by 4% organically. The reported increase in our cost base mainly stems from FX movements. We maintained strong cost control, while allowing for limited investments in headcount in countries where growth continued. In addition, our restructuring program is well on track. Overall headcount is at a similar level to that of the prior year.

EBITA

Underlying EBITA increased to € 368.3 million. EBITA margin improved from 3.6% to 4.0%, and reflects our ability to achieve better returns in the improving growth environment. We achieved an organic incremental conversion ratio over the last 6 months of 50%.

Key financials, actual

in millions of €, unless otherwise indicated	6M 2015	6M 2014	change
Underlying EBITA	**368.3**	**297.1**	**24%**
Integration costs	-	5.8	
One-offs	11.4	-	
EBITA	**356.9**	**291.3**	**23%**
Amortization of intangible assets	74.5	72.0	
Operating profit	**282.4**	**219.3**	
Net finance costs	(26.3)	(6.6)	
Share of profit of associates	0.2	0.1	
Income before taxes	**256.3**	**212.8**	**20%**
Taxes on income	(66.6)	(63.8)	
Net income	**189.7**	**149.0**	**27%**

Amortization of acquisition-related intangible assets

Amortization of acquisition-related intangible assets increased to € 74.5 million, compared to € 72.0 million over the first six months of 2014. The year-on-year increase was mainly due to currency mix effects.

Net finance costs

Net finance costs amounted to € 26.3 million, compared to € 6.6 million in the first half of 2014. Interest expenses on our net debt position were € 6.6 million, compared to € 9.4 million in the first half of 2014. Currency effects resulted in a loss of € 20.5 million (HY 2014: gain of 0.8 million). Adjustments in the valuation of certain assets and liabilities caused most of the remaining effect.

Taxes on income

The effective tax rate before amortization and impairment of acquisition-related intangible assets and goodwill, badwill, integration costs, and one-offs amounted to 27.1% in the first six months (FY 2014: 30.4%), and is based on the estimated effective tax rate for the whole year 2015.

Net income

Adjusted net income attributable to holders of ordinary shares amounted to € 243.1 million, compared to € 196.0 million in the first six months of 2014. As a result, diluted underlying EPS increased from € 1.09 to € 1.33. This increase was partly impacted by a higher number of ordinary shares, as a result of the payment of stock dividend and the issue of shares due to the exercise of stock options.

Cash flow

In the first six months of 2015, free cash flow amounted to € 23.2 million (negative) compared to € 8.0 million (negative) in HY 2014. Free cash flow is typically negative in the first half year. This is mainly due to the seasonality of our business, which causes an increase in the working capital requirements as revenue increases towards the end of the second quarter. In addition, we pay annual holiday allowances in the Netherlands and Belgium in the second quarter. We continue to focus on strong cash flow generation. The moving average DSO improved to 51.2 days.

in millions of €, unless otherwise indicated	6M 2015	6M 2014	change
EBITA	**356.9**	**291.3**	**23%**
Depreciation and amortization of software	32.6	32.3	
EBITDA	**389.5**	**323.6**	**20%**
Working capital	(250.8)	(208.8)	
Provisions	(9.4)	(8.1)	
Other items	(36.5)	(34.0)	
Income taxes paid	(89.3)	(53.4)	
Net cash flow from operating activities	**3.5**	**19.3**	**(82)%**
Net capital expenditures	(26.7)	(27.3)	
Financial receivables	0.0	0.0	
Free cash flow	**(23.2)**	**(8.0)**	**190%**
Net (acquisitions)/disposals	0.5	(1.9)	
Issue of ordinary shares	4.2	1.5	
Purchase of ordinary shares	(23.6)	(25.7)	
Dividend on ordinary shares	(81.5)	(56.0)	
Dividend on preference shares	(12.6)	(12.1)	
Net finance costs	(0.6)	(8.8)	
Translation effects and other	(16.6)	(5.9)	
Net increase of net debt	**(153.4)**	**(116.9)**	

In HY 1 2015, we purchased around 525,000 ordinary shares to cover the allocation of shares under the performance share plans for senior management. We also made further investments through the Randstad Innovation Fund. The investments were made in Brazen and Checkster.

