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

4th quarter and FY 2014 results

solid performance in Q4
good start to 2015

Jacques van den Broek, CEO
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Randstad Holding nv
February 19, 2015

disclaimer & definitions

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

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

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

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

agenda

- performance
- financial results & outlook
- Q&A
- appendices

performance

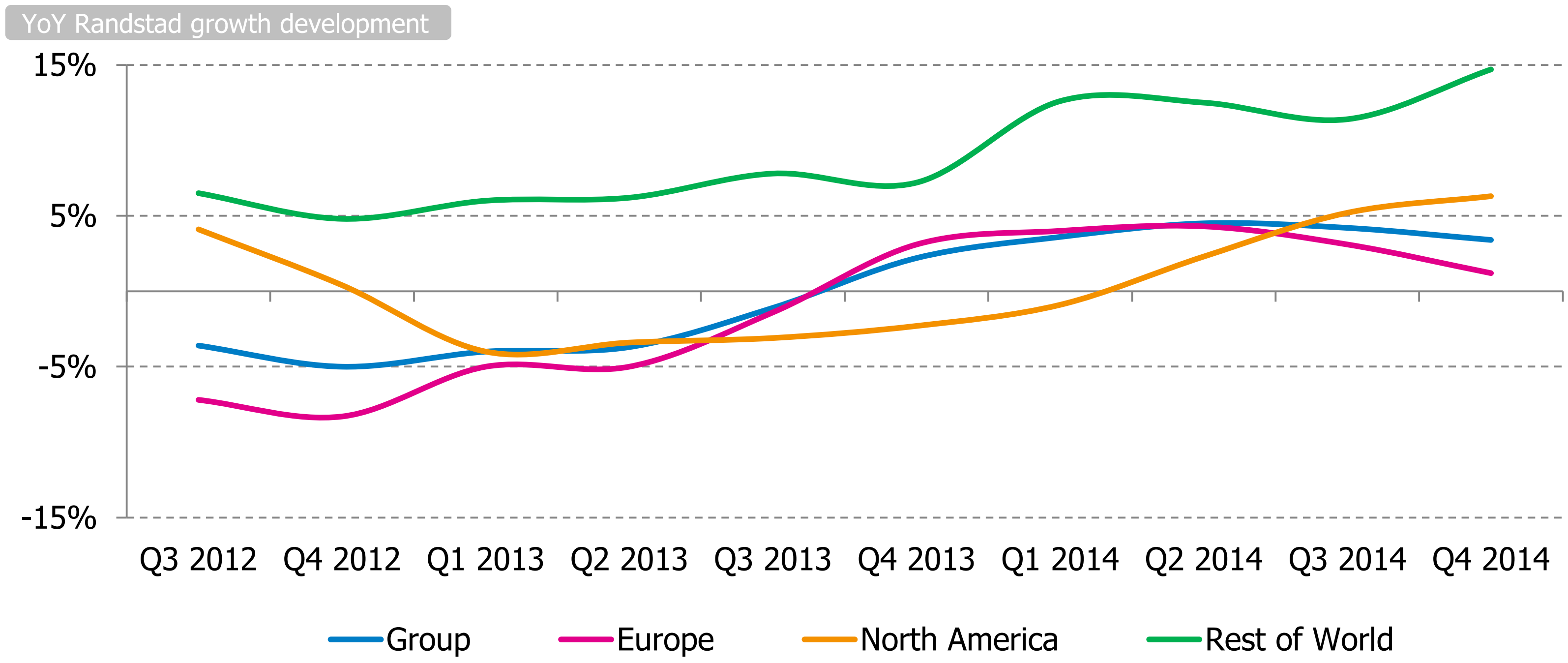
continued profitable growth

€ million	Q4 '14	Q4 '13	% Org.	FY '14	FY '13	% Org.
revenue	4,496	4,278	*+3%*	17,250	16,568	*+4%*
gross profit	841	785	*+5%*	3,180	3,012	*+6%*
gross margin	*18.7%*	*18.4%*		*18.4%*	*18.2%*	
operating expenses*	642	628	*+0%*	2,474	2,433	*+2%*
opex %	*14.3%*	*14.7%*		*14.3%*	*14.7%*	
EBITA*	**199**	**157**	***+25%***	**706**	**579**	***+23%***
*EBITA margin**	*4.4%*	*3.7%*		*4.1%*	*3.5%*	

- organic growth/wd at +3.4% in Q4, January at +6.5%
- gross profit growth at 5%; January at +9%
  - gross margin up by 30 bps YoY
  - perm accelerated to +21% in the quarter (Q3: +15%)
- operating expenses* stable YoY
  - headcount investment in selected countries continues
- EBITA* margin up to 4.4%, from 3.7% Q4 2013
  - full year incremental conversion ratio of 77% (Q4: 96%)

* Before integration costs & one-offs.

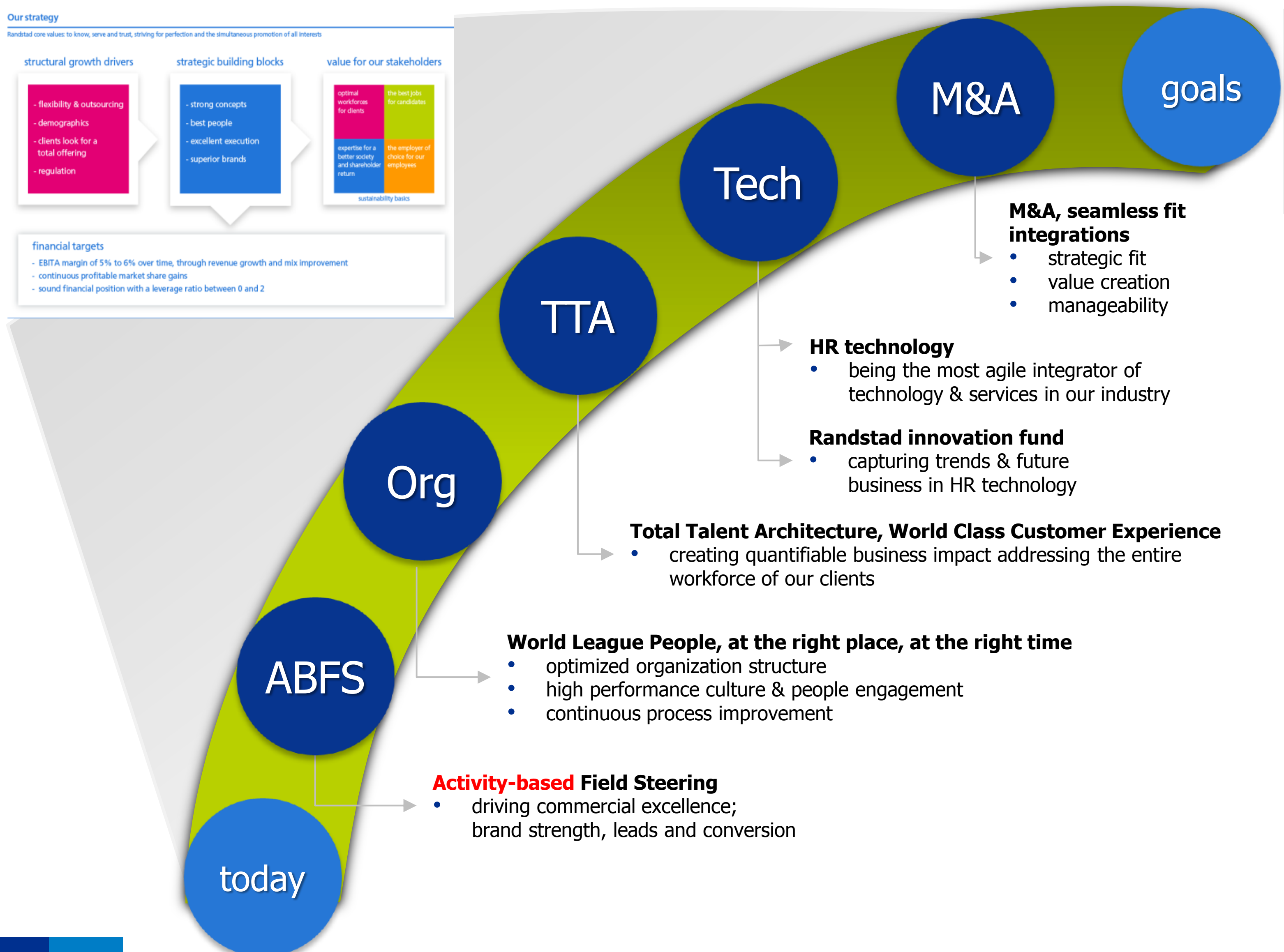
Q4 2014: emerging markets accelerating



- growth during 2014 remained within the 3-5% bandwidth
- growth expansion in North America driven by staffing and Canada
- Europe grew at a lower pace; The Netherlands improved, offset mainly by France
- accelerating growth in emerging markets and Australia, good growth in Japan

strategic roadmap

driven by best people, strong concepts, excellent execution and superior brands



Shape the world of work
- optimal workforces for clients
- the best jobs for candidates

Grow to 5-6% EBITA
- profitable growth
- improve margin
- increase productivity

M&A, seamless fit integrations
- strategic fit
- value creation
- manageability

HR technology
- being the most agile integrator of technology & services in our industry

Randstad innovation fund
- capturing trends & future business in HR technology

Total Talent Architecture, World Class Customer Experience
- creating quantifiable business impact addressing the entire workforce of our clients

World League People, at the right place, at the right time
- optimized organization structure
- high performance culture & people engagement
- continuous process improvement

Activity-based Field Steering
- driving commercial excellence; brand strength, leads and conversion

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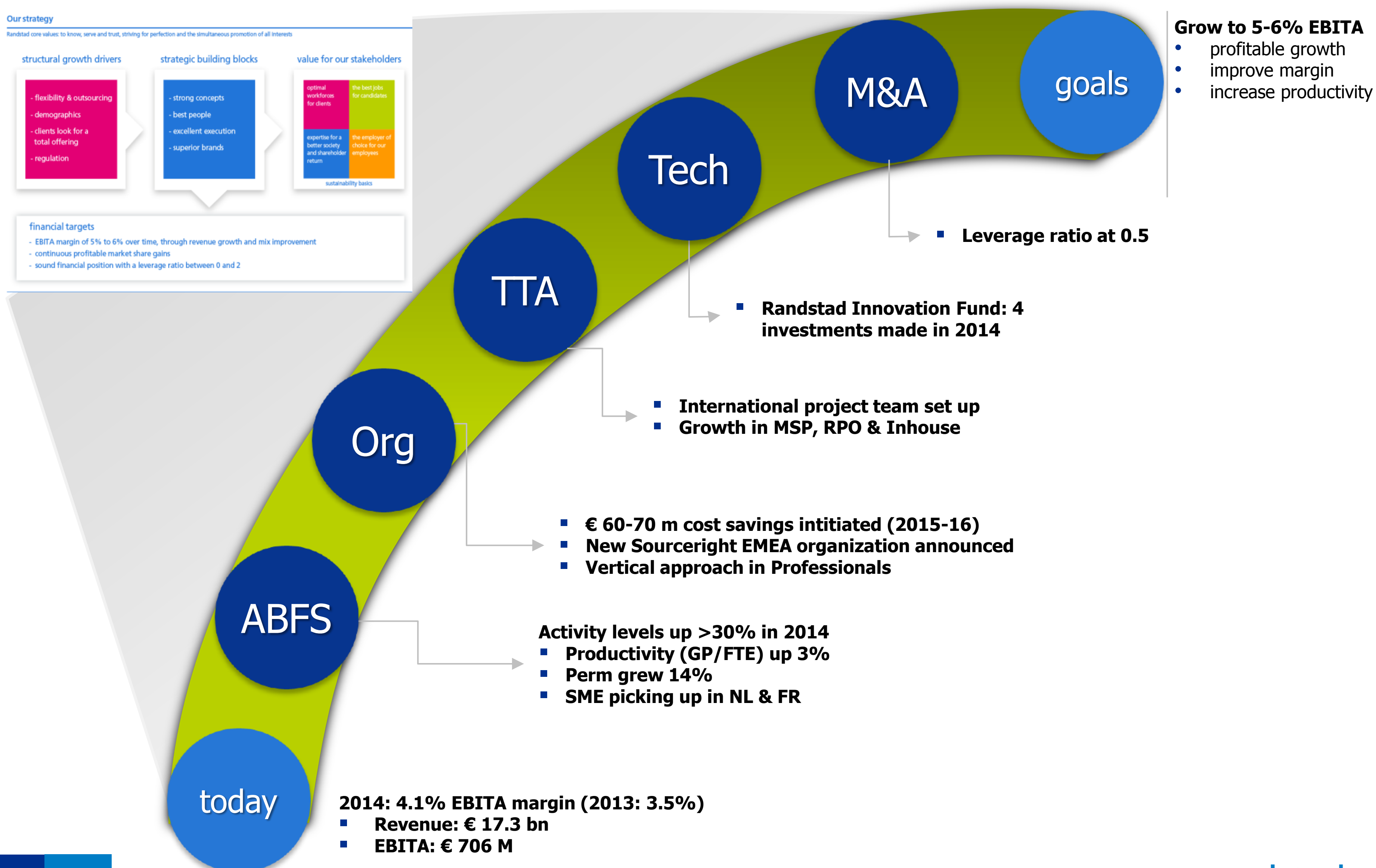
strategic roadmap: 2014 progress

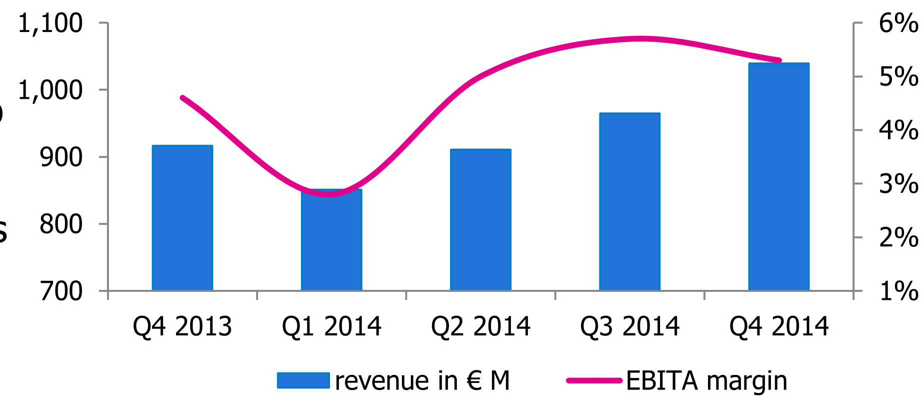


North America: growth continues

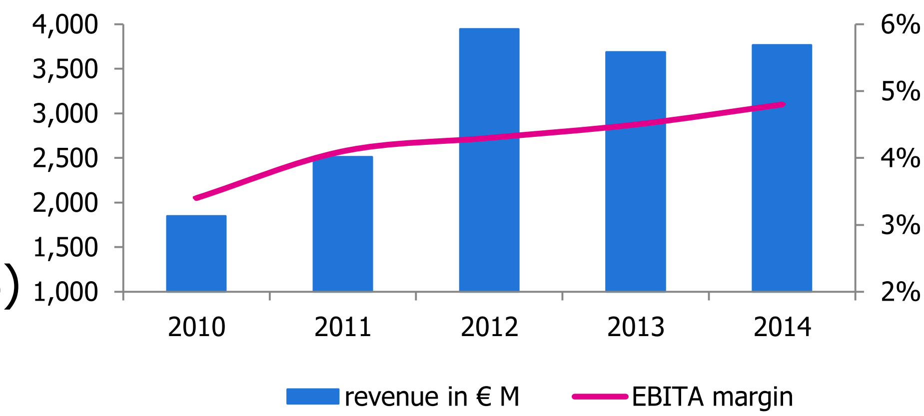
FY incremental conversion ratio of 49%

- revenue +6% (Q3: +5%)
- US staffing & inhouse, gross profit +8%
  - solid revenue growth +10% in Q4 (Q3: +10%)
  - good performance in manufacturing and logistics
  - strong perm (+23%)
- US professionals, gross profit up 5%
  - revenue flat (Q3: 0%)
  - perm up by 17% (Q3: +2%)
- Sourceright: profitable growth
  - RPO delivering solid profitability
  - MSP spend under management up 61%
- Canada: revenue growth +1% (Q3: 0%)
  - in line with market
- EBITA margin up to 5.3% from 4.6% LY

performance North America - quarterly



performance North America - annually



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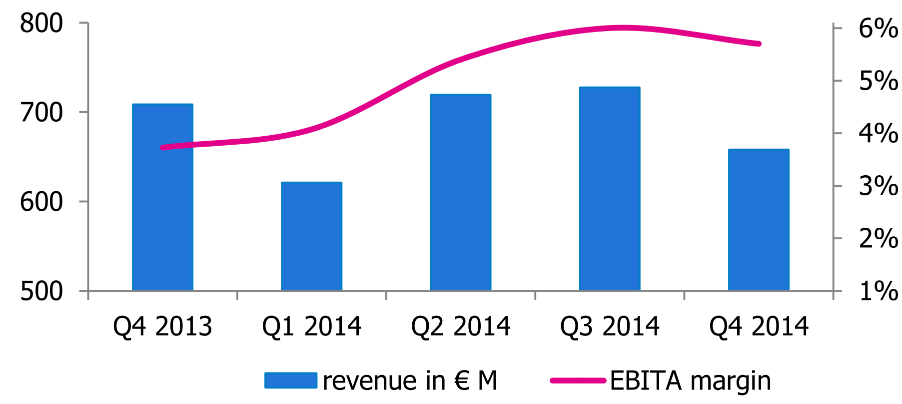
France: improving profitability in difficult market

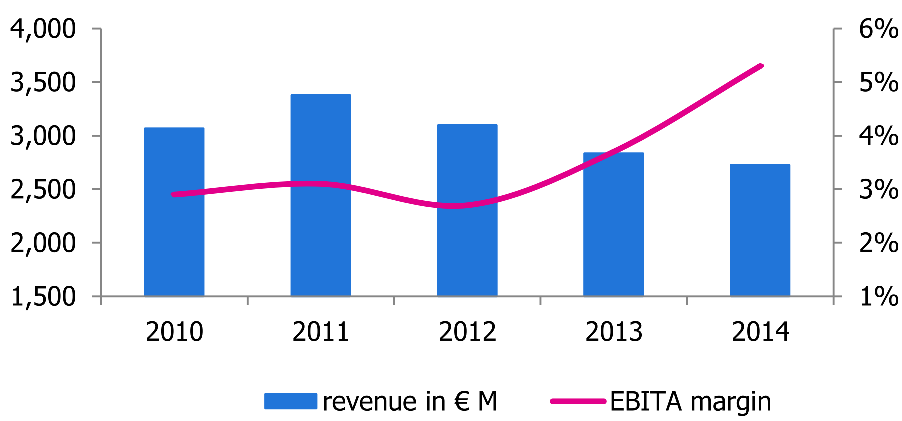
FY incremental conversion ratio of 188%

- revenue -/-8% (Q3: -/-4%)
  - combined staffing & inhouse at -/-9% YoY
  - inhouse was stable
  - professionals at -/-1% vs. Q3: +1%
- gross profit flat YoY
- costs down 1% sequentially
- EBITA margin up to 5.7% vs. 3.7% LY
  - FTE's down 1% YoY

performance France - quarterly



performance France – annually



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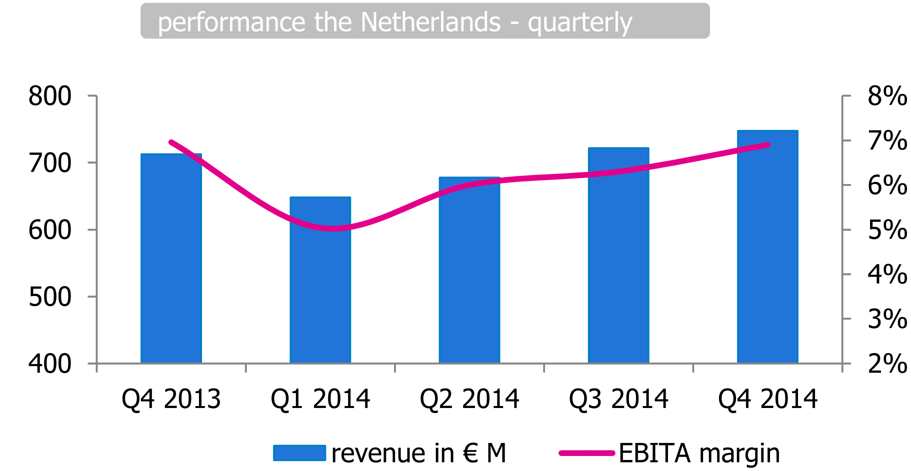
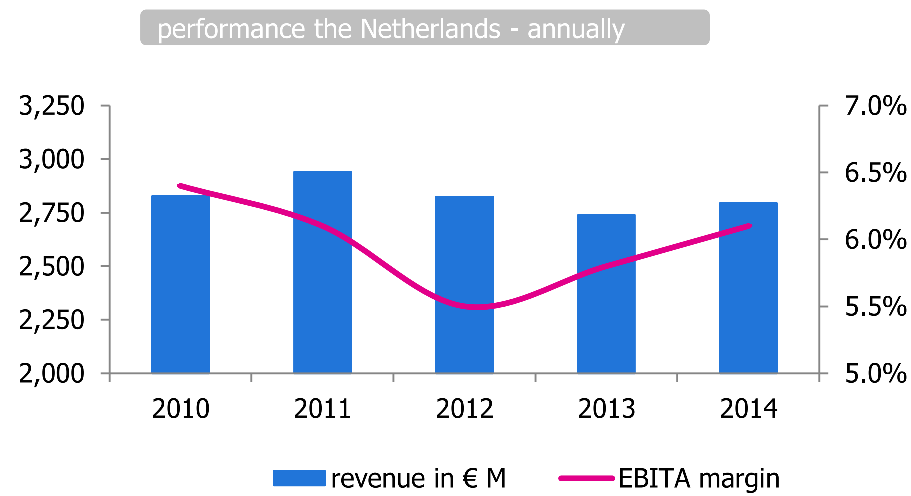
the Netherlands: ABFS paying off