Risk profile

With regard to risks and opportunities, reference is made to our 2014 annual report (pages 87–94). The key risks and opportunities did not change materially in HY 2015. The risks identified represent the key challenges we currently face, and we expect them to be applicable in the second half of 2015. We continue to closely monitor the key risks and opportunities and will respond appropriately to any emerging risk.

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

More information on how we manage performance can be found on pages 63-82 of our 2014 annual report.

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

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

- The consolidated interim financial statements as at June 30, 2015 and for the six months ending at June 30, 2015 have been prepared in accordance with IFRS (IAS 34) as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and results of Randstad Holding nv and its consolidated Group companies taken as a whole; and

- This Interim Directors' Report (as set out on pp. 1-16) 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 30, 2015

The Executive Board,

Jacques van den Broek (Chairman and CEO)

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

François Béharel

Linda Galipeau

Chris Heutink

interim financial statements

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actuals

Consolidated income statement

in millions of €, unless otherwise indicated	Q2 2015	Q2 2014	6M 2015	6M 2014
Revenue	**4,815.8**	**4,268.1**	**9,247.2**	**8,237.8**
Cost of services	3,912.9	3,481.4	7,529.5	6,733.8
Gross profit	**902.9**	**786.7**	**1,717.7**	**1,504.0**
Selling expenses	483.1	421.8	951.6	831.1
General and administrative expenses	206.8	191.7	409.2	381.6
Operating expenses	**689.9**	**613.5**	**1,360.8**	**1,212.7**
Amortization and impairment of acquisition-related intangible assets and goodwill, and badwill	34.3	36.0	74.5	72.0
Total operating expenses	**724.2**	**649.5**	**1,435.3**	**1,284.7**
Operating profit	**178.7**	**137.2**	**282.4**	**219.3**
Net finance costs	(4.0)	(4.0)	(26.3)	(6.6)
Share of profit of associates	0.1	0.0	0.2	0.1
Income before taxes	**174.8**	**133.2**	**256.3**	**212.8**
Taxes on income	(44.6)	(39.1)	(66.6)	(63.8)
Net income	**130.2**	**94.1**	**189.7**	**149.0**
Net income attributable to:				
Holders of ordinary shares Randstad Holding nv	127.0	90.9	183.4	142.7
Holders of preference shares Randstad Holding nv	3.2	3.2	6.3	6.3
Equity holders	**130.2**	**94.1**	**189.7**	**149.0**
Non-controlling interests	0.0	0.0	0.0	0.0
Net income	**130.2**	**94.1**	**189.7**	**149.0**
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):				
Basic earnings per share	0.70	0.51	1.01	0.80
Diluted earnings per share	0.69	0.50	1.01	0.79
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, badwill, integration costs, and one-offs	0.83	0.64	1.33	1.09

Information by geographical area and revenue category

Revenue by geographical area

in millions of €	Q2 2015	Q2 2014	6M 2015	6M 2014
North America	1,173.4	910.9	2,248.1	1,761.8
France	746.1	719.3	1,365.5	1,340.5
Netherlands	751.2	677.8	1,462.2	1,325.7
Germany	479.9	479.4	940.0	954.5
Belgium & Luxembourg	328.9	311.0	642.1	605.0
Iberia	294.8	270.5	565.5	513.2
United Kingdom	230.3	203.8	454.6	400.9
Other European countries	390.8	342.1	743.3	651.8
Rest of the world	420.4	353.3	825.9	684.4
Total revenue	**4,815.8**	**4,268.1**	**9,247.2**	**8,237.8**