FY incremental conversion ratio of 54%

- revenue at +5% (Q3: +4%)
  - Randstad +4% YoY (Q3: +3%), growth in SME
  - Tempo-Team growing at market, +8%
  - overall professionals up 13%
  - perm accelerated to +53% (Q3: +25%)
- costs up 2% sequentially
  - personnel costs higher, investing in growth
  - back office restructure completed
    - reduction of 250 FTE
- EBITA margin at 6.9%





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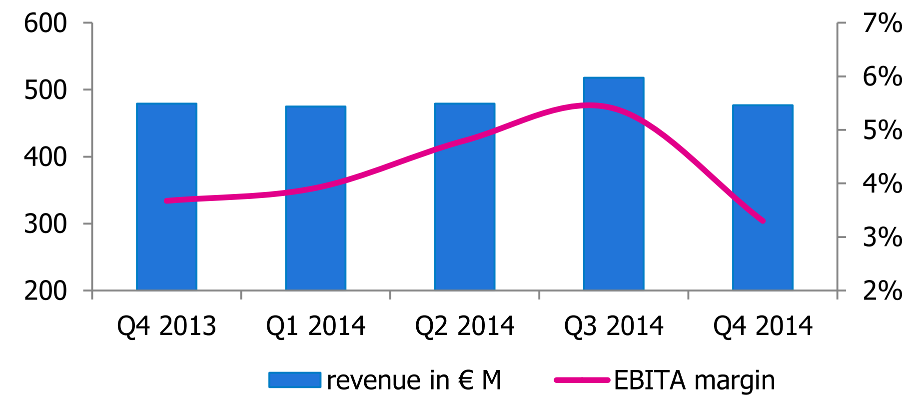
Germany: continued market challenges

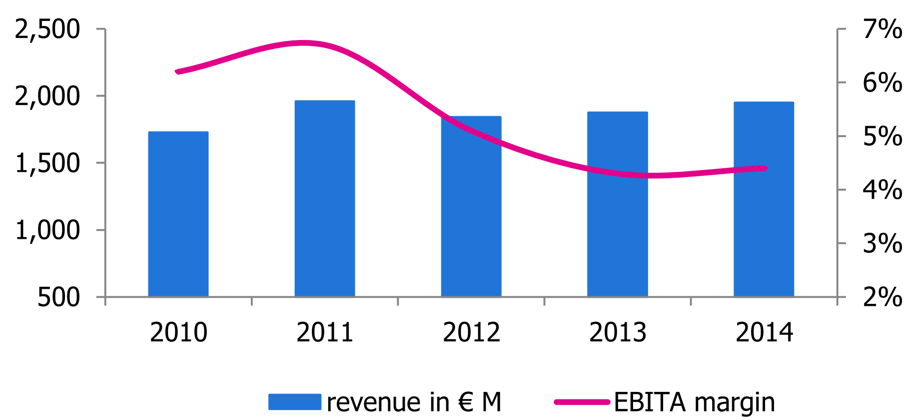
FY incremental conversion ratio of 70%

- revenue -/-1% (Q3: +2%)
  - price effect (+4%)
  - labor demand hit by wage cost increases & regulatory changes
  - perm growth of +20% (Q3: +29%)
  - focus on SME & delivery models
- gross margin;
  - impacted by 13 week avg calculation rule
- operating expenses were 6% lower YoY
  - cost control maintained
- EBITA margin at 3.3% vs. 3.7% LY

performance Germany - quarterly



performance Germany - annually



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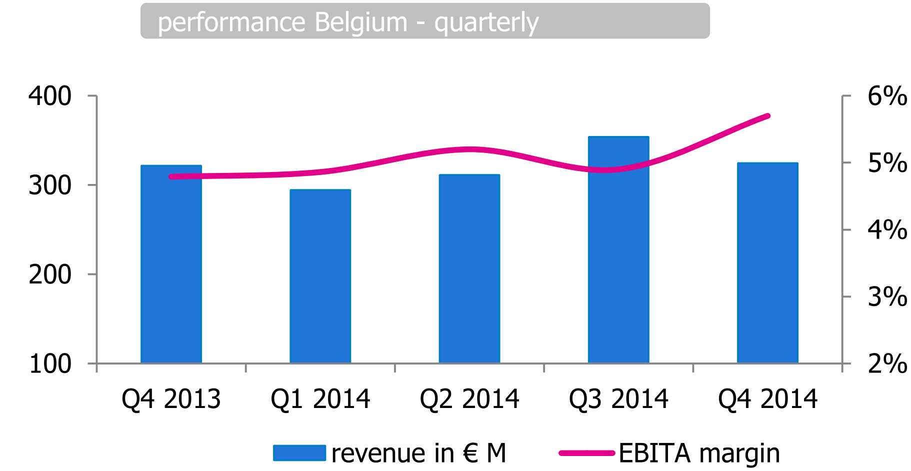
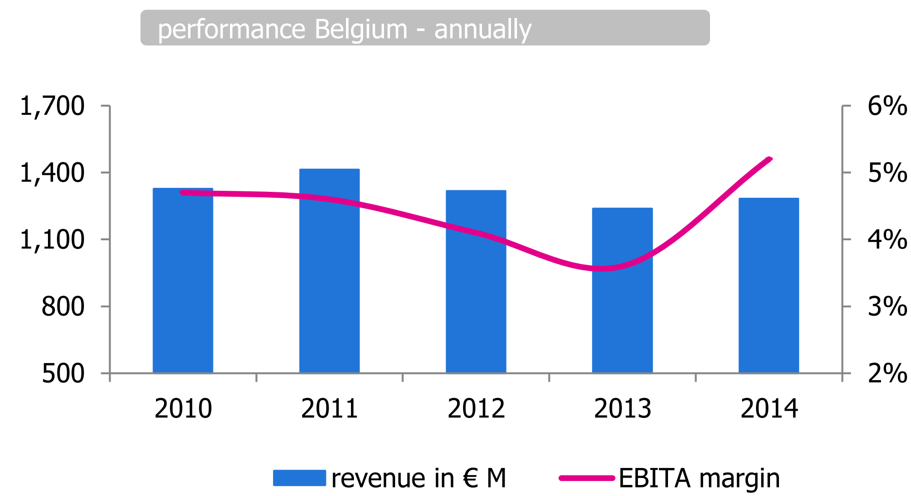
Belgium: focus on profitability

FY incremental conversion ratio of 135%

- revenue -/-1% (Q3: +6%)
  - impacted by strikes in December
  - inhouse growth eased to +5% (Q3: +13%)
  - growth in white-collar continues
  - professionals up +7% (Q3: +14%)
- gross profit up 9% YoY (Q3: +10%)
- EBITA margin up to 5.7% vs. 4.8% LY
  - strong operating leverage





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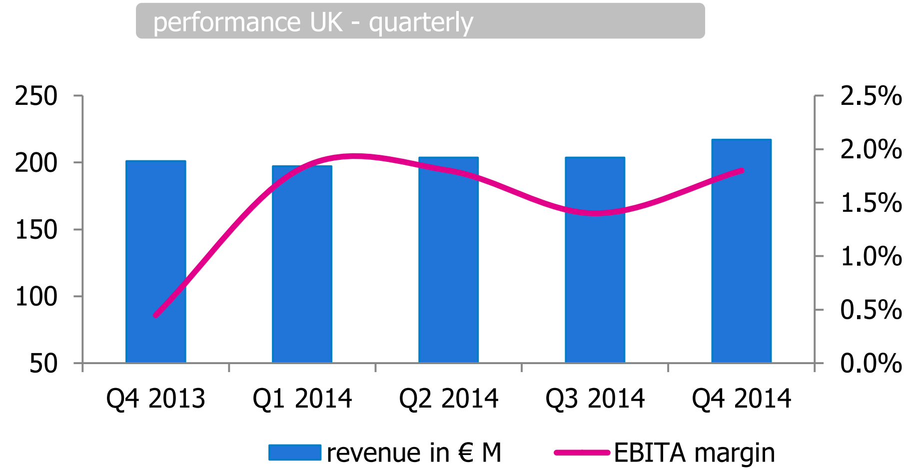
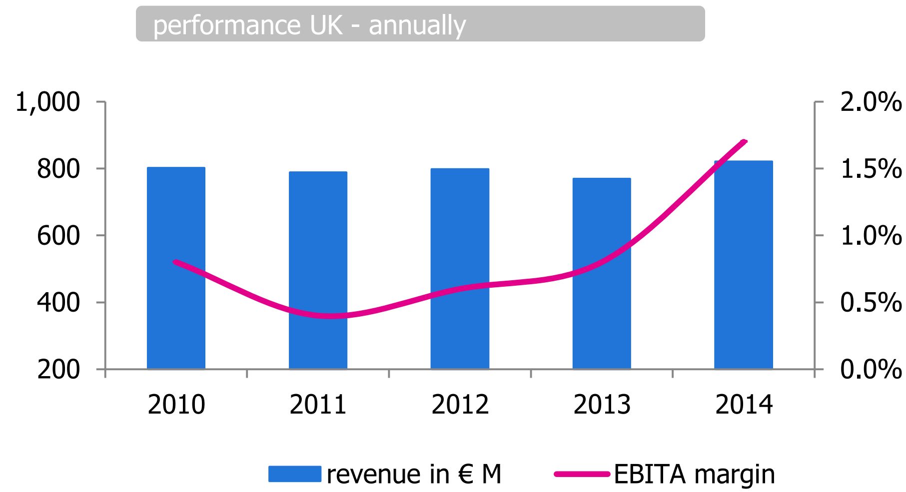
UK: another step

FY incremental conversion ratio of 71%

- revenue +2% (Q3: -/-3%)
  - gross profit up 9% (Q3: +8%)
    - strong performance in construction
    - finance & IT remain under pressure
  - perm fees up by 16% (Q3: +12%)
- operating expenses flat YoY
  - YoY headcount up 1%
- EBITA margin up to 1.8% vs. 0.4% LY

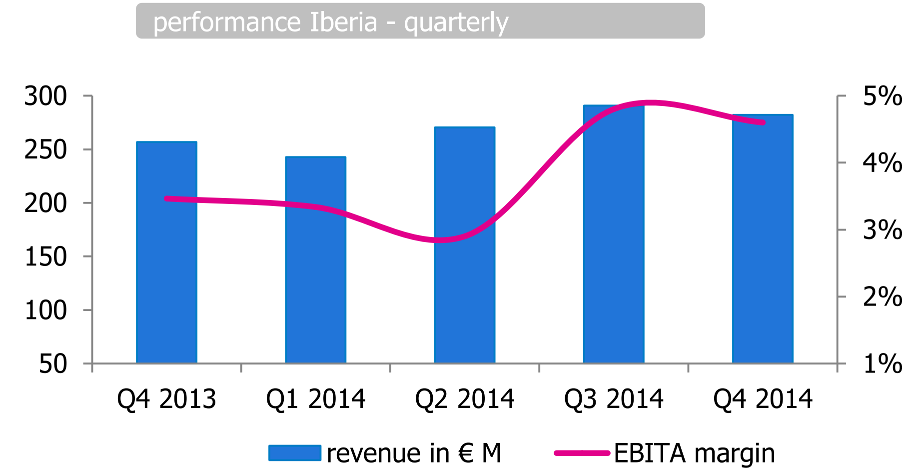


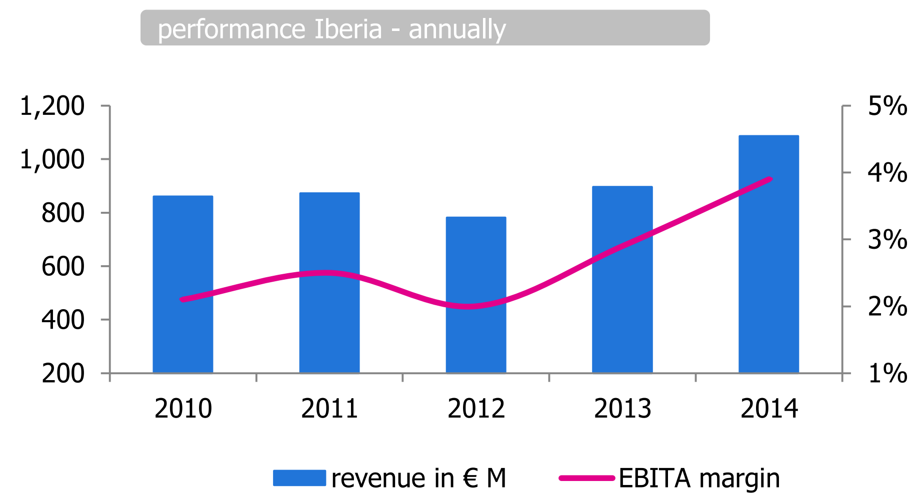


Iberia: stable growth

FY incremental conversion ratio of 159%

- Iberia revenue & gross profit up 9%
- Spain
  - revenue growth +12% (Q3: +9%)
  - growth in automotive and manufacturing
  - professionals (+98%) & perm (+54%) continue to show strong growth
  - strong operating leverage
- Portugal
  - growth at +4% (Q3: +9%)
  - continued growth in manufacturing and automotive
- EBITA margin up to 4.6% vs. 3.5% LY





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Other European countries: growth continues

- overall revenue growth +11%

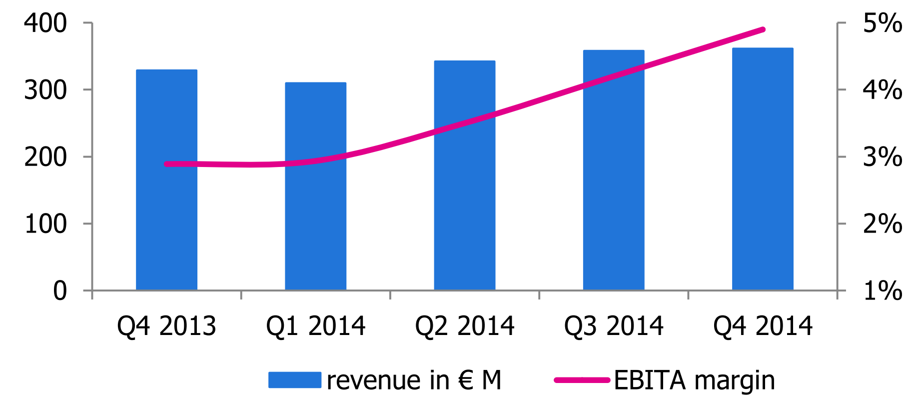
- Italy
  - revenue growth at 8% (Q3: +12%)
  - focus on specialties and perm

- Switzerland
  - growth improved to +13% (Q3: +14%)
  - strong growth at inhouse continues

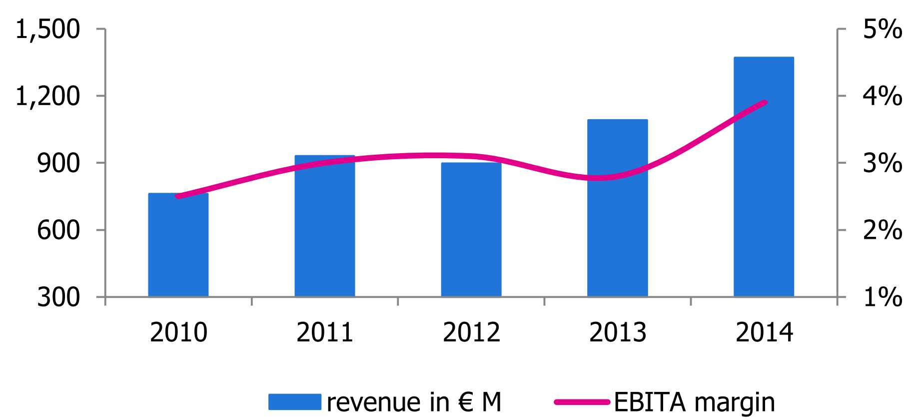
- Poland
  - strong growth at +17% (Q3: +19%)
  - investing in growth; FTEs up 5% sequentially

- EBITA margin up to 4.9% vs. 2.9% LY
  - profitability improving in many countries

performance ROE - quarterly



performance ROE - annually



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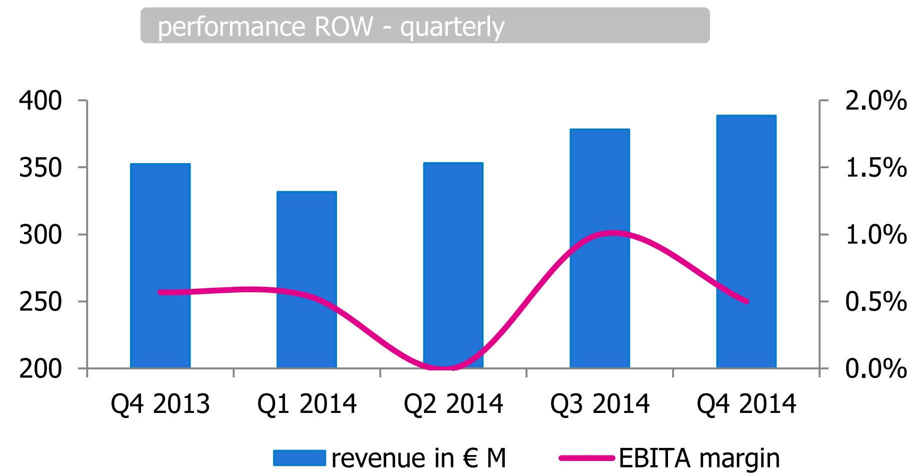
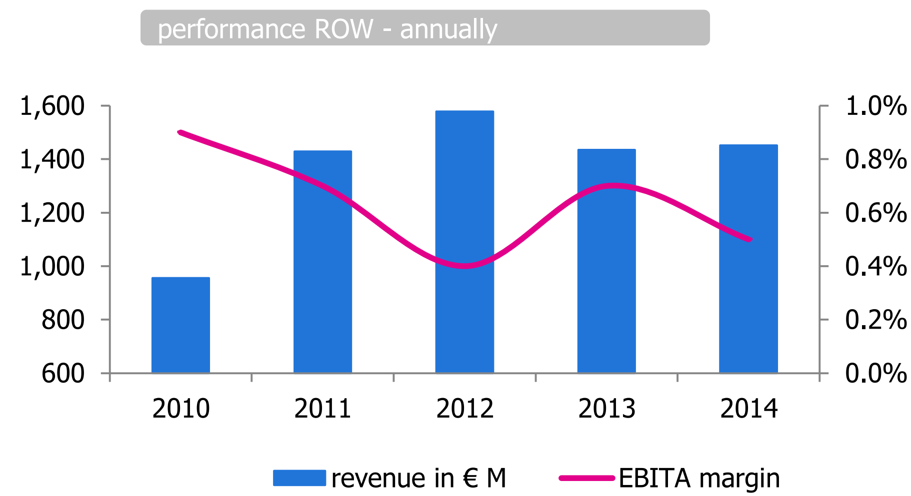
Rest of the world: stable trends

- Japan, growth at +8% YoY (Q3: +6%)
  - good growth in logistics and retail
  - administrative growth continues
  - investing in growth
- Australia / New Zealand grew by 24%
  - temp strengthened further, driven by business support
  - perm grew +34% (Q3: +20%)
- Asia, strengthening +9% (Q3: +8%)
  - China growing 41%, perm up 65%
  - investing in growth across region
- Latin America, up 17% (Q3: +13%)
  - focusing on capturing productivity improvements
- focus shifting to growth and profitability





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financial results & outlook

income statement Q4 2014

€ million	Q4 '14	Q4 '13	% Org.	FY '14	FY '13	% Org.
revenue	4,496	4,278	*+3%*	17,250	16,568	*+4%*
gross profit	841	785	*+5%*	3,180	3,012	*+6%*
gross margin	*18.7%*	*18.4%*		*18.4%*	*18.2%*	
operating expenses*	642	628	*+0%*	2,474	2,433	*+2%*
opex margin	*14.3%*	*14.7%*		*14.3%*	*14.7%*	
EBITA*	**199**	**157**	***+25%***	**706**	**579**	***+23%***
*EBITA margin**	*4.4%*	*3.7%*		*4.1%*	*3.5%*	
integration costs & one-offs	34	37		*45*	*49*	
reported EBITA	**165**	**120**		**661**	**530**	
amortization & impairment	-/- 37	-/- 36		-/-145	-/- 163	
net finance costs	-/- 12	-/- 4		*-/- 31*	*-/- 23*	
income before taxes	**116**	**80**		**485**	**344**	
tax	-/- 38	-/- 26		*-/- 145*	*-/- 113*	
net income	**78**	**54**		**340**	**231**	
*adjusted*** net income***	*125*	*105*		*460*	*368*	
*diluted EPS****	*0.68*	*0.58*		*2.54*	*2.07*	

* Before integration costs and one-offs.
** Attributable to holders of ordinary shares.
*** Before amortization and impairment acquisition-related intangible assets and goodwill, badwill, integration costs and one-offs.