EBITA by geographical area

in millions of €	Q2 2015	Q2 2014	6M 2015	6M 2014
North America	68.8	45.9	106.3	69.5
France	41.9	39.0	67.6	64.3
Netherlands	49.1	40.9	82.3	73.6
Germany	18.4	23.0	34.2	41.6
Belgium & Luxembourg	17.9	16.3	34.9	30.6
Iberia	11.1	7.9	20.4	16.0
United Kingdom	4.5	3.7	9.1	7.3
Other European countries	13.0	12.0	22.6	21.1
Rest of the world	4.2	0.1	10.3	1.9
Corporate	(15.9)	(14.7)	(30.8)	(28.8)
EBITA before integration costs [1]	**213.0**	**174.1**	**356.9**	**297.1**
Integration costs	-	(0.9)	-	(5.8)
Total EBITA	**213.0**	**173.2**	**356.9**	**291.3**

1 Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill, badwill and integration costs

Revenue by revenue category

in millions of €	Q2 2015	Q2 2014	6M 2015	6M 2014
Staffing	2,800.3	2,524.9	5,370.7	4,877.3
Inhouse Services	1,055.9	896.6	2,000.3	1,706.5
Professionals	959.6	846.6	1,876.2	1,654.0
Total revenue	**4,815.8**	**4,268.1**	**9,247.2**	**8,237.8**

EBITA by revenue category

in millions of €	Q2 2015	Q2 2014	6M 2015	6M 2014
Staffing	129.0	102.6	211.4	177.0
Inhouse Services	56.0	45.9	102.9	83.4
Professionals	43.9	40.3	73.4	65.5
Corporate	(15.9)	(14.7)	(30.8)	(28.8)
EBITA before integration costs [1]	**213.0**	**174.1**	**356.9**	**297.1**
Integration costs	-	(0.9)	-	(5.8)
Total EBITA	**213.0**	**173.2**	**356.9**	**291.3**

1 Operating profit before amortization and impairment of acquisition-related intangible assets and goodwill, badwill and integration costs

Consolidated balance sheet

in millions of €	June 30, 2015	December 31, 2014	June 30, 2014
ASSETS			
Property, plant and equipment	127.1	128.8	128.3
Intangible assets	2,592.1	2,597.5	2,608.6
Deferred income tax assets	567.3	534.7	510.9
Financial assets and associates	321.4	265.5	208.5
Non-current assets	**3,607.9**	**3,526.5**	**3,456.3**
Trade and other receivables	3,418.0	3,077.9	3,074.4
Income tax receivables	96.8	56.4	44.5
Cash and cash equivalents	153.4	117.1	135.2
Current assets	**3,668.2**	**3,251.4**	**3,254.1**
TOTAL ASSETS	**7,276.1**	**6,777.9**	**6,710.4**
EQUITY AND LIABILITIES			
Issued capital	25.8	25.5	25.5
Share premium	2,270.5	2,261.1	2,261.1
Reserves	1,256.7	1,026.5	709.8
Shareholders' equity	**3,553.0**	**3,313.1**	**2,996.4**
Non-controlling interests	0.0	0.0	0.0
Total equity	**3,553.0**	**3,313.1**	**2,996.4**
Borrowings	547.8	315.0	797.5
Deferred income tax liabilities	34.1	34.8	27.7
Provisions and employee benefit obligations	168.9	164.6	132.2
Other liabilities	14.0	12.5	11.9
Non-current liabilities	**764.8**	**526.9**	**969.3**
Borrowings	181.0	224.1	215.6
Trade and other payables	2,656.1	2,589.9	2,405.9
Income tax liabilities	32.6	29.2	40.9
Provisions and employee benefit obligations	81.5	87.7	75.2
Other liabilities	7.1	7.0	7.1
Current liabilities	**2,958.3**	**2,937.9**	**2,744.7**
Liabilities	**3,723.1**	**3,464.8**	**3,714.0**
TOTAL EQUITY AND LIABILITIES	**7,276.1**	**6,777.9**	**6,710.4**