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segment performance

Staffing in € M	Q4 2014	Q4 2013	*% organic**
revenue	2,645.0	2,578.2	*+2%*
EBITA	117.3	100.3	*+15%*
EBITA margin	*4.4%*	*3.9%*	

- good growth in North America, Netherlands, Iberia and emerging markets with focus retained on revenue quality
- Germany and France remain challenging markets, however profitability is stable
- perm +15%

Inhouse in € M	Q4 2014	Q4 2013	*% organic**
revenue	957.5	878.4	*+8%*
EBITA	55.4	43.7	*+27%*
EBITA margin	*5.8%*	*5.0%*	

- continued transfer of clients from staffing to ensure right delivery model is offered
- good growth continues in Netherlands, Belgium, Iberia, North America and emerging markets mainly in industrial & logistics clients

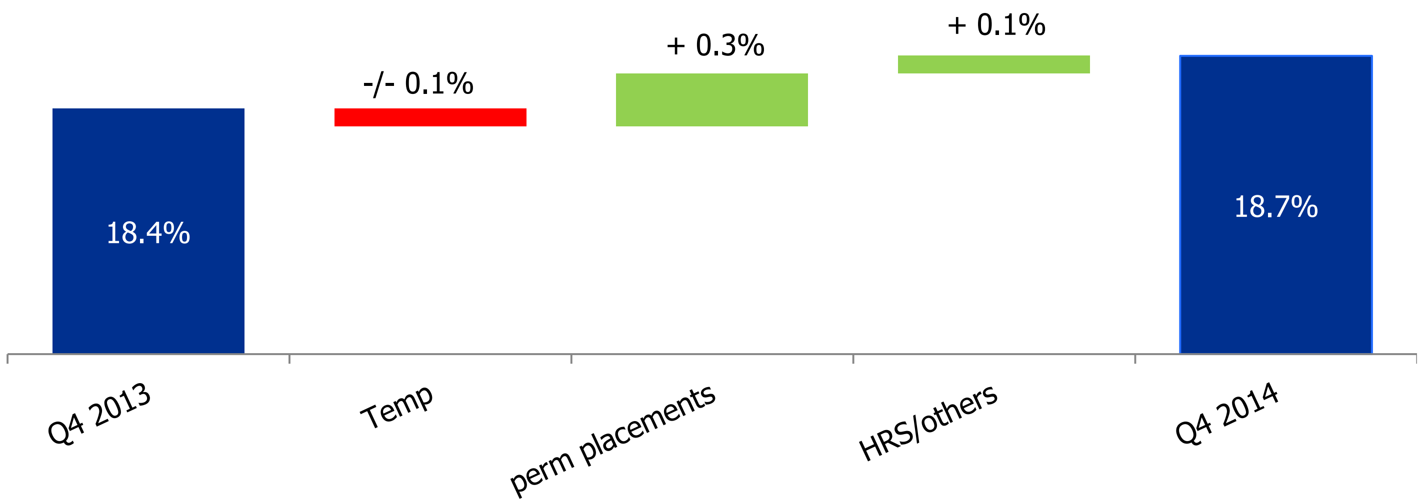
Professionals in € M	Q4 2014	Q4 2013	*% organic**
revenue	893.2	821.3	*+4%*
EBITA	42.7	28.2	*+45%*
EBITA margin	*4.8%*	*3.4%*	

- growth led by Belgium, NL, Germany, Iberia and emerging markets
- improving profitability trend in most main markets
- perm +23%

* Organic change in revenue is per working day.

gross margin bridge

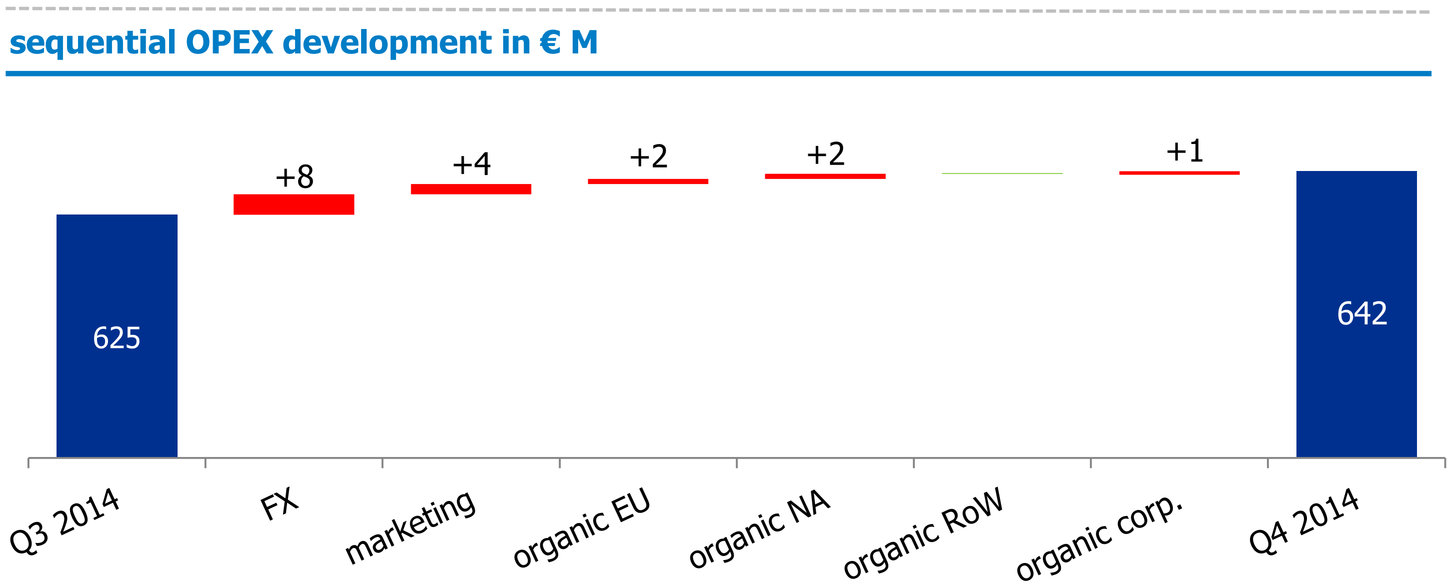
YoY gross margin development



- margin expansion in United Kingdom, France & North America
- continued focus on client profitability

- perm fees were 9.2% of GP (up from 7.8% LY)
  - organic growth of 21% YoY

operating expenses bridge



- negative FX impact
- good cost control maintained
- seasonally higher marketing spend

- FTE growth in North America, Iberia and Poland
- continued investment in emerging markets

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net debt down 45% YoY

leverage ratio at 0.5

€ million	December 31, 2014	December 31, 2013
goodwill and intangible assets	2,597	2,665
operating working capital	488	459
net tax assets	527	497
other assets and liabilities	123	48
invested capital	**3,735**	**3,669**
equity	3,313	2,908
net debt	422	761
invested capital	**3,735**	**3,669**
DSO, Days Sales Outstanding	*51.7*	*51.8*
working capital as % of revenue	*2.8%*	*2.8%*
leverage ratio	*0.5*	*1.2*
*return on invested capital**	*15.8%*	*12.6%*

* Based on underlying EBITA (last 12 months) less income taxes paid (last 12 months) as a percentage of invested capital. Income taxes paid in 2013 are adjusted for the payment of a liability of € 131 million to the Dutch tax authority.

Q4 free cashflow up 61%

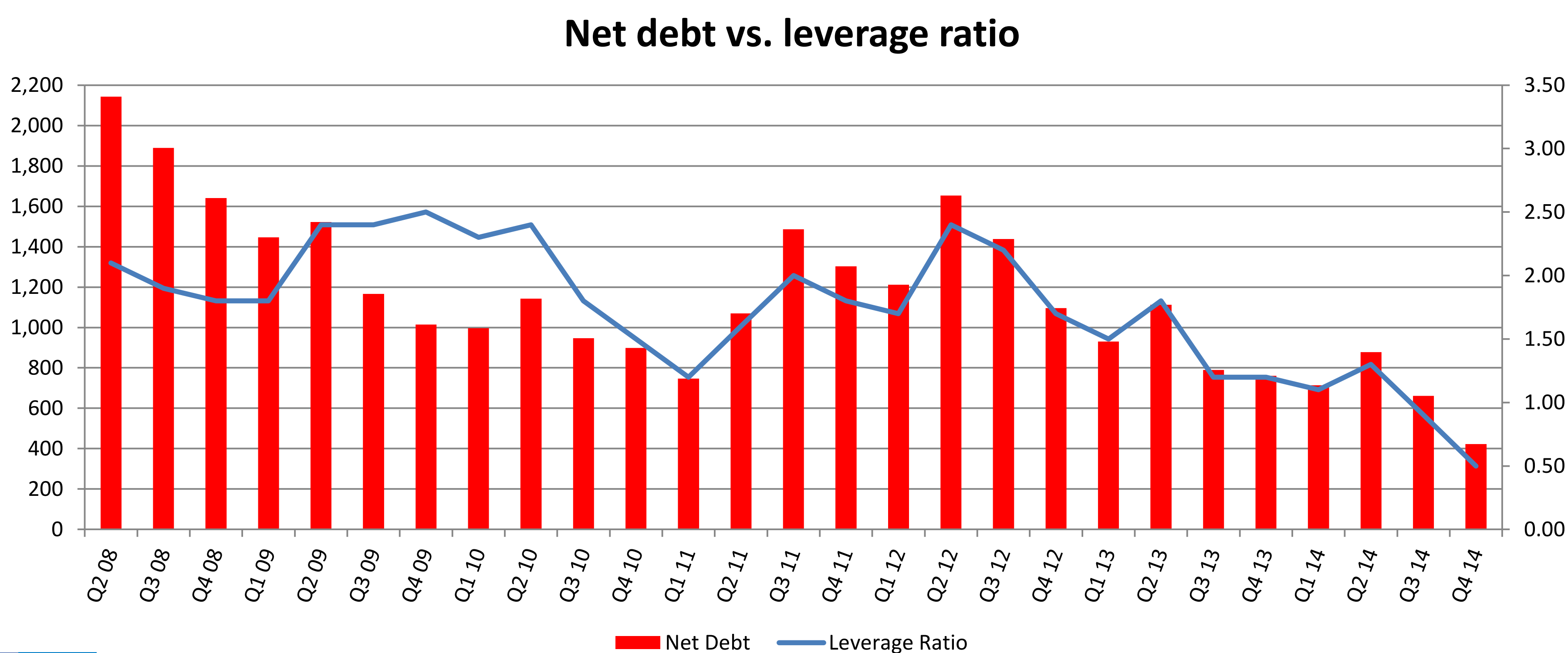
€ million	Q4 '14	Q4 '13	FY '14	FY '13
EBITDA	182	136	726	598
change in OWC	114	112	9	78
income taxes paid	-/- 26	-/- 164	-/- 117	-/- 246
Provisions & employee benefit obl.	18	-/- 26	7	-/- 51
net additions in PPE and software	-/- 23	-/- 23	-/- 63	-/- 45
other items	-/- 12	-/- 6	-/- 67	-/- 38
financial receivables	-/- 7	-/- 7	-/- 7	-/- 3
free cash flow	**246**	**22**	**488**	**293**
net acquisitions/disposals/buyouts	-/- 2		-/- 6	
net issue/purchase of ordinary shares	-		-/- 24	
net finance costs paid	-/- 11		-/- 30	
dividend paid	-		-/- 68	
translation effects and other items	6		-/- 21	
net debt decrease	**239**		**339**	

- free cash flow (when adjusted for the payment of a liability of € 131 million to the Dutch tax authority) in Q4 '13: € 153M
  - the change in provisions relates primarily to the recently announced restructures.

solid free cash flow development

- free cash flow of € 488M vs. + € 293M LY 15% growth normalized
  - growth has led to increase in working capital requirements, offset by a strong DSO performance
  - impact of payment of € 131 million to the Dutch tax authority in the prior year

- leverage ratio improved to 0.5 (Q4 2013: 1.2)
  - net debt down to € 422M (vs. € 761M last year)
  - interest expenses down to € 3.2M (Q4 2013: € 6.2M)



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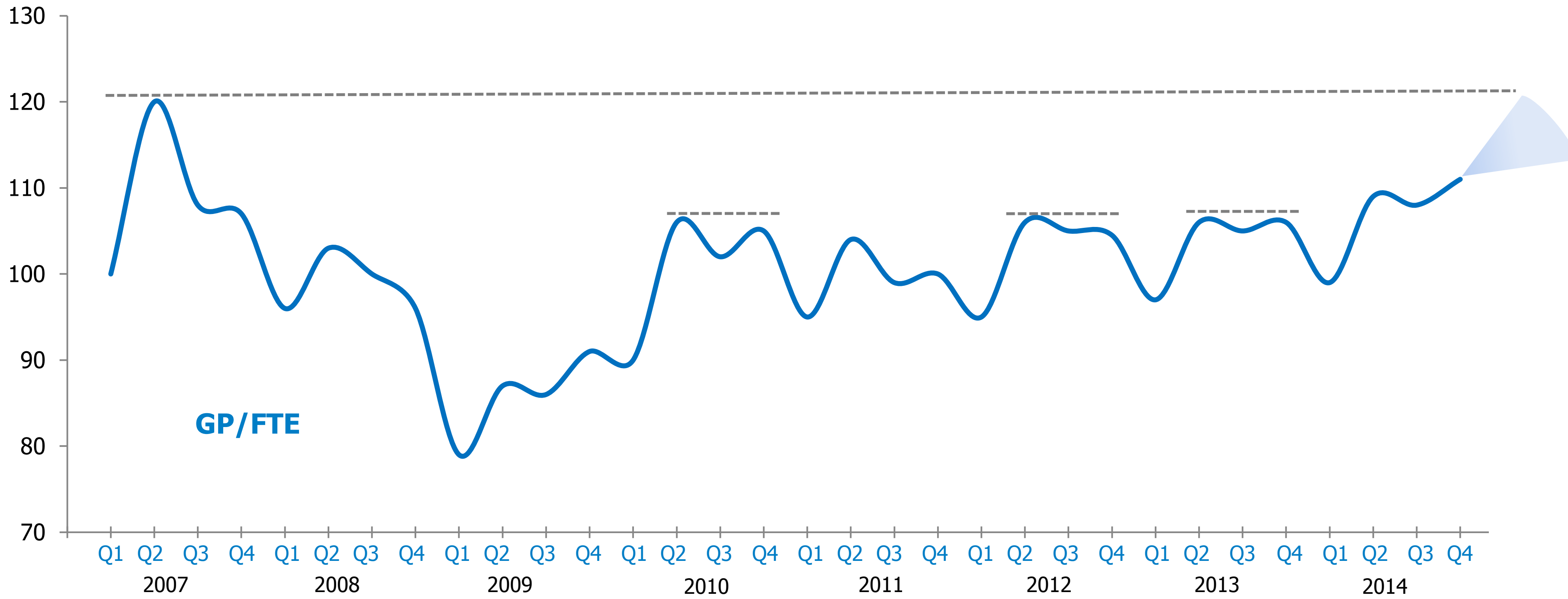
productivity trend; still room for improvement

productivity development on Group level (index)



- productivity maintained at 2010 levels during years of sales decline in 2012/2013
- ABFS has aided the productivity uplift seen so far in 2014 (GP/FTE up 3% yoy)
- **productivity is still below levels reached in 2007**

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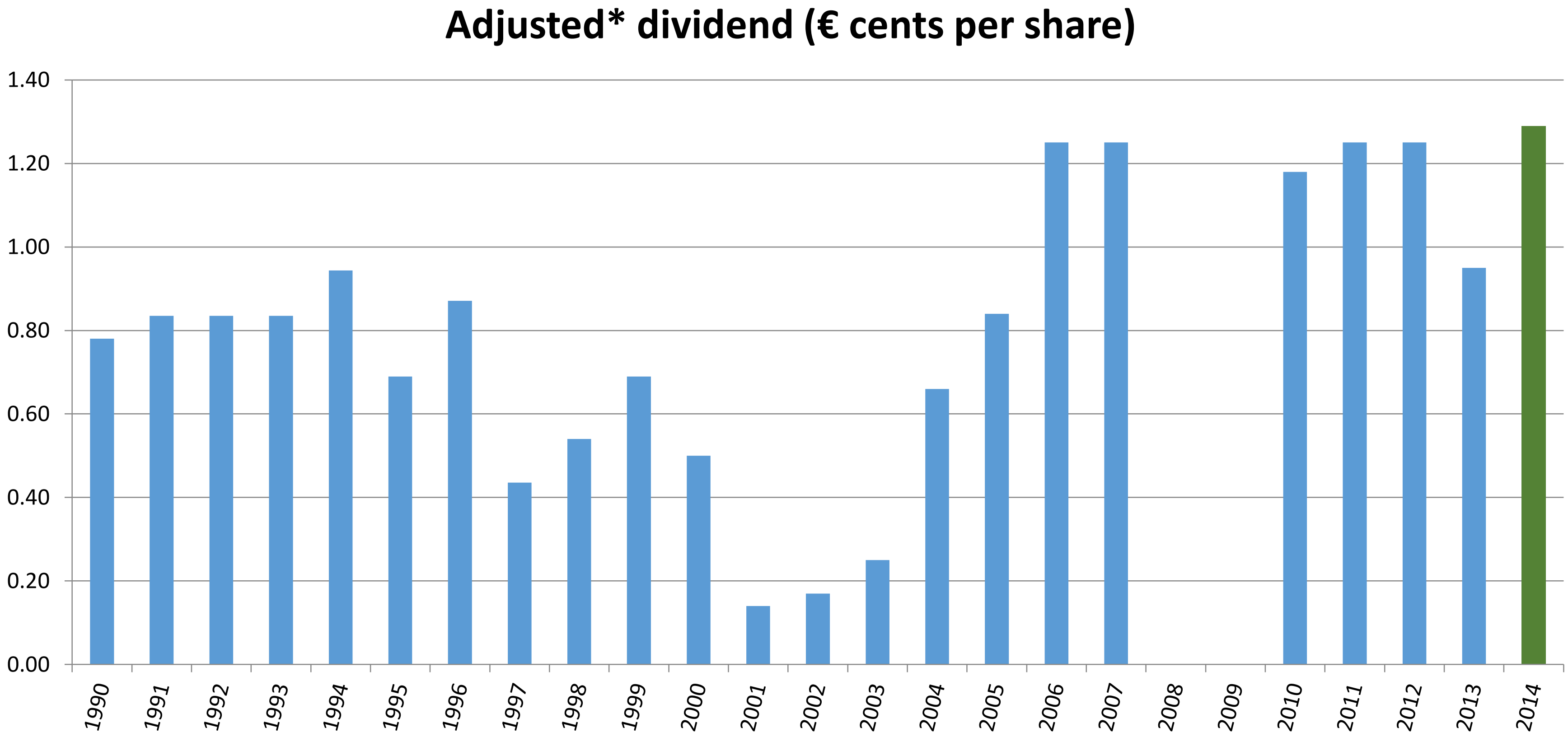
dividend proposal: record high

- proposed dividend payment over 2014
  - **payment of € 1.29 per ordinary share (+36%)**
  - payout of 50% of adjusted net profit, reflecting strong financial position
  - choice between cash and shares, default cash