Consolidated statement of cash flows

in millions of €	Q2 2015	Q2 2014	6M 2015	6M 2014
Operating profit	**178.7**	**137.2**	**282.4**	**219.3**
Amortization and impairment of acquisition-related intangible assets and goodwill, and badwill	34.3	36.0	74.5	72.0
EBITA	**213.0**	**173.2**	**356.9**	**291.3**
Depreciation of property, plant and equipment	11.5	11.1	22.9	22.6
Amortization of software	4.8	4.7	9.7	9.7
EBITDA	**229.3**	**189.0**	**389.5**	**323.6**
Provisions and employee benefit obligations	(9.4)	(6.1)	(9.4)	(8.1)
Share-based payments	7.7	6.6	15.5	14.2
Loss on disposals of property, plant and equipment	0.1	0.1	0.1	0.1
Gain on disposals of activities	(1.6)	-	(1.6)	-
Other non-cash items	(27.2)	(25.5)	(50.5)	(48.3)
Cash flow from operations before operating working capital and income taxes	**198.9**	**164.1**	**343.6**	**281.5**
Trade and other receivables	(196.9)	(155.7)	(243.1)	(131.5)
Trade and other payables	5.0	(31.1)	(7.7)	(77.3)
Operating working capital	**(191.9)**	**(186.8)**	**(250.8)**	**(208.8)**
Income taxes	(52.9)	(43.6)	(89.3)	(53.4)
Net cash flow from operating activities	**(45.9)**	**(66.3)**	**3.5**	**19.3**
Additions in property, plant and equipment	(9.5)	(10.5)	(21.0)	(19.9)
Additions in software	(4.9)	(5.4)	(9.1)	(8.5)
Disposals of property, plant and equipment	0.9	0.0	3.4	1.1
Acquisition of subsidiaries, associates/buyouts and equity investments	(3.4)	(0.4)	(3.4)	(1.9)
Disposals of activities	3.8	-	3.9	-
Net cash flow from investing activities	**(13.1)**	**(16.3)**	**(26.2)**	**(29.2)**
Issue of new ordinary shares	2.1	-	4.2	1.5
Purchase of own ordinary shares	-	-	(23.6)	(25.7)
Net drawings on non-current borrowings	173.9	158.4	214.5	46.2
Net financing	**176.0**	**158.4**	**195.1**	**22.0**
Net finance costs	(1.3)	(7.0)	(0.6)	(8.8)
Dividend on ordinary shares	(81.5)	(56.0)	(81.5)	(56.0)
Dividend on preference shares	(12.6)	(12.1)	(12.6)	(12.1)
Net reimbursement to financiers	**(95.4)**	**(75.1)**	**(94.7)**	**(76.9)**
Net cash flow from financing activities	**80.6**	**83.3**	**100.4**	**(54.9)**
Net increase/(decrease) in cash, cash equivalents, and current borrowings	**21.6**	**0.7**	**77.7**	**(64.8)**
Cash, cash equivalents, and current borrowings at beginning of period	**(49.0)**	**(81.3)**	**(107.0)**	**(17.6)**
Net movement	21.6	0.7	77.7	(64.8)
Translation (losses) / gains	(0.2)	0.2	1.7	2.0
Cash, cash equivalents, and current borrowings at end of period	**(27.6)**	**(80.4)**	**(27.6)**	**(80.4)**
Free cash flow	**(59.4)**	**(82.2)**	**(23.2)**	**(8.0)**

Consolidated statement of comprehensive income

	April 1 - June 30, 2015			April 1 - June 30, 2014		
in millions of €	Shareholders' equity	Non-controlling interests	Total equity	Shareholders' equity	Non-controlling interests	Total equity
Net income for the period	130.2	0.0	130.2	94.1	0.0	94.1
Translation differences	(44.7)	0.0	(44.7)	22.1	0.0	22.1
Total comprehensive income	**85.5**	**0.0**	**85.5**	**116.2**	**0.0**	**116.2**

	January 1 - June 30, 2015			January 1 - June 30, 2014		
in millions of €	Shareholders' equity	Non-controlling interests	Total equity	Shareholders' equity	Non-controlling interests	Total equity
Net income for the period	189.7	0.0	189.7	149.0	0.0	149.0
Translation differences	148.8	0.0	148.8	17.3	0.0	17.3
Total comprehensive income	**338.5**	**0.0**	**338.5**	**166.3**	**0.0**	**166.3**