* Adjusted for 1995 2 for 1 stock split and 1997 5 for 2 stock split

outlook

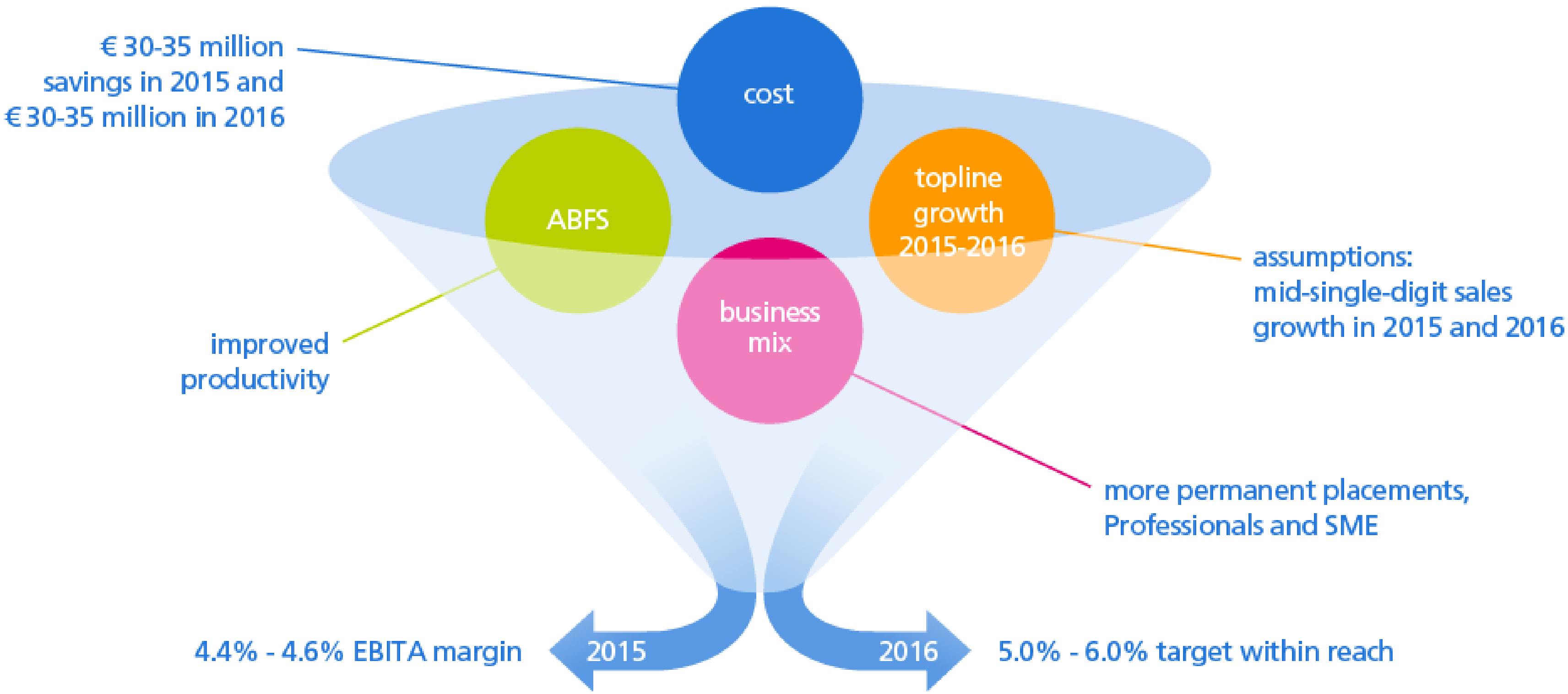
- organic revenue/wd grew by 3.4% in Q4 2014, while it was up 6.5% in January
  - revenue growth stable in Q4 (December revenue impacted by timing of holidays – January benefiting)
  - February volume appears in line with January on a normalized basis
  - comparison base continues to strengthen (+2.2% in Q4 ’13 to +3.6% in Q1 ’14)
- gross profit stable throughout Q4 at 5%, up 9% in January
  - continued focus on revenue quality
  - seasonally lower gross margin in Q1 vs. Q4
- same number of working days as last year
- moderate decrease in underlying cost base sequentially
  - normal seasonal adjustment in cost base
  - continued investment in headcount in selected markets
  - restructuring measures start to become effective in NL
  - actual opex inflated by FX impact sequentially (around € 23m)
- Annual General Meeting of Shareholders (AGM) on April 2nd in Diemen

January exit rates

revenue growth per working day	**Q4, 2014**	**January, 2015**
North America	+ 6%	+ 6%
France	-/- 8%	-/- 1%
Netherlands	+ 5%	+ 11%
Germany	-/- 1%	-/- 2%
Belgium (incl. Luxembourg)	-/- 1%	+ 8%
Iberia	+ 9%	+ 20%
United Kingdom	+ 2%	+ 4%
Rest of Europe	+ 11%	+ 11%
Rest of the world	+ 15%	+ 13%
Group	**+ 3.4%**	**+ 6.5%**

on track

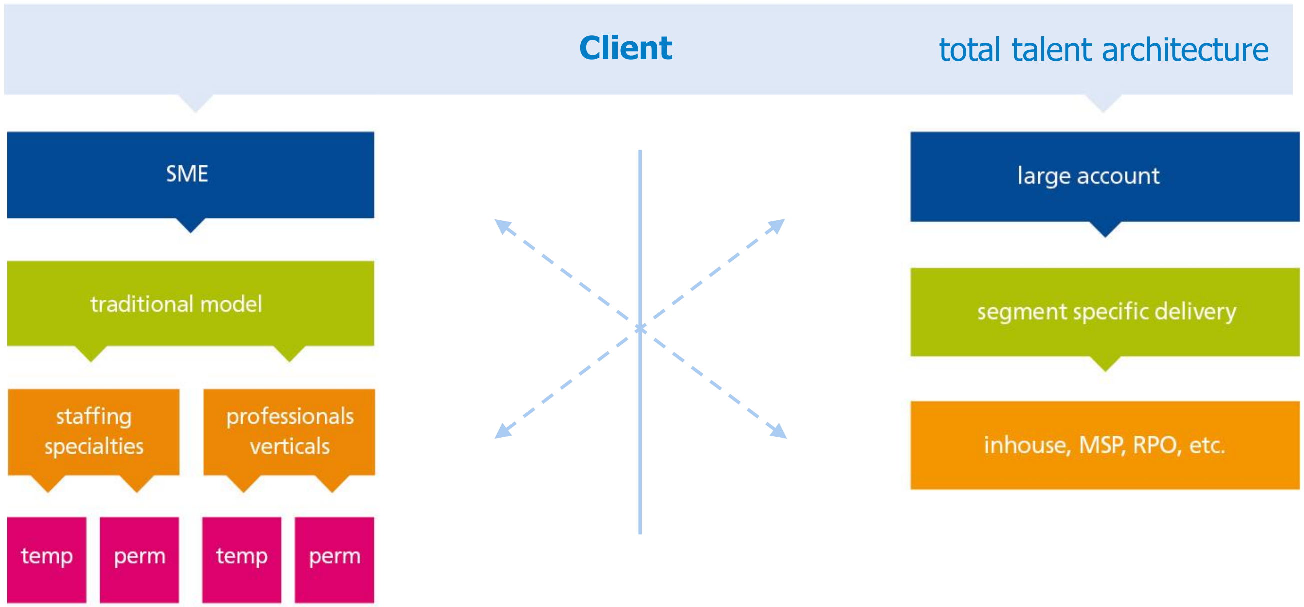
Targets within reach



Q&A

appendices

our priorities



Staffing
- leverage our expertise in specialty staffing
- focus on permanent placements
- SME

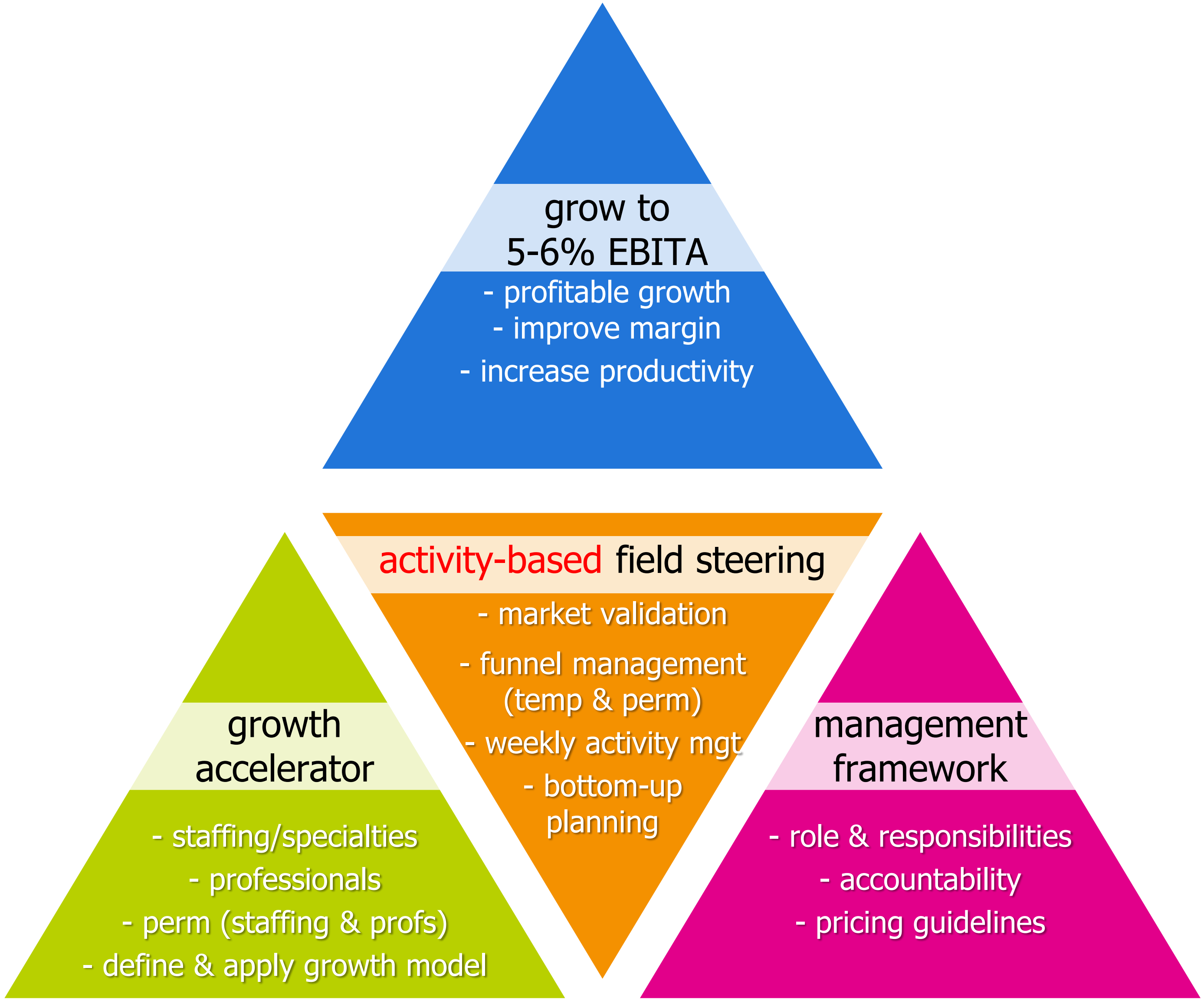
Professionals
- implementing global concept per segment
- focus on permanent placements
- SME