Consolidated statement of changes in equity

	April 1 - June 30, 2015			April 1 - June 30, 2014		
in millions of €	Shareholders' equity	Non-controlling interests	Total equity	Shareholders' equity	Non-controlling interests	Total equity
Value at April 1	**3,551.8**	**0.0**	**3,551.8**	**2,942.4**	**0.0**	**2,942.4**
Comprehensive income	**85.5**	**0.0**	**85.5**	**116.2**	**0.0**	**116.2**
Cash dividend on ordinary shares	(81.5)	-	(81.5)	(56.0)	-	(56.0)
Dividend on preference shares	(12.6)	-	(12.6)	(12.1)	-	(12.1)
Share-based payments	7.7	-	7.7	6.6	-	6.6
Tax on share-based payments	-	-	-	(0.7)	-	(0.7)
Issue of ordinary shares	2.1	-	2.1	-	-	-
Value at June 30	**3,553.0**	**0.0**	**3,553.0**	**2,996.4**	**0.0**	**2,996.4**

	January 1 - June 30, 2015			January 1 - June 30, 2014		
in millions of €	Shareholders' equity	Non-controlling interests	Total equity	Shareholders' equity	Non-controlling interests	Total equity
Value at January 1	**3,313.1**	**0.0**	**3,313.1**	**2,907.8**	**0.0**	**2,907.8**
Comprehensive income	**338.5**	**0.0**	**338.5**	**166.3**	**0.0**	**166.3**
Cash dividend on ordinary shares	(81.5)	-	(81.5)	(56.0)	-	(56.0)
Dividend on preference shares	(12.6)	-	(12.6)	(12.1)	-	(12.1)
Share-based payments	15.5	-	15.5	14.2	-	14.2
Tax on share-based payments	(0.6)	-	(0.6)	0.4	-	0.4
Issue of ordinary shares	4.2	-	4.2	1.5	-	1.5
Purchase of own ordinary shares	(23.6)	-	(23.6)	(25.7)	-	(25.7)
Value at June 30	**3,553.0**	**0.0**	**3,553.0**	**2,996.4**	**-**	**2,996.4**

notes to the consolidated interim financial statements

Reporting entity
Randstad Holding nv is a public limited liability company incorporated and domiciled in the Netherlands and listed on Euronext Amsterdam.

The consolidated interim financial statements of Randstad Holding nv as at and for the six-month period ended June 30, 2015 include the company and its subsidiaries (together called 'the Group').

Significant accounting policies
These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (hereinafter: IFRS).

The accounting policies applied by the Group in these consolidated interim financial statements are unchanged from those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2014.

Basis of presentation
These consolidated interim financial statements have been condensed and prepared in accordance with (IFRS) IAS 34 'Interim Financial Reporting'; they do not include all the information required for full (i.e., annual) financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2014.

The consolidated financial statements of the Group as at and for the year ended December 31, 2014, are available upon request at the Company's office or at www.randstadannualreport.com.

Estimates
The preparation of consolidated interim financial statements requires the Group to make certain judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgments, estimates, and assumptions are the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2014.

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

Effective tax rate
The effective tax rate for the six-month period ended on June 30, 2015 is 26.0% (HY 2014: 30.0%), and is based on the estimated effective tax rate for the full year 2015 (actual effective tax rate for FY 2014: 29.9%).

Acquisition of Group companies
In Q2 2015, we had € 3.4 million cash outflow from acquired Group companies and equity investments (2014: € 0.4 million). YTD Q2 € 3.4 million (2014: € 1.9 million).

Disposal of Group companies
In Q2 2015, we had € 3.8 million cash inflow from disposed businesses (Q2 2014: zero), which mainly relates to the disposal of our Care business in Australia. YTD Q2 € 3.9 million (2014: zero).

Shareholders' equity

Issued number of ordinary shares

	2015	2014
January 1	180,109,671	177,433,667
Stock dividend	2,728,720	2,620,921
Share-based payments	180,844	55,083
June 30	**183,019,235**	**180,109,671**

As at June 30, 2015, the Group held 272,835 treasury shares (June 30 2014: 282,000), compared with 277,489 as at December 31, 2014 (December 31, 2013: 273,225). The average number of (diluted) ordinary shares outstanding has been adjusted for these treasury shares.