Inhouse
- expand in white-collar and professionals
- increase share of wallet

HRS
- grow in MSP and RPO
- support TTA approach:
  - payrolling
  - outplacement
  - outsourcing

setting the ambition

profitable organic growth through **activity-based** field steering



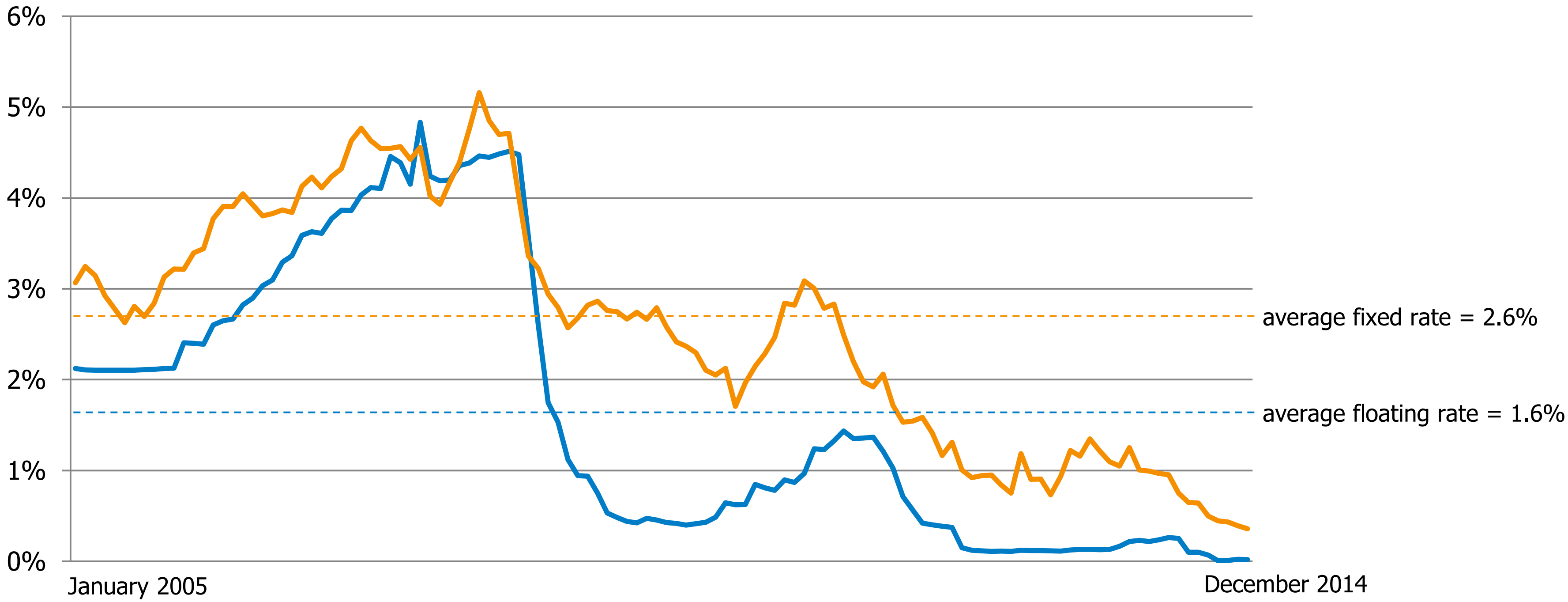
integrated approach of line management & all functional disciplines

portfolio Executive Board

Executive Board member	Country Responsibility	Functional Areas
Jacques van den Broek, chairman & CEO	Germany, Australia, New Zealand, China, Hong Kong, Singapore & Malaysia	Business Concept Development; Global Client Solutions; HR; Marketing & Communications; Public Affairs; Inhouse concept
Robert Jan van de Kraats, vice-chairman & CFO	Japan, India, Denmark, Sweden, Norway	Control, Strategy and M&A; Accounting; Tax; Treasury; Investor Relations; Business Risk & Audit; IT; Legal;
Chris Heutink	The Netherlands, Italy, Austria, Switzerland, Poland, Czech Republic, Slovakia, Hungary, Greece, Turkey	
Linda Galipeau	USA, Canada, UK	Professionals concept; Innovation
François Béharel	France, Belgium & Luxembourg, Spain, Portugal, Brazil, Argentina, Uruguay, Chile, Mexico	Staffing concept

financing: fixed vs. floating interest rates

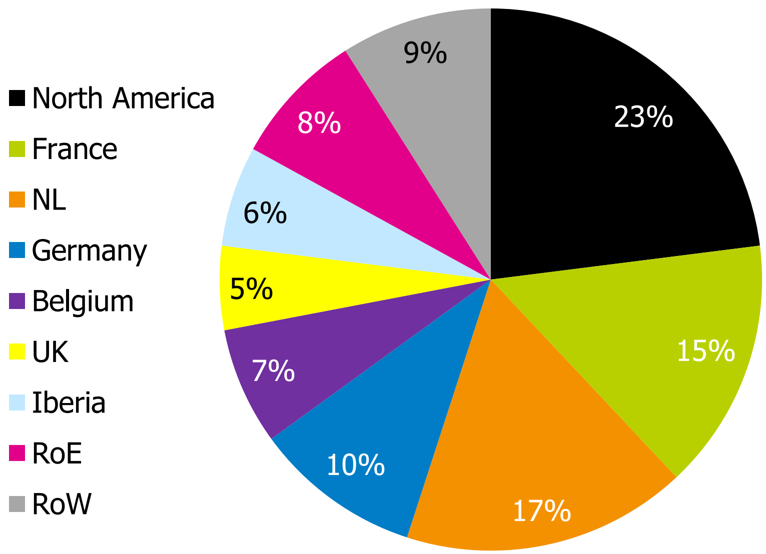
10 year historic interest rates comparison 1M vs. 5Y



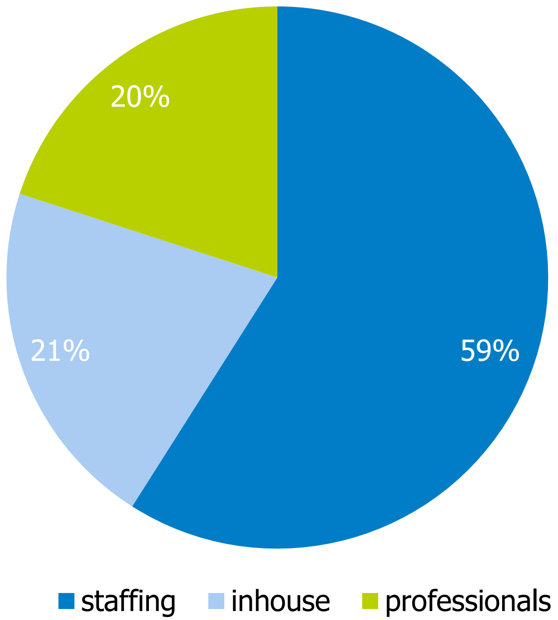
- we use floating interest rates as a natural hedge
  - spread above Euribor of 50-115 bps

revenue split Q4 2014

geographical areas

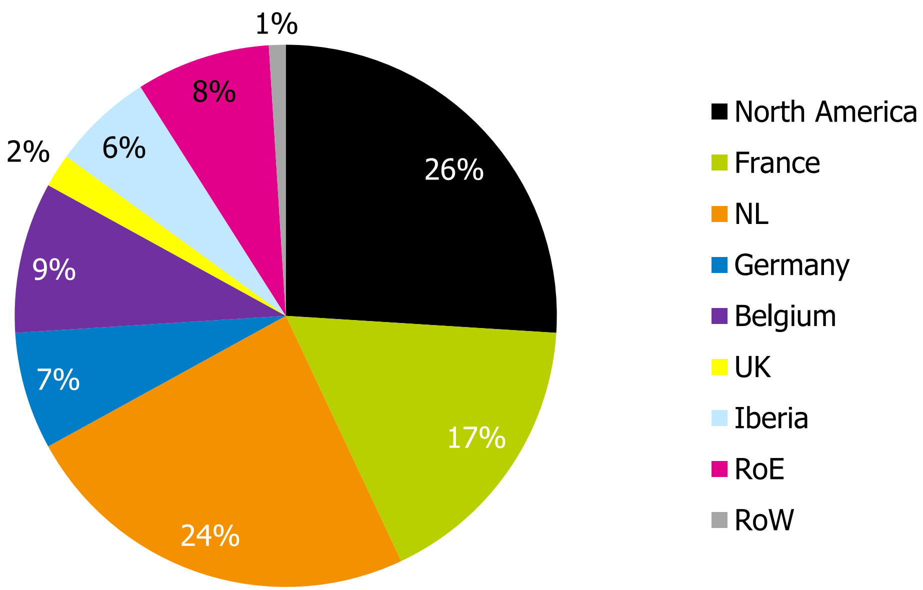


revenue categories

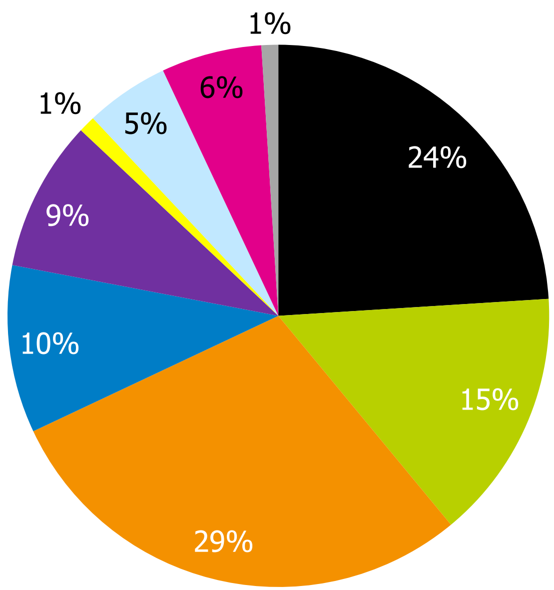


EBITA breakdown by geography

Q4 2014



Q4 2013



randstad

outlets* by region

end of period	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
North America	1,084	1,074	1,087	1,075	1,055
France	741	743	766	794	791
the Netherlands	689	666	675	675	672
Germany	555	548	551	550	557
Belgium/Lux	310	314	313	314	307
United Kingdom	140	141	141	142	147
Iberia	292	288	290	283	405
Rest of Europe	391	389	381	380	435
Rest of the world	209	213	215	216	218
total	**4,411**	**4,376**	**4,419**	**4,429**	**4,587**

* Branches and inhouse locations.

corporate staff by region

average	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
North America	6,230	6,160	6,250	6,230	6,320
France	3,430	3,410	3,370	3,370	3,480
the Netherlands	4,430	4,420	4,320	4,240	4,260
Germany	2,620	2,610	2,600	2,610	2,620
Belgium/Lux	1,780	1,790	1,720	1,700	1,800
United Kingdom	1,550	1,530	1,510	1,520	1,530
Iberia	1,630	1,600	1,530	1,490	1,530
Rest of Europe	2,570	2,480	2,400	2,360	2,260
Rest of the world	4,680	4,720	4,660	4,570	4,530
Corporate	200	200	190	190	180
total	**29,120**	**28,920**	**28,550**	**28,280**	**28,510**

staffing employees by region

average	Q4 2014	Q4 2013
North America	114,900	105,600
France	66,100	73,300
the Netherlands	79,400	82,600
Germany	45,500	47,700
Belgium/Lux	40,100	40,900
United Kingdom	17,000	18,500
Iberia	60,000	53,900
Rest of Europe	59,000	52,100
Rest of the world	113,000	114,200
total	**595,000**	**588,800**