As at June 30, 2015 and December 31, 2014, the number of issued preference shares was 25,200,000 (type B) and 50,130,352 (type C).

Net income for holders of ordinary shares

in millions of €, unless otherwise indictated	Q2 2015	Q2 2014	6M 2015	6M 2014
Net income	**130.2**	**94.1**	**189.7**	**149.0**
Results of non-controlling interests	0.0	0.0	0.0	0.0
Net income attributable to holders of preference shares	3.2	3.2	6.3	6.3
Net income attributable to holders of ordinary shares	**127.0**	**90.9**	**183.4**	**142.7**
Amortization of intangible assets [1]	34.3	36.0	74.5	72.0
Integration costs and one-offs	2.2	0.9	11.4	5.8
Tax effect on amortization, integration costs, and one-offs	(11.2)	(11.6)	(26.2)	(24.5)
Net income for holders of ordinary shares (adjusted)	**152.3**	**116.2**	**243.1**	**196.0**
Average number of ordinary shares outstanding	181.8	178.9	180.8	178.0
Average number of diluted ordinary shares outstanding	183.4	181.1	182.3	180.1
Earnings per share attributable to the holders of ordinary shares of Randstad Holding nv (in € per share):				
Basic earnings per share	0.70	0.51	1.01	0.80
Diluted earnings per share	0.69	0.50	1.01	0.79
Diluted earnings per share before amortization and impairment of acquisition-related intangible assets and goodwill, badwill, integration costs, and one-offs [2]	0.83	0.64	1.33	1.09

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

Net debt position

The net debt position as at June 30, 2015 (€ 575 million) was € 153 million higher compared to the net debt position as at December 31, 2014 (€ 422 million). This is mainly due to the payment of dividend, the purchase of ordinary shares, and a negative free cash flow. During this quarter, the maturity term of the € 1,800 million multicurrency syndicated revolving credit facility has been extended one year from mid-2019 to mid-2020.

Breakdown of operating expenses

in millions of €	Q2 2015	Q2 2014	6M 2015	6M 2014
Personnel expenses	527.3	458.8	1,039.0	906.6
Other operating expenses	162.6	154.7	321.8	306.1
Operating expenses	**689.9**	**613.5**	**1,360.8**	**1,212.7**

Depreciation, amortization and impairment of property, plant, equipment and software

in millions of €	Q2 2015	Q2 2014	6M 2015	6M 2014
Depreciation of property, plant and equipment	11.5	11.1	22.9	22.6
Amortization of software	4.8	4.7	9.7	9.7
Total depreciation and amortization	**16.3**	**15.8**	**32.6**	**32.3**

French Competitive Employment Act (CICE)

Included in the consolidated balance sheet under 'financial assets and associates' is an amount of € 220.9 million (December 31, 2014: € 170.2 million) relating to a receivable arising from tax credits under the French Competitive Employment Act ('CICE'). This receivable is presented under non-current assets in the balance sheet, since the amount is expected to have a maturity of longer than one year, due to the combined effect of the legal regulations of these 'CICE' arrangements and the income tax situation of our French operations. In the cash flow statement, this amount is presented in the line 'other non-cash items' under cash flow from operating activities, since the 'CICE' arrangements are considered to be related to operating activities.

Total comprehensive income

Apart from net income for the period, total comprehensive income comprises translation differences and related tax effects that may be reclassified to the income statement in a future reporting period.

Related-party transactions

There are no material changes in the nature, scope, and (relative) scale in this reporting period compared to last year. More information is included in notes 22, 23 and 24 to the consolidated financial statements as at and for the year ended December 31, 2014.

Commitments

There are no material changes in the nature and scope of commitments compared to last year. More information is included in note 27 to the consolidated financial statements as at and for the year ended December 31, 2014.

Events after balance sheet date

Subsequent to the date of the balance sheet, no events material to the Group as a whole occurred that require disclosure in this note.